



Commercial Aviation Sector Impact Report

APRIL – JUNE 2020

PRODUCED BY THE PERFORMANCE MONITORING & ASSURANCE GROUP,
CIVIL AVIATION AUTHORITY OF NEW ZEALAND.

Commercial Aviation Sector Impact Report: Operating Activity

The purpose of this report is to provide an update on the impact events over the April-June quarter (quarter 2) had on commercial aviation activity. With operators now having submitted their activity data to the CAA, insights can be supplied on a sector-by sector basis.

Recap of Events over April-June Quarter

- On the 19th of March the border was closed to all but returning New Zealand citizens.
- On the 26th of March New Zealand entered a nationwide Level 4 lockdown.
- Under Level 4 only essential aviation services were permitted including:
 - agricultural aviation where this involved the food supply chain,
 - emergency medical and air ambulance services, and
 - essential air transport and freight services.
- When New Zealand entered Level 3 on the 28th of April commercial aviation activity not permitted under Level 4 was able to recommence, with the exception of non-essential aviation passenger services and flight training.
- All aviation activity was permitted when New Zealand entered Level 2 on the 14th of May provided that physical distancing procedures were in place
- All aviation activity was allowed under alert Level 1, beginning on the 10th of June.

Summary and Key Insights from the 2020 Quarter 2 Activity Data

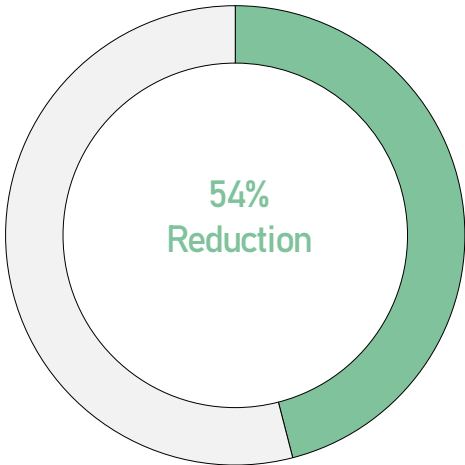
As anticipated, there was a significant decline in commercial aviation activity over the quarter, with the impact varying between sectors. Sectors heavily exposed to tourism and transport activity were the most impacted, while agricultural aviation was the only sector to not experience any significant decline in activity.

- Large aeroplane domestic transport services declined significantly, with the Air New Zealand turboprop fleet reporting a 75% reduction in activity compared to the same quarter in 2019.
- Adventure aviation activity (measured by the number of flights and descents) declined by 89%.
- Flight training appears to have rebounded somewhat once these operations were able to resume, with a 43% decline overall.

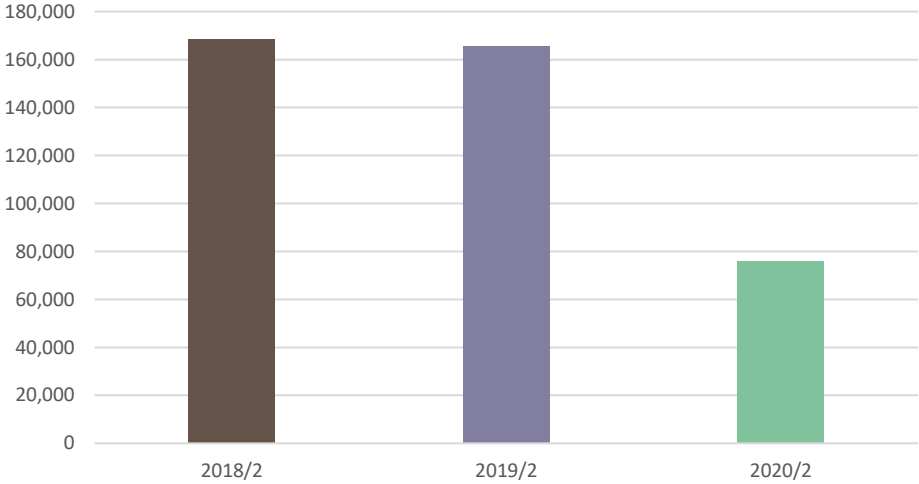
All Commercial Aviation Flight Hours

Overall there was a 54 % reduction in commercial aviation activity compared to the same period in 2019. The most significantly affected commercial operation type was large aeroplane operations, with a 70% reduction in commercial hours (note that this includes international air transport activity). Medium and small aeroplane operations saw overall reductions of 50%, while helicopter operations reduced by 40%.

