

‘Shovel ready’ Infrastructure Projects: Project Information Form

About this Project Information Form

The Government is seeking to identify ‘shovel ready’ infrastructure projects from the Public and certain Private Infrastructure sector participants that have been impacted by COVID 19.

Ministers have advised that they wish to understand the availability, benefits, geographical spread and scale of ‘shovel ready’ projects in New Zealand. These projects will be considered in the context of any potential Government response to support the construction industry, and to provide certainty on a pipeline of projects to be commenced or re-commenced, once the COVID 19 Response Level is suitable for construction to proceed.

The Infrastructure Industry Reference Group, chaired by Mark Binns, is leading this work at the request of Ministers, and is supported by Crown Infrastructure Partners Limited (CIP).

CIP is now seeking information using this Project Information Form from relevant industry participants for projects/programmes¹ that may be suitable for potential Government support. The types of projects we have been asked to consider is outlined in Mark Binns’ letter dated 25 March 2020.

CIP has prepared Project Information Guidelines which outline the approach CIP will take in reviewing and categorising the project information it receives (Guidelines).

Please submit one form for each project that you consider meets the criteria set out in the Guidelines. If you have previously provided this information in another format and/or as part of a previous process feel free to submit it in that format and provide cross-references in this form.

Please provide this information by 5 pm on Tuesday 14 April 2020.

As an initial task the Infrastructure Industry Reference Group has been asked to prepare a report on infrastructure projects/programmes that are ready for construction and could, if the Government deemed it appropriate, be deployed as part of a stimulatory package. It should be noted that the full impact of COVID 19 on the economy will not be known for some time, and the Government’s decision to accelerate any construction-related spend will be determined by its assessment of priorities at the time. This information is being sought in good faith, but no undertaking can be made that the criteria or any other considerations will not change or that any projects coming forward from the Reference Group will be accelerated, or any of the Reference Group’s recommendations adopted. This situation we all find ourselves in is truly dynamic.

This document relates to the gathering of project information only and is not a Notice of Procurement. It does not form part of any procurement process. It does not commit the Government or CIP to take any further steps, or provide any financial or other assistance, in connection with any information in response to this document or the projects to which that information relates.

¹ We refer to “projects” throughout. This term includes programmes of work in all cases.

Section 1: Key Information [Criteria 2 and 3]

1. Project Title: Hood Aerodrome Infrastructure Upgrade

2. Please provide your details:

Organisation Name:		Masterton District Council	
Entity Type:		Local Authority	
Contact Name and Role:	Kathryn Ross, Chief Executive		
Email Address:	kathrynr@mstn.govt.nz	Telephone:	Privacy of natural persons
			Privacy of natural persons

3. Please provide a very brief description of the infrastructure project:

[Briefly outline the project and confirm that it is an infrastructure project that provides a clear public benefit. You can include links to / sources of other project information]

Hood Aerodrome is a prized asset in the Wairarapa – home to the world-famous Wings over Wairarapa show and rare vintage aircraft – but it is not meeting current demands or realising its potential.

This infrastructure project presents an opportunity to:

Create jobs and support the region

- create jobs in both construction and ongoing roles
- provide essential transport infrastructure for the Wairarapa
- improve community resilience for the wider Wellington region by building a lifeline connection between the Wairarapa and the rest of New Zealand – this is essential for business sustainability, disaster management, medical transport and other essential services
- provide a more suitable runway for medical aircraft operations, reducing risk and the need for Civil Aviation Authority (CAA) exemptions to operate on the existing narrow and short runway
- meet the needs of existing operators providing essential services to the regions
- enhance safety and comply with runway certification requirements from the CAA

Build a resilient and innovative future

- build an aerodrome more suited to the long-term future of aviation transport
- enable electric and autonomous transport from regional to central hubs in Wellington and Palmerston North
- provide opportunities to work with companies such as Air New Zealand as airlines re-shape operations in the COVID 19 context
- enable the aerodrome to go from a community airfield supporting aircraft hobbyists and select commercial operators to an internationally renowned economic enabler for the Wairarapa – a centre for cutting-edge commercial operations, manufacturing, education and training alongside the existing, and new, tourism attractions and businesses
- enable and complement significant projects currently under development such as Commercial Information Value-added Food Sector and Food Hub, Water Storage, Dark Skies and the Commercial Information

To meet current demand and enable further economic and business investment, the following critical infrastructure improvements are required:

- Runway widening and extension, including road realignment and strategic land purchases
- Aerodrome infrastructure upgrades, including extended taxiway and apron, lighting upgrades, effluent, water and power improvements, increased security and CAA certification

This infrastructure will transform Hood Aerodrome into a modern, functional airport, with capacity for growth beyond the current activity. It will enable recovery from COVID 19, support a high-value economy and facilitate freight and trade within New Zealand and the world, while enhancing safety. It will increase social connectivity and enhance Hood Aerodrome's already strong local, national and international reputation.

