



WHAKATANE AIRPORT

NON-SCHEDULED FLIGHT MOVEMENTS FORECASTS

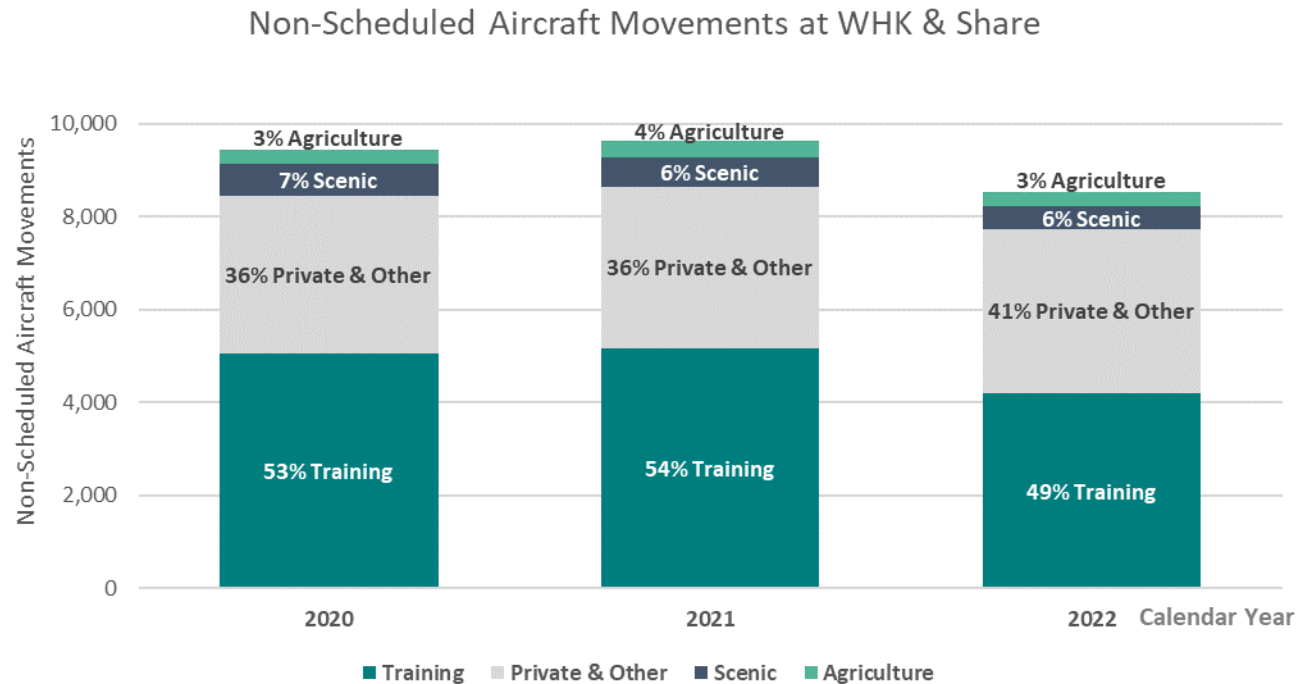
MAY 2023

EXECUTIVE SUMMARY

- Whakatane Airport's non-scheduled flight movements totalled around 9,500 in 2020 and 2021, then decreased to 8,500 in 2022 due to lockdowns and border closure during the period of Covid-19.
- In 2022, the airport's non-scheduled movements are made up of training flights (49%), private flights (41%) and scenic and agricultural flights (10% combined).
- The largest operator, Aerohire, a flight training school which accounts for 32% of total non-scheduled movements in 2022, sees its business in a 'steady state'. However, a smaller flight training school (Eagle Flight Training School, 7% of 2022 total) expects its business to expand in the coming years.
- Private flying is a fragmented sector that consist of more than 300 operators. Matadan, being the largest operator, accounted for only 5% of flying in 2022. The sector has grown gradually at 2.2% and 1.5% in 2021 and 2022 respectively.
- Scenic flight operator, East Bay Aviation, whose customers were 90% international tourists, sees its business recovering to pre-Covid levels and is proposing to add pilots to cater for that revival.
- Agricultural flying, performed by Super Air, forms a small part of non-scheduled movements, and is expected to experience little growth.
- Based on these market conditions, it is estimated that the airports' non-scheduled flight movements to surpass its pre-Covid level in 2029 (calendar year), and reach 10,500 in 2033. This represents a 23% increase over 2022 number, and is equivalent to 1.9% year-on-year growth.

NON-SCHEDULED AIRCRAFT MOVEMENTS

CURRENT COMPOSITION

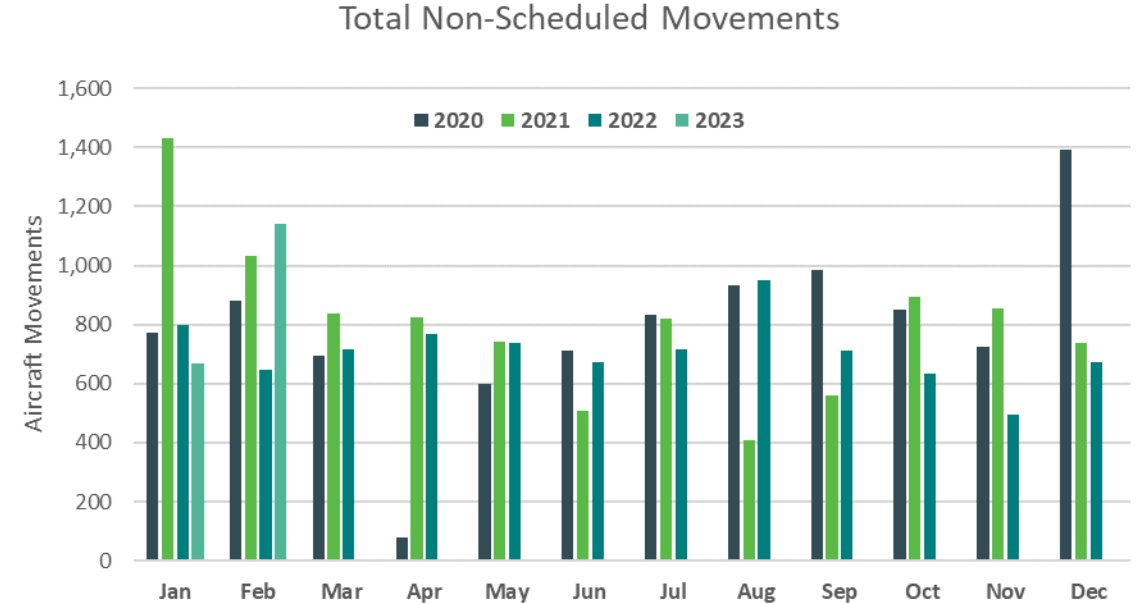
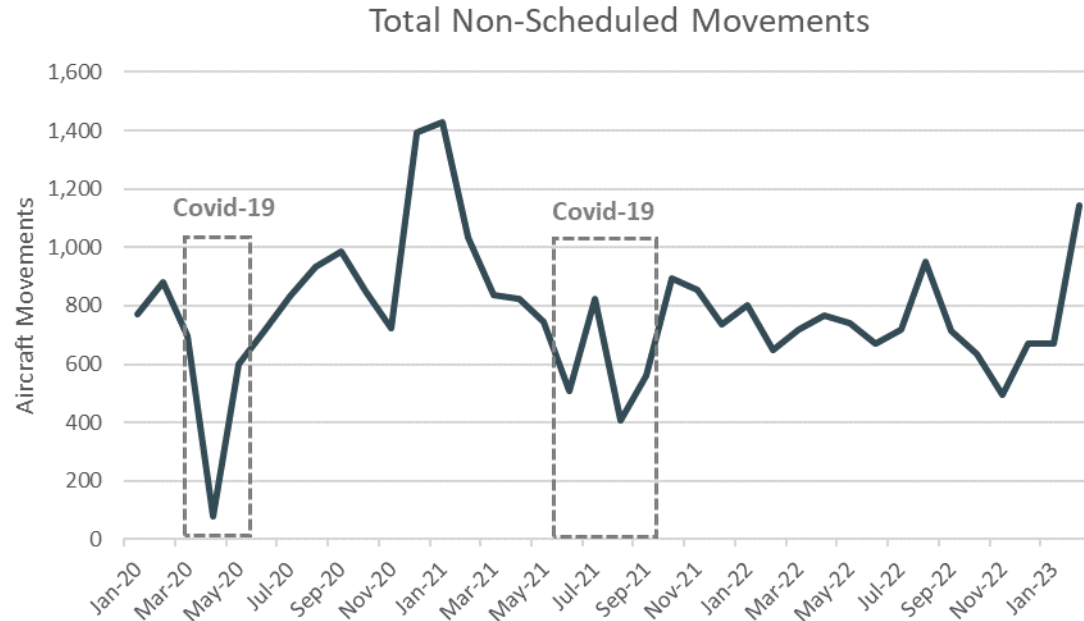


