

# POINT OF ENTRY BUSINESS CASE

**Project initiation date:** 12 July 2023  
**Project title:** **Airport Master Plan Proposal**  
**Hapū/iwi active partnership consideration:** Inform (providing understanding)

*Whanganui Airport serves as a critical transportation gateway for the region, catering to a diverse range of passengers, including business travellers, and tourists. However, the existing airport infrastructure requires an updated and forward-looking Master Plan to accommodate the evolving needs of the aviation industry and to leverage emerging opportunities. The completion of a Master Plan for Whanganui Airport will address these requirements and create a roadmap for the sustainable development and long-term success of the airport and Whanganui as a destination.*

**Business case prepared by:** Phil McBride

**Business owner:** General Manager Community Property & Places

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## PROBLEM / OPPORTUNITY STATEMENT

There is currently, nor has there ever been, no Master Plan for Whanganui Airport. An airport Master Plan is a critical planning tool for determining the future requirements of an airport and provides a vision for realising its ultimate potential.

Airports generate significant social and economic benefits to communities, but they need to be properly planned and protected over the long term to realise these benefits and ensure their safe and efficient operation.

Airports are complex facilities and international experience has shown that the planning issues associated with airports are often not well understood. Poor planning of airports can lead to a range of problems including operational restrictions, amenity impacts for nearby residents and airport closures in the extreme case. A Master Plan is central to the orderly and proper planning of any airport which is long overdue for Whanganui Airport.

By investing in the completion of the Master Plan, Whanganui Airport will be able to position itself as a thriving regional aviation hub, driving economic growth, fostering tourism, and enhancing overall connectivity in the region.

## BENEFITS STATEMENT

### Social Benefits:

- Ongoing improvement and planning of Whanganui Airport will better connect individuals, families and communities with the rest of the country and the world.
- Improved air services, enhanced facilities, and greater connectivity, which the Master Plan aims to address, will benefit residents by providing convenient travel options, attracting visitors to the region, and fostering a sense of pride in the local community.
- The Master Plan will ensure the ongoing provision of the airport as a key Lifeline Utility in the event of a major Civil Defence emergency.
- Continuity of existing, and developing additional, aeromedical and agricultural services from the airport.

## Economic Benefits:

- The Master Plan will provide a vision for the airport's long term future which in return generates economic growth through job creation, trade facilitation and tourism within the Whanganui region.
- A comprehensive Master Plan aims to attract new investments and boost local economic development by capitalising on the airport's strategic location and connectivity.
- By investing in the completion of the Master Plan Whanganui Airport will be able to position itself as a thriving regional aviation hub that drives economic growth.

## Environmental Benefits:

- The Master Plan will consider environmental management, which will address such issues as climate change, ecological sustainable development, hazardous material management and water quality management.
- The Master Plan will include long term planning for enabling emerging technologies for sustainable aviation with adaptability to cater for sustainable aviation fuels (SAF), electric and hydrogen aircraft in the future.
- The Master Plan will incorporate sustainable practices, such as energy-efficient infrastructure, waste reduction initiatives, and environmentally friendly operational procedures, reducing the airport's carbon footprint.

## Cultural Benefits:

- No Hapu/iwi consultation is required to secure the funding to initiate the Master Plan process, however, iwi are a key stakeholder for the consultation that this process will require. The master planning process will include a consultation process which builds relationships that ensure iwi values and issues are reflected in the Master Plan.

## STRATEGIC CASE

Promoting social, economic and environmental wellbeing for the present and future communities is part of the Council's core purpose under the Local Government Act. As such, this proposal aligns with the council's core purpose as well as the Leading Edge Strategy.

Whanganui Airport is a regional airport fully certified under Part 139 of the Civil Aviation Regulations which permits scheduled air passenger services. The airport plays an important role within the Whanganui economy and is an essential component of the regional and national aviation transport infrastructure. The airport is a designated 'Lifeline Utility' under the Civil Defence Emergency Management Act (2002) and is a key element for the maintenance and growth of business and industry in the greater Whanganui region. To retain these key links it is vital that the airport is appropriately planned for to ensure a prosperous future.

