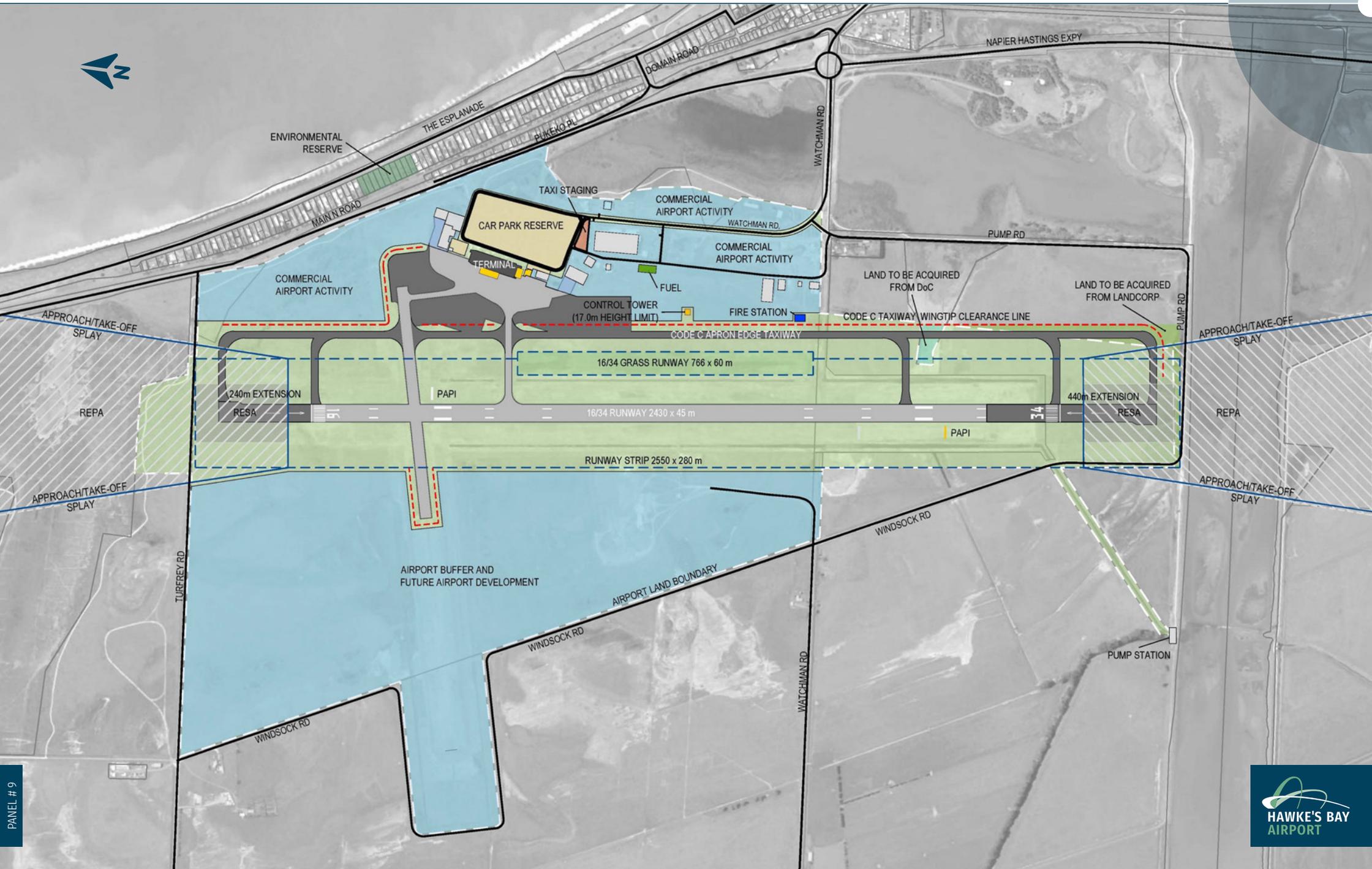
