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Energy Markets Group  
Ministry of Business, Innovation and Employment  
PO Box 1473  
Wellington 6140  
New Zealand

[Oilsecurity@med.govt.nz](mailto:Oilsecurity@med.govt.nz)

Dear Sir/Madam

**Ministry of Business Innovation & Employment**  
**Review of New Zealand's oil security – Discussion Paper**

Auckland Airport welcomes the opportunity to provide some broad comments on the issues raised in the Discussion Paper, particularly as these relate to domestic oil security and the potentially very significant impact that a disruption to the supply of jet fuel would have for New Zealand as a whole.

New Zealand is a remote country. In addition to placing significant reliance on an appropriately functioning domestic air travel service, New Zealand is particularly dependent on international air travel. Air travel accounts the great majority of New Zealand's international passenger movements, enabling 8.6% of GDP through the direct and indirect contributions of tourism to the economy. Air cargo, which is carried primarily in the holds of passenger airlines, comprises over 22% of our imports and 14% of our exports by value. Auckland Airport plays a key role, it is the hub through which 70% of all international travelers and visitors and 90% of all high-value airfreight passes.

It is of critical importance to the economic prospects of New Zealand as a whole that all appropriate steps are taken, and plans set in place, to ensure that, as a nation, we maintain fully functioning air travel and transport capability. New Zealand cannot afford to find itself in a position where, for any significant period, aircraft are unable to access within New Zealand, and particularly at Auckland Airport, the supplies of jet fuel they require to support their flights to/from and within New Zealand. While short term diversions of aircraft from Auckland to other airports in New Zealand may provide a short term relief for some of the issues a disruption of jet fuel to Auckland would cause, it will not solve for them all, either in the long or short term, for example not all aircraft that currently fly to Auckland (A380s) can be accommodated elsewhere.

Auckland Airport recognises that internationally events may occur from time to time that impact on availability of jet fuel and that there may be little New Zealand can do to influence this. Even domestically catastrophic events, beyond anyone's control, may occur and interrupt supply. Notwithstanding this it is key that all the various stakeholders engage and appropriately support steps to mitigate the likelihood and consequences of disruption to the supply of jet fuel to the aviation industry.

The supply chain has, as the Discussion Paper identifies, a number of links and in considering how to ensure security of jet fuel supply it is important to consider each and all of these. Auckland Airport is very interested in understanding what measures to secure jet fuel supply are being



considered or are being suggested by the relevant industry participants as being worthy of consideration. In identifying such measures it will be important to “future proof” solutions. Consideration needs to be given, not only to what is required to meet New Zealand’s current jet fuel supply requirements, but also to what will be needed to meet the requirements of the growing aviation sector in the future.

Relevant industry specialists will provide comment on the particular management requirements of jet fuel (such as settlement to assure purity), where the relevant functions are currently conducted, what storage facilities are currently available, where in the supply chain these sit, and how all this impacts identification of potential short and/or longer term fixes to disruption of supply. Airlines will be able to provide clarity around how jet fuel shortages would impact their operations, what the impact of rationalising flights and bunkering fuel would be and the impact of increased fuel costs on an industry that operates under very significant pressures and constraints.

Auckland Airport is acutely aware of the implications any limitations on the availability of jet fuel to not only its customers but New Zealand as a whole. Auckland Airport is committed to working effectively with all the relevant industry stakeholders and has been working, and continues to work, both internally and with the commercial enterprises involved with the supply jet fuel at Auckland, to build resilience into the availability of supply both in the short and longer term, and with airlines and government agencies to introduce measures at the airport that will support reduced fuel consumption.

Auckland Airport looks forward to being kept informed on progress around development of solutions to the issues raised in the Discussion Paper and would welcome the opportunity to engage further in relation to this matter. Please do not hesitate to contact us for any clarification or further assistance.

Yours sincerely,

Judy Nicholl  
General Manager Aeronautical Operations  
[judy.nicholl@aucklandairport.co.nz](mailto:judy.nicholl@aucklandairport.co.nz)