- Based on the data supplied, annual non-scheduled movements were at 9,500 levels in 2020 and 2021, then declined 12% to 8,500 in 2022, driven by reduced number of training flights.
- Training flights account for about half of non-scheduled movements at WHK
- Private & Other flying accounts for about 40%, which mainly consists of private leisure flying
- From feedback of operators based in WHK, it was understood that in general, leisure flying demand was strong during Covid, due to lockdowns and border closure. However, demand is expected to pare back slightly post-Covid when international travel resumes.
- Agricultural and scenic flights combined account for the remaining 10%

* Based on Jan 2020 – Feb 2023 data provided by Whakatane Airport

WHAKATANE NON-SCHEDULED MOVEMENTS

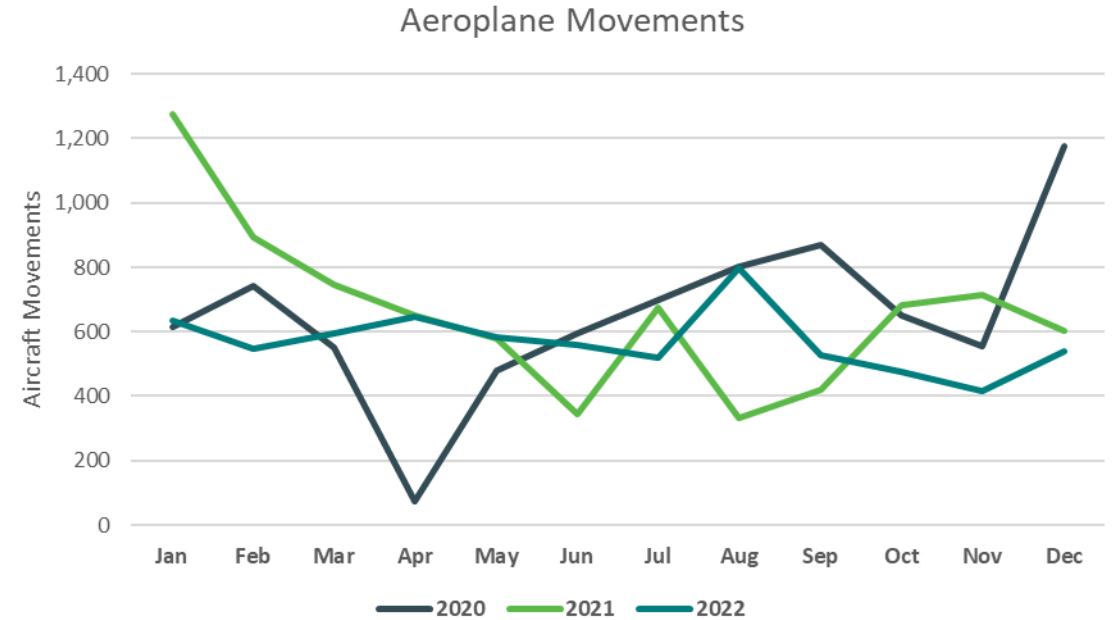
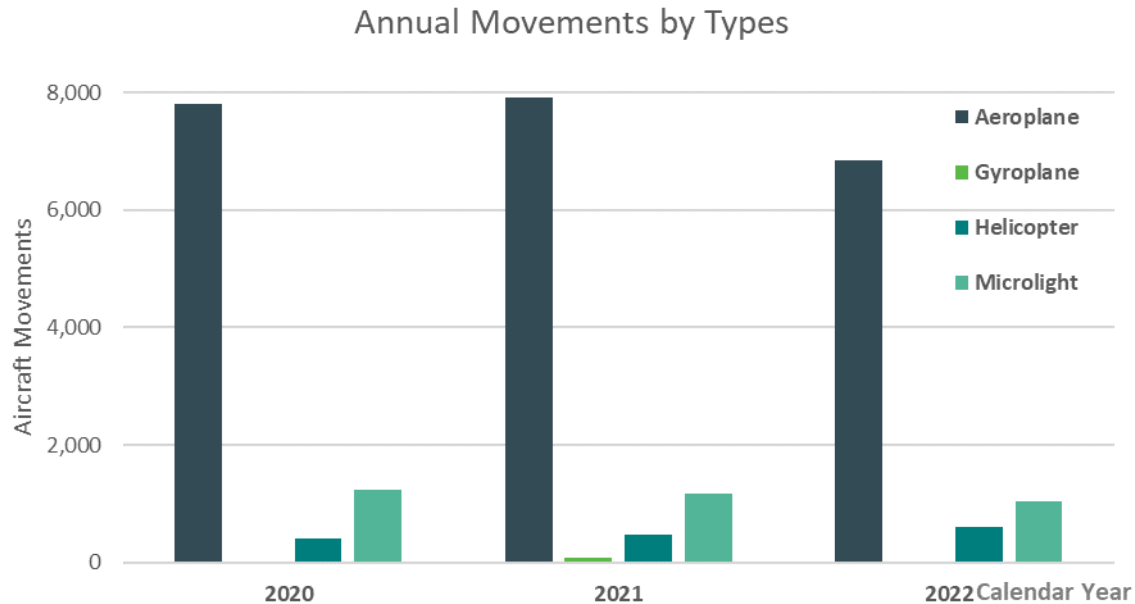
MONTHLY MOVEMENTS



