

# ANNUAL REVIEW

## & KAITIAKITANGA 2021



PASSENGER NUMBERS  
REACH 66% OF  
PRE-COVID LEVELS

MAJOR RUNWAY  
RESURFACING WORKS  
COMPLETED IN HALF  
THE USUAL TIME

ELECTRICITY AND  
GAS CONSUMPTION  
DOWN 30%



2021  
WELLINGTON AIRPORT  
ANNUAL REVIEW &  
KAITIAKITANGA

CONTENTS

Introduction	4
Key Highlights	7

KAITIAKITANGA

Kaitiakitanga	8
Our people	10
A safe workplace	12
Our community	13
Our environment	16

OUR YEAR IN REVIEW

Airline and passenger recovery	22
Traveller services	24
Coping with COVID-19 Travel Restrictions	31
Masterplan	32
Our Leadership Team	34

RESULTS AND DISCLOSURES

Our FY21 environment results	36
Climate-related disclosures	38

Cover: Photo by Mark Tantrum  
Left: Staff Step Challenge for Cystic Fibrosis. Photo by Mark Tantrum

## INTRODUCTION

**The past year has been unprecedented and extremely challenging for Wellington Airport and the entire aviation industry. In April 2020, our passenger numbers dropped to just 1% of usual levels, and Government lockdowns in August 2020 and February 2021 created further setbacks. Despite these challenges, Wellington Airport remains essential for the region and continues to play a vital role in New Zealand's economic recovery post-Covid. As a largely domestic airport, our passenger numbers have recovered strongly, reaching 66% of pre-Covid levels in December/January and 48% for the year.**

Throughout the year we took several steps to reduce costs. This included moving to a four-day working week with salary reductions, cutting consultancy, marketing, and travel expenditure, and reducing directors' fees. We also reviewed our Masterplan, reducing spend on capital projects by \$54m and undertook a range of measures to enhance liquidity and overall financial resilience. This included increasing bank facilities by \$70 million to \$170 million with extended maturity terms, securing temporary covenant waivers with lenders, and issuing \$100 million of retail bonds, making us the first corporate in New Zealand to publicly list bonds on the NZX debt market post Covid-19 lockdown in April 2020. Our shareholders also provided equity commitments totalling \$75.8m, giving confidence to our lenders and enabling us to proceed with essential projects with certainty.

We have also seized opportunities presented by Covid-19. This includes completing major runway resurfacing works in half the usual time due to a longer working window caused by the lack of international flights, completing upgrades to our international departures area and utilising empty office space to expand our conferencing facilities to meet new demands. We also completed our pricing consultation with airlines and received approval for our designation over the former Miramar South School site, putting us in position to progress our Masterplan as passenger numbers recover.



We have continued working hard to address the impact of aviation on the environment and our local community. Climate change and global sustainability issues are growing in importance to our community and our customers, and are at the forefront of our strategic direction. If action is not taken to address climate change, we face the risk of increasing weather events and sea level rise, along with increased insurance and energy costs. These issues are particularly salient given the airport's location. We also face transition challenges and opportunities, including evolving government policy, and the possibilities brought by new technology. We are meeting these issues head on by reducing our own emissions and partnering with airlines to achieve sector-wide emissions reductions.

We are encouraged by the Climate Change Commission's recognition that aviation will have an ongoing role in a net-zero world, and its focus on new technology and emerging fuels. The Commission's draft advice has also outlined the role of all sectors in New Zealand reaching net zero emissions by 2050. Engagement on this issue is critical; as will be working together across businesses, government and the community to address our shared challenges.

Throughout the year, we have worked closely with the aviation industry, airport stakeholders, medical experts, and government agencies to help re-establish safe travel in New Zealand. This includes playing an important role in helping to define risk-based border policies.

As we look to the year ahead, we are looking forward to rebuilding safe international travel and will continue working with government agencies to meet all Covid-19 requirements. We are optimistic about trans-Tasman and Pacific travel and expect this to provide a much-needed boost for the airport and the many thousands of Wellingtonians whose livelihoods depend on travel and tourism.

Wellington Airport's net loss after taxation was \$35.7 million for the year ended 31 March 2021, with underlying earnings showing an EBITDAF before subvention payment of \$36.0 million, down 65.1% on last year.

	Audited year ended 31 March 21	Audited year ended 31 March 20	Variance
Passengers Domestic	2,968,960	5,225,999	(43.2%)
Passengers International	162	919,741	(100.0%)
Aeronautical income	\$34.0m	\$80.8m	(57.9%)
Passenger services income	\$22.1m	\$52.1m	(57.6%)
Property/other income	\$12.7m	\$13.5m	(5.9%)
Operating expenses	(\$32.8m)	(\$43.2m)	24.1%
<b>EBITDAF before subvention payment<sup>1</sup></b>	<b>\$36.0m</b>	<b>\$103.2m</b>	<b>(65.1%)</b>
Net Profit/(Loss) After Tax	(\$35.7m)	\$28.9m	(223.6%)
Capital investment	\$35.0m	\$80.6m	(56.5%)

1. EBITDAF before subvention payment is a useful non-NZ GAAP measure of earnings which presents management's view of the underlying business operating performance. A reconciliation between Wellington Airport's NPAT and EBITDAF before subvention payment is set out in the NZX announcement and Note A1 of the Annual Report for the year ended 31 March 2021.

**Tim Brown**  
Chairman

**Steve Sanderson**  
Chief Executive



KEY HIGHLIGHTS

**2.97m**

DOMESTIC PASSENGERS

**\$36m**

EBITDA<sup>1</sup> - BEFORE SUBVENTION PAYMENT

**\$7.2m**

OPERATING CASH FLOW  
(EXCLUDING SUBVENTION PAYMENT)

**\$35m**

CAPITAL INVESTMENT

RESIZED BUSINESS WITH A LARGE REDUCTION IN OPERATING COSTS  
- EXCLUDING RATES AND INSURANCES, WE REDUCED OPERATING COSTS BY 32%

