

30 November 2023

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For: Department of Infrastructure, Transport, Regional Development, Communications & the Arts.

Air New Zealand Submission on the Aviation Green Paper – Towards 2050

1. Air New Zealand welcomes the opportunity to submit on the Aviation Green Paper (**Green Paper**) and supports the Australian Government’s vision to set the policy direction for the aviation sector out to 2050. Air New Zealand agrees that a safe, efficient, sustainable, productive and competitive aviation sector is critical to the economy and the standard of living of Australia, New Zealand and the broader Pacific region.
2. Air New Zealand is the largest domestic and international airline in New Zealand, providing both passenger and cargo transport services across 30 international ports including 9 Australian destinations. In 2023 the airline flew almost 16 million customers, operated 169,251 flights, and carried 114,000 tonnes of cargo around the globe.
3. Australia is a critical part of Air New Zealand’s network - in FY19, Australia was the most popular destination for New Zealand travellers with 1.4 million visitors making up approximately 15% of total visitors to Australia. New Zealand was also the most popular outbound travel destination for Australians with 1.5 million visitors accounting for 40% of all international visitors to New Zealand - numbers are on track to return to these levels in FY24.

4. The past year has proven that an increasingly dynamic operating environment is here to stay. Airlines across the globe have dealt with the challenges of restarting in a post-Covid world and Air New Zealand has not been exempt from these challenges. The airline has faced supply chain issues, staff shortages, the rising costs of inflation, and significant weather events, all of which have had an impact on our customers. This challenging operating environment further highlights the need for a coherent and responsive aviation system and a well aligned policy approach to aviation in our region.
5. With all borders being opened for the first time since the pandemic, the extensive ramp up of operations in 2023 has led to a substantial increase in carbon emissions compared to 2022. Taking real action and demonstrable steps towards delivering the ambitions outlined in our Sustainability Framework¹ will be a key component of enhancing Air New Zealand's operational resilience and maintaining our social licence to operate.
6. Air New Zealand's central contribution to that response is the reduction of carbon emissions across our operation, with the goal of reaching net zero emissions by 2050. An interim 2030 science-based carbon reduction target is in place to guide Air New Zealand and hold us to account. Sustainable Aviation Fuel (SAF) and next generation aircraft - powered by renewable electricity or green hydrogen will be the critical technologies that need to be scaled and made more affordable to help reduce carbon emissions. Supporting the development of and transition to these technologies will require co-ordination across multiple sectors and close cooperation with the Australian Government.

Air New Zealand Priorities – Aviation White Paper

7. The four key policy priorities Air New Zealand would like the Aviation White Paper to address are for the Australian Government to:
 - **take a more regional approach to aviation policy** given the interdependency of the Australian, New Zealand and Pacific aviation systems with significant

¹ [2023-Air-New-Zealand-Sustainability-Report-Final.pdf \(p-airnz.com\)](#)

shared passenger movements, airport and air navigation linkages, fuel security challenges, and a joint commitment to decarbonisation. This is key to improving the competitiveness, efficiency, and resilience of aviation connectivity in the region;

- work with **New Zealand to land an aligned strategic policy framework for SAF uptake and provision in the Asia-Pacific region** and not fall further behind the US and the EU in the development of a SAF industry;
- **mandate the Aeronautical Pricing Principles (APPs) to guide pricing negotiations between airlines and airports** in consumers' best interests; and
- deliver on work announced by the respective Prime Ministers of New Zealand and Australia in July 2023 to move closer towards **'seamless travel across the Tasman'**.

8. We further elaborate on these priorities and set out our detailed response to the questions raised in the Green Paper in Appendix A.

9. Air New Zealand is grateful for the opportunity to submit on the Green Paper and looks forward to further engagement on the drafting of the Aviation White Paper. For any further queries on this Submission please contact Niels Meinderts, Regulatory Affairs Manager at Air New Zealand.

Yours sincerely,



30 November 2023

Mat Bolland
Chief Corporate Affairs Officer
Air New Zealand

Appendix A

Air New Zealand Response to the Australian Government’s Aviation Green Paper 2023

Chapter 2 – Likely future directions out to 2050	
Question	Air New Zealand Response
<p>1. What emphasis should the Australian Government place on these trends to help guide the future of the sector?</p> <p>2. Are there any other trends the Australian Government could add?</p>	<ul style="list-style-type: none"> • Air New Zealand supports the Australian Government’s intended key objectives for the Aviation White Paper as listed in the Green Paper. In particular: the need to urgently work with industry to minimise the environmental impacts of aircraft operations and chart an ambitious and realistic pathway to net zero by 2050. • An additional key theme that should be included within the White Paper scope is the need for continued alignment and harmonisation of regional aviation policy settings. Aviation is a system that is inherently cross-border and therefore the policy environment should foster regional/multilateral policy solutions wherever possible. • Australia and New Zealand’s aviation policy settings are highly influential on the broader Pacific and further alignment will have system-wide regional benefits. Air New Zealand therefore strongly supports the Aviation White Paper further building on the work announced by the respective Prime Ministers of New Zealand and Australia in July 2023 to move closer towards ‘seamless travel across the Tasman’. Given the geographical proximity, the trusted relationship between regulators, and close economic ties this presents a significant opportunity to bring the Single Economic Market closer together. • Specifically, the Aviation White Paper should focus on the following high-level initiatives to support further trans-Tasman alignment on aviation: <ul style="list-style-type: none"> ○ Efficient Air Travel <ul style="list-style-type: none"> ▪ Alignment on aviation policy allows for streamlined connectivity between Australia and New Zealand. Consistent regulations and procedures facilitate smooth air travel operations. ▪ Common aviation standards and regulations ensure a harmonized approach to safety, security, and operational practices.

- **Regional Collaboration:**
 - Australia and New Zealand play significant roles for connectivity in the Pacific region. Alignment on aviation policy strengthens collective influence in regional aviation matters and builds a more resilient aviation system. A unified approach to aviation security enhances regional security. Coordination on security measures and information sharing contributes to the safety of air travel in the Pacific region.
- **Environmental Considerations:**
 - Collaboration on sustainable aviation practices, including emissions reduction initiatives and the use of sustainable aviation fuels, can be more effective when both countries share a common vision.
 - Alignment on policies addressing the environmental impact of aviation, such as noise abatement and emissions reduction, allows for a coordinated sector approach to mitigate shared concerns and work together on scaling the necessary technologies to decarbonise.
- **Airline Competition and Cooperation:**
 - A consistent regulatory environment fosters healthy competition among airlines and airports, leading to potential benefits for consumers, such as competitive pricing, improved services and more resilient and competitive airports.
 - Supporting coordination on joint initiatives, such as codeshare arrangements, can enhance the competitiveness of airlines from both Australia and New Zealand in the global market.
- **Emergency Response and Crisis Management:**
 - Alignment on policies related to emergency response and crisis management enhances coordination in the event of aviation emergencies, such as natural disasters or public health crises.
- **Unified Representation and Global Partnerships:**
 - A united stance on international aviation matters enhances the standing of Australia and New Zealand in international forums such as ICAO. Allowing for more influential participation in

	<p>negotiations in the best interest of aviation in Australia and the Pacific region - a uniquely sparse operating environment.</p> <ul style="list-style-type: none">• In summary, alignment on aviation policy between Australia and New Zealand is crucial for fostering efficient air travel, enhancing economic integration, promoting regional collaboration, ensuring environmental sustainability, and addressing shared challenges. It contributes to the overall effectiveness, safety, and competitiveness of the aviation sector in the Australasian region.
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Chapter 3 – Airlines, airports and passengers – competition, consumer protection and disability access settings

Question	Air New Zealand Response
<p>3. What types of data and analysis should the Australian Government produce to support aviation competition outcomes?</p>	<ul style="list-style-type: none"> • To support aviation competition outcomes, the Australian Government should produce a range of data and analyses that provide insights into various aspects of the aviation industry. Including: <ul style="list-style-type: none"> ○ Airport Capacity and Utilization: Offer data on airport capacity, runway slots, and utilization rates. Understanding the capacity constraints at different airports is crucial for assessing competition and identifying opportunities for expansion. ○ Regulatory Impact Assessments: Conduct assessments of regulatory changes and their impact on competition. Analysing the effects of policies, regulations, and government interventions helps ensure they enhance rather than hinder competition. ○ Infrastructure Investment Planning: Provide data on planned infrastructure investments in airports and air traffic management. This information is crucial for anticipating changes in capacity and assessing their implications for competition. ○ International Benchmarking: Compare the performance of the Australian aviation sector with international benchmarks. Benchmarking against global standards can provide insights into Australia's competitiveness and areas for improvement. ○ Economic Impact Assessments: Conduct economic impact assessments of aviation policies and regulations. Assessing the broader economic implications helps policymakers strike a balance between competition, economic growth, and other societal goals.
<p>4. Should the Australian Government look to revise current consumer protection arrangements and, if</p>	<ul style="list-style-type: none"> • We support IATA's submission that a general consumer protection regime delivers better outcomes for less cost and prescription than a compensation-based aviation specific regime such as EU261 and CTA regulation. • Acknowledging the range of issues outside airlines' control, we are similarly supportive of system-wide analysis of delays and cancellation which includes all participants: airports, airlines, air traffic controllers and border agencies.