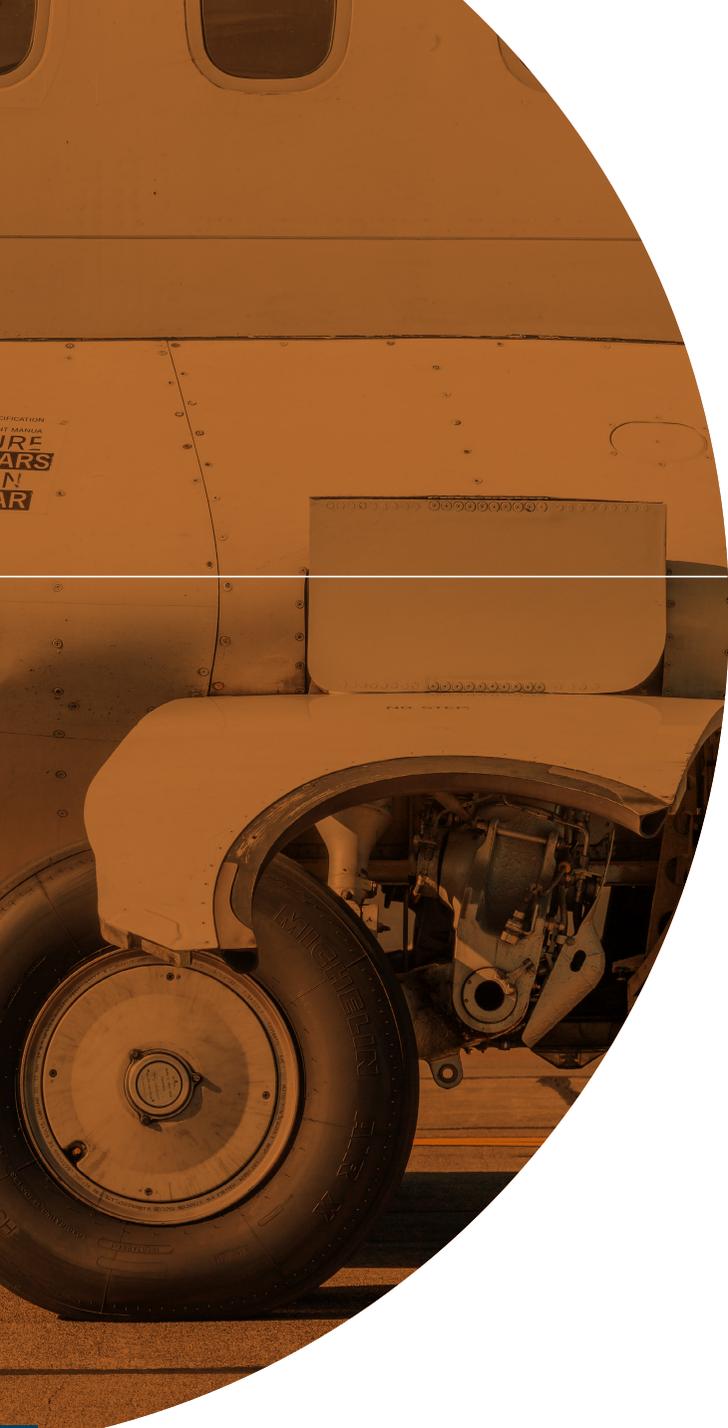


