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By email: informedleaders@gmail.com

Tēnā koutou,

Proposed New Central Otago Airport

We have read your open letter of 24 January 2023. We welcome your interest in our project and your wish to make an informed contribution to this conversation.

Aviation is and will continue to be critical to New Zealand's prosperity and way of life

Aotearoa New Zealand cannot escape from the fact that it is a geographically isolated country. High-quality air connectivity is, and will always be, an important driver of social and economic wellbeing.

The government's first Emission Reduction Plan published in May 2022 reinforces that aviation will remain a critical way to stay globally connected and move both people and freight to/from domestic and international destinations and markets.

The routes on Aotearoa New Zealand's domestic aviation network span over 20,000kms and are enabled by less than 100 kms of runways. Within this system airports are critical lifeline utilities. This network, and its resilience, can't be replicated by any other readily available mode of travel or infrastructure in New Zealand.

Through the efficient movement of people and goods, aviation adds real value to Aotearoa New Zealand beyond the single sector of the economy implied in your letter. Approximately 16% of Aotearoa New Zealand's exports and 22% of our imports by dollar value travel in the holds of passenger aircraft, yet these high value goods make up only 1% of the total volume. We should also not underestimate the importance of a strong visitor economy to the national economy, and many of our regional economies.

As New Zealand moves towards net zero emissions by 2050 the measure of foreign exchange earned per tonne of CO₂e will drive which sectors can pay the highest price for carbon. This aligns with the acceleration of businesses into the digital economy promoted within the Government's Digital Aotearoa strategy. Air freight will be the key enabler of this international trade, with sectors that rely on aviation continuing to produce the highest foreign exchange earnings per tonne of CO₂e.

Decarbonising aviation will take leadership from inside and outside the sector

Christchurch Airport recognises and acknowledges many of the concerns you have shared in your letter. We have been consistent with our message that aviation needs to decouple itself from fossil

fuels if it is to continue to operate and most importantly if communities are to continue to enjoy the things they value so dearly.

The wider aviation sector is acutely aware of the need to decarbonise. There is a global effort underway to do so. We agree there is a real need to have the right policy settings in place to achieve that ambition.

There is ample evidence that technologies do exist to achieve this transition however the sector needs to find ways to scale their production and accelerate the uptake of those technologies. We also need to ensure that airport infrastructure supports airlines in their efforts to reduce the impact of travel on greenhouse gas emissions through the use of their most efficient aircraft.

Christchurch Airport does not presume to have all the answers and it does not underestimate the scale of the task ahead. We strongly believe the best way to tackle these problems is by taking a proactive approach to exploring how New Zealand ensures regions, now and in the future, can benefit from having the right infrastructure in place. That will require collaboration and the development of new ideas and approaches.

Christchurch Airport is recognised globally for its leadership in decarbonisation

Christchurch Airport recognises the need to take a leadership position to confront the challenges posed by a changing climate. That includes taking a science-based approach to reducing our environmental footprint. We started independently auditing our greenhouse gas emissions in 2006 and have cut our onsite operational (Scope 1) emissions by 90% since our baseline year of 2015.

Christchurch Airport is deeply engaged with the need to reduce emissions, build resilience to the effects of climate change, and support the transition to a decarbonised aviation sector. Our actions include:

- becoming the first airport in the world to reach the highest level of decarbonisation under the Airports Council International's carbon accreditation programme.
- developing a 400ha renewable energy precinct, Kōwhai Park, designed to provide the green energy the new generations of electric and hydrogen aircraft will require.
- partnering with international aerospace leader Airbus, global green energy company Fortescue Future Industries (FFI), Air New Zealand, next generation energy company Hiringa Energy and liquid hydrogen solution pioneers Fabrum to support the acceleration of the commercial deployment of green hydrogen-powered aircraft.
- partnering with Hamburg Airport to work on infrastructure for the use of green hydrogen in aviation.
- establishing its first Sustainability Linked Loan.
- being a foundation signatory to the Climate Leaders Coalition and a member of Sustainable Business Council.
- chairing APEC Business Advisory Council Climate Leadership for Businesses Task Force.

Adapting to a changing climate requires the right infrastructure in the right places

Decarbonisation is only one part of the challenge posed by a changing climate. Adapting to climate change impacts is equally important if Aotearoa New Zealand is going to continue to thrive. Ensuring Aotearoa New Zealand has adaptive infrastructure located in the right place will require:

- long term planning beyond 30 year horizons around how our regions will grow and change to enable them to be well connected through resilient, well located infrastructure.
- understanding key infrastructure's vulnerability to sea level rise. The Reserve Bank has highlighted 14 airports within New Zealand that may be exposed to 30cm of sea-level rise

over the next 30 years. This risk to key infrastructure was also referenced this week in the Environmental Defence Society's first working paper on managed retreat law.