ALL TERMINAL OPERATORS REMAINED OPEN OR IN A POSITION TO REOPEN  
WHEN INTERNATIONAL TRAVEL RETURNED

MAJOR RUNWAY RESURFACING WORKS  
COMPLETED IN ALMOST HALF THE USUAL TIME

**991 tonnes CO<sub>2</sub>-e<sup>1</sup>**

GREENHOUSE GAS  
EMISSIONS

**0**

SERIOUS  
INJURIES

**30%<sup>2</sup>**

REDUCTION IN ELECTRICITY  
AND GAS CONSUMPTION

**\$2.3b**

TOTAL ECONOMIC OUTPUT

Left: Photographer unknown

1. Scope 1, 2 and 3 (staff travel) emissions  
2. Against FY17 baseline

# KAITIAKITANGA

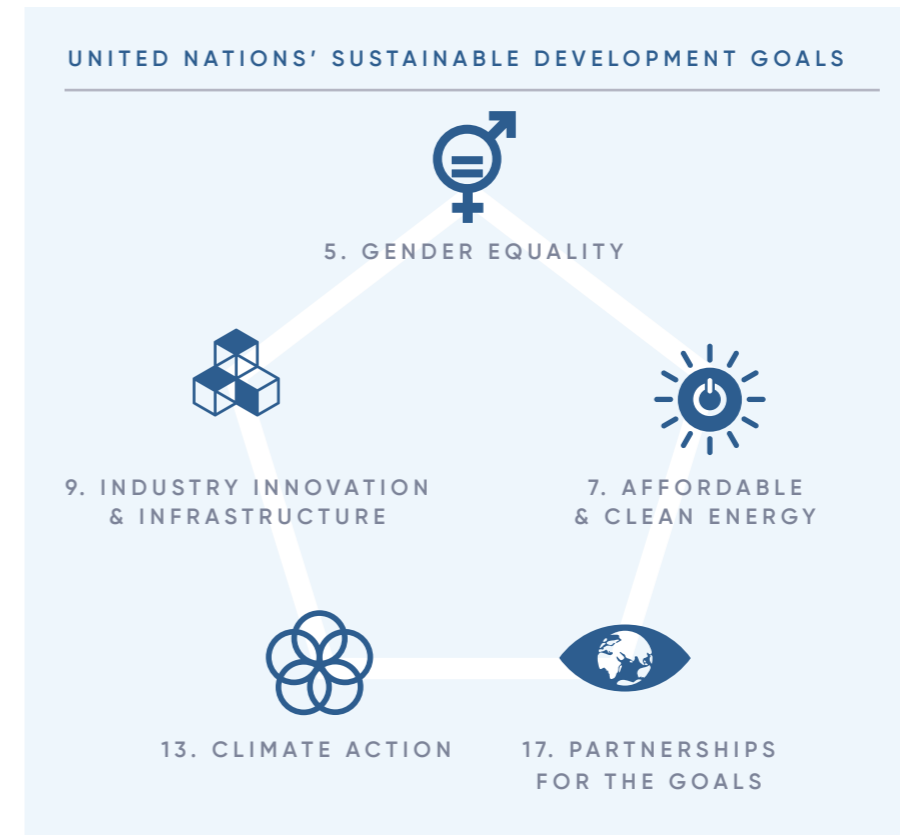
**Wellington Airport is committed to embedding sustainability across everything we do. We understand our responsibility to manage an efficient operation that delivers excellent connectivity and customer experience, whilst also caring for our people, our community and the environment.**

Our Kaitiakitanga vision guides us to manage our operations efficiently, to care for our environment and our people, to support the local economy and to give back to the community.

We work closely with our partners – airlines, tenants, consultants and contractors – to realise this vision by seeking opportunities to adopt energy efficient and sustainable processes across everything we do at the airport.

In November 2020, we completed our second annual GRESB Infrastructure Assessment. This validates and benchmarks our Environmental, Social and Governance (ESG) performance data against other airports and infrastructure assets. Our score this year increased 20 points against 2019 to 78/100, reflecting the implementation of several ESG measures and initiatives.

We have aligned our risk management approach with the recommendations of the Task Force on Climate-Related Financial Disclosures. Detail is reported on page 38.



The United Nations' Sustainable Development Goals provide a widely regarded international framework to achieve a better and more sustainable future for all – integrating economic, social and environmental aspects.

We have identified the most appropriate goals for us based on our ability to make or influence change and alignment with our values.



OUR

# PEOPLE



**It's been a tough year for the aviation industry, and the direct impact on Wellington Airport's passenger numbers meant we had to make a difficult, yet critical, decision to reduce staff numbers by 30% in April last year.**

Since then, we have focused on helping staff remain resilient through a period of uncertainty and change. This includes placing greater focus on internal staff communications, re-establishing pre-Covid-19 business practices that facilitate connection across the organisation and running regular social and wellness events.

Our people continue to come first and

we place great focus on recruiting and retaining people who share a common set of values that guide our decisions, inform how we work together and enable us to perform to our best. We provide our people with a safe and supportive work environment and invest in a range of learning and development initiatives to grow their experience and help reach their career aspirations.

Our values are:

- Whānau Kotahi (one team)
- Diversity & Inclusion
- Be Exceptional
- Courage & Freedom
- Customer Obsessed

Diversity and inclusion remain an imperative to ensure we continue to attract and retain high performers and continue to be a great place to work. We also provide a range of social, community and wellbeing initiatives including flexible working, wellbeing leave and health awareness campaigns to ensure our staff feel valued, have a sense of belonging and feel empowered to reach their full potential.

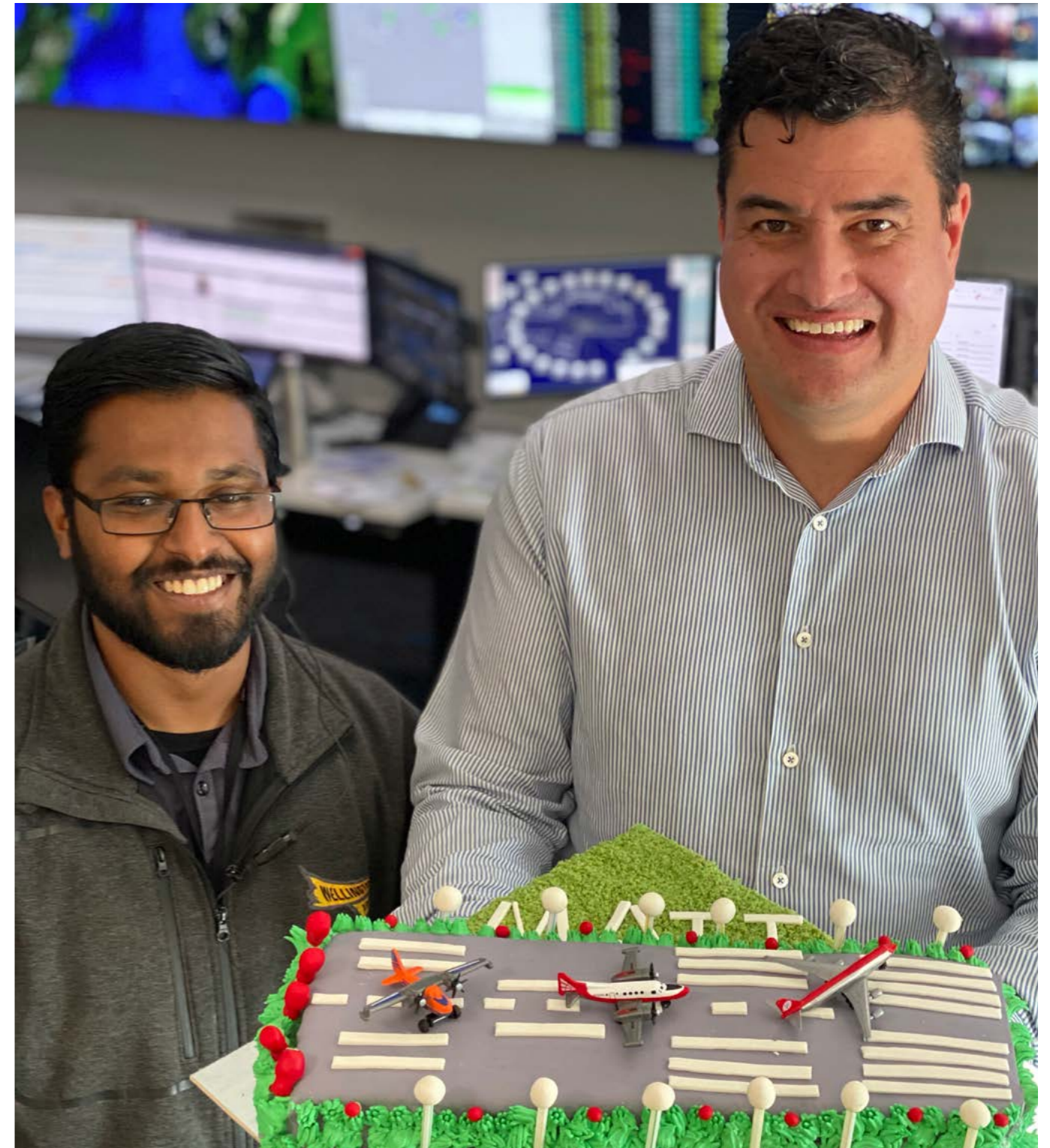
Our demographic is diverse in age, ethnicity, background, experience and recent reporting shows our people's ethnic background closely aligns to the Wellington Region ethnic makeup.