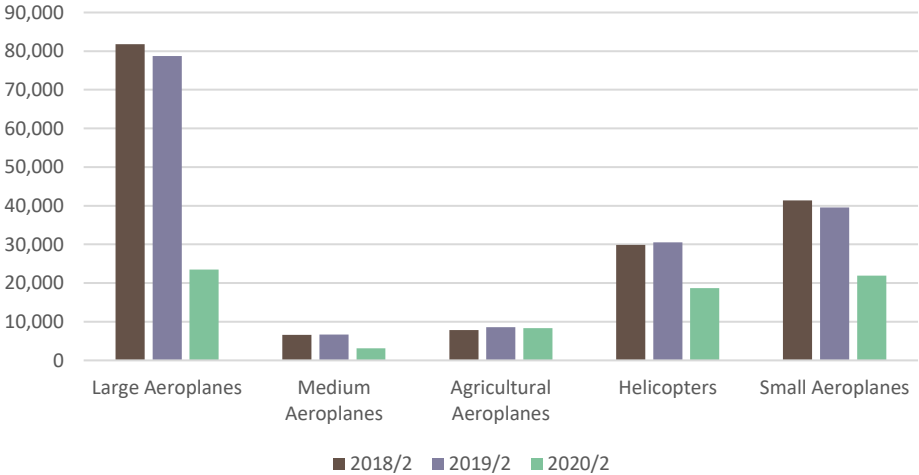
Total Commercial Hours Percent Reduction from Q2 2019



Total Commercial Hours Quarter 2



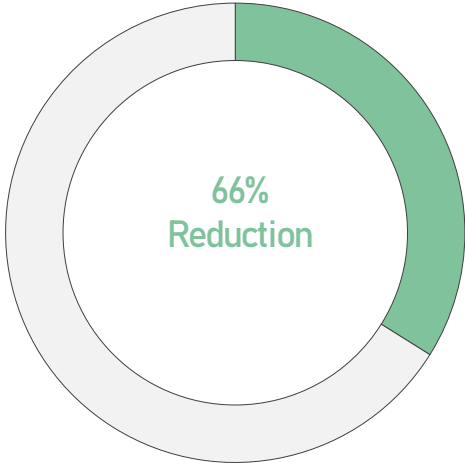
Commercial Hours Quarter 2



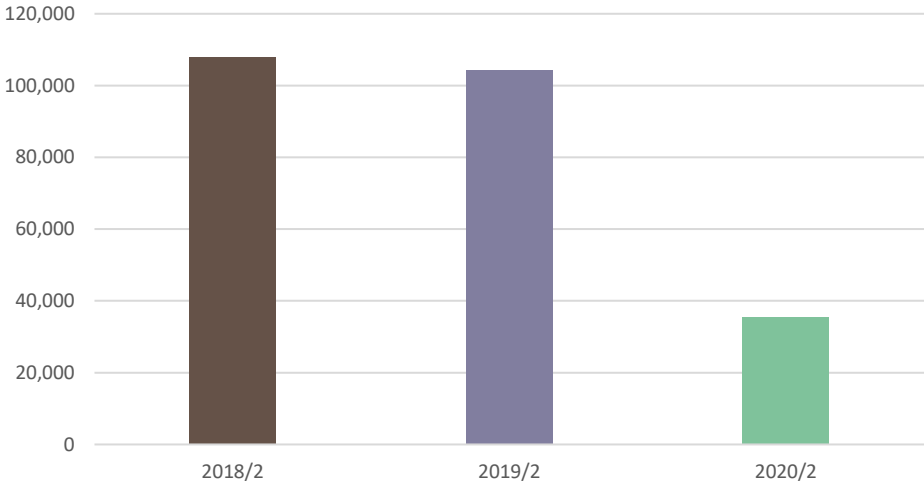
Air Transport Activity

Across all operation types there was a 66% reduction in air transport activity over the quarter. Medium aeroplane operations fared best with a 48% reduction while helicopter and small aeroplane transport operations both reduced by 55%. Scenic flight operations reduced by around a third, emergency medical and air ambulance operations remained stable, while helicopter commercial transport operations reduced by 55%.