<p>so, through existing or new mechanisms?</p>	<ul style="list-style-type: none"> • All participants in the system have a strong incentive to improve on-time performance. The failure of more punitive regimes appears to stem from the fact that airlines are the only part of the system subject to the regime (despite the fact that the majority of causes for delays and cancellations are outside airlines' control) and the cost pressure may incentivise airlines to elect not to operate where compensation for delay has already been paid to avoid incurring the added cost of operating the delayed flight. • Other models (such as mandatory insurance) might prove to be more effective in balancing the interests of consumers, airlines and the government, while reducing the regulatory burden and avoiding increased litigation.
<p>5. Would an expanded remit for the Airline Customer Advocate to educate customers on their legal entitlements be useful?</p>	<ul style="list-style-type: none"> • We are committed to continuously reviewing and improving the way in which we communicate to our customers about their legal entitlements. • Although it is our hope that any concerns or complaints can be resolved in-house, we support the submission of A4ANZ that there is benefit in lifting consumer awareness of legal entitlements. • We further support BARA's submission that rather than focusing on mandatory airline complaint responses it would deliver better customer outcomes to develop a system of reporting on causes of delays and cancellations so that the core reasons driving disruptions (the main driver of complaints) can be tackled and addressed on a system-wide basis.
<p>6. Would policies pursued in other jurisdictions – such as a Passenger Bill of Rights or a stronger ombudsman model – deliver benefits to Australia's aviation sector?</p>	<ul style="list-style-type: none"> • Our research supports IATA's finding that compensation-based regimes such as EU261 and the Canadian APPRs actually increase the cost of travel and put connectivity, consumer choice and competition at risk. • The examples provided in the submission of A4ANZ of the way in which compensation-based regimes are working in other jurisdictions demonstrate that none have improved on-time performance or reduced the rate of cancellations – in fact there is some evidence to show these regimes may lead to more negative consumer outcomes.¹

¹ The Commission's review of the regime has indicated that disruptions have increased since EU 261 Regulation was introduced.

<p>7. What measures should be taken to ensure Australian aviation markets operate efficiently, improve competition settings, and deliver optimal consumer outcomes?</p>	<ul style="list-style-type: none"> • Airports are natural monopolies. Instead of relying on competition, consumers and airport customers rely on regulation to ensure that airports charge “reasonable” prices and provide quality services and safe and efficient infrastructure. • We do not think the current regulatory settings in Australia deliver optimal consumer outcomes. The White Paper provides a timely opportunity to update the regulatory framework for airports in a way which would ensure that this critical and strategic infrastructure is better serving Australian consumers for connectivity, trade and travel. • We recommend that, in addition to the proposal to mandate the Aeronautical Pricing Principles (discussed below) the dual till system should be reviewed. • Airports earn substantial returns from their “second till” yet the regime effectively dis-incentivises them from using these revenues to support the development of essential terminal and tarmac infrastructure. This ultimately means increased charges for consumers (who end up having to pay the total infrastructure cost) and less resilient future proofed infrastructure. • As noted by IATA, single (or hybrid) till approaches lead towards more economically efficient outcomes for consumers than a dual till, as they enable the sharing of profits generated by complementary commercial activities.
<p>8. Are the Aeronautical Pricing Principles fit-for-purpose? How could they be improved?</p>	<ul style="list-style-type: none"> • The Aeronautical Pricing Principles (APPs) provide a good basis to guide the negotiations between airlines and airports in consumers’ best interests. However, unless binding, the APPs are practically ineffective to the extent that they can simply be ignored. In Air New Zealand’s view, this is the key issue with the APPs and mandating them should be done as a priority. Work on a review of the APPs themselves is of second-order importance and be better done on a longer time scale. • To address the inefficiency of the dual till system, the APPs could also expressly state that airports must take into consideration their commercial revenues when setting aeronautical charges. This does not need to be unduly prescriptive, but rather drafted in a balanced way to ensure efficient outcomes in the interests of all stakeholders.

9. Should the Australian Government mandate use of the Aeronautical Pricing Principles? Why or why not?

- Air New Zealand supports the Green Paper's proposal to mandate the APPs.
- Our experience of operating in the Australian market backs up the ACCC's assessment that the regulatory regime is not working well enough to effectively protect Australian businesses and consumers from the exercise of monopoly power by airports.
- As an international carrier, there is virtually no practical opportunity to reach a commercially efficient settlement with airports in Australia. There is no recourse to any form of dispute resolution or arbitration and no mechanism to enforce the clause in the APPs to refer disputes to commercial mediation or arbitration.
- Whereas this leaves domestic carriers with no other option than to resort to expensive and protracted litigation, it is impractical for international carriers (who negotiate as a group) to jointly litigate.
- Lack of litigation does not therefore demonstrate evidence of commercially satisfactory negotiated outcomes (as the Productivity Commission claim) given that international carriers have no practical ability to litigate over charges if agreement is not reached. We refer to BARA's evidence in support of this point.

Chapter 5 – Airlines, airports and passengers – competition, consumer protection and disability access settings

Question	Air New Zealand Response
<p>10. How can Government work with industry to ensure a strong and sustainable aviation sector that supports emissions reduction targets while growing jobs and innovation?</p>	<ul style="list-style-type: none"> • As a key player in Australia’s aviation sector, Air New Zealand strongly supports Government cooperation with the aviation sector to accelerate aviation’s transition to a low emissions economy. Aviation is one of the hardest sectors to abate, there are few decarbonisation levers available, and airlines do not control them all. This will be a journey that Air New Zealand shares with the Australian government, policy makers throughout its global network, and other stakeholders across the economy. • For example, while Air New Zealand can deliver greater operational efficiency within its operation, other pathways to decarbonisation, such as sustainable aviation fuel and next generation aircraft, will require global collaboration, enabling policy landscapes, and often significant advances in technology. • The aviation sector is critical to keeping Australians, New Zealanders and our Pacific neighbours connected. Air New Zealand will be looking to partner with the Australian Government and others in the wider aviation industry on the following initiatives to enable its transition to net-zero carbon emissions: <ul style="list-style-type: none"> ○ Developing and implementing a harmonised sustainable aviation fuel strategy for Australia and the broader Pacific region, including the creation of the regulatory and policy framework to incentivise the production and uptake of sustainable aviation fuel (SAF). ○ Alongside other supportive policy that addresses the cost of SAF, supporting a SAF mandate to encourage the uptake of SAF, provide a long-term market demand signal to de-risk investment in SAF production, and facilitate a reduction in the carbon intensity of fuels; ○ Supporting the establishment of SAF production in Australia and the broader Pacific region, to reduce dependence on distant sources of energy that are vulnerable to disruption and/or trade embargoes; ○ Supporting the development of new renewable energy sources, to meet Australia and the broader Pacific aviation industry’s future electricity and hydrogen energy needs for power to liquid (PTL) SAF and next-generation aircraft (modelling in New Zealand indicates that as much as 850 GWh of renewable electricity may be required for Air New Zealand’s domestic fleet decarbonisation alone in 2035, growing to circa 3 to 6 TWh per annum by 2050). Undertaking a similar modelling exercise in Australia to clearly articulate future energy demand for the aviation industry and at which locations helps provide clear signals to the market for future demand and can help de-risk investment.