## FINANCIAL CASE

To complete Whanganui Airport's Master Plan an estimated investment of \$60,000 will be required. In order to save on costs it is proposed a significant portion of the Master Plan will be developed using specialist knowledge from in-house airport staff. The investment will therefore cover the cost of engaging aviation consultants, conducting feasibility studies, and other services required to develop a comprehensive master plan.

Based on our knowledge of current growth air movements, passenger numbers, fleet utilisation and impending changes to Civil Aviation screening requirements, this business case also anticipates that future funding for key activities is a likely outcome of the Master Plan. A potential outcome may be the requirement for Terminal expansion estimated at \$20M.

Return on Investment (ROI): The completion of the master plan is projected to yield a significant return on investment over the long term. The anticipated benefits, such as increased passenger volumes, improved

revenue streams, and job creation, will contribute to the economic viability and sustainability of the airport, ensuring a positive ROI for all stakeholders involved

| Year of LTP for delivery: | Y1                                  | Y2                                  | Y3                                  | Y4                                  | Y5                       | Y6                       | Y7                       | Y8                       | Y9                       | Y10                      |
|---------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                           | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| \$60K                     | \$                                  | \$                                  | \$                                  | \$                                  | \$                       | \$                       | \$                       | \$                       | \$                       | \$                       |
| 24/25                     | 25/26                               | 26/27                               | 27/28                               | 28/29                               | 29/30                    | 30/31                    | 31/32                    | 32/33                    | 33/34                    |                          |

MASTER PLAN

External funding contributions: Awaiting application outcome

| Capex \$                | Opex \$ | Funded by  |
|-------------------------|---------|--|
| \$60,000<br>Master Plan |         | \$30,000 MoT co-funding under JV agreement<br>\$30,000 WDC debt funded |

## RISK EVALUATION

| Item | Potential Risk Event   | Likelihood | Consequence |
|------|--|------------|-------------|
| 1    | Doing nothing would result in the airport having no long term plan and leave itself vulnerable to being left behind as emerging aviation technology becomes more mainstream.                               | Possible   | Major       |
| 2    | Fully outsourcing the Airport Master Plan development would incur significant costs.   | Possible   | Moderate    |
| 3    | The adoption of hybrid model for Airport Master Plan development using airport staff supported by consultants would significantly reduce the cost of an Airport Master Plan and produce a similar product. | Likely     | Moderate    |

## OPTIONS APPRAISAL

**Option 1: Do Nothing.** Airports are complex facilities and the lack of long term planning can create a range of problems including operational restrictions, amenity impacts for nearby residents and airport closures in the extreme case.

**Option 2:** Fully outsourcing the Master Plans Development would incur significant costs. There are several companies which perform Airport Master Plans, however given the size of Whanganui airport this would likely not be financially viable.

**Option 3:** Adopting a hybrid model of airport staff and consultants would be the most cost effective model. Airport staff would produce the Master Plan utilising consultants/specialists as required for select tasks. This is the recommended option.

## STAKEHOLDER ANALYSIS

| Stakeholder              | Influences                                    | Key interests & issues   |
|--------------------------|---|--|
| Ministry of Transport    | High power/highly interested (Manage closely) | Whanganui Airport Joint Venture partner with 50% share of funding. |
| Civil Aviation Authority | Low power/highly interested (Keep informed)   | Aviation industry and airport regulator.                           |

|  |   |  |
|--|---|--|
| Key airport users (Air Chathams, Air Whanganui, NZICPA, Ravensdown Aerowork, Mid West Helicopters, and Wanganui Aero Club) | Low power/highly interested (Keep informed)   | As key airport users these stakeholders are interested in the long term airport plans. |
| Iwi, tangata whenua  | High power/highly interested (Manage closely) | As key land owners.  |

## KEY CONSTRAINTS, DEPENDENCIES AND ASSUMPTIONS

Assumptions include continued growth in aircraft movements, ongoing Lifeline Utility requirements, and increased passenger utilisation.