- There is no distinct seasonality with non-scheduled movements, apart from the surge in summer months (Dec – Feb). This is likely due to the fact that over half of the flying are training flights, which does not exhibit strong seasonality pattern. However, fine weather and longer daylight hours enables more private flying.
- Months with particularly low movement numbers in 2020 and 2021 are most likely to have been affected by Covid-19 lockdowns
- The number of movements in Jan 2023 were only half of those in 2022, as Eagle Flight Training heavily decreased their flying in the month. This decrease could potentially be attributed to their foreign students taking a summer break after the border reopened.

WHAKATANE NON-SCHEDULED MOVEMENTS

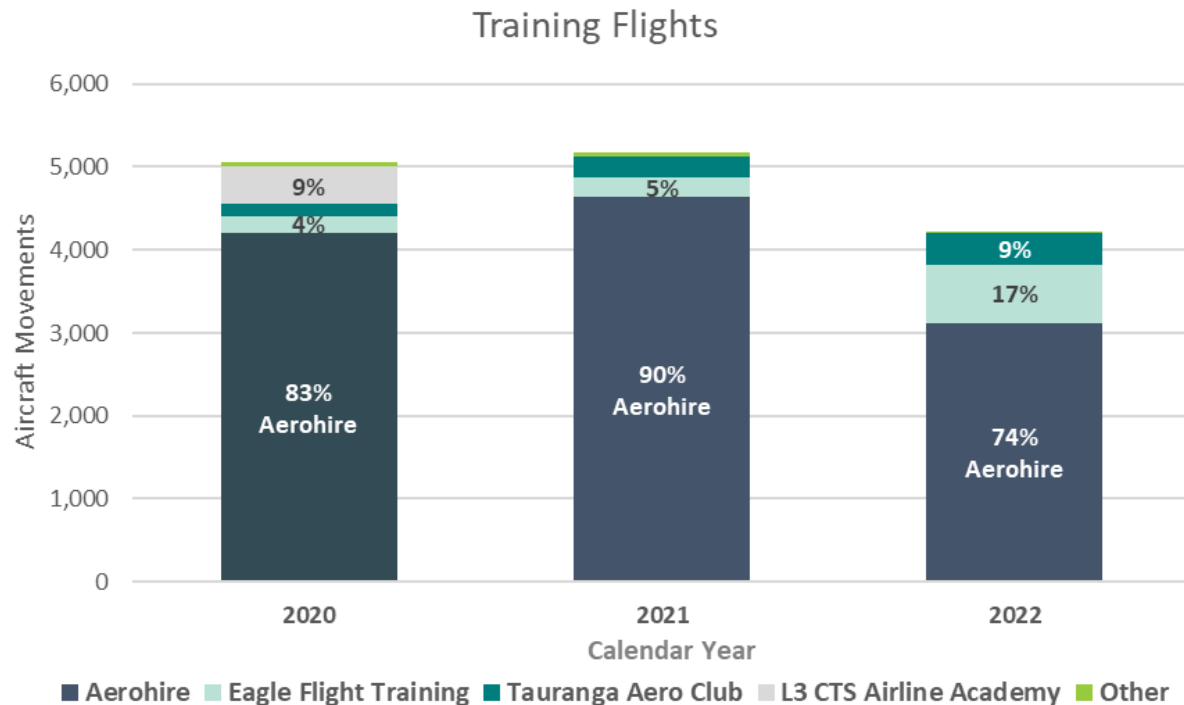
MOVEMENTS BY AIRCRAFT TYPE



- Movements by fixed wing aircraft are by far the largest category, which generally includes planes with MAUW (max all up weight) above 500 kgs
- Aeroplane movements tend to experience a spike in summer months (Dec to Feb) for reasons outlined on the previous slide

TRAINING FLIGHTS

MOVEMENTS BY OPERATOR

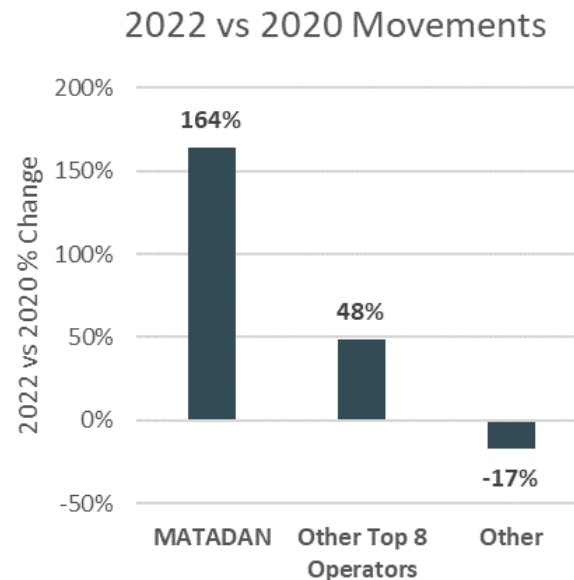
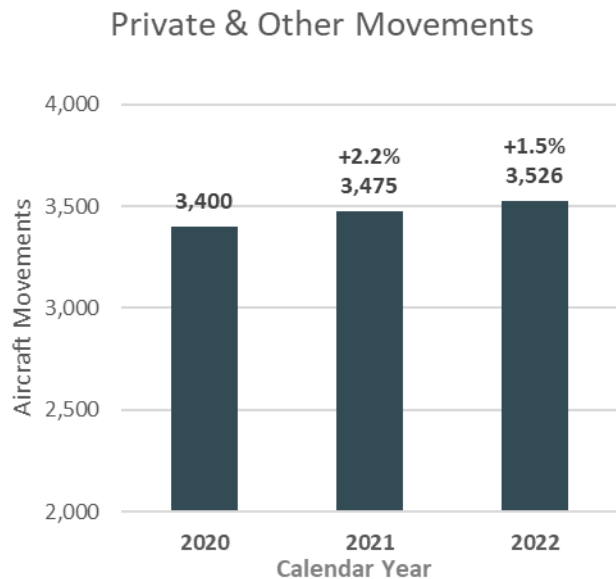


- *Tauranga Aero Club is not a flight training school, and does not pursue certification to be one, but they operate many training flights to WHK airport. They do have training facilities to cater to the over a hundred members that are “learning to fly”.*
- *It is difficult to quantify the split between training vs leisure flying with Tauranga Aero Club, thus all their flights are categorised as training.*

