**National Assembly**

**Question No: 785**

**Mr A G Whitfield (DA) to ask the Minister of Transport:**

Whether, with reference to the Chief Dawid Stuurman International Airport in Port Elizabeth, the Airports Company South Africa has (a) completed the review of the precinct plan announced in the 2018-19 financial year and (b) developed a plan to upgrade the airport infrastructure to increase capacity; if not, why not; if so, what are the (i) relevant details of the plan, including dates of commencement and completion, (ii) relevant details of the successes achieved as a result of the Airport Airlift Project and (iii) any further, relevant details? NW964E

**REPLY**

“Whether, with reference to the Chief Dawid Stuurman International Airport in Port Elizabeth, the Airports Company South Africa has:

1. completed the review of the precinct plan announced in the 2018-19 financial year;

**Yes**

1. developed a plan to upgrade the airport infrastructure to increase capacity; if not, why not; if so, what are they?

**No**. Due to the Covid-19 pandemic impact, passenger traffic demand declined with more than 80% over the entire ACSA airport system. Passenger traffic at Chief Dawid Stuurman International Airport decreased from approximately 1.7 million passengers in the 2019/2020 FY to approximately 400 000 passengers in the 2020/21 FY. As a result of low traffic volumes and ACSA’s financial position (-R2.6 billion loss in 2020/21) it was decided to suspend all capacity projects**,** including the Development Plans for Chief Dawid Stuurman International Airport. The business strategy was refocused on critical refurbishments and replacements and, **all capacity projects had to be deferred**. ACSA continues to monitor traffic and intends to re-initiate capacity projects of this nature in line with passenger demand.(i) relevant details of the plan, including dates of commencement and completion, **See Sections 2-4,** for the approach, capacity projects, and detailed process followed.

1. **Background and Context**

The development of Airports in the ACSA group is guided by a hierarchy of plans at a macro and micro level. At a macro level, development is guided by the Airport Master Plans followed by Precinct Plans, where precinct plans focus on specific areas or precincts as identified in the Airport Master Plan, e.g., terminal precinct, cargo precinct. etc. On a micro level, development plans focus on a specific infrastructure, e.g., passenger terminal, parking area, etc., within a specific precinct.

For the purpose of this response, the focus will be placed on the Landside Terminal Precinct Plan and the Development Plans for Chief Dawid Stuurman International Airport. The Precinct Plans do not identify specific infrastructure projects to increase capacity, but the Development Plans respond directly to interventions to increase capacity in line with traffic demand.

The Airports Company South Africa commenced with the development of a Landside Terminal Precinct Plan/Urban Design Framework for Chief Dawid Stuurman International Airport in the 2019/20 financial year and successfully completed the Precinct Plan in the 2020/21 financial year. The study area for the Precinct Plan consists of the landside terminal precinct area as identified in the Chief Dawid Stuurman International Airport Master Plan.

The primary focus of the Precinct Plan was to ensure clear linkages of the precinct with the land uses in the airport’s adjoining and surrounding areas to create a fully integrated precinct in the urban context.

The main purpose of the Precinct Plan is to determine sustainable land use and to define a development strategy, based on the commercial development potential of the airport property that is not required for core aviation uses. This is in accordance with ACSA’s strategic objective of generating non-regulated revenue/non-aeronautical revenue.

The process to arrive at the Precinct Plan consisted of the following phases, each with associated deliverables:

* Phase 1: Inception / Scoping Report
* Phase 2: Data Collection and Consolidation
* Phase 3: Future Conceptualisation and Objectives
* Phase 4: Conceptual Design Framework
* Phase 5: Final Precinct Plan / Framework

1. **Development Plans - Chief Dawid Stuurman International Airport**

Two major projects for Chief Dawid Stuurman International Airport were planned to commence during the 2019 to 2023 Permission Period i.e., Terminal Re-development and Landside Parking. The details of these projects or developments at the time (pre-Covid-19) are indicated below:

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| --- | --- |
| Project Name: | terminal Development |
| PrOJECT CATEGORY | New Capacity |
| Project Motivation | The terminal was last renovated in 2009. The renovations took the overall capacity of the terminal to 2 Million Annual Passengers (MAP) with limitations on the departure lounge, concourses, and queuing areas. The 2 MAP overall capacity was expected to be reached by 2019. |
| Project Scope/Description | The cost estimate of R 10 million at this stage only consisted of initial fees to initiate design development. Construction or implementation of the development was not included in the estimated cost. The fees were also to be utilised to finalise scoping.  It was envisaged that the eventual terminal development will entail the demolition of a part of the existing terminal and reconstruction of a new building on the existing site. The new building was to have double the footprint of the existing terminal. Passenger loading bridges were to be introduced. |
| PROJECT BENEFITS | This terminal development project was targeted at addressing the current constraints at the time and to provide additional capacity to meet future demand. Benefits included improvement of the ASQ score for the airport along with the IATA Levels of Service (LOS). An additional 2 MAP capacity was also anticipated. |
| ASSOCIATED Opex/NON-AERO REVENUE | This was going to be determined once the scope was finalised and it was going to be realised once the development of the terminal was complete. |
| Project Cost | The full project cost was estimated at R 1,2 billion, however only R 10 million was required for this Permssion period to commence with the intial design development. |
| PrOJECT TIMELINES | The design was to commence in 2023. The terminal development was estimated to be completed by 2026. |

|  |  |
| --- | --- |
| Project Name: | PARKING |
| PrOJECT CATEGORY | New Capacity |
| Project Motivation | The demand for car rental bays was expected to exceed the current allocation. The airport has sufficient bays to meet the overall demand, however, the allocation between car rental and public parking needed to be re-assigned. |
| Project Scope/Description | This project entails re-organising and optimising the existing parking. The boundary between car rental and public parking was to be relocated, with parking re-assigned between car rental and public parking. The ingress and egress layout were intended to be re-organised in-line with the parking reassignment. |
| PROJECT BENEFITS | This project was aimed at improving utilisation of the existing parking facilities and to optimise utilisation of the landside. |
| ASSOCIATED Opex/NON-AERO REVENUE | Parking revenues were to be generated for the reallocation of public and car rental bays. |
| Project Cost | The project was estimated to cost R 17 million. |
| PrOJECT TIMELINES | The project was planned for completion in 2022. |

Due to the Covid-19 pandemic impact, passenger traffic demand declined with more than 80% over the entire ACSA airport system. Passenger traffic at Chief Dawid Stuurman International Airport decreased from approximately 1.7 million passengers in the 2019/2020 FY to approximately 400 000 passengers in the 2020/21 FY. As a result of low traffic volumes and ACSA’s financial position (-R2.6 billion loss in 2020/21) it was decided to suspend all capacity projects including the Development Plans for Chief Dawid Stuurman International Airport mentioned above. The business strategy was focussed on critical refurbishments and replacements, therefore, all capacity projects had to be deferred. ACSA continues to monitor traffic and intends to re-initiate capacity projects of this nature in line with passenger demand.

(ii) relevant details of the successes achieved as a result of the Airport Airlift Project;

(iii) any further, relevant details?”

1. **Airport Airlift Project**

The Nelson Mandela Bay Airlift project is a collaboration between Nelson Mandela Bay Municipality, Airports Company of South Africa, Nelson Mandela Bay Tourism, and the Nelson Mandela Bay Business Chamber.

The main objective of the project is to increase the number of tourists to Gqeberha, to stimulate economic growth for the city and region.

The key strategic pillars for the project are:

* Improving airlift – by partnering with airlines to develop new air routes whilst maintaining and expanding existing routes at Chief Dawid Stuurman Airport.
* Collaborative destination marketing – to create/stimulate demand and drive inbound tourist arrivals into the city and region.

Other objectives are to:

* increase our market share of tourists.
* inspire travellers and change perceptions regarding Nelson Mandela Bay.
* increase awareness and positivity for the destination.
* increase searches and engagement on our destination marketing channels.

Progress to date:

* The development of an Airline Incentive Framework/Policy, which has been included in the City’s Investment Incentive Policy. An incentive programme is vital to mitigate the risk in the early stages of a new airline operation and thereby ensuring the sustainability of route development opportunities.
* Partnership with Mango Airlines to increase airlift between Chief Dawid Stuurman International Airport and Lanseria in 2019.
* Partnership with Cemair to develop direct routes between Chief Dawid Stuurman International Airport to Braam Fischer International Airport and King Phalo Airport.
* Development of a route pipeline, with targeted routes earmarked for development.