	<ul style="list-style-type: none"> ○ Work with the green hydrogen sector to ensure the policy and regulatory settings are in place to enable the continued development of the hydrogen supply chain for the regional aviation market and PTL SAF market. ○ Developing policy measures to support the development and deployment of next generation aircraft, including government resourcing to expedite regulatory and standard setting processes.
<p>11. Given there are a number of measures that industry and government could pursue to help achieve net zero by 2050 in aviation, are there specific measures that more emphasis and support should be given to?</p>	<ul style="list-style-type: none"> • We support the priority direction provided by Qantas in their Submission on the White Paper Terms of Reference in March 2023 specifically that SAF will be the single biggest facilitator of the Australian aviation sector reaching net zero by 2050, with aviation biofuels typically delivering an 80 percent reduction of greenhouse gas emissions on a lifecycle basis compared with kerosene-based jet fuel, and critically, can be used in aircraft engines now. With other regions, such as the US and EU well ahead in this space, both Australia and New Zealand are at risk of falling further behind and losing an opportunity to be leaders in SAF in the Asia-Pacific region. • We therefore support Qantas’ position that urgent consideration should be given to: <ul style="list-style-type: none"> ○ Stimulating demand and increasing production capability through the introduction of: <ul style="list-style-type: none"> ▪ a domestic SAF production target; and ▪ a SAF blending mandate for Australian fuel suppliers, with blending levels increasing progressively over time, similar to those imposed in the EU (including obligated fuel supplied to Government users). • While biogenic SAF must be the immediate focus, Australia’s potential abundance of electricity generated from solar and wind means Power to Liquid (PtL) technology may also provide future optionality. • Given the cost of PtL SAF compared to other SAF technologies, this type of SAF will need support to get to market. Air New Zealand encourages the Government to support Australian domestic production of PtL SAF. Production of PtL SAF can primarily be supported by reducing the cost and increasing the supply of additional renewable electricity and supporting the affordable production of green hydrogen. Creating a long-term demand signal for PtL SAF via a SAF mandate (similar to the proposed UK SAF mandate) is also supported by Air New Zealand.
<p>12. What should be included in relation to</p>	<ul style="list-style-type: none"> • Decarbonisation of the Australian transport sector (including aviation) will need to be enabled via the transformation of electricity generation in Australia. It is important that future electricity demand from the

<p>aviation in the Australian Government's Transport and Infrastructure Net Zero Roadmap and Action Plan (including for sectors, such as GA and airports)?</p>	<p>aviation sector including at airports (for both PtL SAF and next generation aircraft) is properly reflected in generation and distribution network demand scenario planning. Airports will effectively need to transform into renewable energy distribution hubs – which will require significant planning and upgrading of capacity on the network.</p>
<p>13. How can the Australian Government ensure all emitters in the aviation sector play a role in meeting Australia's emissions reduction targets?</p>	<ul style="list-style-type: none"> • Collaborate with international partners, including through bodies such as ICAO and the Australia-New Zealand Leadership Forum (ANZLF), to align efforts in reducing aviation emissions. Given the global nature of the aviation industry, international cooperation is crucial to reduce the risk of competitive distortions; address emissions effectively; and to encourage harmonised sustainability standards and incentives to decarbonise. • To create a level playing field and ensure all emitters play a role in reducing emissions, regulatory frameworks are key. It will be key to implement harmonised regulations as outlined above in 10. and 11.
<p>14. What are the benefits and risks associated with updating the National Greenhouse and Energy Reporting (NGER) scheme and/or other</p>	<ul style="list-style-type: none"> • Updating the National Greenhouse and Energy Reporting (NGER) scheme or other policy mechanisms to enable unique claims on sustainable aviation fuel (SAF) sourced through common infrastructure is required. It is commonplace for SAF to be delivered via common infrastructure. This challenge has been addressed in Europe by allowing airlines that voluntarily source additional volumes of SAF to rely on invoicing (as proof of custody via mass balancing) to claim the benefit of SAF procured. • Air New Zealand also notes the following benefits and methods to manage risks:

<p>policy mechanisms to enable unique claims on sustainable aviation fuel (SAF) sourced through common infrastructure? How can risks be managed?</p>	<p>Benefits:</p> <ul style="list-style-type: none"> • By allowing unique claims on SAF, the government can reward and further encourage the aviation industry to invest in and adopt SAF. This, in turn, could attract investments and innovation in the production and distribution of SAF. • Airlines and other stakeholders involved in the production and use of SAF can clearly and credibly assign the emissions reductions and offer a competitive advantage by differentiating themselves. • Encouraging unique claims will drive further innovation in SAF technologies and production processes, leading to advancements in efficiency and cost-effectiveness. This can be enabled via evidence in the form of invoices that demonstrate chain of custody. <p>Managing Risks:</p> <ul style="list-style-type: none"> • Implement a robust monitoring and reporting system to track the production, distribution, and use of SAF to help ensure the accuracy and transparency of emissions claims. This can rely on a mass balancing approach, with fuel purchase records the primary source of evidence. • Engage in international collaboration through ICAO and IATA to support a universal platform, help align standards and best practices with other countries – a harmonised approach will reduce operating costs and improve the global environmental integrity of the SAF industry. Clear international criteria for what qualifies as SAF will also help avoid greenwashing.
<p>15. What types of arrangements are necessary to support industry confidence in the quality standards and sustainability certification of SAF?</p>	<ul style="list-style-type: none"> • Not all SAF is created equally. Sustainability criteria must be embedded and regulated throughout Australia’s development of a SAF industry. Strict sustainability criteria must be attached to feedstocks, life cycle emissions reductions and supply chains. This is important for the environment, the climate and to maintain the social licence to use these fuels in Australia. • To support industry confidence in the quality standards and sustainability certification of SAF, we would support a policy focus on the following arrangements: <ul style="list-style-type: none"> ○ International Standards and Certification: Work collaboratively with international bodies such as ICAO (e.g. CORSIA Eligible Fuels), IATA & WEF (e.g. Sustainable Aviation Fuel Certificate (SAFc) Emissions Accounting and Reporting Guidelines) to develop and adopt consistent standards and certification processes for SAF. This ensures that SAF produced and certified in one country adheres to similar

standards globally, promoting trust outlines areas stakeholders. This is particularly important for the Pacific region where policy in Australia and New Zealand (as Pacific aviation hubs) will be key to maintaining the credibility of SAF available in the region.

- **Third-Party Verification:** Engage third-party organisations or certification bodies such as RSB or ISCC to independently verify and certify the sustainability of SAF production processes. Third-party verification adds credibility and transparency to the certification process.
- **Traceability and Transparency:** Implement systems that allow for the traceability of SAF feedstocks from source to production, ensuring transparency in the supply chain. This traceability helps verify that the feedstocks used in SAF meet sustainability criteria and are not associated with deforestation or other environmentally harmful practices.
- **Lifecycle Assessments:** Conduct comprehensive lifecycle assessments of SAF to evaluate its overall environmental impact, including greenhouse gas emissions, energy consumption, and other environmental indicators. This information can be used to inform sustainability certification and provide a more holistic view of SAF's environmental performance.
- **Government Incentives and Regulation:** Implement supportive government policies, incentives, and regulations that encourage the adoption of high-quality and sustainable SAF. Clear and consistent regulatory frameworks can create a level playing field and provide industry players with the confidence to invest in SAF production.
- **Market Education:** Develop educational programs and communication strategies to raise awareness about SAF quality standards and sustainability certification. Industry players and consumers should be well-informed about the benefits of using certified SAF and its role in reducing aviation emissions.
- **Performance Monitoring and Reporting:** Establish mechanisms for ongoing performance monitoring and reporting, ensuring that SAF producers regularly provide data on their environmental and social impact. This information can be used to assess compliance with sustainability standards.