Aviation is typically a male dominated industry, yet our total workforce is made up of 25% females, 73% males and 2% gender diverse staff. In the corporate office the balance is more evenly split with 40% females and 60% males. Although it has been an unsettled year due to the impacts of Covid-19, we continue to address the overall balance throughout the airport and in senior

management positions. The practices we have embedded into our recruitment and development process to support this work include ensuring gender diversity across our interview panels, reducing unconscious bias, increasing the number of females we are interviewing for historically male oriented roles, and encouraging

female staff into leadership training and roles. Our focus on biannual engagement surveys enables us to capture staff feedback and take action to continuously improve our culture and overall staff experience.

Left: Staff Step Challenge for Cystic Fibrosis  
Photo by Mark Tantrum  
Below: Operations team members Jilvin Jolly and Matthew Palliser



A SAFE

# WORKPLACE



**Best practice health and safety processes have always been an integral part of our operations and will always be our number one priority. The airport is certified by the Civil Aviation Authority (CAA). Under the CAA's Part 100 safety rules, we are required to achieve and maintain a Safety Management System, which aligns with the Health and Safety at Work Act 2015 and meets all safety regulations.**

During the past year, our well-established processes have come to the fore as we manage the impact and uncertainty of Covid-19. Within the terminal we have become adept at responding to

frequently changing alert levels and putting in place the controls needed to keep both staff and the public safe. This includes changing signage and public announcements, increasing our cleaning protocols and separating travellers to reduce the risk of physical transmission. Despite Covid-19, in our most recent in-terminal customer survey, 93% of our passengers told us they feel safe and secure when travelling through Wellington Airport.

Throughout the year we maintained our airport safety management system with ongoing audits, inspections and improvements made to staff training

regimes. We also carried out regular emergency preparedness checks which included fire fighter response callouts, fire drills in the main terminal and tabletop scenarios. As part of these reviews, while flight numbers were low, we took the opportunity to spend additional time on staff training and collaboration with airport stakeholders to further improve our safety culture. This has led to initiatives to enhance safety on the airfield and in our baggage halls.

Going forward we will continue to review our health and safety processes to ensure they remain fit for purpose in our new post-Covid operational environment.

OUR COMMITMENT TO

# COMMUNITY



**Despite the challenges of Covid-19, Wellington Airport remains critical infrastructure for the region and local businesses and communities rely on our support now more than ever. While we had to scale back our contribution to community events this year, we are proud to have been able to provide support in other ways.**

This includes free promotional support for various Wellington-based events such as Wellington On A Plate, the Wellington Jazz Festival, WOW Up Close, Kotahi, Māoriland Film Festival, NZ Fringe Festival, Classical on Cuba and the Wellington Pride Festival, as

well as free resource and access to the terminal for events and local film productions.

In October we helped create awareness for Restart a Heart Day in partnership with Wellington Free Ambulance, giving passengers an opportunity to brush up on valuable lifesaving skills while in the terminal. We also supported fundraising activity for the Neonatal Trust and Mary Potter Hospice 'Purple Bin Campaign'.

Our first significant event post Covid was 'A Taste of Beervana' in partnership with Fortune Favours. Throughout October and November, visitors to the airport were treated to a series of beer

tastings from local favourites Fortune Favours, Double Vision Brewing, Waitoa Beer, Fork and Brewer and Parrotdog in celebration of Beervana, New Zealand's premier beer festival. To help boost the atmosphere in the terminal, travellers also enjoyed live entertainment from circus performers, drag entertainers, DJs and bands.

Left: Integrated Operations Centre. Photo by Elias Rodriguez for Mark Tantrum Photography  
Above: A Taste of Beervana touches down at Wellington Airport

Below: 2020 Wellington Airport Spirit Award recipients with CEO Steve Sanderson and Rongotai MP Paul Eagle. Photo by Elias Rodriguez for Mark Tantrum Photography



Shortly after A Taste of Beervana, we ended the year with a sparkle, hosting our sixth Christmas Tree Festival at the airport in partnership with Cystic Fibrosis NZ. This year more than 30 businesses, community groups and organisations decorated a tree including Wellington Phoenix, the Rydges, Whittakers, Subway, Ben & Jerry, Naylor Love and Six Barrel Soda. In total the festival raised more than \$30,000 for cystic fibrosis.

To show our support for local businesses and promote Wellington region events and activities, in December we ran a 12 Days of Christmas giveaway on our social

channels, followed by a 'Love Local' campaign in the New Year, with both campaigns receiving great engagement.

Also in December, we held a celebratory lunch for students from our five local colleges who went the extra mile for their school and community. This year, local MP Paul Eagle, presented the Wild at Heart Spirit Awards to recognise students who stand out for contributing to their college, developing good relationships, treating others with respect and concern, demonstrating commitment to their school or

community projects and being good ambassadors for their college and the eastern suburbs. The awards are usually presented as part of our annual Community Awards event; however, this year we had to make the difficult decision to postpone the event due to Covid-19. Throughout the year we have continued to actively support the community through these challenging times, and we look forward to celebrating the great work these groups do at our next Wellington Airport Regional Community Awards event later this year.



In March, travellers enjoyed a sample of the CubaDupa experience with a series of performances and drink tastings in the terminal. We supported the event with some in-terminal promotion and sponsored the Nga Taniwha Stage, which featured a variety of performers including Troy Kingi, Virtuoso Strings and Wellington Batucada. After two difficult years for the event, we were proud to play our part in making this much-loved street festival a success this year.

Also in March, Wellington Airport staff united in a month-long step challenge and donated \$5000 to Cystic Fibrosis Wellington. The goal was to collectively walk the equivalent of 4000 lengths of the runway and as a team we smashed the target by walking more than 5000 lengths of the runway.

Throughout the year, we continued to work closely with Wellington NZ and Tourism NZ to amplify Wellington and domestic marketing campaigns such as 'Do Something New, New Zealand' and 'Never have I ever'. We also supported the Government's Covid messaging and 'Make Summer Unstoppable' campaign across our communication channels.

Top: CubaDupa Wellington Airport Nga Taniwha stage. Photo by Oliver Crawford  
Middle: Restart a Heart day Wellington Free Ambulance  
Bottom: The Bay Boys of Wellesley College perform in the terminal for the Cystic Fibrosis Wellington Christmas Tree Festival





OUR

# ENVIRONMENT

Over the past year, our focus has been centred around our Covid-19 response and managing our resources as efficiently as possible. Throughout this time, we've made some positive changes at the airport as a direct result of the reduction in passenger numbers, for example significantly reducing our energy use in the terminal and completing major runway resurfacing works in almost half the usual time. This created notably less disruption to our surrounding community and we also diverted thousands of tonnes of asphalt to other roading projects, rather than landfill (see page 26 for more details).

The effects of climate change and global sustainability issues are of increasing importance to our community and our customers.

We will continue to work closely with the Government to ensure we meet all policy requirements and play our part in helping New Zealand to reach national net zero

emissions by 2050. We contributed to the New Zealand Airports submission on the Climate Change Commission's draft advice. The submission supports the Climate Change Commission recognising the essential role international and domestic aviation plays for economic and social connections, and the proposed approach to decarbonising the transport sector by focusing on changes that are currently technologically possible.

Key submission points include support for:

- a strengthened Emissions Trading Scheme as the main policy lever to decarbonise activities in New Zealand,
- New Zealand's continuing participation in the International Civil Aviation Organization's Carbon Offsetting and Reduction Scheme (CORSA) and for the Commission to fully explore options for international emissions to be factored into future

emissions budgets,

- government research into the potential for a domestic sustainable aviation fuel (SAF) industry, and
- an aviation emissions action plan and a policy framework that provides clarity and stability to the sector.

By 2030, we aim to reduce our operational carbon emissions, waste to landfill and electricity use by 30%. These targets inform our daily decision making, including adopting energy efficient and sustainable construction into our projects and making changes to how we manage our waste and resources.