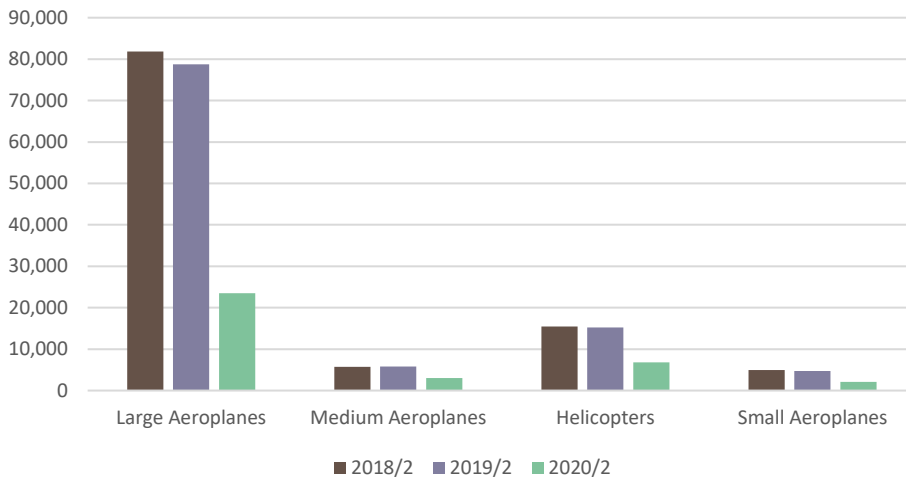
Total Air Transport Percent Reduction from Q2 2019



Total Transport Hours Quarter 2



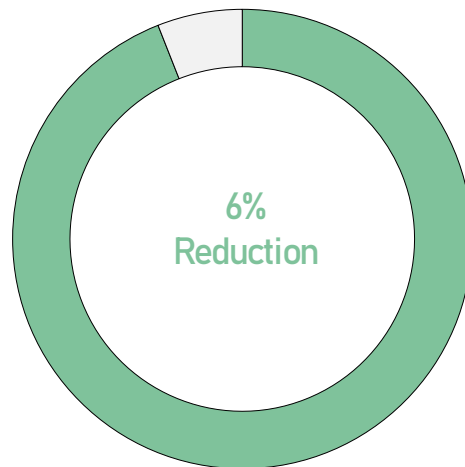
Transport Hours Quarter 2

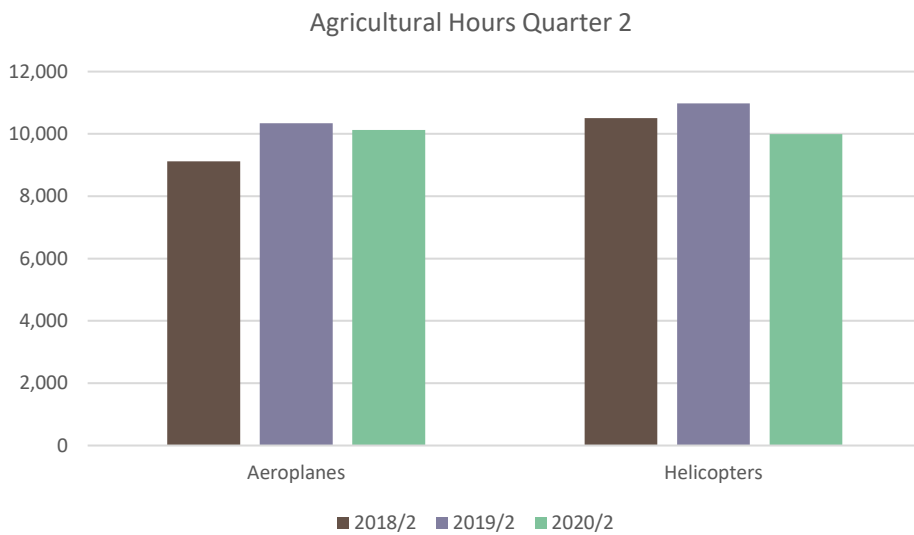
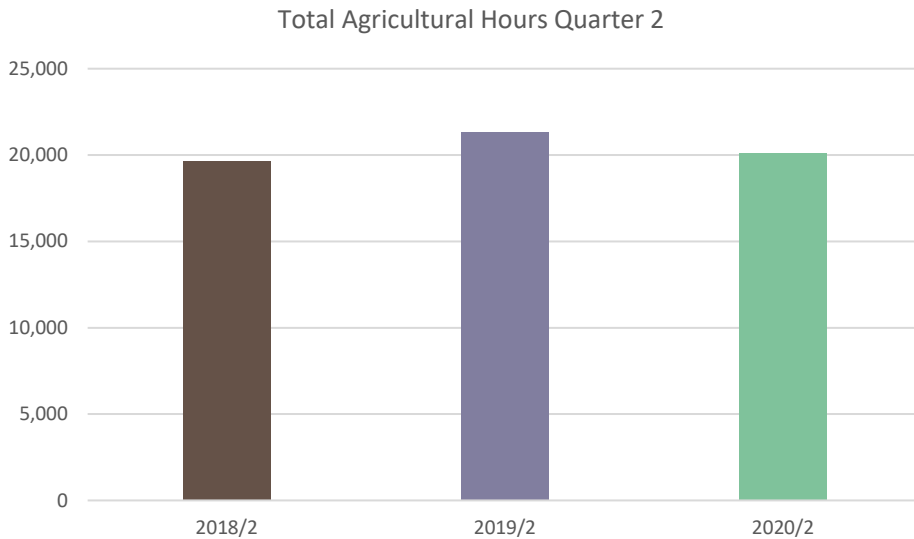