	<ul style="list-style-type: none"> ○ Risk Management Frameworks: Develop risk management frameworks to address potential challenges and risks associated with SAF production and certification. This includes addressing issues such as feedstock availability, land use change, and other sustainability concerns. ○ By implementing these arrangements, the aviation industry in Australia can build confidence in the quality and sustainability of SAF, fostering a transition towards more environmentally friendly aviation fuels. Collaboration among governments, industry stakeholders, and certification bodies is essential to create a robust and widely accepted framework for SAF.
<p>16. Should policy and regulatory settings be refined to support development of domestic SAF production capability and industry take-up of SAF?</p>	<ul style="list-style-type: none"> • Yes, refining policy and regulatory settings in Australia to support the development of domestic SAF production capability and industry take-up of SAF is crucial for achieving decarbonisation goals in the aviation sector. The Australian Government should consider the refinement of the following policy and regulatory settings: <ul style="list-style-type: none"> ○ Incentives for SAF Production: Provide financial incentives, such as grants, subsidies, or tax credits, to encourage investment in domestic SAF production facilities. This can help offset the higher production costs associated with SAF and stimulate the growth of the industry. ○ Research and Development Funding: Allocate funding for research and development in SAF technologies. Support innovation in production processes, feedstock development, and efficiency improvements to make SAF more cost-competitive with traditional aviation fuels. ○ Clear Regulatory Framework: Develop a clear and supportive regulatory framework for SAF production, including environmental and safety standards. Clarity in regulations can provide certainty to investors and streamline the approval process for SAF facilities. ○ Mandates or Targets: As outlined in Question 11, consider implementing mandates or targets for the blending of SAF with conventional aviation fuels. This creates a domestic market for SAF and drives demand, encouraging industry players to invest in domestic production capabilities.

	<ul style="list-style-type: none"> ○ Public-Private Partnerships: Foster public-private partnerships to facilitate collaboration between government entities, research institutions, and private companies. Joint efforts can accelerate the development of SAF technologies and infrastructure. ○ Streamlined Approval Processes: Simplify and expedite approval processes for SAF production facilities. Reducing bureaucratic hurdles can attract investment and speed up the development of domestic production capabilities. ○ Support for Feedstock Development: Provide support for the sustainable development of feedstocks used in SAF production. This can include incentives for the cultivation of feedstocks with low environmental impact and the avoidance of competition with food crops. ○ Monitoring and Reporting Requirements: Establish transparent monitoring and reporting requirements for SAF production and use. This information can help track progress, assess compliance with sustainability standards, and ensure the industry's environmental integrity. ○ Flexibility in Policy Design: Design policies that allow for flexibility to adapt to technological advancements and changing market conditions. This adaptability is essential in ensuring that policies remain effective and supportive over time.
<p>17. What are the current and future challenges in developing an Australian SAF production industry, including challenges associated with growing, refining and consuming feedstocks?</p>	<ul style="list-style-type: none"> • We refer to the outcomes of the CSIRO SAF study Sustainable aviation fuel opportunities for Australia - CSIRO that establishes a Sustainable Aviation Fuel Roadmap and highlights that Australia is in a prime position to produce and scale SAF feedstocks and contribute to a SAF industry in the Asia Pacific region. • The study usefully takes a regional approach in assessing feedstocks for potential SAF production and identifies the regional challenges associated with growing, refining, scaling and consuming feedstocks.

Chapter 6 – Airport development planning processes and consultation mechanisms

Question	Air New Zealand Response
<p>18. Are there opportunities to improve transparency by publishing information about other decisions made by CASA, Airservices or airports around flight paths, and how aircraft approach and depart airports?</p>	<ul style="list-style-type: none"> • There is value in understanding the rationale behind decisions so that it is clear that an appropriate trade-off is being made between the effects of noise on local communities and the broader impact of increased emissions which can affect airlines' ability to meet 2050 net zero carbon goals.
<p>19. How can the flight path design principles be improved?</p>	<ul style="list-style-type: none"> • These could be improved by adoption of scientifically based criteria as per the United Kingdom but tailored for Australia. This will allow for simple consistent and effective outcomes to be achieved which are defensible and balance local communities needs with Australian and global sustainability goals. Refer: https://www.caa.co.uk/commercial-industry/airspace/airspace-change/airspace-change/
<p>20. How can the existing consultation framework be improved to facilitate efficient planning and development, while preventing environmental harm and ensuring</p>	<ul style="list-style-type: none"> • With the development of widely accepted and published criteria, a platform for less adversarial conversations that are more outcome focused could be facilitated. • Published criteria would allow the Australian Government to clearly lay out decarbonisation goals whilst also acknowledging the need to reduce impact on local communities from aviation.

<p>continued access for aviation users?</p>	
<p>21. How could the Australian Government improve regulation to facilitate efficient planning and development while preventing environmental harm and protecting airports for aviation use?</p>	<ul style="list-style-type: none"> • Air New Zealand would support a much broader analysis of airport development planning processes and consultation mechanisms including a key focus on improving efficiency and competitiveness. We support the relevant points made in the submission of A4ANZ on these issues. Airports are natural monopolies, and, as acknowledged by the ACCC, the way in which they are regulated has allowed them to prioritise economic return for shareholders and their own commercial interests over planning for and investment in critical airport infrastructure for the long-term benefit of all of Australia and the wider economy. • Under the current settings, such decisions are not required to account for strategic national policy considerations, including how they might best support the effective, integrated operation of the air transport network as a whole. A more regionally focussed, strategic approach to airport planning processes could help realise the considerable productivity benefits associated with an efficient air network, including improved economic growth, supply chain efficiency and resilience. • In this context, it is key to note the interdependence of the regional aviation sector – for example capacity constraints at Australia’s key hub airports impact the broader Pacific and New Zealand network as they provide no opportunity to hold departures when travel sectors are faster due to weather, this then requires destination airports to invest, construct and provide additional capacity to accommodate early arrivals from Australia’s hub airports.

Chapter 8 – Fit-for-purpose agencies and regulations

Question	Air New Zealand Response
<p>22. Do you have concerns with current arrangements of roles and responsibilities within the Australian Government? Are there opportunities to improve these arrangements?</p>	<ul style="list-style-type: none"> • As the White Paper Terms of Reference recognise, the aviation sector comprises a wide range of actors. Just as diverse are the policy areas that impact aviation and the portfolio responsibilities for those within the Commonwealth Governments. • This piecemeal approach makes it challenging to operate an airline in Australia and difficult to address future challenges and risk due to fragmented funding and a lack of policy prioritisation with inconsistent outcomes. Excessive complexity and lack of trans-Tasman harmonisation further hinders efficiency and the ability for airlines and regulators to adapt to technological change. • We are hopeful that one of the outputs of the White Paper is a more streamlined long-term approach to aviation policy, a unified approach to revenue raising from aviation regulators that accounts for system wide impacts, through a comprehensive and coherent framework that improves aviation governance and industry consultation throughout the Pacific.
<p>23. Do you have any suggestions to improve current reform processes?</p>	<ul style="list-style-type: none"> • The following are suggested opportunities for improvement to current reform processes: <ul style="list-style-type: none"> ○ Enhanced Coordination: Evaluate opportunities to enhance coordination among relevant government agencies involved in aviation oversight. A more integrated approach could improve efficiency and streamline decision-making processes. Investigate the possibility of sharing resource amongst border agencies to be able to ‘flow to work’ during peak times, as many of the skills are transferable. ○ Simplification of Regulatory Frameworks: Explore opportunities to simplify and streamline the aviation regulatory framework. A clearer and more straightforward regulatory environment can improve compliance and reduce administrative burdens.

	<ul style="list-style-type: none"> ○ Technology Adoption: Embrace emerging technologies for more efficient aviation management. This includes the adoption of advanced air traffic management systems, digital platforms, and data-driven decision-making tools and risk management. ○ Agile Regulatory Responses: Develop agile regulatory mechanisms that can adapt swiftly to technological changes and emerging trends in the aviation sector. This can facilitate innovation while maintaining safety and compliance. ○ Risk-Based Oversight: Implement risk-based oversight approaches that prioritize resources based on identified risks. This ensures that regulatory efforts are focused on areas with the greatest potential impact on safety and compliance. ○ International Collaboration: Strengthen international collaboration on aviation matters, aligning regulatory practices with global standards. This can facilitate smoother international operations and enhance Australia's standing in the global aviation community. This could begin with trans-Tasman harmonisation and a focus on seamless travel and alignment on decarbonisation. ○ Investment in Training and Expertise: Invest in training and building expertise within regulatory agencies to keep pace with technological advancements and industry changes. ○ Performance Metrics and Reporting: Implement clear performance metrics and reporting mechanisms to assess the performance of aviation oversight. This can enhance accountability and provide a basis for continuous improvement.
<p>24. What should the Australian Government consider in adopting technology to fully utilise airspace and ensure access for</p>	<ul style="list-style-type: none"> • In adopting technology to fully utilize airspace and ensure access for different parts of the aviation sector, the Australian Government should promote efficiency, safety, and sustainability and consider: <ul style="list-style-type: none"> ○ Performance-Based Navigation (PBN): Adopt PBN procedures to enable more precise navigation using satellite-based systems. Evaluate the benefits of PBN, including improved route efficiency, reduced fuel consumption, and enhanced airspace capacity.