- The majority of the training flights are operated mainly by Aerohire (Whakatane-based) and Eagle Flight Training School (based in Gisborne). There are a small number of flights by Tauranga Aero Club (Tauranga-based), L3 CTS Airline Academy (Hamilton-based) and Massey Aviation School Palmerston North-based).
- The total number of training flights decreased from 4,900 to 3,800 over the past three years (-22% decline)
- The decline was mainly attributed to Aerohire’s decline of 33%, which sees its business going into a ‘steady state’ in the short term.
- L3 CTS Airline Academy, which had 450 movements in 2020 (the second largest training flight operator at WHK that year), was closed in Feb 2021 and has not been operating into WHK since then.
- However, Eagle Flight Training School, a much smaller operator, more than tripled its flying in 2022 as it secured more students from overseas. It sees itself expanding in the coming years, supported by its MOU with Vietnam.
- As Eagle Flight Training only produces a quarter of Aerohire’s flying, it is assumed that the whole training sector would undergo only slow growth through the forecast period.

PRIVATE AND OTHER FLYING

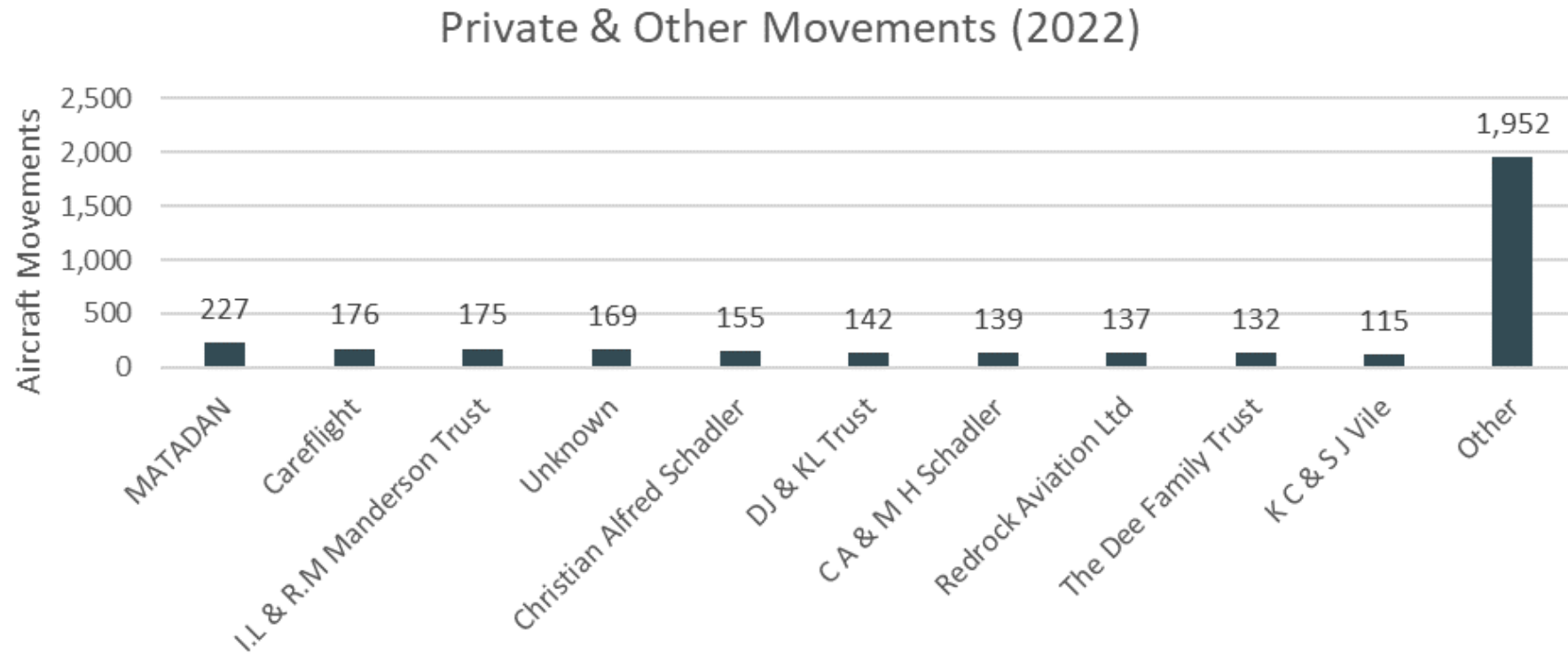
PRIVATE FLYING OPERATORS



- Private flying has grown slowly in the past three years with 2.2% and 1.5% annual growth in 2021 and 2022 respectively.
- This is a fragmented sector that consist of more than 300 operators. Matadan, being the largest operator, accounted for only 5% of flying in 2022.
- There has been a trend of consolidation over the past three years. Matadan has grown by 164%, the other top 8 operators +48%, while movements of all other operators combined has declined by 17%.
- Due to this consolidation, the share of the top 9 operators combined has increased from 26% in 2020 to 40% in 2022
- Known operators based at WHK represent slightly less than half (46%) of total private flying
- Overall, it is assumed that private flying will grow at a modest rate of 1.8% annually, equivalent to its CAGR in the past three years.