## NEXT STAGE

Creation of a comprehensive project plan that outlines the timelines, milestones, tasks, responsibilities and budget required to implement the Airport Master Plan.

*Please contact the PMO (interim Stuart White: [stuart.white@whanganui.govt.nz](mailto:stuart.white@whanganui.govt.nz) or 021738273) for any inquiries relating to this form or the business case process.*

| Team Leader/Project Manager Self-Review |   | Strategic Panel FINAL score   |   |
|---|---|-------------------------------|---|
| Strategic Fit                           | 5 | Strategic Fit                 | 5 |
| Benefits                                | 3 | Benefits                      | 4 |
| Economic Impact                         | 4 | Economic Impact               | 4 |
| Level of Service Improvements           | 4 | Level of Service Improvements | 4 |
| Risk of doing nothing                   | 5 | Risk of doing nothing         | 5 |

\*Note a copy of the anchored scoring matrix is available at the end of this document.

## PROJECT MANAGEMENT OFFICE TO COMPLETE

Communications team level of involvement: Choose an item. *(PMO to liaise with the Communications team)*

## ELT REVIEW

Date: Click or tap to enter a date.

ELT Minutes Reference: Click or tap here to enter text.

Agreed next steps:

Click or tap here to enter text.

If this project is **approved for a detailed business case**, then –

Name and job title of **Project Sponsor**

Click or tap here to enter text.



# ANCHORED SCORING MATRIX

| SCORE  | Strategic Fit:<br><i>How well is this project aligned with our Strategic Vision for Whanganui?</i>                             | Benefits:<br><i>How valuable are the benefits this project delivers?</i>   | Economic Impact:<br><i>How will this project contribute to the wider economic activity of the Whanganui District?</i>  | Level of Service:<br><i>How well does this projects address shortfalls in our Level of Service?</i>                               | Risk of Doing Nothing:<br><i>What risks would NPDC be exposed to, if the investment is not made?</i> |
|--------|--|--|--|---|--|
| Weight | 35%  | 25%  | 20%  | 15%   | 5%   |
| 5      | This investment plays a critical contribution to Council Objectives, Goals and Strategy.                                       | This investment has a measureable Cost Benefit Ratio (CBR) and the benefits will return more than double the costs.                                  | This investment is a key enabler for ongoing economic activity (i.e. ongoing annual GDP or employment) with the economic benefit being at least three times the cost of the project. | This investment addresses critical (e.g. regulatory non-compliance or safety issues) shortfalls in our current levels of service. | WDC could be exposed to very high risks.   |
| 4      | This investment is a direct component or enabler to achieve Council Objectives, Goals and Strategy.                            | This investment has a measureable Cost Benefit Ratio (CBR) and the benefits will return more than the costs.   | This investment is a key enabler for ongoing economic activity (i.e. ongoing annual GDP or employment) with the economic benefit being greater than the cost of the project.         | This investment addresses significant (material user experience issues) shortfalls in our current levels of service               | WDC could be exposed to high risks.  |
| 3      | This investment contributes to a wider programmes of work designed to progress the Council strategic objectives and goals.     | This investment has no measureable Cost Benefit Ratio but our community are clearly willing to pay for the benefits.                                 | This project is the catalyst or key enabler for one-time only economic activity that is at least three times the cost of the project.  | This investment addresses small (nuisance level issues) shortfalls in our current levels of service                               | WDC would be exposed to medium risks.  |
| 2      | This investment is aligned to at least one of the Council strategic objectives and/or goals with limited direct contributions. | This investment has no measureable Cost Benefit Ratio and we think our community is willing to pay for the benefits, but we have not confirmed this. | This project is the catalyst or key enabler for one-time only economic activity that is greater than the cost of the project.  | This investment makes no change to levels of service.   | WDC would be exposed to low risks.   |
| 1      | This investment has no direct contribution to Council goals and strategy.  | The costs outweigh the benefits.   | The economic benefit of this project is less than the cost of delivering the project.  | This investment reduces levels of service.  | WDC would have to put in a work around or keep using a poor or inefficient process.                  |