Our carbon emissions target is an absolute target, which means we will reduce emissions irrespective of our footprint or the number of passengers we service.

Below: Sustainability and Environment Manager Nicola Cordner with Deputy Mayor Sarah Free with electric ground power and ground support equipment. Photo by Mark Tantrum



TARGET AREAS	INITIATIVES
<b>Reducing carbon emissions</b>	<p>Purchased Voluntary Emission Reductions to offset our 2020 operational carbon emissions (including staff travel). This makes us Carbon neutral for 2020</p> <p>Ongoing replacement of our fleet of vehicles with electric alternatives</p> <p>Significant reduction in unnecessary use of emergency stationary generation</p>
<b>Reducing energy use</b>	<p>Comprehensive review of the daily operation of our heating and cooling systems to reflect changes in passenger numbers and terminal space</p> <p>Implemented building analytics technologies to provide a real time, integrated view of our building performance – identifying opportunities for improved efficiency and performance</p> <p>Ongoing programme to replace all halogen lightbulbs in the airport with energy efficient LED lighting</p>
<b>Sustainable design</b>	<p>Adopting energy efficient and sustainable construction into our projects – targeting a GreenStar 5* equivalent design rating</p>
<b>Reducing waste</b>	<p>Replacing single use plastic with reusable or compostable alternatives</p>
<b>Diverting waste from landfill</b>	<p>Continuing the coffee cup composting trial with 'For The Better Good' and progressing plans to establish a flagship community garden and composting site locally</p> <p>Diverted 25% of waste from landfill in the demolition of the properties on Broadway</p> <p>Recycled 100% of the asphalt removed from the runway – a total of 17,900 tonnes</p>
<b>Influencing the supply chain</b>	<p>Developed a Guide to Sustainable Procurement to ensure the goods and services we purchase make a positive contribution – environmentally, socially and economically</p>
<b>Regenerating the local community</b>	<p>Partnered with Te Motu Kairangi to support the regeneration of the Miramar Peninsula and our local community</p>
<b>Supporting industry</b>	<p>Provide common-use electric chargers for our electric airside ground support equipment (GSE) and vehicles</p> <p>Provide electrical ground power at some gates so aircrafts can get electricity straight from the local grid without the need to run their auxiliary power units (APUs)</p> <p>Implemented Performance Based Navigation routes to enable quieter and more fuel-efficient arrivals into Wellington Airport and enabling participating airlines to fly fewer kilometres, reduce fuel burn and CO2 emissions and shorten passenger travel time.</p>

CASE STUDY



## SUPPORTING OUR LOCAL BIODIVERSITY

**A team of volunteers from across the airport worked with Te Motu Kairangi to plant over 430 native trees and shrubs on Palmer Head.**

In liaison with Airways NZ, we continue to work with the Te Motu Kairangi team on the habitat restoration of Palmer Head – home to the last remnants of matagouri on the North Island and one of the remaining coastal habitats of the Speargrass weevil, one of Wellington’s rarest native animals.

Following a small scrub fire that damaged some of the recent plantings, our team rallied to support the Te Motu Kairangi team to maximise the opportunity of the scrub clearing and plant native species in its place.

We also continue to provide support for Predator Free Miramar as a strategic trapping and baiting location to protect the peninsula.

Above: Planting at Palmer Head with Te Motu Kairangi

CASE STUDY



## REDUCING OUR ENERGY USE

**One notable benefit of Covid-19 has been the opportunity to significantly reduce our operational energy use, particularly in the terminal.**

During the year, our Energy Committee focused on how heating, cooling, and lighting systems could be managed to ensure energy wasn’t being used in areas of the terminal closed due to the significant reduction in air traffic. These steps, and further controls implemented on the heating system, resulted in a 28% reduction in totally energy use compared to last year.

The significant 60% reduction in our natural gas consumption (against FY17 baseline) has had a direct impact on our carbon emissions – 279 tonnes less than heating source emissions in 2019.

These learnings, together with a new building analytics platform coming live, will inform future improvements in system efficiency and performance.

Above: Photo by Bradley Garner

## CASE STUDY



## IMPROVING OPERATIONAL RESILIENCE

**As the climate continues to change, we are planning for rising sea levels, more extreme weather and climate related events which will present a risk to infrastructure and property.**

This year we started planning for the upgrade of our coastal protection structures (seawalls and breakwater) – inviting feedback from the local community to help inform our design. The new structures need to withstand rising sea levels, increased frequency and intensity of storm events and earthquakes.

We actively promoted the Airport Collaborative Decision Making (A-CDM) program during the year. This is part of the New Southern Sky national programme for the modernisation of airspace and air navigation in New Zealand. A-CDM has the potential to improve the way airports, aircraft operators, ground handling organisations and air traffic control work to streamline airport operations, reducing both noise and emissions. We will continue to work with our airline partners on its implementation at Wellington Airport to fully realise these benefits.

Above: Photo by James Grigg

## CASE STUDY



## NOISE MANAGEMENT

**Few cities in the world benefit from an airport as conveniently located as Wellington's. This accessibility and proximity to residential properties means we must carefully monitor and manage the effects of airport noise on our neighbours.**

The Wellington City Council District Plan governs the total noise for aircraft movements and the hours of flight, with a night curfew in place. We currently operate well within the noise limits and curfew conditions.

As part of our Noise Management Plan, which is overseen by the Wellington Air Noise Management Committee, we've implemented a range of noise mitigation measures within the Air Noise Boundary.

This includes the Quieter Homes package which will offer almost 700 homeowners a specifically tailored package of acoustic mitigation treatment designed to reduce aircraft noise.

We are continuing to roll out the programme for the properties most affected by air noise, completing 7 property upgrades in a year significantly impacted by the effects of Covid-19 on resourcing and delivery.

Above: Photo by William Isaacs

AIRLINE AND  
PASSENGER

# RECOVERY

2020 has been an extremely challenging year for the aviation industry, with the International Air Transport Association (IATA) reporting it as 'the worst year in history for air travel demand'. In March 2021, IATA reported total passenger numbers were down 66% compared to March 2019 with US\$126 billion in losses for airlines.

Globally, multiple airlines have experienced significant financial distress since the start of the Covid-19 pandemic including Chile LATAM which filed for Chapter 11 Bankruptcy protection, Australia's second-biggest airline Virgin Australia which entered voluntary administration and AirAsia Japan which has now stopped operating. Many others, including our own national carrier, Air New Zealand, have been relying on Government support.

Airports have also suffered because of the travel restrictions, particularly those with a high exposure to the international travel market with major gateways such as Sydney and Melbourne seeing traffic drop to 11% of pre-Covid levels for the year-ending February 2021, while Auckland sits at 25% of pre-Covid over the same period.



**Despite these challenges, Wellington Airport has recovered faster than most, helped by:**

- a high exposure to the domestic market (pre-Covid, over 5 million of our 6.4 million passengers were domestic travellers),
- the relative lack of domestic Covid-19 restrictions in New Zealand, including the removal of social distancing requirements for air travel,
- an eagerness from Kiwis to explore their own country, and
- a return of corporate travel.

Overall, our domestic capacity, which fell to 1% of pre-Covid levels in April 2020 and 20% in May, is now sitting at around 90% of pre-Covid capacity, with three million domestic passengers travelling through the airport during the year (compared to just over five million last year).

Many routes saw positive growth during the summer months as airlines, airports

and the wider tourism industry worked hard to encourage Kiwis to see their own country. In January 2021 Gisborne, Hamilton, Invercargill, New Plymouth, Queenstown, Tauranga and Timaru all operated with more capacity than the same time last year (pre-Covid).

During the year there have not been any regular scheduled international flights to and from Wellington, but we have welcomed a handful of international charter flights, and some MIQ flights through our Western Apron facilities.

