

From: [Jim Boulton](#)
To: [Mike Theelen](#); [Colin Keel](#); [Meaghan Miller](#); [Naell Crosby-Roe](#)
Subject: [ArcMail Restored] ODT story
Date: Wednesday, February 16, 2022 11:48:43 AM
Attachments: [image001.png](#)

All

Andrew Waterworth was quoted in the ODT as saying that WKA would start with 15 daily flights. I saw it on hard copy, which has now been thrown out – but can't find the story on line. He was responding to me saying that I imagined services would start with maybe two flights in and out morning and afternoon.

My numbers are based on the following. It's estimated that WKA traffic at ZQN is around 20% - say 400 k movements per year. If you take out some traffic (say 25%) which wouldn't automatically convert to WKA (trans Tasman and timing issues), you are left with around 300K.

An A320 seats 178 and an ATR 68. So one of each in and out morning and night (AKL and CHC) means a total daily capacity of 984 seats. 80% loading gives 287k pax annually. Near enough.

Mr Waterworth says 15 flights. So ignoring whether they are A320's or ATR, let's say the average seating of the two types is 123. That's 1845 chairs per day, or at 80% load factor (required to make it financially worthwhile) that is 538k pax per annum.

I'd like through the ODT to ask Mr Waterworth where he got his numbers from? Which airlines has he been talking to? What assumptions has he made on loadings and if they are visitors, where will they stay? Etc.

I'd also point out that even if QAC got started today on consents and planning and had the money in the bank, it would be 4 to 5 years before flights commenced. Colin will have a better view than me, but I'm guessing that \$300 to \$400 m would be required to make a domestic airport out of WKA. And another question for Mr Waterworth – does he understand the challenge for airlines and airports to make this viable? If QAC spent \$300 m on aeronautical assets, these are subject to strict commerce commission guidelines as to what the airport can charge. The Weighted Cost of Capital able to be recovered might be say 6% and in addition operating costs need to be recovered. Yes, the airport will make a buck from non aero (retail, food, parking etc) but that won't be massive. I just think we need to get a few realisms out there and less fake news.

Later this week, I'll also be asking Mr Luxon to retract the "build another airport in Central Otago comment" and to clarify what they see as likely early volume (from previous discussions I think he is in line with my numbers).

Meantime, all, what do you think about asking mr Waterworth to justify his numbers?

Regards

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