- enabling the development of infrastructure that can access resilient supplies of renewable energy. For example, Queenstown Lakes District Council (QLDC) in its April 2021 submission to the Climate Change Commission noted *"the electricity network in the district is nearing its capacity and ...is challenged in terms of the resilience of the network, the affordability of electricity and the ability to electrify extensively."*

Ignoring the connectivity needs of future generations is not an option

Aotearoa New Zealand does not have a great track record of planning for the future. Doing nothing in the face of a well-documented and fast-approaching infrastructure deficit and changing climate jeopardises the long-term ability of communities to maintain or improve their standard of living.

At Christchurch Airport we understand what it means to be an intergenerational asset. Future-focussed thinking is very much at the forefront of our decision-making and we bring that level of curiosity and ambition to all our projects. The decision to explore a new airport for Central Otago aligns with that approach.

Central Otago is one of New Zealand's fastest growing regions and will be impacted by a shortfall of aviation infrastructure

Both the areas of QLDC and Central Otago District Council (CODC) are forecast to be amongst the fastest growing in New Zealand over the coming decades. With a mobile population, high-quality air connectivity will continue to be an important driver of social and economic wellbeing.

Queenstown Airport has served the region's air travel needs well for decades, and while it has been a controversial topic, there is consensus that it is rapidly approaching its operational capacity.

It is simply not correct to sustain a narrative that Central Otago airport is being "designed to stimulate demand". That demand already exists on current routes. Queenstown Airport's own forecasts show the number of visitors and residents who wish to use the airport over the next 20 years far exceeds its ability to service them.

Forecasts at those airports across Australia and New Zealand which feed the Central Otago region, show visitors will continue to visit the region. Many of those feeder airports are upgrading their own infrastructure at significant cost.

The proposed Central Otago airport is being considered to proactively manage that future demand when, not if, Queenstown Airport reaches capacity.

Aviation is a critical driver of Central Otago's social and economic wellbeing

The vitality of Central Otago's economy depends on the efficient movement of people and products. The \$3.85 billion of domestic and international visitor spending in Central Otago accounts for 30% of the value of all purchases from Central Otago businesses. It is spread across a wide range of businesses including retailers, accommodation providers, cafes & restaurants, transport providers, and arts & recreation providers. Many of these businesses sell their goods & services to Central Otago residents as well as visitors, creating and sustaining things that enhance residents' lives.

Nearly 15,130 jobs and \$547 million of wages and salary income in the region was supported by those visitors. This is equivalent to 30% of all jobs in Central Otago, and 23% of all wage and salary income.

Doing nothing about air capacity constraints in the region is not an effective management strategy

Constraining air capacity will not put a ceiling on demand – it will cause congestion, higher prices, and inefficient travel patterns. Central Otago residents are more likely to be disadvantaged by a supply shortage than visitors.

It is also likely that constraining air capacity will ultimately cause carbon emissions to grow as a result of increased driving and over-flying through less direct fly-drive options.

New Zealand has clear frameworks and a rulebook that applies to all new infrastructure proposals

It is clear both from your letter and website, your group has strongly held views. We do not seek to convince you of the merits of our proposal, but it needs to be recognised that any calls for stays to our investigations are premature. We are still in the early stages of what will be a long project and one which will need to navigate policy and planning frameworks to proceed. At this stage, we are exploring our project and know that to proceed it will require consideration of the economic and wellbeing impacts and benefits to the Central Otago region, as well as any potential impacts on the region's environment, flora and fauna and infrastructure.

Those frameworks will, as you suggest "*require[s] decision processes that are informed by the very latest research insights.*" That is still some way off in the future and will only be taken after extensive consultation with key stakeholders. The future of this project, if we choose to proceed to the regulatory stage, will ultimately be determined by a third-party regulator after considering all information placed before them. That information will necessarily be high quality and wide reaching.

Should you wish to, like other interested parties, each of you will have an opportunity to participate in that process should that time come.

Christchurch Airport has an "open door" and an "open mind"

We are not assuming any outcome but are committed to planning for Aotearoa New Zealand's long-term future and being part of the solution. The ability of regions to continue to enjoy the benefit of high quality and resilient connections in a low emission environment is a key feature of that.

In the meantime, we welcome open conversations with interested parties as we continue our work. You will find preliminary information papers published on our website www.centralotagoairport.co.nz. These will be supplemented over time as we complete our work.

Ngā mihi,



Michael Singleton

Project Director

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Copy to:

- Hon. Chris Hipkins, Prime Minister
- Hon. Carmel Sepuloni, Deputy Prime Minister
- Hon. Grant Robertson, Minister of Finance
- Hon. Dr Duncan Webb, Minister of State Owned Enterprises
- Christchurch City Council Mayor, Councillors, Community Board Members and Executive
- Christchurch City Holdings Limited board members and Executive
- Central Otago District Council Councillors, Community Board Members and Executive
- Otago Regional Councillors and Executive