With appropriate infrastructure we expect activity on the aerodrome to increase over time. Steady and sustained growth will occur during and following the recovery phase for COVID 19.

The following immediate commercial opportunities will be supported through this project:

- Construction and project management jobs during the build phase
- Expansion of agricultural aircraft operations
- Provision for future commercial and non-commercial hangar development
- Adventure aviation facility for jet and fixed-wing aircraft
- **Commercial Information**
- Enable future commercial passenger and freight service
- **Commercial Information**

The cost of the total project is estimated to be \$17m. The impacts of the improvements will be widely felt. The total economic impact has been estimated at between \$248.2m and \$387m for New Zealand using a conservative scenario of three enabled projects. For the Wairarapa, the mid-point economic impact is estimated at \$136m. The GDP impacts associated with the capital expenditure is estimated at \$19m (6% discount rate). The undiscounted impact is estimated at \$291.9m in the Wairarapa and \$652.8m overall.

Within 20 years Hood Aerodrome will be the centre of a thriving aeronautical, knowledge intensive, cutting edge commercial and manufacturing precinct that combines education, training, tourism, jobs, commercial and recreational opportunities and will have acted as a catalyst for further investment in the Wairarapa.

4. This project will be located in which Territorial Authority:

Masterton District

5. Please confirm the project sector, category and type of infrastructure:

Project Sector	<input checked="" type="checkbox"/>
Accommodation	<input type="checkbox"/>
Agriculture, Horticulture and Forestry	<input checked="" type="checkbox"/>
Alcohol Availability	<input type="checkbox"/>
Bioscience and Biotechnology	<input type="checkbox"/>
Construction	<input checked="" type="checkbox"/>
Energy	<input type="checkbox"/>
Film and Television	<input type="checkbox"/>
Imports and Exports	<input checked="" type="checkbox"/>
Information communications and technology	<input type="checkbox"/>
Manufacturing and Production	<input checked="" type="checkbox"/>
Retail Trade	<input type="checkbox"/>
Tourism	<input checked="" type="checkbox"/>
Wholesale Trade	<input type="checkbox"/>

Project Categories	<input checked="" type="checkbox"/>
Three waters	<input type="checkbox"/>
Transport	<input checked="" type="checkbox"/>
Buildings and Structures	<input checked="" type="checkbox"/>
Other infrastructure	<input type="checkbox"/>

Project Type	<input checked="" type="checkbox"/>
Critical infrastructure	<input checked="" type="checkbox"/>
New infrastructure	<input type="checkbox"/>
Replacement/refurbished infrastructure	<input type="checkbox"/>
Repurposed infrastructure	<input type="checkbox"/>

Central Government	<input type="checkbox"/>
Local Government	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>

6. What is the total cost of the project (NZ\$M)?

\$17,069,635

7. Provide a high-level breakdown of this spend (e.g. construction costs, professional fees, land, other etc.):

	Infrastructure for a resilient aerodrome supported by the community and creating jobs for the region	Airfield operational systems and safety plan
Stage 1		
Land purchase	\$ Commercial Information	
Runway widening and extensions	\$ Commercial Information	
Runway approaches	\$ Commercial Information	
Airfield fixtures	\$ Commercial Information	
Precinct development	\$ Commercial Information	
Engineering precinct development	\$ Commercial Information	
Airfield management		\$559,600.00
Subtotal stage 1	\$7,387,263.00	\$559,600.00
Stage 2		
Runway construction	\$ Commercial Information	
Manaia Road realignment	\$ Commercial Information	
Drainage	\$ Commercial Information	
Runway engineering	\$ Commercial Information	
Subtotal stage 2	\$ Commercial Information	
Total	\$12,570,888.00	\$559,600.00
Contingency	\$3,939,147.00	
TOTAL	\$17,069,635.00	

8. Briefly outline the value the project will deliver in terms of employment contribution.

[Briefly describe the employment contribution the project will make (whether directly or within the supply chain). Further information can be provided in section 3]

The project offers employment opportunities, both for construction and ongoing roles.

In particular:

- Construction in the first year will support 53 roles in the Wairarapa, with a further 29 and 45 in the Wellington region and rest of New Zealand respectively.
- The facilitated projects, once fully operational, will support 200 employment opportunities in Wairarapa.

