



Media release
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New research shows high value potential of international pilot training sector

New Zealand's high-value international pilot training sector lost nearly two thirds of its value due to COVID-19 but as it recovers has significant potential as global pilot demand soars.

New research commissioned by the Aviation Industry Association of New Zealand (AIA NZ) shows that at its peak in 2019 the industry was contributing \$86 million in GDP, with 652 international students enrolled and on a path of growth.

However, COVID-19 and the relocation of a major international pilot training school saw this plummet between 2020 and 2021 to a low of 173 students in 2022. The latest figures in 2023 remain low with 186 students and a GDP of \$30.7 million.

"Like many others in New Zealand's international education sector, pilot training is still navigating its way through recovery," says Simon Wallace, Chief Executive of the AIA NZ.

"However, at its pre-COVID peak, this sector was showing high demand from international students looking for high quality pilot training and appeared to be growing. Without the sudden shocks imposed by COVID-19, the value today may have been even larger."

International students pay an average of \$120,000 in fees for a two-year course of study and contribute an additional \$22,500 per year in living costs including food and accommodation and \$5,800 in tourism and associated activities.

Flight training schools also play a significant role in regional economies, with Waikato, Otago, Auckland, Canterbury and Whanganui-Manawatu accounting for 95% of GDP from the sector, and Nelson/Tasman and Southland the remaining 5%.

Between 2010-2020, providers in the Waikato contributed approximately \$33 million. However, this declined dramatically in 2021 due to the relocation of L3 Harris Airline Academy back to the United States, removing a key player from the New Zealand industry.

Meanwhile, a new provider in Otago has been making an increasing contribution to GDP from international students undertaking pilot training over the COVID-19 period, rising from around \$12 million in 2019 to close to \$15 million in 2023.

Another region experiencing growth is Manawatu-Whanganui, which saw a 12% increase in its GDP contribution over the same period.

However, the current overall low demand in international student numbers is coming at a time when the aviation industry is facing severe pilot shortages, and in particular flight instructors.



“This is affecting the ability of our flight schools to operate given they rely on graduate pilots to become flight instructors. The situation is set to worsen without government intervention to address tertiary policy settings, in particular the student loan cap that is locking many young New Zealanders out of a career as a pilot”.

Mr Wallace says increasing numbers of international students studying pilot training could help address this shortage in several ways.

“A change in immigration policy settings to allow these international students to work in New Zealand as flight instructors for a period following their studies, would help alleviate the flight instructor workforce gap.

“As well as helping stimulate economic growth in the regions, having more international students would also strengthen the capacity and capabilities of flying schools across the country, enhancing the overall experience of pilot training for both domestic and international students.”

The top five markets are currently India, Australia, Vietnam, Japan and the United Kingdom.

“New Zealand’s international pilot training industry is highly regarded globally. Our open skies, demanding terrain and weather patterns that challenge students make us an extremely attractive proposition for international students as well as high-value training arrangements with major intentional airlines.

“With the right policy settings, international students will return.”

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*The research report ‘**The value of the international pilot training market**’ was carried out by Scarlatti for AIANZ. www.aianz.org.nz*

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