In August 2020, the Ministry of Health gave its high-level approval for 'safe travel' international services to and from Wellington Airport, making us well prepared for the recent return of trans-Tasman travel in April this year. Since then, we have continued working to meet any requirements advised to us by government agencies. Pre-Covid, travel to and from Australia and Fiji accounted for 66% of our international capacity. The return of these services will therefore provide a much-needed boost for the

many thousands of Wellingtonians whose livelihoods depend on travel and tourism.

Going forward, as safe international travel resumes, Wellington Airport will play a prominent role in New Zealand's recovery. With Kiwis eager to travel, and long-haul international travel likely to be difficult for some time to come, we expect there to be a high demand for travel to Australia and the Pacific. There is also an opportunity for some different services to be profitable in a high demand/low-cost environment. When long haul carriers return, access to central New Zealand will be important to sustainably grow back to pre-Covid levels.

Left: Photo by @binghamcreative  
Above: Mark Tantrum Photography

TRAVELLER

# SERVICES

**Our focus in the terminal over the past year has been on ensuring retailers, food and beverage operators, taxi drivers, rental car operators and other airport users feel supported and in a good position for recovery and growth.**

Our teams worked with the businesses based at the airport to provide practical support as required. We have also provided information to help businesses comply with latest government guidelines and make informed decisions about their business operations. We are very proud our wider airport community has traversed the pandemic in an excellent position to benefit from the anticipated air travel recovery with fully occupied, vibrant tenancies across the campus and best in class customer experience.

At the end of 2020 we hosted a number of in-terminal activities, such as 'A Taste of Beervana' and our annual Cystic Fibrosis Christmas Tree Festival, to restore the terminal vibe we were used to pre-Covid-19 (see page 13 for more details).

Over the coming months we will be reinvigorating our existing dining area to provide customers with an enhanced experience when visiting or travelling through Wellington Airport. The first of these initiatives includes a new noodle and poke bar, opening in May 2021.

During the year, we completed the expansion of Air New Zealand's operational areas in the South West Pier and Swissport's offices in the North Pier. We also completed an upgrade to our

international departures area to provide more space for Aviation Security (Avsec) and Customs services. As part of the upgrades, Avsec rolled out new Smart Lanes and body scanners to replace older x-ray technology for passenger and baggage screening. In future years we anticipate the cost of security to increase in line with the increase in regulatory requirements. This is an area we are keen to work closely on with Avsec and airlines to ensure costs are managed while also ensuring security and passenger service standards are met.

Below: Photo by Bradley Garner  
Right: Rydges Wellington Airport, Photo by Andy Spain

**In July, we made some temporary gate changes in response to the adjustment of airline schedules due to Covid-19, which enabled us to maximise use of our gates by using the international terminal for domestic flights. This resulted in faster processing of passengers on and off flights, with minimal disruption. All flights are now operating from their usual gates in response to an increase in domestic travel.**



**Following the temporary closure of the Rydges Wellington Airport hotel in April 2020, guest volumes have continued to build steadily as passenger numbers recover.**

**Since reopening, the hotel has seen strong demand for its conferencing facilities as a result of being the only hotel in New Zealand directly connected to the terminal. To cater for this demand additional rooms have been added to the inventory, increasing the conference centre's capacity by over 30%.**

## CASE STUDY



### HOW COVID-19 HELPED US FAST-TRACK MAJOR RUNWAY RESURFACING WORKS

Approximately every 10-12 years we must resurface our runway to ensure the ongoing safety and efficiency of our airport operations. This involves milling and paving to replace the runway surface and grooving of the surface to improve water run-off and traction.

All work must happen overnight to prevent disruption to airline schedules, which means there is inevitably some disturbance to nearby residents despite the noise reduction measures we put in place.

Typically, the works would take up to six months to complete. However, this

year the lack of international flights and longer overnight working window due to Covid-19 provided an opportunity to complete the project in almost half the time.

Working longer and fewer shifts resulted in multiple benefits, including cost savings and increased quality due to fewer pavement joins, and also less disruption to our surrounding community.



### STEPS TAKEN TO KEEP NOISE DISRUPTION TO A MINIMUM

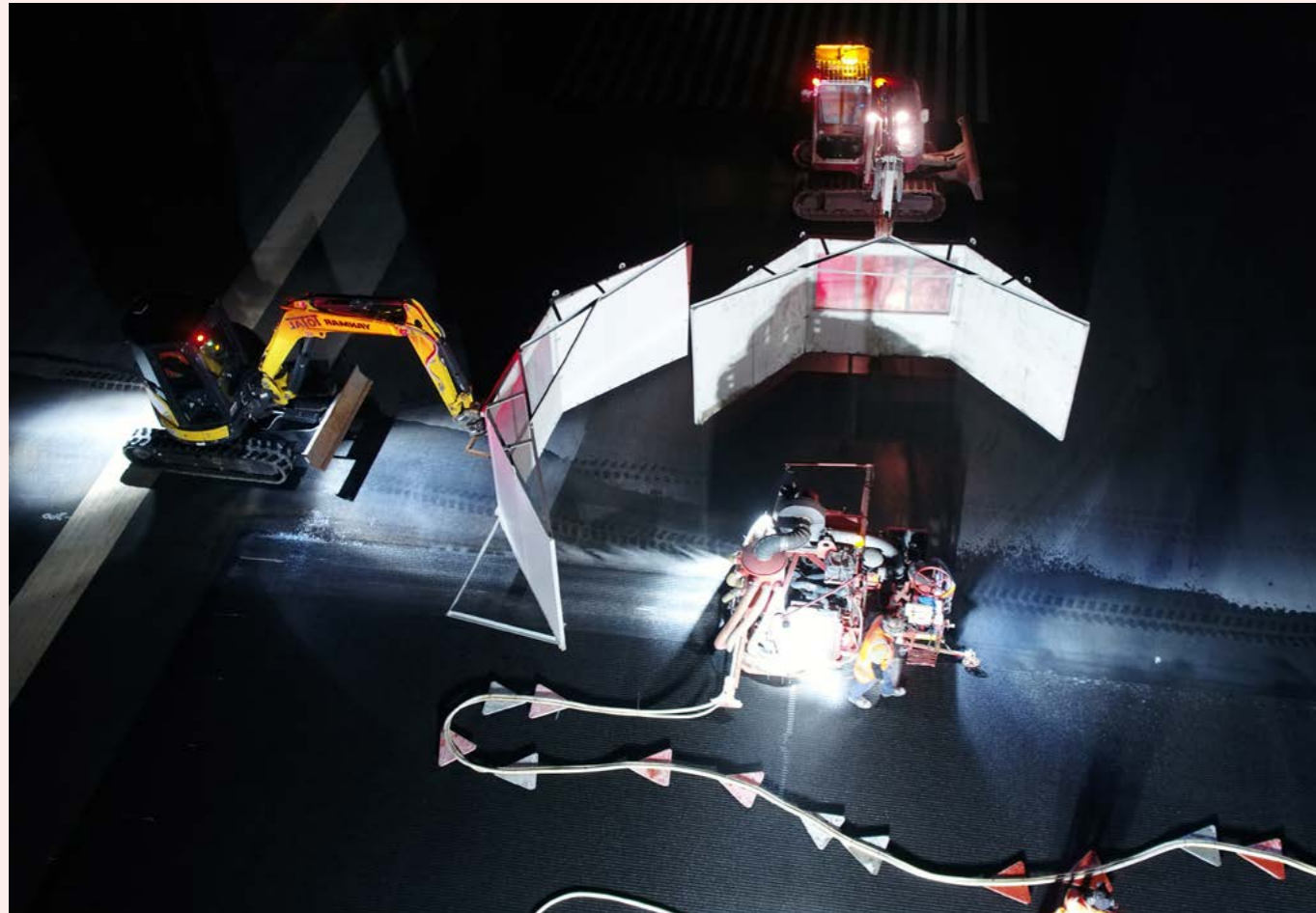
- Staging works to reduce the duration of noisy work within night curfew hours
- Ensuring all vehicles use non-tonal reversing beepers
- Using noise barriers and acoustic curtains where practical, and mandatory for the grooving
- Ensuring all equipment meets modern specifications, including use of non-vibrating compactors, oscillating rollers, and loading dampeners where possible
- Manufacturing asphalt off-site
- Managing traffic, including staggered haulage routes, and stockpiling of material on site to enable fewer night-time truck movements
- Ensuring all staff on site receive training on practices to avoid unnecessary noise during the work, such as ensuring vehicles are not left running when not in use, limiting horns for emergency use and avoiding engine breaking on entering the site
- Direct communications and regular website updates to ensure local residents know what to expect and when.