9. Briefly describe how the project is currently/ intended to be funded:

This project was recently submitted to the Provincial Growth Fund (PGF) though has not yet been considered. We propose in this submission that the infrastructure fund provide the same level of funding. The following table provides a summary of the intended sources of funding for the project:

Source of funding	\$ (excluding GST)	Status/commentary
Crown Infrastructure Funding (previously Provincial Growth Fund)	\$10,000,000.00	(note includes 50% of total contingency - @\$2m)
Masterton District Council 2019/20 capex	\$745,700.00	Confirmed
Masterton District Council (loan funded) 2021/22	\$1,067,000.00	Confirmed
Masterton District Council capex reserve 2019/20	\$1,000,000.00	Confirmed for 2019/20 by Council resolution from Capex reserves (can be included in 20/21 plan)
Masterton District Council capex / loan funded 2021-2025	\$1,500,000.00	To be included in LTP 2021-32
Council(s), user fees and charges, lease income, investor / community contributions and other grants funding	\$2,756,935.00	TBC - required funded (note includes 50% of total contingency)
Total	\$17,069,635.00	Estimate

10. Has this project previously applied for funding with any part of Government? Yes: No:

- If Yes, please describe which part of government (i.e. PGF, NZTA FAR etc.), the outcome of the discussions and who such discussions were with (what Ministry and official).

This project was recently submitted to the PGF though has not yet been considered. Preliminary discussions occurred with the Provincial Development Unit (PDU) including Cliff Fuller, Al Morrison and Leah MacDonell.

An early version of the concept and draft application has been shared with Minister Ron Mark.

Discussions with local MPs have also occurred to test the concept. Discussions have been high level and broadly encouraging.

Please note that the Wairarapa Regional Economic Development Strategy and Action Plan (WEDSAP) was launched at Hood Aerodrome in 2018, where Steve Maharey and Mayor Lyn Patterson spoke to audience which included Government Ministers and officials on the content of WEDSAP including the benefits of an air transport connection to the Wairarapa and the other opportunities at Hood Aerodrome to create jobs in the community and support regional development.

As described in Question 9 above, the Masterton District Council has also committed funds to the project.

Section 2: Construction Readiness [Criteria 1]

11. Please briefly explain the status of the project including confirmation that the project will fall into one of the three categories of readiness (see 12 below).

[Briefly describe project status]

The timeline below demonstrates that project development is complete, that other activities are well underway, and that, prior to the COVID 19 pandemic, construction was expected to begin in November 2020 (i.e. status “C” below).

Activity Group	Status	Baseline Start	Baseline End
Project development	Complete	01/03/19	28/02/20
CAA Aeronautical Study and Noise Profiles	Commenced	01/01/20	31/12/20
Safety Review	Commenced	01/11/19	28/02/24
Master Plan	Commenced	01/01/20	31/10/20
Land Acquisition	Commenced	25/09/19	30/04/23
Infrastructure Upgrade	Planned	01/11/20	31/12/23
Runway Development Phase 1	Commenced. Designs prepared	01/01/20	01/06/21
Runway Development Phase 2	Planned	01/01/23	31/12/23
Manaia Road Realignment	Planned	01/01/22	01/09/23
CAA Certification	Planned	01/10/23	31/12/24
Project Closure	Planned	01/10/24	31/01/25

12. Confirm which of the following categories the project best falls into.

Status	<input checked="" type="checkbox"/>	Further commentary (briefly set out barriers to commencement)
A. Projects which currently are (or were) in the construction phase but have been put on hold due to COVID 19 and are likely not to progress, or to progress at a much slower rate or scale/scope, if not supported post COVID 19	<input type="checkbox"/>	N/A
B. Projects which have a high expectation of commencing the construction phase within the next six months (by 31 October 2020), but are unlikely to do so due to COVID 19	<input checked="" type="checkbox"/>	<p>The anticipated start date of the construction phase was 01/11/20.</p> <p>Possible COVID 19 implications include:</p> <ul style="list-style-type: none"> • Access to labour • Access to construction materials • Delays with suppliers and contractors
C. Projects which could have been expected to commence the construction phase within the next 12 months (by 30 May 2021), but are unlikely to do so due to COVID 19	<input type="checkbox"/>	N/A