Agricultural Aviation

Agricultural aviation was the only sector not significantly impacted by the downturn, with an overall reduction in activity of 6%. Driving that reduction were agricultural helicopter operations whose activity reduced 9%, most likely due to reduced activity from non-essential agricultural work such as forestry spray over the Level 4 period.

Total Agricultural Percent Reduction from Q2 2019

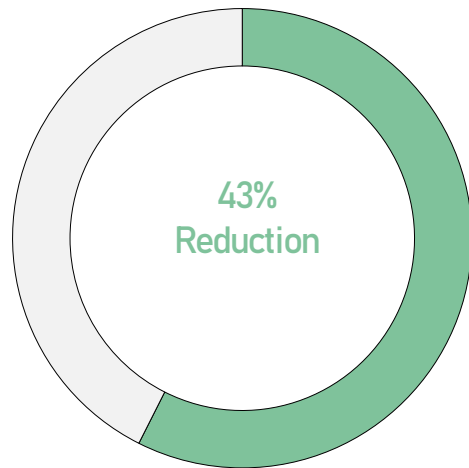




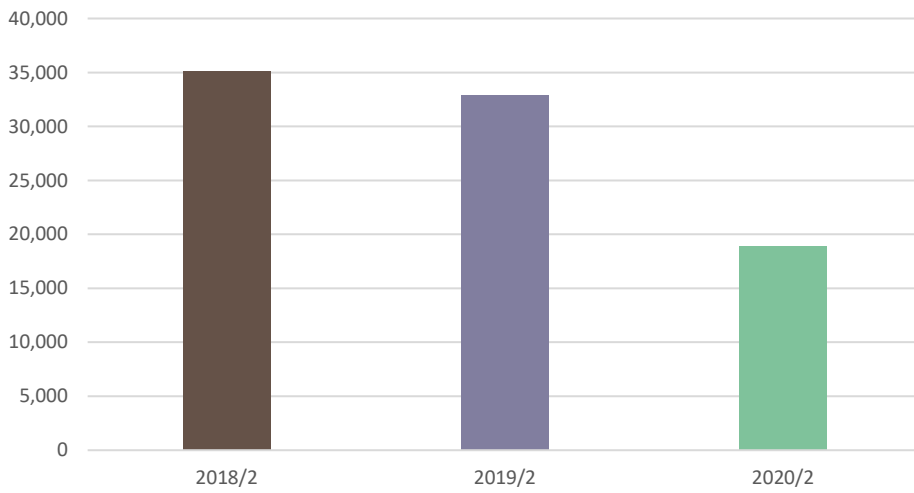
Flight Training

Overall flight training activity saw a 43% reduction over the quarter. Helicopter flight training reduced by 58% while small aeroplane flight training reduced 42%. At the level of the flight school the impact varied. Several larger operators reported a 50% reduction in activity, while the reduction ranged from 30% and 7% for other operators.