HAWKE'S BAY AIRPORT – EXISTING AIRPORT 2020



HAWKE'S BAY AIRPORT – LONG TERM VISION 2040





AERONAUTICAL FORECASTING A BUSY FUTURE

There has been a lot of change over the past year, and as such, change in forecasted aircraft movements. While, right now, passenger numbers are low, short-term volatility in the aviation market is nothing new. In the past, the world has seen numerous events reduce passenger demand for a period of time. Recent examples include the 9/11 terrorist attack (2001), SARS (2003), the Global Financial Crisis (2008 – 2012) and now Covid-19 (2020). In each previous case, passenger demand returned and long-term growth rates in global passenger numbers were restored.

In preparing the Master Plan, three iterations of annual passenger forecasts were prepared, each accounting for a very different set of circumstances:

- July 2019 "Original"** – Air New Zealand and Jetstar operating at Hawke's Bay Airport.
- January 2020 "Revised"** – Air New Zealand operating alone, after Jetstar withdrawal from regional New Zealand in November 2019.
- June 2020 "Post-Covid"** – Prepared as the Master Plan was being finalised.

SCHEDULED PASSENGER SERVICES PER DAY*

2019  **40**

2040  **60**

TOTAL AIRCRAFT MOVEMENTS PER ANNUM*

2019
 **15,000** Scheduled Passenger Services  **9,000** General Aviation
TOTAL = 24,000

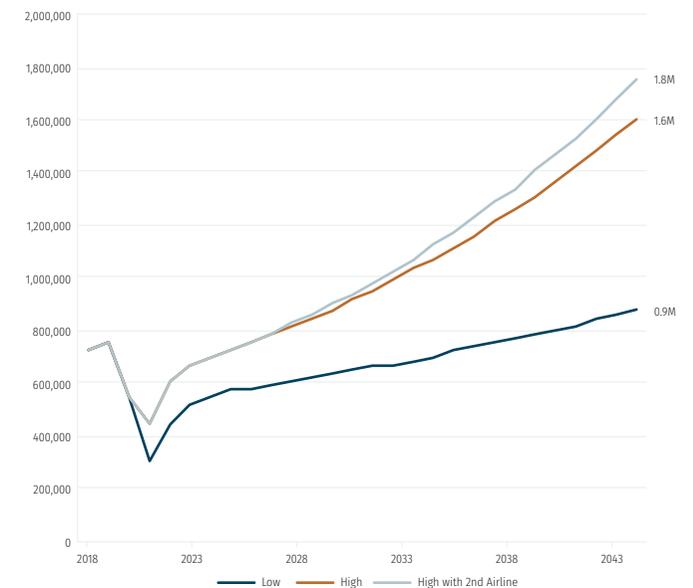
2040
 **22,000** Scheduled Passenger Services  **18,000** General Aviation
TOTAL = 40,000

* Approximate numbers provided by Air New Zealand.

Despite the current challenges, aviation will stabilise. There is confidence in the Airport continuing to provide facilities to service sustained future growth in passenger numbers.

The following graph illustrates forecast passenger numbers at Hawke's Bay Airport from 2018 (actual), during Covid-19 and looking forwards 2045.

Passenger Movement Forecast (Post Covid-19)
2018 - 2045



Source: Christchurch Airport, January 2020



AIR TRAFFIC CONTROL SERVICES STAYING LOCAL

In May 2020, Airways launched a review of its Air Traffic Control (ATC) services at seven regional airports, including Hawke's Bay Airport. The purpose of the review was to confirm that Airways was providing the right level of service at each airport, and that appropriate agreements were in place to fund them.

In response, Gisborne Airport, Hawke's Bay Airport and New Plymouth Airport, had collaborated to engage To70 Aviation to conduct an independent aeronautical study.

The goal of the study was to ensure there is an evidence-based service in place at Hawke's Bay Airport that means safety remains paramount, without imposing unnecessary cost onto the airlines and other operators who fly in and out.

Over a six-month period, Hawke's Bay, Gisborne and New Plymouth airports completed the aeronautical study to examine their individual airspace environments, including investigating airport risks, flight movements, flight tracking, weather trends, local ATC procedures and safety data.

The study presented a robust and comprehensive picture of the airport's ATC needs now and into the future, with data-driven modelling out to 2045.

STAKEHOLDER ENGAGEMENT

In November 2020, To70 and HBAL held workshops with Hawke's Bay Airport stakeholders individually, to identify air traffic control hazards and risks at Hawke's Bay Airport.

To70 also held interviews with NZALPA, Airways NZ Tower Controllers and NZDF, as well as gathering insight from previous studies.

ANALYSIS

Based on the stakeholder feedback and available information, To70 completed:

- A traffic growth assessment
- Hazard identification and risk assessment workshop
- Collision Risk Model with Fault Tree Analysis
- Options Assessment

The study also considered input from Hawke's Bay Airport's stakeholders, including airlines, on what passenger numbers and aircraft movements will look like under a number of scenarios – including the pandemic.

SUMMARY

In March 2021, Airways and Hawke's Bay Airport announced the aeronautical study had determined that Hawke's Bay Airport's existing ATC service should stay. The withdrawal of the tower service is not recommended at this time.

Airways and Hawke's Bay Airport will now begin discussions on a revised commercial agreement to cover the service going forward.