13. Confirm the status of key milestones

Status		<input checked="" type="checkbox"/>	Expected Date
Procurement	Suitable tender complete	<input type="checkbox"/>	
	Tender evaluation in progress	<input type="checkbox"/>	
	Request for Tender in the market	<input type="checkbox"/>	
	About to put out a Request for Tender to the market	<input checked="" type="checkbox"/>	
Detailed Design	Detailed Design Complete	<input type="checkbox"/>	
	Detailed Design Underway	<input type="checkbox"/>	
	Detailed Design to commence	<input type="checkbox"/>	
Designations/Consents	Approved Stage 1	<input checked="" type="checkbox"/>	
	Lodged	<input type="checkbox"/>	
	In preparation Stage 2	<input checked="" type="checkbox"/>	
Land Acquired	Yes	<input type="checkbox"/>	
	Being negotiated under PWA (please indicate stage below)	<input checked="" type="checkbox"/>	
	Has not commenced	<input type="checkbox"/>	
Business Case or Investment Case	Approved	<input checked="" type="checkbox"/>	
	Draft	<input type="checkbox"/>	
	Underway	<input type="checkbox"/>	
	None	<input type="checkbox"/>	

14. Briefly outline any other comments on the key project timetable or key milestones

[Please briefly cover:

- Key barriers / risks to the project being 'shovel ready'
- Expected timeframes and processes for acquiring necessary resource consents
- Any other additional information as required above
- Expected construction completion date.]

The initial work on the existing runway and infrastructure does not require resource consents and is "shovel ready".

Land acquired for this project will need to be designated under the Wairarapa Combined District Plan with an estimated 6-month timeframe.

A small drain on part of the currently designated land will require a resource consent to either relocate or cover for the proposed taxiway.

Construction dates are included in Q11 above.

Section 3: Overall Benefits and Risks [Criteria 4]

Please advise at a high level whether a project brings real value (in an economic, social and/or environmental sense) to New Zealand as a whole or the region in which it is located in line with Treasury's Living Standards Framework² and Sustainable Development Goals³. Please take into account, where relevant, the draft 2021 Government Policy Statement on land transport, available at <https://www.transport.govt.nz/multi-modal/keystrategiesandplans/gpsonlandtransportfunding/gps-2021/>, and the priorities that it establishes.

15. Briefly outline the social, environmental and economic benefits of the project to the local region and New Zealand and overall value for money.

[Include reference to any Business Case/Investment Case or an assessment that can demonstrate any contribution to the Government's wider goals with respect to social, environmental and economic objectives and value for money]

Economic benefits

Airports present unique opportunity to boost economic activity outside of the assets themselves, as highlighted by two relevant reports:

"An important characteristic of airports is that they can influence economic activities which are substantially greater than the economic activity of the airport in it-self."

- Economic and Social Contribution of New Zealand's Airports 2013

"Airports are important economic infrastructure and they deliver a range of benefits to local businesses and communities." ... The potential impact of the facilitated projects and "their contribution could be substantial in the local context."

² <https://treasury.govt.nz/information-and-services/nz-economy/higher-living-standards/our-living-standards-framework>

³ <https://www.mfat.govt.nz/en/peace-rights-and-security/work-with-the-un-and-other-partners/new-zealand-and-the-sustainable-development-goals-sdgs/>

- ME Consulting study for this project

The proposed air transport infrastructure at Hood Aerodrome will provide an essential lifeline and link between the Wairarapa and the rest of New Zealand. It will build resilience, reduce risk, and will be critical for the ongoing economic success of the region.

The Wairarapa Economic Development Strategy and Plan (WEDSAP) written in 2018, endorsed by the Wairarapa Mayors, and launched at Hood Aerodrome, sets a direction for Wairarapa and the framework within which things can happen. The WEDSAP notes that steady economic growth is evident across a number of sectors and population is increasing after a long period of near static growth. This progress has sharply exposed a number of obstacles to further success, notably transport issues in and out of the region. As a result, the WEDSAP outlines the requirement for a robust and resilient transport infrastructure for the Wairarapa including the development of an airlink at Hood Aerodrome, in order to support regional economic development and unlock growth potential for the region.

As noted in the WEDSAP:

"The importance of an airlink is multi-dimensional and encompasses the areas of business development, tourism growth, and regional resilience. There have been consistent and ongoing conversations within the business and wider community around the need for an airlink at Hood Aerodrome. This would be especially beneficial in the development of the key industry sectors by enabling easier and more efficient access to key Auckland and international markets. Investment in upgrading the runway is required, both widening and lengthening".

The Governance Group for the WEDSAP, consisting of the region's Mayors, Iwi and business and primary sector leaders are in full support of this project, as the project enables and / or compliments other priority projects in the WEDSAP.