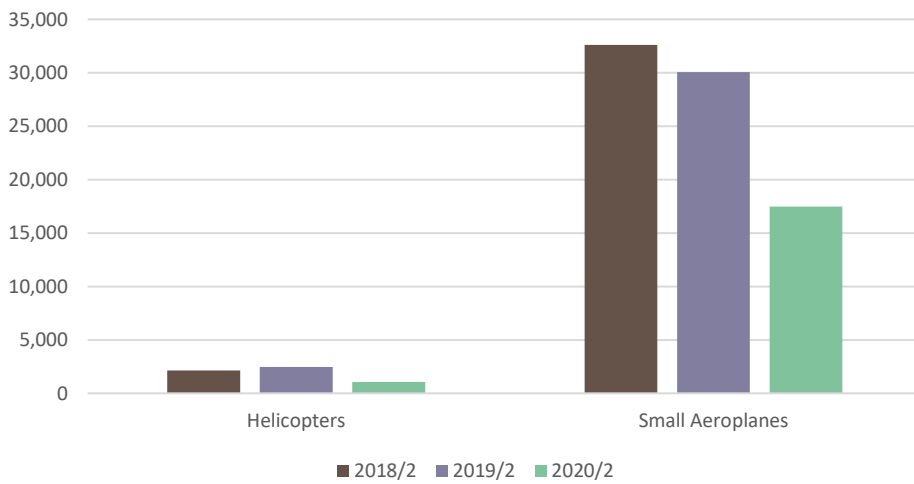
Total Training Hours Percent Reduction from Q2 2019



Total Training Hours Quarter 2



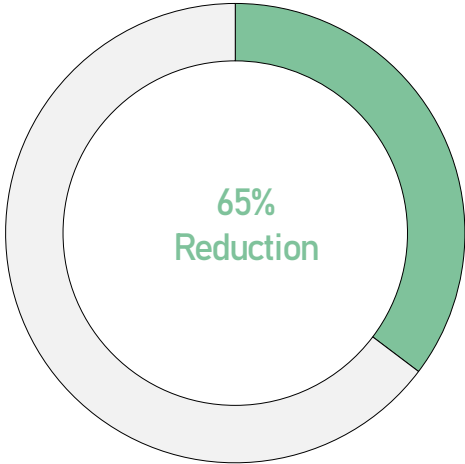
Training Hours Quarter 2



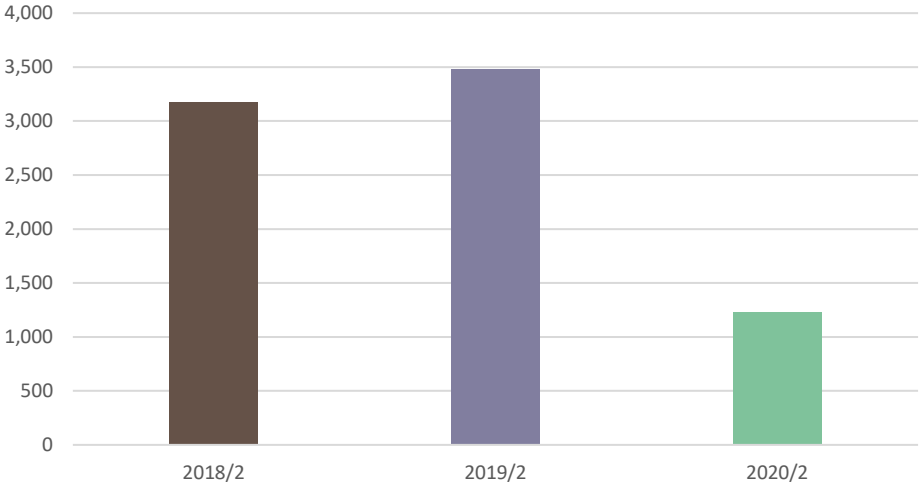
Other Commercial Operations

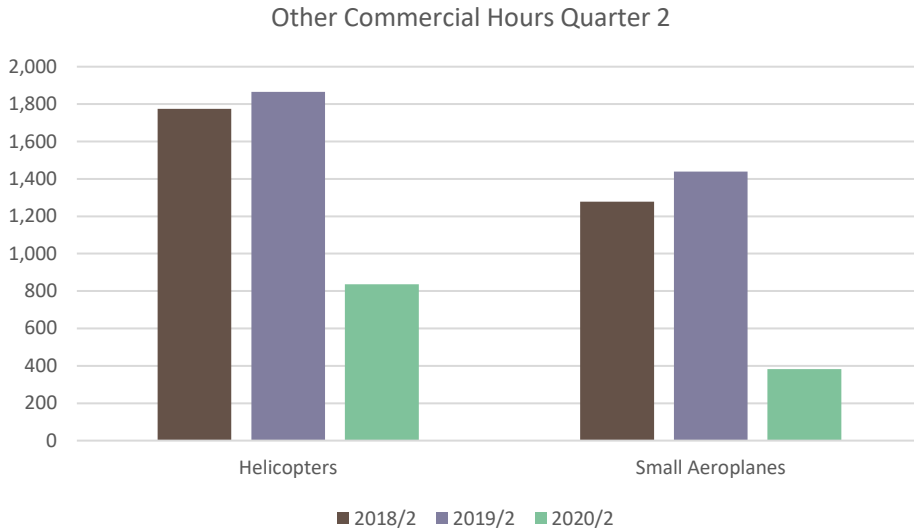
Other commercial activity, comprising such operations as external load work and survey flying, saw a 65% reduction overall. This reduction was most acute in small aeroplane other commercial operations which reduced 73%. Other commercial helicopter operations reduced by 55%.