<p>different parts of the sector?</p>	<ul style="list-style-type: none"> ○ Collaborative Decision Making (CDM): Implement CDM processes to facilitate collaboration among stakeholders, including airlines, air traffic control, and airports. Enhance data sharing and real-time information exchange to optimize decision-making processes. ○ Digital Tower Technology: Explore digital tower technology for air traffic control, providing more flexibility, resilience, and scalability. Assess the benefits of virtual towers in enhancing situational awareness and managing air traffic. ○ Data-Driven Decision Making: Leverage data analytics and artificial intelligence to make informed decisions about airspace utilization. Implement predictive analytics for traffic management and identify potential airspace congestion. ○ Climate Resilience Planning: Incorporate climate resilience planning into airspace management to address potential climate-related impacts on air traffic. Assess and mitigate risks associated with extreme weather events. ○ Training and Skill Development: Invest in training programs to ensure that air traffic controllers and aviation professionals are equipped with the necessary skills to operate and manage advanced technologies. Foster a culture of continuous learning to keep pace with technological advancements. ○ Global Harmonization: Harmonize airspace management practices with international standards to facilitate global interoperability. Collaborate with international aviation organizations to ensure consistency in technology adoption. <ul style="list-style-type: none"> ● By carefully considering these factors, the Australian Government can adopt technology in a way that maximizes the utilization of airspace, enhances safety, and accommodates the diverse needs of different sectors within the aviation industry.
<p>25. What should the Australian Government consider when determining cost recovery</p>	<p>When determining cost recovery arrangements for the aviation system, the Australian Government should carefully balance factors to ensure a safe, equitable, and accessible aviation environment. Considerations include:</p> <ul style="list-style-type: none"> ● Safety and Security:

arrangements to ensure a safe, equitable and accessible aviation system?

- Prioritize funding for safety and security measures to maintain and enhance the safety of the aviation system. Allocate resources for the implementation of advanced safety technologies and training programs.
- **Equity and Accessibility:**
 - Implement cost recovery measures that do not disproportionately burden any particular segment of the aviation industry. Consider the total financial impact on airlines and other stakeholders to maintain equitable access.
- **Transparent and Predictable Pricing:**
 - Establish a transparent and easily understandable fee structure for aviation services. Clearly communicate the basis for cost recovery to stakeholders and the public and align with performance indicators including best practice processing times.
- **Consultation and Stakeholder Engagement:**
 - Consult with a broad range of stakeholders, including airlines, airports, and aviation industry associations, during the development of cost recovery arrangements. Seek input early on proposed changes to fees and charges to ensure that the impacts are well-understood.
- **Impact Assessment:**
 - Conduct impact assessments to understand the economic consequences of cost recovery measures on the aviation industry. Evaluate potential effects on competitiveness, employment, and the broader economy.
- **6. Financial Sustainability:**
 - Determine cost recovery arrangements that support the financial sustainability of aviation infrastructure, including airports and air navigation services. Consider long-term financial planning to address capital investment needs and resilience/maintenance requirements.
- **Risk Management:**
 - Incorporate risk management strategies to address unforeseen events that could impact the aviation system including black swan events such as a major fuel blockade. Encourage private actors to establish robust business continuity plans in particular aviation fuel suppliers and critical infrastructure providers.

- **International Benchmarking:**
 - Benchmark cost recovery arrangements against international standards to ensure competitiveness. Evaluate how other countries manage cost recovery in aviation to identify best practices.
- **Innovation and Efficiency:**
 - Promote innovation and efficiency in the delivery of aviation services to potentially reduce costs. Explore technologies and practices that can enhance the efficiency of air navigation, manage risk and undertake more efficient airport operations.
- **Public Interest and Accessibility:**
 - Take into account the broader public interest in maintaining a robust, and accessible aviation system. Balance cost recovery with the need to provide affordable and accessible air transport options for the public.
- **Periodic Review and Adjustments:**
 - Establish a periodic review process for cost recovery mechanisms to ensure ongoing relevance and fairness. Be prepared to adjust cost recovery arrangements based on changing industry dynamics and economic conditions.
- **Investment in Infrastructure:**
 - Direct cost recovery funds towards necessary infrastructure investments that contribute to the growth and efficiency of the aviation system. Ensure that revenue generated is reinvested in projects that benefit the aviation community.
- **Climate and Environmental Considerations:**
 - Consider the environmental impact of aviation activities and incorporate environmental costs into cost recovery arrangements. Explore opportunities to incentivize environmentally sustainable practices in the aviation sector.
- By carefully considering these factors, the Australian Government can establish cost recovery arrangements that strike a balance between safety, equity, accessibility, and financial sustainability within the aviation system.

	<p>Engaging with key stakeholders early, conducting thorough impact assessments, and maintaining flexibility to adapt to changing circumstances are critical elements of effective cost recovery management.</p>
<p>26. Do you support the Australian Government introducing enhanced security obligations?</p>	<ul style="list-style-type: none"> • Air New Zealand supports A4ANZ’s submission on this issue that notes that the aviation security environment is constantly evolving, and as such requires continual development and refinement of proportionate, practical, and timely security measures. • All A4ANZ’s member airlines are supportive of measures to enhance security at Australia’s airports. They have, and will continue to, work cooperatively and collaboratively with Government, airports, and the travelling public, to ensure that what is put in place is informed by evidence and has the best chance of success. • However, even prior to the pandemic, there was a growing awareness of the significant costs of enhanced security measures, with the Department publishing a series of case studies recognising the financial impacts. Along with other industry stakeholders, A4ANZ has consistently raised the issue of the costs of these enhanced measures, and the impact of this on the viability of regional air services in particular – noting the potential for unintended negative consequences arising from the increased costs of the enhanced regional security screening measures. Such consequences may include, but are not limited to: <ul style="list-style-type: none"> ○ increased costs to airlines as a result of airports passing on the costs of – and adding margins to – new screening measures; ○ increased costs to consumers through levies and/or increased ticket prices where costs cannot be absorbed by the airline; ○ reduction in services or complete cessation of services on regional routes due to them becoming unviable; and ○ productivity and employment losses due to route closures or reductions in regional Australia.
<p>27. Are there any specific initiatives that should be supported globally, regionally and nationally to continue improvement in</p>	<ul style="list-style-type: none"> • Improving international air passenger facilitation requires a coordinated effort at the global, regional, and national levels. Several specific initiatives can be supported to enhance the efficiency, security, and overall experience for international air travellers. Air New Zealand considers the following key initiatives are worth considering for which collaboration among governments, international organizations, airlines, and technology providers is essential: • Global Initiatives:

**international
passenger
facilitation?**

- **International Standards and Harmonization:** Develop and implement global standards for passenger facilitation to ensure consistency and interoperability across borders.
 - **Action Points:**
 - Collaborate more with international aviation organizations (ICAO & IATA) to establish and update standards. According to IATA two areas of key focus in optimising partnerships will be on privacy and interoperability:
 - **Privacy** is a top priority with passenger processing standards designed to keep passengers in control of their personal data. Moreover, processes rely on the exchange of credentials (verified approvals based on data) which are shared peer-to-peer (with no intermediating party). Government should work with industry to understand detailed privacy implications and seek adequate clarifications to ensure the One ID standards can be applied across jurisdictions. Airlines, airports, and governments will need to determine what the minimum necessary data requirement is to facilitate the traveller journey while ensuring that passenger privacy and data is protected.
 - **Interoperability** is essential for global acceptance and to ensure alignment to the ICAO standards, including those for the Digital Travel Credential and Digital Travel Authorization. Different implementation models can still co-exist, but global cooperation between governments and international bodies will be needed to promote the use of digital travel credentials. The W3C Verifiable Credentials Data Model should be supported, which creates a trust framework that allows for global interoperability and possibilities for the traveller to reuse credential/wallets for general purpose (everyday life). The IATA interoperability roadmap that is being developed by key stakeholders, including government will be key to helping achieve the One ID end-state.
- **Global Trusted Traveler Programs:** Facilitate the movement of pre-approved low-risk travellers through dedicated lanes, reducing congestion and enhancing security.
 - **Action Points:**