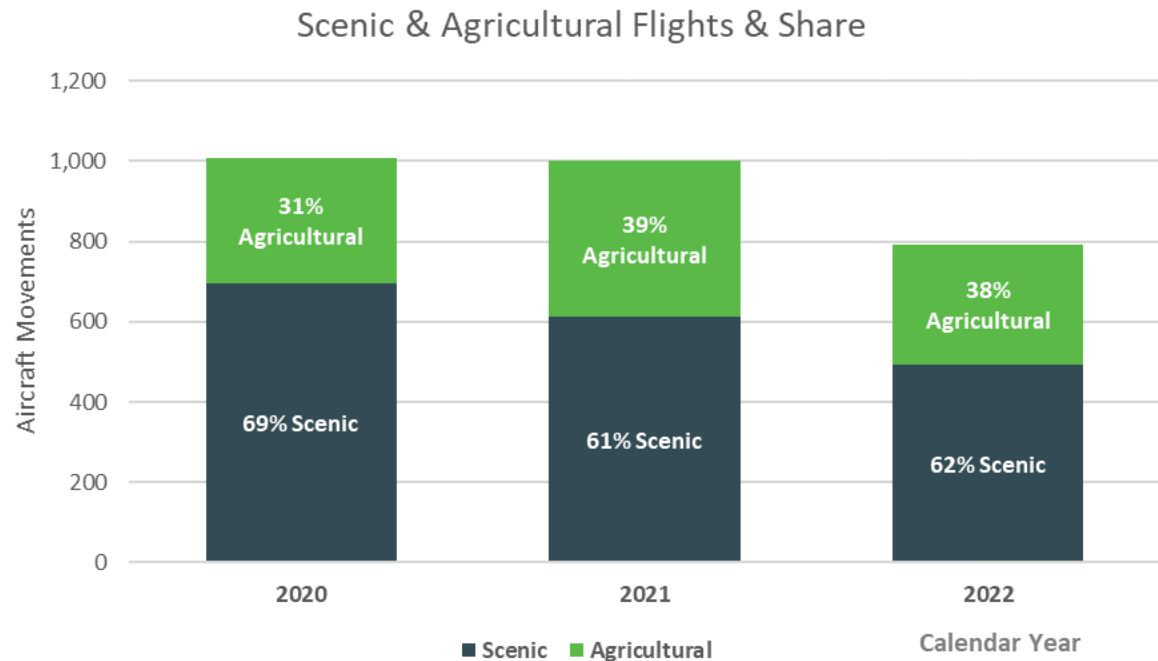
PRIVATE AND OTHER FLYING

PRIVATE FLYING OPERATORS



AGRICULTURAL & SCENIC FLYING

SPLIT OF TYPE AT WHK



- Scenic and agricultural flights combined account for 10% of total non-scheduled movements at WHK

The combined movements of these two categories has declined by 21% in 2022 compared to 2020, driven by a 29% decline in scenic flights and a 4% decline in agricultural movements.

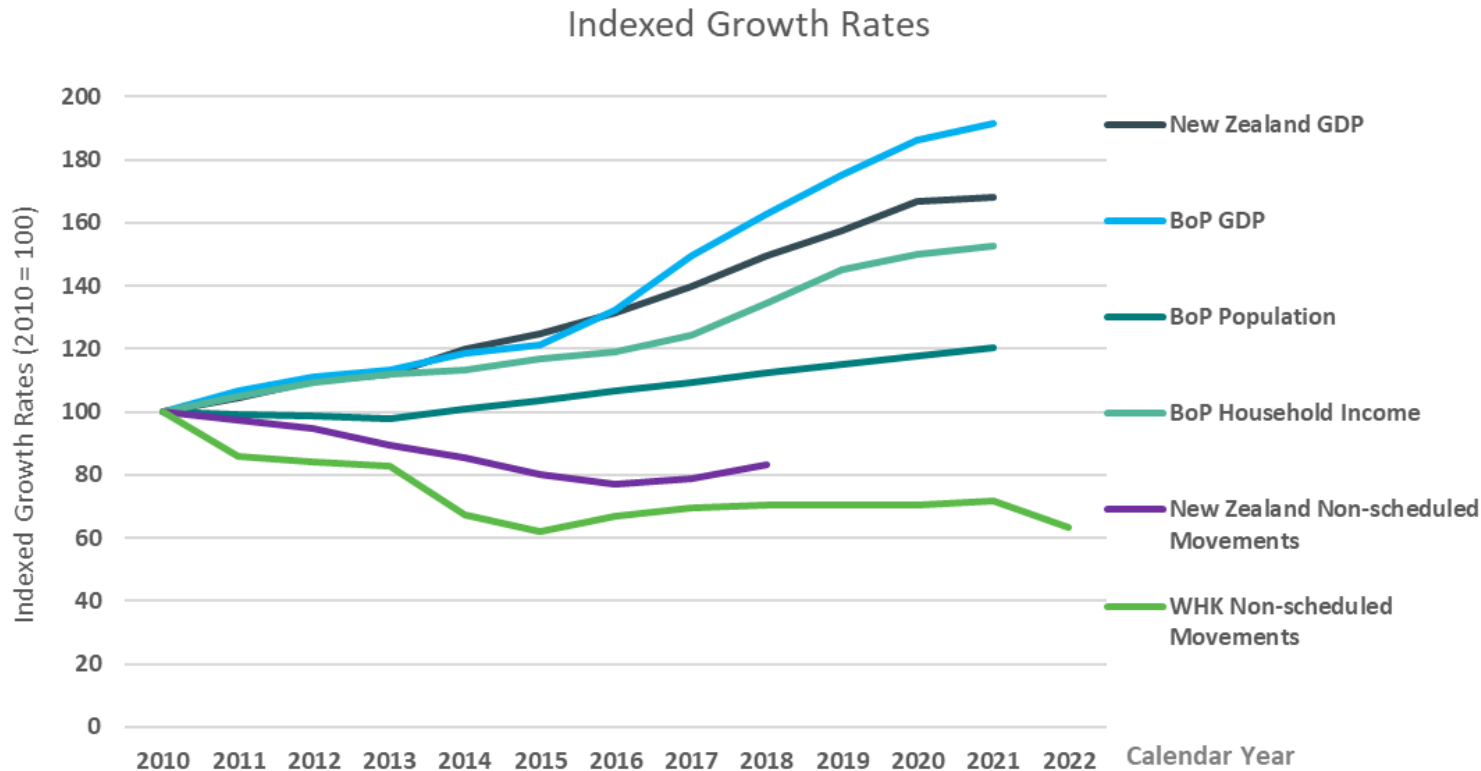
The major scenic flight operator, East Bay Aviation, notes that Covid-19 has had a huge impact to their flying, as 90% of their customers are international tourists. They anticipate a rebound in the coming summer season, and thus is training one more pilot in preparation for the expected increase in demand.

Feedback from Super Air, the agricultural flight operator, point to a mediocre outlook for its business.

Based on the above, it is expected that scenic flights will recover to pre-Covid levels and then experience an average rate of growth. On the other hand, agricultural flights are anticipated to undergo modest expansion in movements.

COMPARISON WITH OTHER GROWTH RATES

ECONOMIC INDEX COMPARISONS



- Over the past 12 years, non-scheduled flight movements at WHK has been declining, then entered into a period of no growth, followed by the drop off in demand due to Covid-19

In comparison, econometric trends seen at Bay of Plenty and New Zealand are more robust

Despite this, it is noted that both the smaller flight training school (Eagle Flight Training School) and the scenic flight operator expect recovery and growth in the near future

Furthermore, growth from operators based elsewhere could be expected along with growth of private flying in the country

