

Dear Mike and Alan,

I am writing to you at this time as the Ministry is considering how we can better work with you in our Joint Venture arrangement of Taupō Airport. We have reflected upon our role as a Joint Venture partner and are thinking of ways we can create more certainty and efficiency in the arrangement.

We have provided some points below that we view as important for effective management and an Appendix that clarifies expectations (the Appendix is an update of previously issued expectations).

Our principles as a Joint Venture partner

**Expectations of efficient and appropriate operations** - The Crown expects to see the airports operated efficiently with facilities appropriate for their communities

**Silent and prudent financial partner** - The Crown will not intervene in day-to-day operations. It views itself as a co-funder that jointly supports the business. We anticipate providing funding that is signalled in advance, with an expectation that local management will deliver value-for-money

**Informed and informative** – Joint venture partners are each kept aware of immediate issues and strategic plans

Reporting cycle

To improve the flow of information, we propose that the following timelines are adhered to:

Item	Month	Legislated Dates; if applicable
Draft Statement of Intent to MoT	February	Local Gov Act 2002 – before 1 March
Capital expenditure planning to MoT	February	N/A
½ Year Financials to MoT	February	Local Gov Act 2002 – before 1 March
Previous Year Audited Annual Reports to MoT	March	Vote Transport inputs required by mid-March
Review of Statement of Intent by MoT	April	Local Gov Act 2002 – before 1 May
Final Statement of Intent to MoT	June	Local Gov Act 2002 – before 30 June
Annual Financial Statements to MoT	September	Local Gov Act 2002 – before 1 October
Annual visit to Airports	By October	N/A
Annual Briefing to MoT Chief Executive	November	N/A
End of calendar year summary email to Airports	November	N/A

Areas that we would like to improve in the next 12 months

**Improved engagement**

Through:

- Increased clarity around expectations
- Regular engagement with Airports for capital expenditure planning and approvals
- Annual visits by the Ministry to improve understanding of issues facing the Airports

**Consistent financial oversight**

Through:

- A transparent approach to funding operating losses
- Clarity about financial commitments

**Consistent levels of performance information**

Through:

- Sharing of best practice performance information across the Airports

- Standardisation of some non-financial performance measures

Your feedback

- Do you agree with the Ministry's principles as a Joint Venture partner?
- Are there any areas you would clarification on?
- Are there any process changes you would like to see?

The Ministry is interested in your input and views on how we can work better with you.

Please provide your feedback on the above or more broadly by 30 August 2017 to Michael Moore (email: [m.moore@transport.govt.nz](mailto:m.moore@transport.govt.nz)).

We look forward to discussing this further with you.

**Regards**

**Maureena**

**Maureena van der Lem**

Manager Governance and Accountability

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