- Look at a trusted traveller program for the trans-Tasman to facilitate seamless travel.
- Enhance interoperability between national trusted traveller programs.
- **Digital Travel Credentials:** Shift towards digital passports and travel documents to streamline verification processes.
 - **Action Points:**
 - Advocate for the further development and acceptance of digital travel credentials e.g. the New Zealand Traveller Declaration and an improved version of the Digital Passenger Declaration (DPD) in Australia.
 - Collaborate with technology providers to ensure security and privacy.
- **Regional Initiatives in the Pacific:**
 - **Regional Biometric Databases:** Establish regional databases for biometric information to expedite passenger processing.
 - **Action Points:**
 - Collaborate with neighbouring countries to build frameworks to share biometric data securely.
 - Implement common standards for biometric identification.
 - **Common Visa Policies:** Harmonize visa policies with trusted partners to simplify processes for travellers.
 - **Action Points:**
 - Collaborate on regional visa policies to reduce complexity.
 - Further implement electronic visa systems for efficient processing.
- **National Initiatives:**

- **Enhanced Passenger Information Sharing:** Improve information sharing between government agencies to enhance security.
 - **Action Points:**
 - Establish further secure channels for sharing passenger data.
 - Help the broader Pacific region further implement advanced passenger information (API) and passenger name record (PNR) systems.
- **Improved Customs Processes:** Streamline customs processes through technology and risk-based assessments.
 - **Action Points:**
 - Implement advanced cargo and baggage screening technologies.
 - Explore initiatives such as pre-clearance programs.
- **Efficient Security Screening:** Implement advanced technologies for security screening to ensure both efficiency and effectiveness.
 - **Action Points:**
 - Invest in advanced screening technologies such as CT scanners and AI technology. Explore risk-based security screening approaches.
- **Real-time Information Sharing:** Improve real-time communication between airlines, airports, and relevant authorities.
 - **Action Points:**
 - Establish communication protocols for sharing information during disruptions.
 - Use technology to provide passengers with real-time updates.

<p>28. How can Government optimise partnerships with industry to streamline the movement of passengers and modernise the border, while also enhancing security?</p>	<ul style="list-style-type: none"> • The development of the Aviation White Paper coincides with the 40th anniversary of the Australia–New Zealand Closer Economic Relations Trade Agreement (CER). The CER Agreement is one of the most comprehensive bilateral free trade agreements, facilitating the free movement of people, goods, and services across the Tasman. Ensuring the CER and supporting private sector frameworks such as the ANZLF get the necessary political and private sector buy in can support work on a tran-Tasman seamless border. • Ensuring the White Paper is focused on regional alignment with New Zealand and the Pacific both in the regulation of airlines and airports can set a consistent framework to improve the efficiency of flying to our region and build trust between respective border agencies and private sector actors to introduce efficiencies and jointly manage risks. • Air New Zealand supports the July 2023 commitment from the Australian and New Zealand Prime Ministers to pull together a joint Australia-New Zealand expert group, with a clear deadline of 12 months, to scope initiatives to move closer towards seamless travel across the Tasman. • The broader industry has long been discussing a more streamlined trans-Tasman travel experience, with the proposal for a “domestic-like” experience being championed by airlines, airports, the Australia New Zealand Leadership Forum (ANZLF), the International Air Transport Association (IATA), and the Tourism & Transport Forum (TTF), for more than a decade. • Many of these groups have undertaken work on what a seamless trans-Tasman travel experience could look like with many efficiencies to be gained - evolving biometric technology for example could enable increased automation of border controls that will allow for a more seamless and secure passenger journey, reducing overall travel times, processing cost, and adding speed to passenger movement through airports. • Australian airports are already testing biometric technology with airlines - a consideration could be to prioritise the trans-Tasman route for this technology given the long-held trust between border agencies and the deep economic ties between both countries.
<p>29. In the air cargo environment, how could industry and Government better work together to leverage advances in</p>	<ul style="list-style-type: none"> • Air New Zealand supports the work the Australian Government is undertaking in its Simplified Trade System agenda, with border agencies proposing to re-engineer the cargo intervention model. We further support the goals to improve the scalability, adaptability and security of intervention activities at Australia’s high-volume airports, supporting faster facilitation of legitimate cargo and more secure supply chains.

technology as well as industry investments in infrastructure and technology to streamline movement of cargo?

- The air cargo industry has been lacking true digital integration for too long. This situation prevents stakeholders from truly efficient collaboration, creates reliance on manual processes, and lack of door-to-door visibility and transparency from a customer point of view. As per IATA's Submission on the Green Paper each air cargo shipment accounts for 30 pieces of paper on average as it makes its way from shipper to consignee, via the freight forwarder, trucking company, terminal operator, airline, ground handler and customs authorities. The key challenge therefore is to integrate all 30 pieces of paper into a universal platform.
- Collaboration between the air cargo industry and the Australian government in leveraging advances in technology and optimizing investments in infrastructure for the streamlined movement of cargo is essential to ensure the limited infrastructure available will be able to respond to the growth in demand.
- It is essential that Government agencies themselves are aligned with a clear mandate on the digitisation of air cargo processes before engaging with private sector stakeholders. This will help engage private sector stakeholders who often get frustrated with agencies that are unwilling to cooperate on digitisation with common goals and outcomes due to 'patch' protection.
- Air New Zealand supports IATA's efforts to encourage the adoption of ONE Record as the primary messaging standard for the air cargo community by 2026 and would encourage both the Australian and New Zealand Government's to champion a universal platform to integrate regulatory processes.
- The following are examples in which Air New Zealand considers the airline industry and the government can enhance collaboration:
- **Digital Transformation and Data Sharing:**
 - Collaborate on the development of common digital platforms that facilitate data sharing between industry stakeholders and government agencies. The work by IATA in the freight space and digitisation of cargo processes is a useful enabler to present a universal platform. Further implement standardized data formats and APIs to ensure seamless information exchange.

- Work together to establish integrated cargo management systems that provide end-to-end visibility into the movement of cargo. Foster collaboration on the development of data analytics tools to extract insights from cargo-related data.

Regulatory Alignment:

- Collaborate to harmonize regulations related to air cargo operations, security, and customs procedures.
- Establish a regulatory framework that accommodates and supports the integration of advanced technologies.
- Form joint working groups consisting of industry experts and government representatives to address regulatory challenges and foster a collaborative approach to rule-making.
- Engage in regular consultations to ensure that regulations align with industry needs and technological advancements.

Infrastructure Investment and Modernization:

- Explore opportunities for public-private partnerships or grant funding to invest in and upgrade strategic cargo infrastructure, including airports and handling facilities.
- Collaborate on infrastructure projects that enhance efficiency and accommodate technological & multimodal advancements.

Security Screening and Risk-Based Approaches:

- Jointly invest in and deploy advanced cargo screening technologies to enhance security while improving efficiency, for both loose and large format unitised freight..
- Collaborate on research and development projects aimed at improving the effectiveness of screening methods.
- Develop and implement risk-based security programs that leverage data analytics and intelligence to focus resources on high-risk cargo.
- Establish global collaborative frameworks for sharing threat intelligence and risk assessments.

Training and Capacity Building:

- Develop joint training programs for industry professionals and government personnel involved in air cargo operations.
- Focus on building expertise in the use of new technologies, regulatory compliance, and best practices.

Innovation and Research Collaboration:

- Foster research partnerships or innovation hubs between industry stakeholders, academic institutions, and government agencies to explore innovative solutions for air cargo operations, with a focus on increasing the export value of goods, increasing operational resilience and efficiency.
- Implement incentives for industry players to invest in innovative technologies and practices that streamline cargo operations and increases total value across the value-chain. Provide support for pilot projects and demonstrations of emerging technologies.

Sustainable Practices:

- Collaborate on sustainability initiatives that promote environmentally friendly practices in air cargo operations.
- Explore technology-driven solutions for reducing the environmental impact of cargo transportation.

• Incentives for Green Technologies:

- Provide incentives for the adoption of green technologies, such as fuel-efficient aircraft, SAF uptake, and sustainable packaging practices.
- Collaborate on research and development projects focused on environmentally sustainable air cargo solutions.