### SUPPORTING SUSTAINABILITY AND LOOKING OUT FOR THE ENVIRONMENT

All old runway asphalt was recycled by Fulton Hogan and used for the construction of Transmission Gully, diverting thousands of tonnes of asphalt from going to landfill, and reducing the need to quarry for virgin aggregates.

Left: Runway Resurfacing Team photo by Colin McDiarmid

Above: Photo by Elevo Commercial Drone Services



“The very decision to take advantage of the reduced air traffic during 2020, to bring forward the project and enabling the work to be completed in a significantly shorter timeframe than in normal circumstances, was inspired. As a member of the Air Noise Management Committee I was advised of the planned noise mitigation steps and fed into the communications plan for neighbours. As a nearby resident myself, one of the most significant things was actually understanding what the noise was and how long it was expected to last. Additionally, the noise during the project has not reached a level that has caused me concern (so the mitigation strategies are clearly working)”.

**Member Air Noise Management Committee**

“Over the years I have witnessed the increase in proactive mitigation measures put in place by the airport to reduce the impact on the local residents. These measures include expert advice up front on the best options to reduce the impact on neighbours, noise management plans, better equipment, excellent communication with all stakeholders, involvement of resident representatives at Air Noise meetings, monitoring, making adjustments to concerns during construction and a review process afterwards. I have anecdotally witnessed the increase of trust from residents that the airport is considering their needs over the years. This has led to Council receiving very few complaints in recent years and very few complaints being reported to the Air Noise Committee.”

**Wellington City Council**

## SUNFLOWER LANYARD TO HELP PEOPLE WITH HIDDEN DISABILITIES

**Anyone travelling through Wellington Airport with a hidden disability such as Autism, ADHD, dementia or a hearing or visual impairment can now discreetly let Wellington Airport staff know they may need extra help thanks to a new initiative launched in December.**

The Sunflower Lanyard initiative was introduced in partnership with Autism NZ to indicate to staff that a passenger may:

- Need more time to process information or more time to prepare themselves at security
- Need clearer verbal instructions, as it can be difficult to understand facial expressions and/or body language
- Need help reading departure boards or signs
- Always need to stay with family or friends
- Be exempt from wearing a facemask if they have a hidden disability which prohibits them from wearing a mask
- Benefit from a comprehensive briefing on what to expect as they travel through the airport

“Airports are busy environments that can be stressful for some travellers, particularly those with disabilities that aren’t immediately obvious to airport staff,

The new lanyard initiative makes it much easier for our staff to recognise when passengers may need extra help and we hope it will ensure all travellers have a positive experience at Wellington Airport”

**Matthew Palliser  
Head of Operations  
Wellington Airport**



# TRAVEL RESTRICTIONS

**Since New Zealand's first case of Covid-19 on 28 February 2020, the airport has experienced a period of constant adjustment in response to changing alert levels, with a total of 17 alert level changes to March 2021.**

Throughout this time, we have worked closely with the aviation industry, airport stakeholders, medical experts, and government agencies to help re-establish safe travel in New Zealand.

In anticipation of borders opening again, we have played an important role in helping to define risk-based border policies, regularly attending, and participating in government-led groups.

A significant part of this planning has been to ensure Wellington Airport would be ready to immediately process international travellers when the Government gave the go-ahead for a trans-Tasman or Pacific bubble. Toward the end of the financial year, the Government signalled Quarantine-Free travel would begin in April, and this has since commenced.

We worked hard to be ready for Quarantine-Free travel and were prepared well in advance of government decisions to partially reopen the border. In August 2020 the Ministry of Health gave high-level sign off for our 'Safe Zone' processes after inspection by the Capital & Coast District Health Board. In March, we were advised of further

requirements which we were able to immediately meet. We will continue to work hard to meet any further changes in government requirements and remain poised to respond to any emerging Covid-19 situation.

Wellington Airport's Quarantine-Free Travel Plan is simple: all passengers processed in the main terminal arrive on 'green' flights only. We are uniquely placed with no long-haul international flights, and all MIQ transfer flights are handled on the western side of the apron well away from the main terminal. All domestic, Australian and Pacific passengers can therefore travel through Wellington Airport with peace of mind, knowing that facilities are not shared with arrivals from outside of the Quarantine-Free Travel Zone.

We have increased cleaning protocols to ensure extremely high hygiene standards are maintained. We have also facilitated the testing of front-line workers at the airport and put processes in place for this to be expanded once the Quarantine-Free Travel Zone commenced. We will continue to work with the Ministry of Health and other relevant government agencies to understand and support any requirements for safe international travel going forward.

Over the next year, we expect government policy to turn to wider plans for reopening borders in a safe

and controlled way once the vaccination rollout is complete. We have already contributed to a significant body of work on Covid-19 risk modelling, which has been shared with government agencies. We anticipate continued close work between the government and the aviation sector as New Zealand gradually reopens to the world.



OUR

# MASTERPLAN



**In December 2019, after a period of public consultation, we published the final version of our 2040 Masterplan. This outlines the developments required to respond to future demand and ensure our airport infrastructure is resilient to a changing climate.**

Notwithstanding Covid-19, the Masterplan remains the blueprint for the future. Throughout the year we have taken the steps necessary to ensure we continue to be well positioned to

deliver essential aviation infrastructure as required. This includes securing a designation over the former Miramar South School site and lodging Notices of Requirement for 'airport purposes' designations to enable the progressive development of the main airport site and the land to the East of the current passenger terminal, as well as commencing enabling works, such as the demolition of the former AirNZ Cargo building, as a precursor to required apron expansion.

The first 'airport purposes' designation was lodged with Wellington City Council in August 2019. The proposed designation is primarily over the area of land making up the existing Airport – currently zoned as Airport Precinct in the District Plan – and effectively mirrors and replaces the current rules and requirements outlined in the District Plan in relation to airport activities. The proposed designation will enable us to establish a more efficient and flexible planning framework for existing and

future airport activities and development within the site.

The second 'airport purposes' designation was lodged with Wellington City Council in February 2020. The proposed designation is primarily over the area of land making up the southern portion of the existing Miramar Golf Course. If confirmed, this will enable us to use the land to the east of the airport for aircraft operations, taxiways and aprons, and ancillary activities. The proposed expansion will enable the

airport to cater for peak time demand more efficiently, reducing the need for aircraft to wait for an available parking position. It will also provide the capacity to cater for the infrastructure needs of low emissions aircraft technology as it is introduced.

Both Notices of Requirement for these designations were publicly notified concurrently by Wellington City Council in December 2020. On 28 January, we held two public information sessions for interested groups to meet one on one

with the experts and ask any questions about the Notices of Requirement.

The submission period closed on 26 February, and a hearing has been set down for 19-21 May.