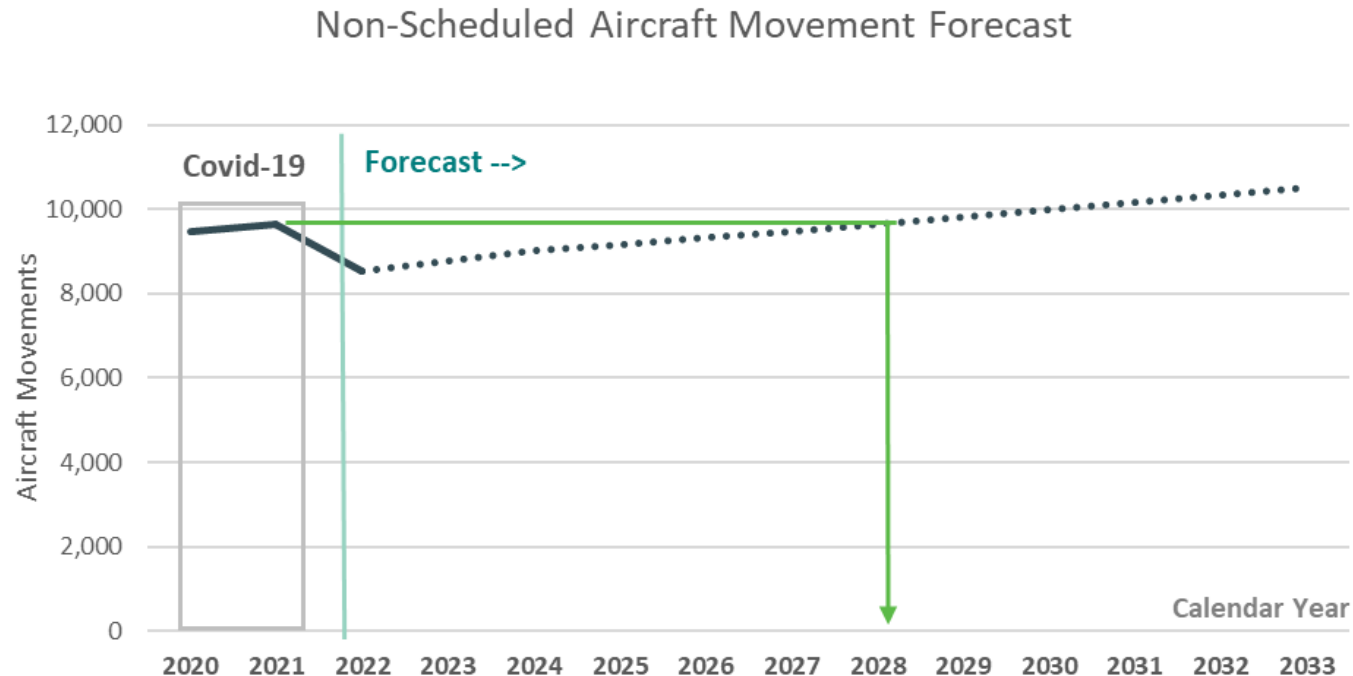
Overall, a slow growth rate is assumed, based on historical trend and business outlook of major operators based in Whakatane

Given the small number of flight movements and the significant concentration of these movements among a few major operators (where the top 9 operators accounted for 70% of movements in 2022), future growth will largely depend on the expansion of these major operators rather than national trends.

**New Zealand Non-Scheduled Movements data is purchased from Airways previously, and is up to 2018 only; WHK data before 2020 also comes from the same source*

NON-SCHEDULED FLIGHT MOVEMENT FORECAST

A TEN YEAR PROJECTION (2023 – 2033)



- Based on the assumptions discussed earlier with respect to the various sectors, non-scheduled movements at WHK are expected to recover, then grow slowly from 8,500 in 2022 to 10,500 in 2033. Note that 2022 was heavily impacted by Aerohire’s decreased training flights.
- Compared to 2022, the forecast represents a 23% increase, which is equivalent to 1.9% annual growth.
- Total movements are estimated to reach 2021’s level in 2028.
- The forecast reflects a quick recovery of scenic flights, and then followed by slow growth after full recovery. Training, private and agricultural flights are assumed to experience gradual growth.

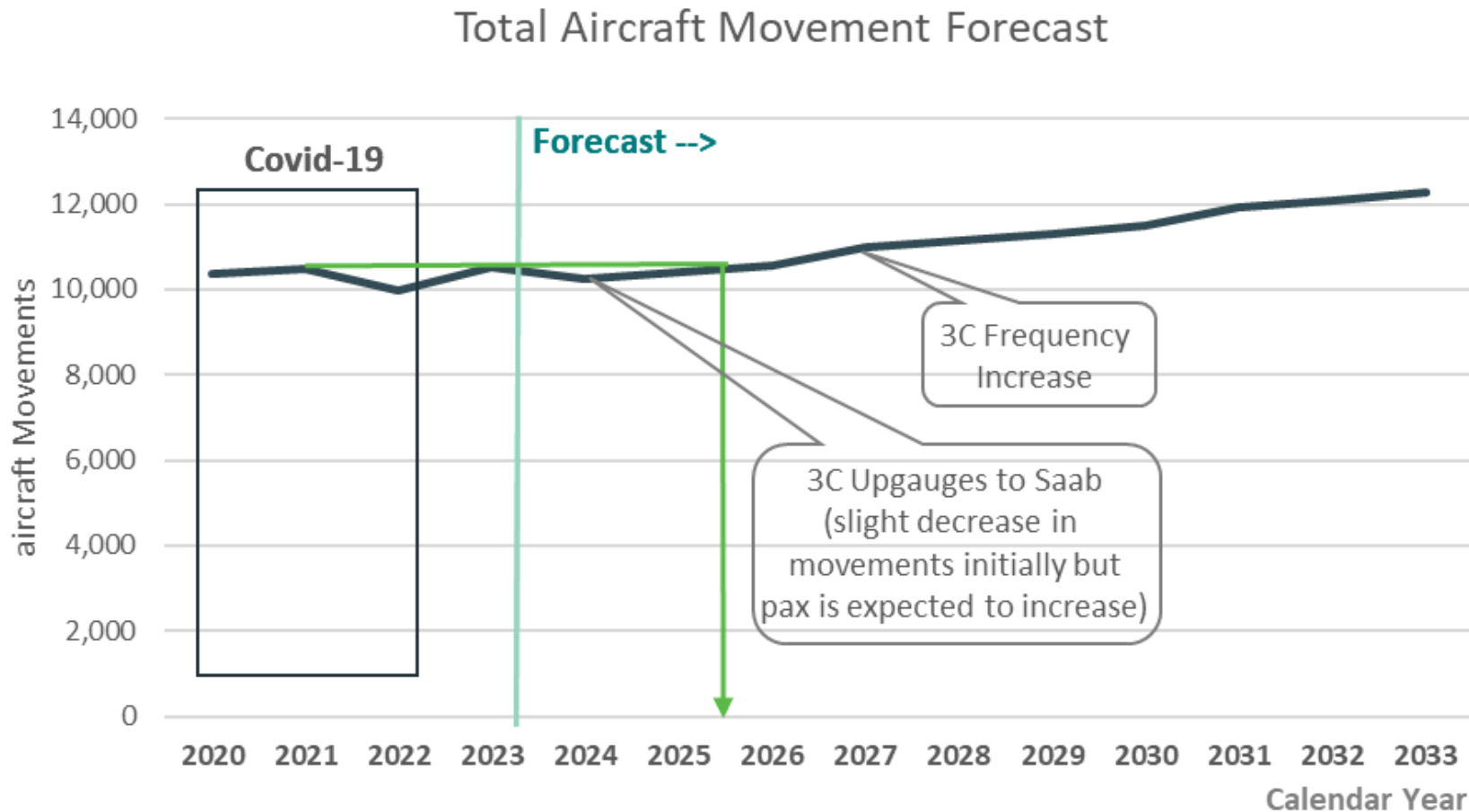
TOTAL MOVEMENTS

(SCHEDULED &
NON-SCHEDULED)