This project presents several exciting economic opportunities for the Wairarapa region and New Zealand:

1. Through the project, Hood Aerodrome will be poised to take advantage of high-value, low-volume crops and goods as cargo that are likely to come from the post-COVID 19 economy.
2. It will establish Hood Aerodrome as a leader and innovator for future electric transport solutions. The geographical location and distances to regional airports at Palmerston North and Wellington means the Wairarapa is an ideal location for these new technologies.
3. The project will lead to creation of new companies operating onsite at the aerodrome.
4. It will build resilient transport infrastructure to support the wider Wellington and local Wairarapa region. It will reduce risks from the limited transport connections across mountains that may also be cut during a crisis.
5. Government funding is being sought for a food and beverage hub for Wairarapa - this would assist our artisan producers to successfully expand and export high-value food and beverage products made locally. Ensuring that fresh produce can be sent to the major domestic market - Auckland - and on to international markets is a vital piece of the value proposition to enterprises seeking to make Wairarapa their base. This air freight service would only be possible should the critical infrastructure improvements be made through this project.
6. The investment in the aerodrome will also enable exciting projects such as the Commercial Information
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
7. The Wairarapa Dark Sky Reserve has already received Government investment. A proportion of the number of additional visitors that would be attracted to the Wairarapa and the additional spending that

would be attracted (10%) can be attributed to an air service servicing the Wairarapa.

As a result of this project, Hood Aerodrome will become a multi-purpose facility that attracts national and international visitors and businesses.

8. While the proposed Aviation Museum has not been included in the scenario modelling, Council has a Memorandum of Agreement with the Trust enabling it lease land on the aerodrome and is aware of the very positive business case associated with the project. The ability to view WW1 planes in flight as well as the biennial Wings Over Wairarapa event from the viewing gallery included in the Museum design, is a drawcard for the proposed Museum. As such this project facilitates the success of others.
9. Efficient transport is needed for high value food production. The Water Storage Project for the Wairarapa (proposed by WWL and supported by the WEDSAP Governance Group) will also be addressing the critical transitions required to change land use from current state to high value agriculture, horticulture, viticulture etc. There is a real opportunity south of the river to enhance and grow the potential of the Waingawa Industrial Estate precinct in the Carterton District for the benefit of the region. Waingawa is the Wairarapa's industrial growth area and there is land in pasture on both the west and east of the estate (and State Highway 2) that could be developed further for commercial and industrial activity (including manufacturing) associated with higher value food and beverage production and the knowledge economy (included in the WEDSAP as priority initiatives for the development of the region).
10. The construction population plus the normal aviation community will increase the viability of the onsite cafe at Hood Aerodrome.

Social connectivity, identity and wellbeing

The project will also increase social connectivity, wellbeing, and enhance the aerodrome's already strong local, national and international reputation, providing enhanced opportunities for more events, tourism product development, more visitors, and more revenue into the region.

We are already internationally renowned for Wings Over Wairarapa. Wings is unlike any other aviation event with the Wairarapa scenery providing a stunning backdrop. Regular displays at Wings Over Wairarapa include The Vintage Aviator at Hood Aerodrome which house the largest collection of flying WWI aircraft in the world - many of which are not seen outside Hood Aerodrome in Masterton, as well as civil, military and agricultural aircraft, gyrocopters, helicopters and aerobatics teams. There are also interactive activities and demonstrations with a focus on inspiring youth into aviation careers. Wings is an event our community is incredibly proud of. With the development we are proposing we will be able to attract more events of this calibre and impact.

This year Masterton District Council/Hood Aerodrome and the Wairarapa Aeroclub co-hosted the "First in the World" New Year's Day Fly-in. Aircraft came from as far afield as Rangiora and there is potential to grow events like this in future years.

The Hood Aerodrome has also proudly hosted an 'Open Day' for our Wairarapa community to experience Wairarapa's rich aviation culture for free and we plan to run this every second year (in between the Wings events). Many of our Aerodrome residents (such as No. 21 Squadron Air Training Corps, District of Masterton-The Wairarapa Unit of the New Zealand Cadet Forces and Vintage Aviator) open their hangars and activities to those that visit engendering a sense of pride and connection within our communities.

We are open to exploring how the project can support youth on the Ngā Pūmanawa Tupuna programme (funded by Government) with opportunities to train, gain qualifications and employment. The majority of these youth are Māori. Both Ngāti Kahungunu ki Wairarapa and Rangitāne o Wairarapa support infrastructure improvements at the aerodrome as it will further enable businesses in the Wairarapa, including Māori businesses, and create jobs for Iwi, and enable better utilisation of Māori land.