OUR LEADERSHIP

# TEAM



From left to right:

**John Howarth**  
General Manager Infrastructure

**Jenna Raeburn**  
General Manager Corporate Affairs

**Matt Clarke**  
Chief Commercial Officer

**Jackie Holley**  
General Manager People and Culture

**Steve Sanderson**  
Chief Executive

**Martin Harrington**  
Chief Financial Officer

**Leanne Gibson**  
General Manager Facilities,  
Transport and Technology

**Ayolt Wiertsema**  
General Manager Aeronautical  
Operations

Left: Photo by Mark Tantrum

## THANK YOU

We want to warmly thank our team at Wellington Airport and the many people who work within the wider airport community for their support during the year including our volunteer ambassadors and all our airlines.

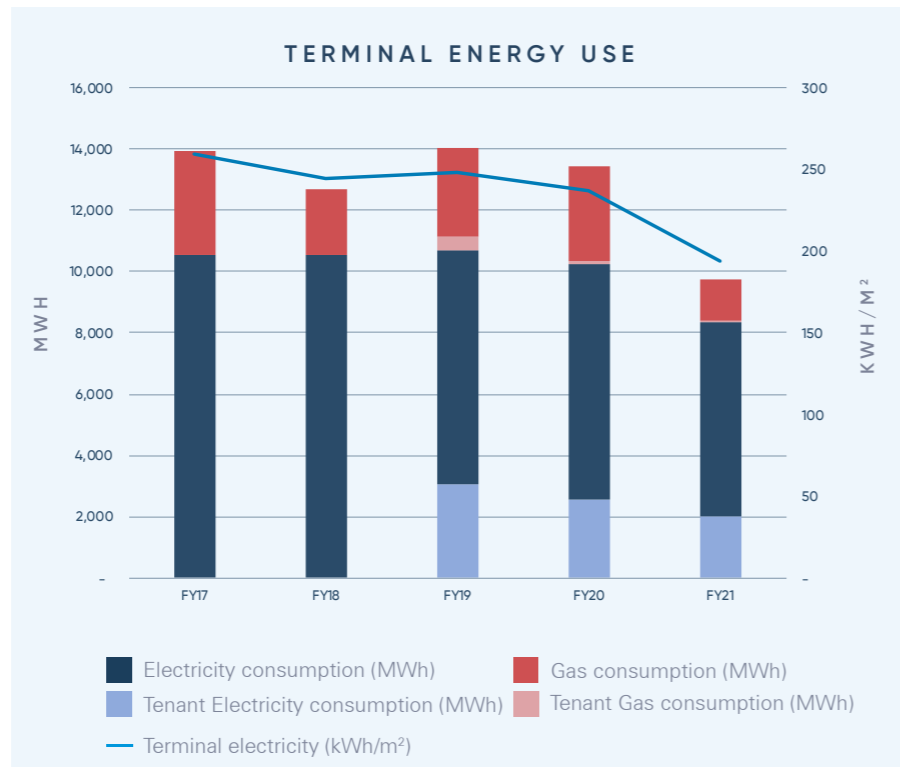
# RESULTS

## ENERGY

TOTAL GAS AND ELECTRICITY CONSUMPTION (KWH)  
TERMINAL ELECTRICITY  
KWH/M<sup>2</sup>/YR

Terminal energy consumption has been significantly influenced by the reduced passenger numbers and operating hours as a result of COVID-19.

The most significant savings were in natural gas consumption, using 60% less gas than in previous years with a comparable number of heating days, because of placing more stringent controls on heating set points and our reduced operating hours. Overall energy use was down 30% against our FY17 baseline.

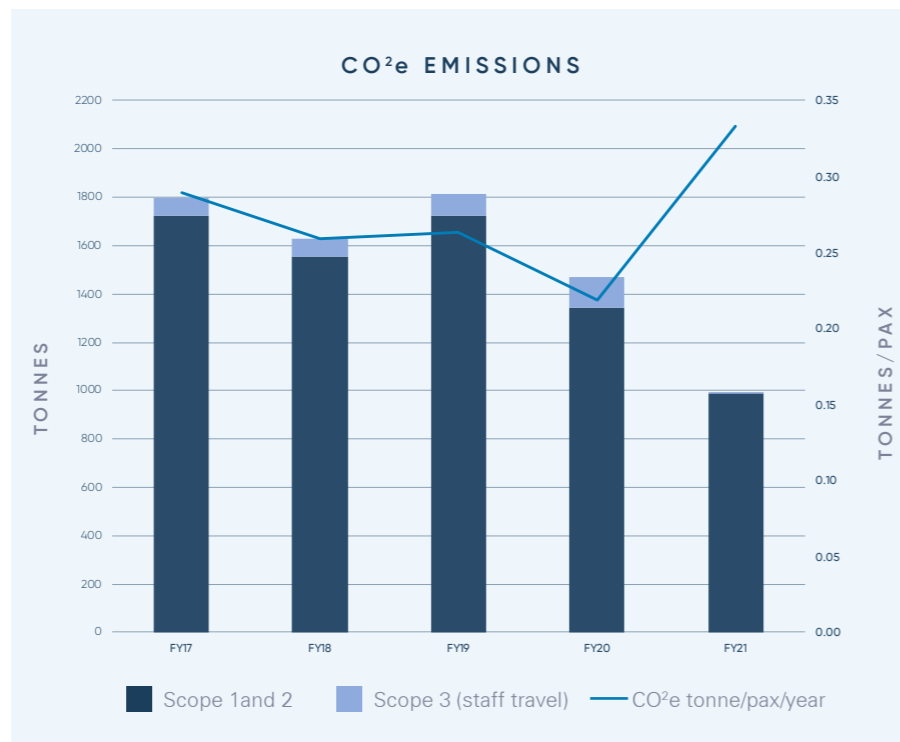


## CARBON

SCOPE 1 +2 CO<sup>2</sup>e EMISSIONS  
KG/YR | KG/PAX/YR

Our scope 1 (direct emissions from Wellington Airport-owned sources) and Scope 2 (indirect emissions from purchased energy used by our operations) have significantly decreased for FY21. This is the direct result of significantly less natural gas being used for terminal heating. The emissions per passenger has increased due to low passenger numbers during the year.

The emissions associated with staff travel (Scope 3) were also significantly less at 6.95 tonnes for FY21.

