

## 2022 Airport Update – Steve Pattinson

### This Time Last Year...



In 2021 our airport was in disarray. On the General Aviation front, many hangar leases were not being paid as lease agreements needed to be renewed. Fuel contracts had also been terminated and pilots had to fly to George for refueling. There was significant demand for an additional 40 hangars to be built on open land.

On the commercial side, it was a year of poor municipal management and non-compliance of long standing deficiencies which culminated in the SACAA downgrading the airport and suspending all of Cemair's scheduled flights. Fortunately Cemair

stepped into the breach, investing significantly to address the key issues and commercial operations resumed in November 2021. In addition Cemair signed a contract with BP to once again supply fuel.

A new DA led administration was in place and there was anticipation of strong support for a well managed airport to realize local and regional economic growth. There was an acknowledgement that the Municipality had neither the skills nor resources to manage the airport and alternative management was on the cards. There was a sense of optimism that change was on the horizon.

### Where We Find Ourselves....

On a positive note, Cemair continues to grow their business and fund the requirements necessary to maintain the operating license. The upgrading of their license to Category 5 enabled Cemair to bring the Dash 8 Q400 into the schedule from Johannesburg. This plane has a capacity of 78 seats and currently flights are daily from OR Tambo and are anticipated to move to 2 flights a day from early December. The Cape Town schedule is 3 to 4 flights a week currently but moving to daily flights from early December. This year Cemair are expected to fly upwards of 25000 passengers in and out of Plettenberg Bay.



Unfortunately the visitors to Plett are greeted with an airport in a state of total neglect. Despite regular discussions with the municipality, little to no progress has been made. It's been a year of procrastination, lack of decision making and inaction. Airport operations staff currently have no-one to report to and airport funds have been re-directed to other budgets. This has resulted in the degradation of the access roads, terminal building, parking area as well as the entire General Aviation area.

The opportunity to develop open land for 40 new hangars, has largely been lost and many pilots have found alternative locations to hangar their aircraft. Lease agreements are still not in place and revenue is being lost unnecessarily

on a monthly basis. Ongoing offers to resolve the lease issue have been ignored. The construction of 40 hangars would have generated ca. R80m+ revenue for local construction companies and the municipal leases could have generated another R350,000 per annum, not to mention the revenue from fuel sales and landing fees. It is inconceivable that this economic opportunity has not been taken advantage of. Longer term economic development is clearly not a strategic priority for the municipality and they are waiting to pass these issues onto the new operator, if and when that happens.

## Municipality Undertakes Assessment of Airport...



One significant development was the commissioning of a consultancy to provide an overview of the economic potential of an upgraded and professionally managed Plettenberg Bay airport as well as to provide thoughts and recommendations as to how this potential can be realized. The main takeouts were as follows;

- 1 Plettenberg Bay is underdeveloped as far as airline passengers are concerned and that significant potential exists to increase passenger traffic and their market share of the region.

- 2 Significant investment is required to upgrade the airport, covering the terminal, apron, parking facilities as well as in the General Aviation area.
- 3 The airport needs to be professionally managed and operated as municipalities in the main do not have the skills and competence to do so
- 4 Airports are economic assets that deliver long term economic benefit for the municipality and the region through tourism and jobs
- 5 Airports are in themselves not profitable business entities and that future operators are unlikely to invest in the airport as they will not achieve a meaningful return.

The municipality acknowledged the need to retain the airport and not to sell off the land but that the airport operations had to be outsourced. This in itself is not new as this has been their stance for many years but they battle to take the next step.

## Going Forward.....

The challenge now is to actually start the process of issuing an RFP (Request for Proposals). I am told there is a special Council meeting in early December to sign this process off. The investment in infrastructure should come from either national or provincial budgets. I remain hopeful that the consultancy will drive this process forward and also engage at both national and provincial levels to discuss investment options, otherwise it is unlikely anything will happen. To my knowledge and growing concern, Cemair have not been formally engaged in this process, nor have they been updated on the Councils deliberations.

As we move into 2023, a sense of dogged optimism still exists, albeit somewhat tainted now with the realities of slow moving municipal bureaucracy and short term oriented agendas.