Resilience

Local airports are the lifeblood and lifeline of regional and rural New Zealand. They provide crucial access for isolated communities to education, healthcare and trade. Hood Aerodrome is a critical component of the Wairarapa's transport infrastructure, especially when considering the lack of a seaport and the vulnerability of the area to natural disasters. Investment in the Hood Aerodrome will help mitigate the significant impact that a natural disaster or other event could have on the region over what could be a prolonged period.

The tragic eruption on Whakaari/White island showed just how critical local airports are. The Whakatāne airport was a vital facility during the crisis - supporting operations, crisis management, evacuation and the leadership of the national response. Timaru airport similarly served as a vital connection when weather events cut road access in the South Island. The existence of key capability and infrastructure on these airports meant they could rapidly respond to the immediate needs of the community.

The Wairarapa relies heavily on road and rail services to and from Wellington. While State Highway 2 has been progressively upgraded over recent years, the very nature of the road can be problematic, particularly during winter. Furthermore, both road and rail services are vulnerable to natural disasters. A major earthquake could hit the Wellington region from a number of sources - one of the key faults running through the area (Ohariu, Wellington or Wairarapa faults), from a shorter but shallower fault in the region, or from the subduction zone that runs beneath the region. The national contingency plans pulled together in the aftermath of the 2011 Christchurch earthquake assume access to all current airports, airstrips and aerodromes in the event of a future national disaster. Frequent runway maintenance and improvements is essential to ensure access for heavier lift aircraft that can be used to move earth lifters etc into place rapidly, in the event of natural disasters.

Runway, taxiway and apron upgrades have been deferred due to funding availability but significantly reduce the resilience of this region and the greater Wellington region.

An earthquake or other civil emergency in the Wellington region would likely require Hood Aerodrome to operate as a critical emergency transport connection. In the early stages of a disaster freight would likely be road transported from the Napier port to Hood Aerodrome and then airlifted to Wellington by helicopter and fixed wings. Such contingencies are included in our military planning but currently not in the civil defence planning as the aerodrome infrastructure requires upgrading.

Currently Wellington's rail network would be closed to freight for between one and three years, and cut off to passengers for three to 3.5 years based on a magnitude 7.5 earthquake in Wellington (The Wellington Lifelines Group modelling) and seismic upgrades to the line are programmed in the latter half of this decade. Currently it is estimated that it might take four months to establish a viable land-based route south (State Highway 2), if there is a major disaster that affects Wellington (and the Wairarapa), it is possible that the Wairarapa would be cut off - road and rail access - north and south. Central government funding is therefore appropriate for this project due to the need to ensure compliance with emergency management plans and enhance resilience and enable communities to function when the inevitable occurs and/or resources are scarce.

Technology, efficiency and the environment*The future of regional air transport*

The impact of COVID 19 on Air New Zealand and all other airlines globally has been brutal. Air New Zealand will now be re-assessing and re-shaping its domestic network, looking at how they can provide a regional service using the most efficient aircraft available. For small and medium-sized aerodromes, electrification of aircraft is a way to decarbonise. Internationally, there are more than 70 aviation companies planning the first flight of electric air vehicles (EAVs) by 2024.

With significant investment going into drone, electric and hybrid short range aircraft, Hood Aerodrome is well

placed to trial this type of technology with its proximity to both Wellington and Palmerston North.

This research is highly complementary to the **Commercial Information** being proposed for the site. The vision for Hood Aerodrome is for it to be an early adopter of regional electric aircraft operations. We see air and ground connections to Wellington and Palmerston North being predominantly autonomous, with electric, short hop, passenger carrying “drones” being a major transport solution.

We expect the regional transport model to change significantly as these types of aircraft become available. We are in early, commercially sensitive discussions with air transport operators to position Hood Aerodrome as a location to design, develop and implement these new transport connections. This will create new businesses and jobs at Hood aerodrome that will be additional to those included in the shorter-term economic analysis. Hood Aerodrome is ideally located for these initiatives given the geographical isolation of the Wairarapa.

There is no doubt that all airlines will use this rare opportunity to change the commercial construct of how and where air services are provided. This presents an opportunity to work with Air New Zealand and other airlines on the future of regional services

Sustainability and carbon reduction

The aviation industry has long been at the forefront of the adoption of new technologies. Like many airports, we intend to develop a sustainability plan that reduces our carbon emissions and enables lower carbon transport. In the longer term, Hood Aerodrome will become a key low carbon air transport facility.

It is anticipated that growing the knowledge-intensive / high-tech element of Hood Aerodrome’s operations and operators will enable Hood and those that use it, to play an important role in carbon footprint management. Carbon fibre aircraft will also play a role in reducing NZ’s aviation climate footprint as lighter planes will drive fuel efficiency, reducing fuel consumption and greenhouse gas emissions.