Digital Documentation and Paperless Processes:

- Encourage the adoption of electronic data interchange (EDI) for digital documentation and paperless processes. Collaborate on industry-wide initiatives to promote the use of EDI for streamlined cargo documentation. Including [IATA - ONE Record](#)

• Customs Modernization:

	<ul style="list-style-type: none">○ Work with customs authorities to modernize customs procedures and encourage the use of digital customs declarations. Streamline clearance processes through the implementation of electronic submission and processing.
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Chapter 9 – Emerging Aviation Technologies

Question	Air New Zealand Response
<p>30. How could the Australian Government create an environment that fosters private investment in emerging aviation technologies?</p>	<ul style="list-style-type: none"> • Air New Zealand encourages the Australian Government to create an environment that fosters private investment in emerging aviation technologies with a combination of supportive policy frameworks, regulatory support, incentives, and collaboration with industry stakeholders. • The Australian Government should consider: <ul style="list-style-type: none"> ○ Policy Frameworks and Regulatory Certainty: Establish clear and predictable regulatory frameworks for emerging aviation technologies. Certainty in regulations could encourage private investors by reducing uncertainty and risks. Focus on areas with strategic importance that address the key challenges of today (e.g. decarbonisation of passenger transport), such as sustainable aviation fuels, electric or hydrogen propulsion, and advanced air mobility. ○ Regulatory Sandboxes: Introduce regulatory sandboxes to allow for the testing of new technologies in a controlled environment. This approach enables innovators to experiment and iterate without facing immediate regulatory constraints. ○ Proactive Regulatory Engagement: Properly resource regulators and engage proactively with industry stakeholders and technology developers to understand the needs and challenges. Establish mechanisms for ongoing collaboration to adapt regulations to the evolving landscape of aviation technologies. ○ Financial Incentives and Support: Provide investment tax credits or other financial incentives for private companies investing in research, development, and deployment of emerging aviation technologies. Offer grants, subsidies, or funding programs specifically targeted at supporting projects involving new aviation technologies.

	<ul style="list-style-type: none"> ○ Infrastructure Development: Develop infrastructure that supports the testing, development, and integration of emerging aviation technologies. Invest in research and development facilities and testbeds for technology trials. ○ Support for Sustainable Aviation and Next Gen Aircraft Infrastructure: Provide support for infrastructure projects related to sustainable aviation, such as facilities for the production and distribution of sustainable aviation fuels. Invest in the provision of renewable energy and upgrade the electricity network to handle future energy loads for charging next gen aircraft. <p>Education and Workforce Development: Establish innovation hubs or centres of excellence that bring together industry, academia, and government to collaborate on aviation decarbonisation and innovation. Create environments that encourage cross-disciplinary or multi-modal collaboration and knowledge exchange e.g. maritime and aviation.</p> <p>International Collaboration: Collaborate with international aviation bodies e.g. ICAO, EASA, and the FAA to ensure that regulations and standards for emerging technologies align with global best practices.</p> <ul style="list-style-type: none"> ○ Joint Research Initiatives: Establish joint research initiatives with international partners to pool resources and expertise. Align with Defence and international partnerships. Participate in collaborative research and development projects that contribute to the global advancement of aviation technologies. <p>Flexible Certification Processes: Develop adaptive certification processes that are responsive to the unique characteristics and risks associated with emerging aviation technologies. Streamline and expedite certification for new technologies while maintaining safety standards.</p> <p>Incentivizing Sustainable Aviation Solutions: The Government could act as a model user by incorporating sustainable aviation technologies in government-owned aviation fleets. Demonstrate commitment to sustainability, fostering confidence in the market.</p>
<p>31. What regulatory roles in particular do stakeholders see as critical for the</p>	<ul style="list-style-type: none"> • Air New Zealand views the Australian Government's leadership in the following regulatory roles as critical to realizing the advantages of new aviation technologies while effectively managing risks: • Regulatory Framework Development:

Australian Government to lead to enable the advantages of new technologies while managing the risks?

- Implement risk-based regulatory approaches that assess and manage the risks associated with new aviation technologies. Tailor regulations to the specific characteristics and capabilities of emerging technologies.
- **Certification and Approval Processes:**
 - Streamline certification processes for new aviation technologies to accelerate their introduction to the market. Implement efficient approval procedures for technologies like electric propulsion.
- **Performance-Based Certification:**
 - Shift towards performance-based certification standards that focus on desired outcomes rather than prescriptive requirements. Encourage innovation by allowing for multiple means of compliance with safety standards.
- **Safety Oversight:**
 - Establish continuous safety monitoring mechanisms for new aviation technologies throughout their lifecycle. Respond promptly to safety issues and incidents, conducting thorough investigations and implementing corrective measures.
- **Collaboration with Industry:**
 - Collaborate closely with industry stakeholders to assess and address safety concerns associated with new technologies. Engage in ongoing dialogue to stay informed about technological advancements and potential risks.
- **Cybersecurity and Data Protection:**
 - Develop and enforce robust cybersecurity standards to protect aviation systems from cyber threats associated with new technologies. Establish guidelines for secure data transmission and storage.
- **Data Privacy Regulations:**

	<ul style="list-style-type: none"> ○ Establish clear regulations regarding the collection, storage, and use of data generated by new aviation technologies. Ensure compliance with data privacy laws and protect passengers' and operators' sensitive information. ● Stakeholder Collaboration: <ul style="list-style-type: none"> ○ Foster collaboration with industry stakeholders, including technology developers, manufacturers, and operators. Establish mechanisms for ongoing dialogue to address regulatory challenges and facilitate innovation. ● International Cooperation: <ul style="list-style-type: none"> ○ Collaborate with international aviation bodies and regulatory agencies to harmonize standards and ensure a consistent global approach to regulating new technologies. Participate in forums and initiatives that promote international cooperation on emerging aviation technologies. ● Infrastructure Planning and Renewable Energy Provision: <ul style="list-style-type: none"> ○ Coordinate with relevant authorities to ensure that aviation infrastructure, including airports and air traffic management systems are ready to accommodate new technologies. ○ Plan for the necessary upgrades and modifications to support the integration of innovative aviation systems and provide the necessary renewable energy to provision next gen aviation technology. ● Research and Development Support: <ul style="list-style-type: none"> ○ Provide support for research and development initiatives focused on enhancing aviation infrastructure to meet the demands of new technologies.
<p>32. How will priorities of Government agencies need to evolve as the uptake of emerging aviation</p>	<ul style="list-style-type: none"> ● It is key to prioritise focus on areas with strategic importance that address the key challenges and risks that aviation faces today (e.g. addressing the cost of decarbonisation of passenger and cargo transport to reduce emissions). Sustainable aviation fuels, and electric or hydrogen propulsion will be key to the provision of advanced air mobility.

technologies continues	
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Chapter 10 – Future industry workforce

Question	Air New Zealand Response
33. Can alignment of training with regulatory and licencing requirements be improved?	<ul style="list-style-type: none"> • Absolutely. We support IATA’s Submission that the Government’s role in identifying and prioritising areas of aviation where upskilling or retraining is required is crucial and will assist in determining the effectiveness of further regulatory and licensing requirements. • IATA’s Aeronautical Skills Working Group (ASWG) conducted a study in 2022 that highlighted skills shortages in several areas, including flight operations (i.e. pilots and cabin crew), maintenance and engineering, and cargo and ground handling. Addressing these shortages requires a multi-pronged approach. While attracting talent in a competitive job market is essential. There is also a need to harmonise functions and competencies using global industry standards and introduce a concept of mutual training recognition among aviation stakeholders. This would enable training efficiency, cost reduction, safer operations, and workforce mobility. Moreover, the time required to develop necessary skills, especially for licensed professions such as pilots and mechanics/engineers, is a significant challenge. • These professions require substantial time to meet set requirements, highlighting the importance of investing at the beginning of people’s careers to ensure adequate staffing levels when needed. IATA asks the Government to consider ways in which smoother pathways can be introduced for those looking to join or move within the industry, as adding red tape will only place further pressure on future recruitment for the skilled workforce. • To ensure efficient service delivery and operational integrity, airlines expect ANSPs to maintain an appropriately sized workforce of suitably trained and qualified operational and technical personnel. They also anticipate that ANSPs will be continuously evaluating the operational environment to ensure that their staff are trained and equipped to deal with new technologies safely, effectively, and efficiently. Through a combination of government prioritisation, industry collaboration, and strategic investment in training and development, Australia will be well positioned to improve the alignment of training with regulatory and licensing requirements.