Total Other Commercial Hours Percent Reduction from Q2 2019



Total Other Commercial Hours

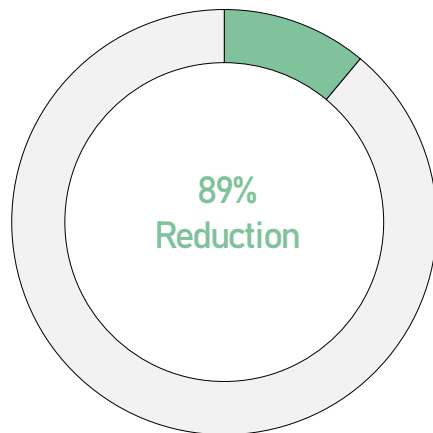




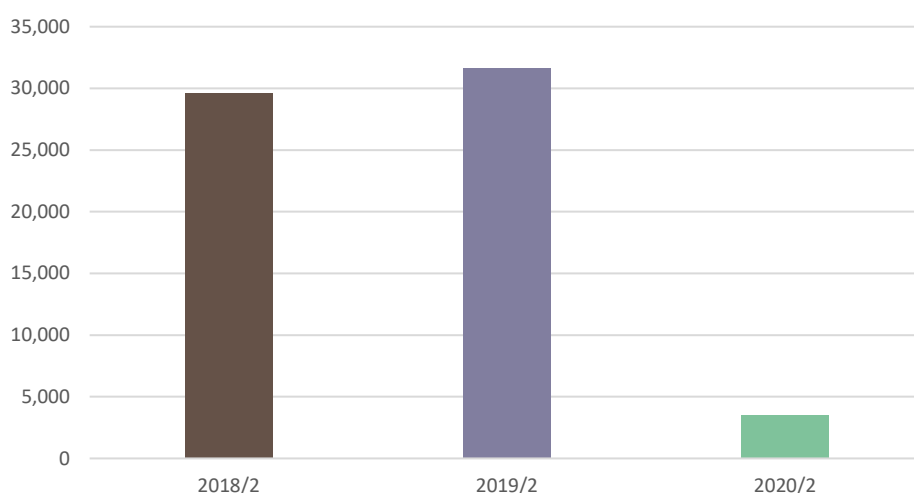
Adventure Aviation

Adventure aviation saw the most significant downturn of all commercial aviation sectors, with activity reducing by 89%. Skydiving operations were able to recoup some activity following the lifting of alert level restrictions. Hang glider flights reduced to zero for the quarter while paraglider flights dropped from 4,145 in quarter 2 of 2019 to 355 for 2020.

Total Adventure Aviation Flights/Descents Percent Reduction from Q2 2019



Adventure Aviation Flights/Descents Quarter 2



Operating Certificate Numbers

Despite the recent major downturn in activity across most commercial sectors there has not been a significant reduction in operating certificates. The table below compares the numbers of a sample of operating certificates between December 2019 and end of August 2020.

Aviation Document	Current Operators	Change from December 2019
Part 121 Large Aeroplane Operators	3	-1
Part 146 Design Organisations	12	-1
Part 148 Manufacturing Organisations	13	Nil
Part 125 Medium Aeroplane Operators	15	+1
Part 115 Adventure Aviation Operators	24	Nil
Part 139 Aerodromes	29	Nil
Part 141 Training Organisations	44	-1
Part 145 Maintenance Organisations	53	+2
Part 129 Foreign Air Operators	57	+2
Part 109 Regulated Air Cargo Agents	70	Nil
Part 137 Agricultural Aircraft Operators	105	-1
Part 102 Unmanned Aircraft Operators	125	+6
Part 135 Small Aeroplane/Helicopter Operators	153	-4