For completeness we note that current visual flight aircraft do not contribute a large amount of emissions, and domestic aviation is not a large contributor to energy sector emissions. Emissions associated with domestic aviation fuel use are captured by the NZ ETS, and reporting and offset/surrender obligations are required.

In the short to medium term, we are investigating options to reduce reliance on fossil fuels and have engaged with promoters of solar energy who are interested in using Council’s land (some of it based around Hood) to generate electricity. Interim measures may include biofuels and synthetic fuels.

In relation to the proposed infrastructure development, we will seek out ways to reduce waste and any negative environmental impacts of construction throughout the project.

16. What is the expected contribution to local/ national employment?

[Provide estimated number of jobs. Cross refer to question 8 as required]

During the peak, construction will support 53 jobs across the Wairarapa, 29 in the rest of the Region and another 45 in the rest of New Zealand.

It will also encourage additional activity on the aerodrome. The Kitty Hawk Cafe at the aerodrome would likely remain open full time to support the construction crew, for example.

The annual jobs supported once operating at capacity are illustrated below. This includes the number of employees that would be needed throughout the economy to complete the level of business activity arising from all the flow-on impacts. The project will lead to creation of new jobs in the region through the creation of new ventures encouraged to base themselves at a future-proofed airport.

Many new ventures that have been identified by private and public entities on the aerodrome have not started as the core infrastructure is inadequate. The project will enable these initiatives and increase local employment and wages. As the development unlocks new opportunities for the business community, they will then use more employees to deliver the work generated.

	<i>Facilitated Projects and regional jobs</i>
<i>Wairarapa</i>	202
<i>Rest of Wellington</i>	71

We recognise that COVID 19 reduces the likelihood of establishing a passenger airliner service in the medium term and have removed job estimates for an air service in the above table. The number of direct jobs supported through this project is significant from both the construction phase and the resulting benefit the aerodrome infrastructure provides to the community. Following COVID 19 the project remains critical for the economic and resilience-related reasons described above.

The project will also impact employment through youth training. Where suitable links to these youth can be made to provide them with opportunities to train, gain qualifications and employment these will be pursued, amplifying the effect of the Government and Councils' investment. Government has invested nearly \$1m in Ngā Pūmanawa Tupuna, run by local training provider Youth, Education, Training and Employment (YETE), to target 110 at-risk rangatahi aged 16-24 years and build their skills and confidence for the workforce. Regional Economic Development Minister, Shane Jones said when he announced the funding that this was great news for Wairarapa's future and has a clear fit with the region's economic development strategy.

Proposals for Hood Aerodrome including a **Commercial Information**, and adventure aviation facilities that will create training opportunities in the region. There are opportunities to support youth on the Ngā Pūmanawa Tupuna programme with opportunities to train, gain qualifications and employment. Discussions with Iwi have identified training opportunities for youth.

17. What are the risks associated with the project? Each risk should be ranked as high, medium or low and include a short explanation as to why it was given that risk rating.

Risk	Low/ Med/ High	Further commentary on risk
A. The risk of the project not commencing within the advised timescale	M	COVID 19 causing delays. Community expectations will be managed via clear communications.
B. The risk the project will not be completed on time, to cost or to specification	M	Uncertainty of contractor availability following COVID 19. We anticipate the key contractors will be available as the economic downturn takes effect following COVID 19.
C. Risk the project will not realise the benefits outlined above	L	Benefits have been well identified and we have removed expectations for a passenger service in the medium term.

18. Are there any other key project risks or any other information which would be useful background or context at this stage?

[Outline any other key project risks not covered above.

Provide additional information which may be of use to us at this stage]

Other risks and mitigation approaches relating to the project timetable are described in the table below:

#	Risk	Mitigation approach	Rating
1	Acquired land is not designated under the district plan	Merit and value of the infrastructure clearly communicated in the formal consultation for the District Plan change. The community has been supportive of recent additions to the aerodrome designation.	Low
2	The resource consent process for the drain is protracted or not obtained	Work was halted when COVID 19 Alert Level 4 came into effect. We intend to work closely with the Regional Council.	High
3	Project funding is insufficient	A staged approach with standalone milestones that improve aerodrome runways, taxiways and other assets. Community expectations will be managed via targeted communications and consultation.	Mod
4	Cost estimates for project are not accurate	A Quantity Surveyor will be engaged, and a tender process will be undertaken to ensure that costs are accurate, and project is viable. A contingency sum is allowed in project planning.	Mod
5	Resources are unavailable	COVID 19 may significantly reduce the availability of contractors in the short term however we anticipate construction companies will be keen to secure this work in the face of a significant downturn in the economy. The tender documentation will include requirements to meet delivery timeframes. A project timeline has been developed working with the assumption that contractor services will continue to be in high demand.	Low