	<p>This will not only address the current staffing shortage across the sector, but also ensure the long-term resilience and sustainability of the aviation industry in Australia</p> <ul style="list-style-type: none"> • There has tended to be a bias for only making loans available for degree or diploma courses when it comes to training pilots which often adds time to the process of producing a pilot with limited value to the end users (i.e. airlines). A more outcomes focused curriculum would be preferred that delivers graduates meeting the regulatory requirements to be a pilot, namely CPL, MEIR, MCC and ATPL subjects. Key also would be to have this curriculum suitably supported with funding options. • To encourage resilience in the workforce Australia and New Zealand could look to align on training and promote adoption of an Asia/Pacific agreed pilot qualification that achieves the items listed above in 12-14 months.
<p>34. Would an analysis of future skills and workforce needs help position the aviation industry to pre-emptively respond to emerging needs?</p>	<ul style="list-style-type: none"> • Air New Zealand would strongly support such an analysis and would like to further support Qantas' submission on the White Paper Terms of Reference that the aviation workforce requires specific skills and training, necessitating significant forward-planning and investment. Departures from the industry driven by the COVID-19 pandemic and the subsequent pace of the recovery have placed pressure on the aviation ecosystem globally and locally. • Boeing's 2022 Pilot and Technician Outlook projects that 602,000 new pilots, 610,000 new maintenance technicians, and 899,000 new cabin crew members will be needed to fly and maintain the global commercial aviation fleet over the next 20 years – this is a huge challenge that requires public-private cooperation. • To analyse the gaps in skills for the future workforce, it is key to understand what skills (in what quantities) are available now. This includes the rate at which people are acquiring new skills and experience. At present, Air New Zealand suspects a shortcoming in the training for pilots could be the lack of opportunity to get operational IFR flying experience, and that part of the reason for that is the costs of operating IFR versus VFR are greater. The Government could look to help reduce the cost of IFR operations, to provide more opportunities to GA operators to upskill, enhancing both sector safety and pilot experience. • This concept applies equally to whatever new skills will be required with the introduction of new propulsion systems and Next Gen aircraft. Converting to new technology will be expensive, not just in capital cost, but in upskilling the workforce. CASA may find it difficult to keep up with the rate of change, which in turn restricts the industry's ability to adapt and innovate. Additional resource to CASA so they will be ready to certify new technologies will be key.

Chapter 11 — International aviation

Question	Air New Zealand Response
<p>35. Are there other issues or concerns associated with the Australian Government's approach to negotiating aviation bilateral agreements that you wish to highlight?</p>	<ul style="list-style-type: none"> • We support the Australian Government's approach to negotiate 'capacity ahead of demand'. We would appreciate being engaged closely on any proposal to seek to remove airport specific limitations where it is in the national interest.
<p>36. What opportunities exist to improve the approach to international negotiations?</p>	<ul style="list-style-type: none"> • Air New Zealand proposes the following improvements and updates to standard International Air Services Agreements: <ul style="list-style-type: none"> ○ Digital and Technological Integration: The increasing role of technology in aviation requires ASA agreements to address issues related to digital integration, data sharing, and technology adoption. ○ Flexibility and Adaptability: Negotiations should allow for flexibility and adaptability to changes in market conditions, airline business models, and technological advancements. ○ Consultation and Stakeholder Engagement: An early consultation process with relevant stakeholders, including airlines and industry associations, is crucial to addressing the diverse needs and concerns of the aviation community. ○ Coordination with Multilateral Agreements: Ensuring that bilateral agreements align with and complement multilateral agreements, such as those within regional economic blocs, contributes to a cohesive global aviation framework.

37. What areas should Australia target through its international aviation programs? Are there opportunities for improvement and where would the greatest benefits be achieved?

- Air New Zealand supports the Australian Government further building on its strong record of international engagement to promote the safety and security of aviation in the Asia-Pacific, and to help shape the global and regional frameworks to reflect strategic interests. Regional and State Oversight through ICAO regional support and the Pacific Aviation Safety Office (PASO) also remains fundamental.
- We support IATA's submission on Chapter 11 with a focus on the Pacific Region in particular. As outlined in Chapter 2 a regional approach to aviation policy is a key priority for Air New Zealand within the context of the Aviation White Paper.
- Australia, through its international aviation programs, can further target several key areas to enhance its global aviation presence in the region as outlined below:
 - **Safety and Security:** Strengthen adherence to international safety and security standards set by ICAO.
 - **Cybersecurity:** Develop and implement robust cybersecurity measures for aviation infrastructure in line with IATA and ICAO best practice. Collaborate with other countries on information exchange to address cybersecurity threats in the aviation sector.
 - **Sustainable Aviation:** Sustainable Aviation Fuels (SAF) will be difficult to access in meaningful volumes, particularly in the remote Pacific where there is a strong reliance on the importation of crude and jet fuel. There are opportunities to support regional research and development in the provision and uptake of sustainable aviation fuels - this could be a key lever to decarbonise aviation and improve aviation fuel security in the Pacific region.
 - **Carbon Offsetting and Reduction:** Support regional capacity building and participation in global initiatives for carbon offsetting and reduction such as ICAO's CORSIA framework.
 - **Digital Transformation:** Embrace digital transformation in air traffic management and aviation operations. Invest in advanced technologies, such as artificial intelligence and blockchain, to improve efficiency. Enhance and invest in the digital passenger experience, including seamless booking, check-in, and boarding processes.

	<ul style="list-style-type: none"> o Aviation Training and Education: Invest in aviation training and education programs to build a skilled workforce in the Pacific. Collaborate with international partners to exchange knowledge and expertise in aviation education. Pacific Island states have been severely affected by a workforce shortage in the aviation sector, and this has been further amplified in the post-pandemic context. It is important that the Government considers the future needs for skilled pilots, engineers in the Pacific Islands as well as appropriate training initiatives must be identified, and support must be directed in the areas that address aviation safety and security. o Capacity Enhancement: Improve airport and air traffic management capacity to accommodate growing air travel demand. Collaborate with neighbouring countries on regional capacity-building initiatives. o Infrastructure Development: Lower levels of developed airport infrastructure is an ongoing concern in light of the expected growth in passenger demand in the Pacific and the ongoing need to meet international standards. There is an opportunity to encourage public-private partnerships for the development of aviation infrastructure and leverage private sector expertise and investment to enhance airport facilities and services. o Regional Integration: Strengthen aviation cooperation agreements with neighbouring countries and regions. e.g. the Sustainable Aviation Arrangement between New Zealand and Singapore. o Joint Regulatory Initiatives: Collaborate on regulatory harmonization to reduce barriers to cross-border aviation activities. Work towards standardized procedures and regulations in collaboration with regional partners. In a workforce constrained environment, differentiating regulation in aviation activity amongst nation states adds layers of complexity and often leads to outdated manual practices o Trade Route Development: Identify and develop key air trade routes that can boost economic ties with strategic partners. e.g. there are opportunities to better utilise cargo capacity out of the Pacific into Australia and New Zealand. o Where the greatest benefits could be achieved:
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- **Sustainable Practices:** Prioritize sustainability initiatives to achieve the greatest benefits in terms of environmental impact and long-term industry viability.
- **Technology Adoption:** Focus on the widespread adoption of emerging digital technologies to improve efficiency, safety, and passenger experience.
- **Collaboration with Regional Partners:** Collaborate closely with regional partners to enhance regional regulatory integration and connectivity.
- **Investment in Infrastructure:** Direct significant investment towards the development and modernization of aviation infrastructure, including airports and air traffic management systems.
- **Capacity Enhancement:** Prioritize initiatives that enhance the capacity of airports and air traffic management systems to handle increased air travel demand.
- **Safety and Security Measures:** Invest in advanced safety and security measures to ensure the highest standards in aviation operations.
- **Global Health Preparedness:** Strengthen preparedness for global health crises to ensure a swift and coordinated response to future pandemics or emergencies.
- **Trade Facilitation:** Implement measures that facilitate international trade through efficient air cargo processes and well-established trade routes.