TOTAL AIRCRAFT MOVEMENT FORECAST

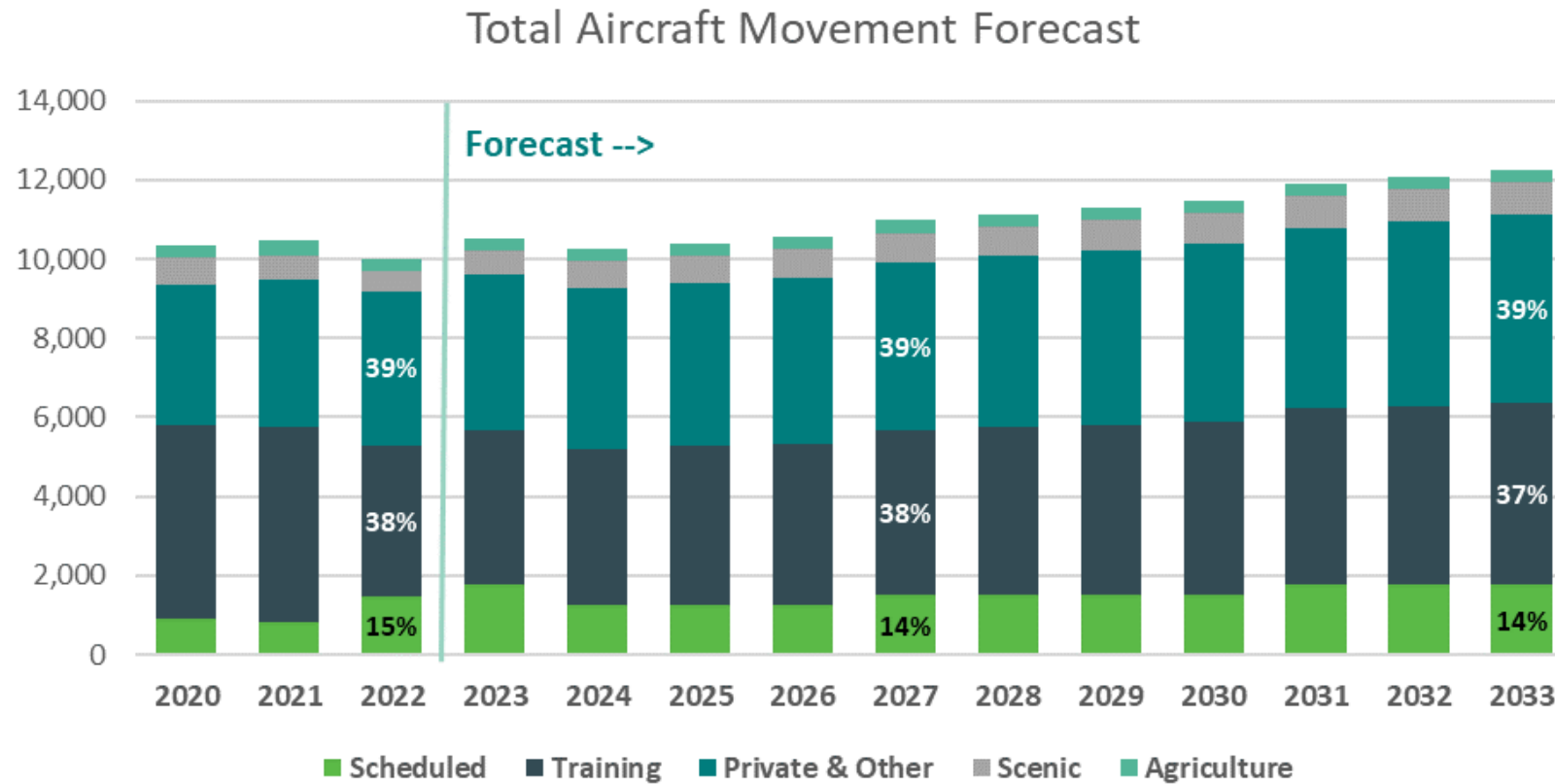
A TEN YEAR PROJECTION (2023 – 2033)



- Showing the sum of scheduled and non-scheduled aircraft movement forecast
- Total movements in 2022 were 9,990
- Projected to grow to 12,275 in 2033
- Represents 23% increase from 2022, equivalent to 1.9% CAGR
- Total movement is expected to surpass 2022 level after 2025