6	Inadequate communication/consultation	A detailed Communication Plan will be developed in accordance with Council’s Significance and Engagement Policy and incorporating requirements under legislative processes. The Regional Economic Development Governance group and the community generally support resilient aviation infrastructure in the Wairarapa.	Low
6	Iwi are not fully engaged and supportive	Consultation with both Ngāti Kahungunu ki Wairarapa and Rangitāne o Wairarapa has occurred. Both are very supportive and will continue to be engaged during the life of this project and beyond.	Low
7	Key community stakeholders are not engaged and supportive	Specific communications plans will be developed for key stakeholder groups.	Low
8	Tenders are higher than anticipated	A contingency sum of 30% has been allowed for market movements across the project timescale.	Mod
9	Project does not proceed or is delayed or reduced in scope	Community expectations will be managed via clear communications.	Low
10	Completed facility either does not meet or is in excess of demand of volume of users;	Feasibility studies and benchmarking will be updated to align proposed development with comparators (including population and changes to level of commuter services across the lower North Island.)	Mod

Section 4: Impact of COVID 19

19. Please briefly comment on the likelihood and timing of the project recommencing once the COVID 19 Response Level is suitable for construction to proceed

*[For example when the Government moves away from level 4 restrictions will you be able to immediately commence/ restart the project?
What are the key conditions or barriers to commencing/ restarting the project? Please include cross reference to Q21 response (below) if Government support is required for the commencement/restart]*

The project will be able to proceed once the COVID 19 response level is suitable for construction to commence. As critical infrastructure, the project will play an important role in supporting the region to recover from both economic and social impacts of COVID 19.

While the anticipated economic outcomes of the project may shift to some degree as a result of the global pandemic, we still expect the project to produce strong positive economic outcomes. Most importantly, however, a functional regional airport will be critical to the area’s resilience and crisis management systems and will allow

essential services like air ambulance and freight to continue.

20. What is the best estimate of the impact (financial/social/environmental) COVID 19 has had on the project and on local industry associated with the project?

[Please provide the best estimate in \$ amount (or ranges) and unemployment numbers, and describe the nature of those impacts]

COVID 19 will significantly reduce the feasibility of establishing a passenger service at the airport in the short to medium term. Plans were recently developed to establish a commercial passenger service based on anticipated demand of 792 seats per week (369 each way) on the Masterton-Auckland route. However, given the expected impact of COVID 19 on both international and domestic travel, the assumptions underpinning this feasibility study have now shifted.

Nevertheless, COVID 19 has also demonstrated the importance of reliable regional air transport. Extending the runway means that the community will take comfort that the Wairarapa can be serviced by a robust lifeline in an emergency, and that freight, cargo and emergency supplies will remain accessible. While a commercial passenger service may no longer be feasible at this time, all other initiatives and benefits relating to the project are expected to go ahead as planned (noting that some timelines may change).

21. Has this project already, or is likely to benefit from already announced Government led financial support for businesses (e.g. wage subsidy scheme/business finance guarantee scheme) Yes: X No:

- If Yes, please describe the scheme and extent of the support you have received/expect to receive.

The project has been submitted to the Provincial Growth Fund but has not yet been considered.

It has not benefited from other already announced financial support following the outbreak of COVID 19.

22. Briefly outline the top 2-3 things that the Government can do to help progress this project. Please consider both financial and non- financial levers such as lowering regulatory barriers, adjusting Government procurement practices, fast-tracking resource consent processes.

[Top 2-3 actions (financial and non- financial) that Government can do to help progress or remove barriers to the project.]

Funding

New Zealand regional airports are an essential part of the national transport infrastructure however local authorities have insufficient funds to support these assets over the long term. All struggle to be commercially viable and this will be exacerbated by COVID 19 while the importance will increase. Central government funding is therefore vital, and we encourage government to consider the previously proposed fund for regional airports to ensure long term sustainable infrastructure.

Faster resource consent process for streams and drains

While environmental protection is extremely important, a simplified and faster resource consenting process for streams and drains would help this project.

Please indicate clearly whether you consider any information you have provided in this form to be confidential. Confidential information will not be publicly released, other than in anonymised form, except to the extent that any release is required by law.

The proposal to work with Commercial Information is commercial in confidence