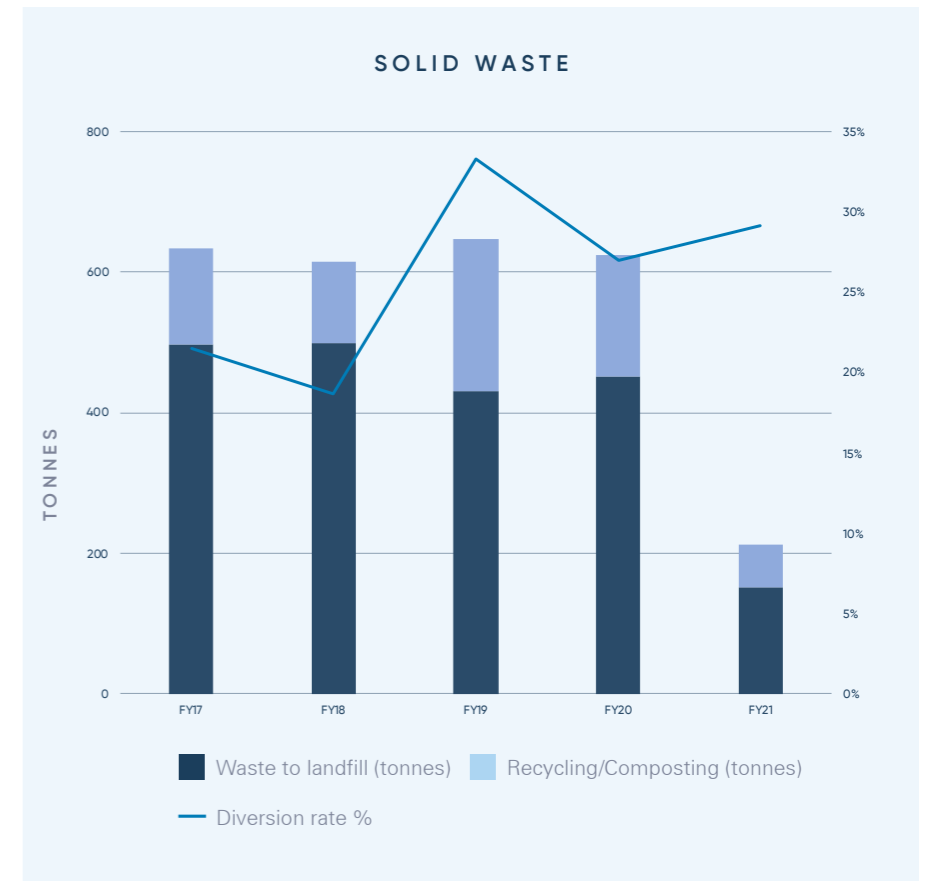


## WASTE

OPERATIONAL SOLID MUNICIPAL WASTE  
KG/YR | KG/PAX/YR

Our total waste volume has also significantly decreased as a result of less passengers during FY21, however the volume of waste sent to landfill for every 100 passengers has also reduced from 7kg to 5kg/100pax.

We are continuing to work on initiatives to reduce the overall volume of waste generated and ensure that the diversion of waste from landfill through recycling and composting continues with an increase in passengers in FY22.



CLIMATE RELATED

# DISCLOSURES

Wellington Airport supports the Taskforce for Climate Related Financial Disclosures (TCFD). The below summarises how Wellington Airport aligns with the TCFD recommendations. This reporting is currently voluntary, but we are well positioned for the proposed introduction of mandatory disclosures from FY23.

OUR TCFD ROADMAP		
2020	2021	2022
<ul style="list-style-type: none"> <li>Publicly supported the TCFD recommendations</li> <li>Completed a Governance review</li> <li>Established the Executive Kaitiakitanga (Climate Risk) Committee</li> <li>Identified an internal team to assess and manage climate-related risks and opportunities</li> <li>Conducted gap analysis against the disclosure areas</li> <li>Carried out high level scenario analysis and identification of climate-related risks and opportunities in risk management framework</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of scenario analysis</li> <li>Review of risk management process</li> <li>Complete detailed risk and opportunity assessment (quantitative assessment risks and opportunities in context of other business risks)</li> <li>Review impacts of climate-related risks and opportunities on organisational strategy and financial planning</li> </ul>	<ul style="list-style-type: none"> <li>Integrate climate-related risks and opportunities into strategic decision making and financial planning</li> <li>Establish metrics for climate adaptation and transition risk and opportunities</li> </ul>

## GOVERNANCE AND OVERSIGHT OF CLIMATE-RELATED RISKS

Our Board has ultimate accountability for the management of risk, including those related to climate change. Strategic climate-related risks are also considered by the Board as part of the Risk Management Framework. Climate risk also forms part of the Board's evaluation of material projects and capital investments.

The Audit and Risk Committee supports the Board in this function by performing reviews of primary business risks and its Risk Management Framework. The Audit and Risk Committee meets on a quarterly basis, with committee proceedings reported back to the Board.

During 2020 we established the Executive Kaitiakitanga and Climate Committee. The Committee meets frequently and is responsible for ensuring we are identifying, assessing and monitoring climate-related risks and opportunities in accordance with the Risk Management Framework and that climate-related actions are adequately resourced. This includes monitoring and reporting against our Kaitiakitanga targets.

The Executive Kaitiakitanga and Climate Committee implements appropriate climate risk mitigation strategies as per the Risk Management Framework and reports key issues to the Board.

Management has day-to-day responsibility for identifying and managing climate-related risks and opportunities. Climate-related risks are identified through the risk register. Climate-related work programmes are the responsibility of the Executive team, the Executive Kaitiakitanga and Climate Committee and the Manager of Sustainability.

## CLIMATE STRATEGY

Wellington Airport has started embedding climate change into our business, strategy and financial planning. We will continue to gather information and analyse the impacts, risks and opportunities of climate change on our business.

A high-level assessment of our potential exposure to physical and transition climate-related risks and opportunities has been completed. The physical risk details were informed by the NIWA Regional snapshot of projected climate changes and hazards (Zone 2) and are based on the RCP4.5 and RCP8.5 projections and consistent with the methodology of the National Climate Change Risk Assessment.

A comprehensive scenario analysis, including the 2°C climate scenario, is required to understand quantitative impacts of risks and opportunities on business strategy. We have proposed that this work would be more effectively considered in collaboration with local infrastructure partners.

## CLIMATE RISK MANAGEMENT

Our Risk Management Framework and Risk Management Policy guides our approach to risk management. Climate change and climate-related risk is identified as a material issue and the most recent comprehensive review of existing risks identified:

- risks where the likelihood and/or consequence may be impacted by physical risks associated with climate change,
- risks related to the transition towards a low-carbon economy, and
- new climate-related risks.

This review was completed by all risk owners in liaison with the Executive Kaitiakitanga and Climate Committee against the high-level scenario analysis and internal stakeholders. Further work is required to determine the financial impacts of those risks and the integration of risks into strategic planning and business frameworks.

Below: Photo by Cato Partners



## CLIMATE-RELATED RISKS AND CONTROLS

PHYSICAL RISK	RISKS/ OPPORTUNITIES	EXISTING AND FUTURE CONTROLS
<b>Sea-level rise and storm surge</b>	Damage to airport infrastructure, including seawalls and pavement	Inspections of airfield and seawalls Seawall renewal investment programme
	Operational disruption due to flooding	Stormwater drainage capacity Maintenance programmes
<b>Increased rainfall and storm event frequency</b>	Airside operational disruption due to flooding	Real-time runway condition reporting Weather detection systems Inspection and reporting
	Business disruption due to failure of key utilities	Maintenance programmes Service contract agreements Back-up generators for critical infrastructure Relocation of critical systems off ground floors Key utility relationships and planning (business continuity and resilience)
	Disruption to surface access to airport	Liaison with Wellington City Council, NZTA and Lets Get Wellington Moving re transport infrastructure resilience
TRANSITION RISK		
<b>Regulatory or legislative changes</b>	Government climate change policy may restrict aviation emissions or increase aviation operational costs, resulting in reduced passenger volumes and revenue	Policy engagement and advocacy
<b>Technology</b>	Future technology developments in aircraft types and/or fuels	Master planning – infrastructure design and provision Key industry and sector relationships
	Changes in operational vehicle fleet, including automation	Master planning – infrastructure design and provision
	Connectivity and capacity of strategic utilities	Key utility relationships and planning Electrification strategy Master planning – infrastructure design and provision

### Definitions

**Physical Risks** - Physical climate impacts arise from events (eg storm, flood, drought) or from the longer-term shifts in climate patterns. These changes may result in financial risks or opportunities to organisations.

**Transition Risks** - Transitioning to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change.



Above: Mirimur Peninsula iStock Photo

## CLIMATE-RELATED METRICS AND TARGETS

**Our approach to sustainability and Kaitiakitanga includes targets (with metrics) for carbon emissions, energy intensity, waste reduction and potable water.**

We monitor and disclose the following metrics annually in the Kaitiakitanga section of our Annual Review which assists in understanding our climate-related risks:

- Reduce absolute Scope 1 and 2 carbon emissions by 30% from FY17 baseline levels by 2030
- Reduce electricity intensity by 30% from FY17 baseline levels by 2030
- Reduce operational waste intensity by 30% from FY17 baseline levels by 2030

We will continue to review our climate metrics as our scenario analysis develops and we further consider our climate-related risks and opportunities and resilience strategies.

WELLINGTON  
AIRPORT