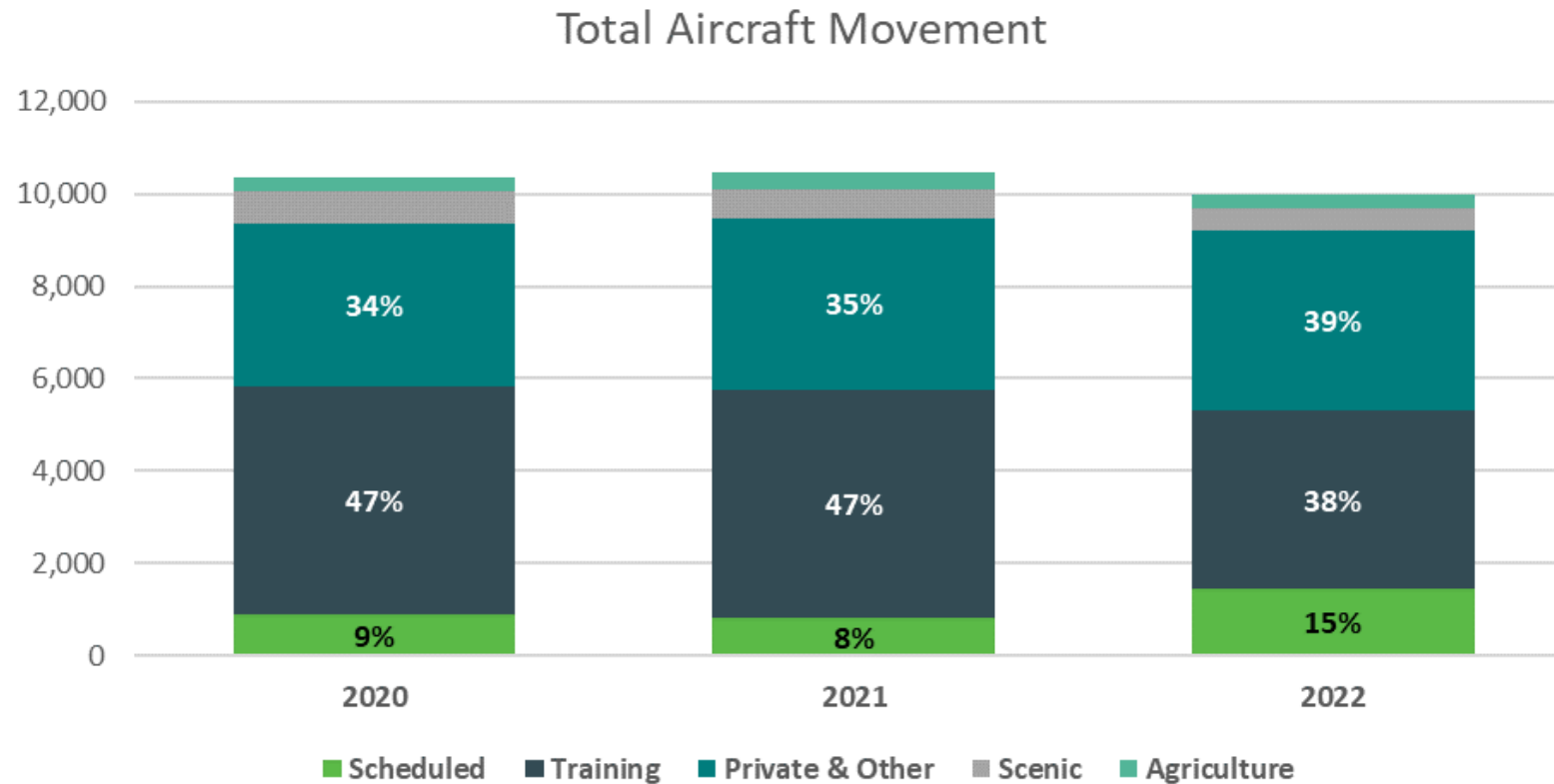
TOTAL AIRCRAFT MOVEMENT FORECAST

A TEN YEAR PROJECTION (2023 – 2033) BY FLIGHT TYPES



CURRENT AIRCRAFT MOVEMENT TYPES

2020 - 2022



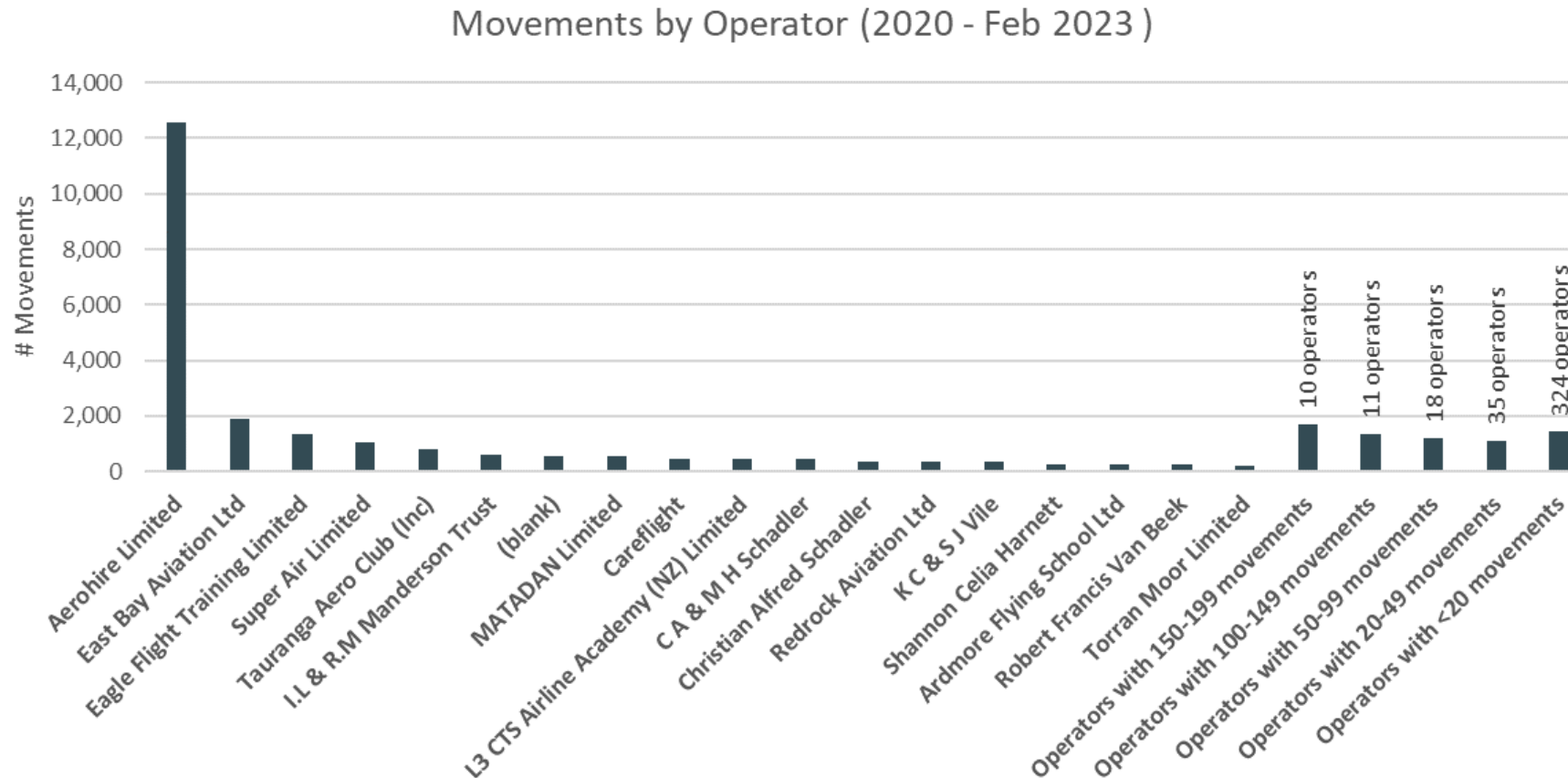
- Total aircraft movements at WHK in 2022 were 10,000, of which:
 - ✦ 15% (1,470) were Air Chatham's scheduled flights
 - ✦ 38% (3,840) were training flights
 - ✦ 39% (3,900) were private and other flying
 - ✦ Scenic and agricultural flights combined were 800 (8%)

APPENDICES



MOVEMENTS BY OPERATORS (2020 – FEB 2023)

DATA PROVIDED BY WHK



- Aerohire accounts for 43% of total movements
- Top 15 operators account for 75% of total movements
- Operators for 2% total movements are unknown (blank)

OPERATORS BASED IN WHAKATANE

NUMBER OF MOVEMENTS IN 2022, AND NUMBER OF PLANES THEY OWN

