



**I give notice that
a Taupō Airport Authority Committee Meeting will be held on:**

Date:	Monday, 11 June 2018
Time:	10.30am
Location:	Taupō Airport ANZAC Memorial Drive Taupō

AGENDA

MEMBERSHIP

Chairperson Mr Chris Johnston

Deputy Chairperson Mrs Kathy Guy

Members Mr John Funnell
Cr Rosanne Jollands
Cr Christine Rankin
Mayor David Trewavas

Quorum 3

Gareth Green
Chief Executive Officer

Order Of Business

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3.1 TAUPŌ AIRPORT AUTHORITY COMMITTEE MEETING - 19 FEBRUARY 2018

Author: Raeleen Rihari, Democratic Services Support Officer

Authorised by: John Ridd, Head of Economic Development and Business Transformation

RECOMMENDATION(S)

That the minutes of the Taupō Airport Authority Committee meeting held on Monday 19 February 2018 be confirmed as a true and correct record.

ATTACHMENTS

1. Taupō Airport Authority Committee Meeting Minutes - 19 February 2018 [⇒](#)

4.1 FINANCIAL REPORT - APRIL 2018

Author: Fiona Birkbeck, Financial Accountant

Authorised by: Alan Menhennet, Head of Finance and Strategy

PURPOSE

To receive the Taupō Airport Authority's financial report for April 2018.

RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the financial reports for April 2018.

ATTACHMENTS

1. TAA Financial Report - April 2018 [⇒](#)

4.2 STATEMENT OF INTENT 2019-2021**Author:** Fiona Birkbeck, Financial Accountant**Authorised by:** Alan Menhennet, Head of Finance and Strategy**PURPOSE**

To adopt the final Taupo Airport Authority Statement of Intent for 2019-2021.

DISCUSSION

	Council Comment
Nature and Scope	Council is satisfied
Performance Measurement	Council is satisfied
Disclosures – Concerns Sch 8 Clause 9 LG Act 2002	None
Timeliness of forwarding draft	Within legislative timeframes

RECOMMENDATION(S)

That the Taupō Airport Authority Committee approve the Statement of Intent for 2019/2021.

ATTACHMENTS

Nil

4.3 AIRBIZ PROPOSAL - MASTER PLANNING

Author: Jessica Simpson, Economic Relationship Manager

Authorised by: John Ridd, Head of Economic Development and Business Transformation

PURPOSE

The purpose of this report is to authorise unbudgeted expenditure for the proposal (attached) from Airbiz to enable the feasibility and master planning work required to identify the quantum for investment into the Taupō Airport redevelopment, and provide a platform for a current Taupō Airport master plan as required under the Airport Authorities Act.

EXECUTIVE SUMMARY

The goal of Taupō District Council is for the Taupō district to become the most liveable and prosperous district in the North Island by 2022. A step-change is needed in the district's economic development plans to achieve this goal.

Council commenced an economic development strategy in 2017 to investigate ways to further improve the economic direction of the district, as specifically addressed in the S17A legislative review and the District Economic Strengthening Strategy (DESS) formally adopted by TDC on the 29th of May 2018. The DESS brings together the areas natural advantages of water, geothermal energy, and diverse landscapes to create a roadmap for the future. It also aligns with key national and regional funding streams announced by the new Labour government.

The execution of the strategy is interlinked with six catalyst projects. The redevelopment of the Taupō Airport and precinct, the Cultural/Civic precinct (CISP), a focus on geothermal energy and a geo heat centre, the Turangi to Taupō shared use trail, a tertiary hub, and the Wairakei Tourist Park/Huka Falls development. These projects all have the potential to be transformational for the District and provide points of focus.

RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the information in relation to the master planning proposal from AirBiz and recommends to Council that unbudgeted expenditure of \$84,000 (excl. GST) to complete the work be approved.

BACKGROUND

The proposal has been presented to the TAA at a workshop on 30 May 2018.

DISCUSSION

The Taupō District Council Long Term 2015 – 2025 states that our goals are to

- Ensure that the Taupō district remains a great place to live
- Promote economic development
- Protect our water resources and use them wisely
- Maintain the quality infrastructure that we have
- Keep rates and debt affordable.

A growing district can provide services more cost effectively than a declining one and without a growing economy, there is a risk that our industries will shrink and our businesses will struggle. Lack of employment opportunities will mean that talent attraction becomes more difficult.

As identified in the recent Section 17A review, there is an opportunity and inherent need for TDC to provide leadership in identifying and facilitating the development of catalyst infrastructure projects that will encourage development. Accordingly, a key function of the DESS is the identification of key catalyst projects including suitable funding models and delivery partnerships; investment from national government, support and investment from key partners including iwi and other stakeholders; and understanding and support from local community and investment from the private sector.

The Taupō airport redevelopment and master planning has been identified as a critical and urgent infrastructure project in both the DESS and Bay of Plenty Visitor Economy Strategy funded by the Bay of Connections (BOC) and the Ministry of Business, Innovation and Employment (MBIE). This work has been ratified by the Bay of Connections governance group on which MBIE has representation as well as the other BOP TLA's, to enable the top two critical and urgent tourism infrastructure priorities in each region to have business cases developed, in order to identify the quantum of investment required by all stakeholders.

The Provincial Growth Fund (PGF) aims to lift productivity potential in the provinces. Its priorities are to enhance economic development opportunities, create sustainable jobs, enable Māori to reach their full potential, boost social inclusion and participation, build resilient communities, and help meet New Zealand's climate change targets. Once the quantum of investment is agreed, a business case will be put forward to the PGF investment panel for capital works for the Taupō airport terminal redevelopment. However, the initial piece of work that needs completing is the feasibility and master planning so that all options have been investigated.

The preferred option for redeveloping Taupō Airport will be outlined in the work, in line with the Ministry of Transport and MBIE's expectations for investment, which has been discussed at length between officers. This is most likely to consist of a new terminal with supporting infrastructure provision. The new terminal and general airport offering will significantly lift the level of service for all airport users. The airport has the potential to unlock significant economic benefit for the Taupō region, by enabling and encouraging up to 80,000 additional visitors per year to come to the region by 2023. Based on the forecast spend of these visitors in the region, it is estimated that the opportunity cost of not improving the terminal and surrounding area could have a present value of between \$107 and \$159 million.

Airbiz have been identified as the leaders in the field of airport specialisation. Their knowledge of regional New Zealand airports is exemplary and their expertise in this field is singular in the New Zealand market. Airbiz is an independent international specialist aviation consultancy servicing airport owners, operators, investors, airlines, government agencies and other aviation stakeholders. With over 30 years' experience, they have successfully completed 2000 projects and studies in 50 countries, on five continents.

Based on this information it is considered that there are two options.

OPTIONS

Analysis of Options

Option 1. Authorise the unbudgeted expenditure to enable the work to commence.

Advantages	Disadvantages
<ul style="list-style-type: none"> • This will ensure that the quantum for the airport redevelopment and the master planning as required under the Airport Authorities Act is clear and aligns with the priorities of the Ministry of Transport and Ministry of Business Innovation and Employment. TDC and the TAA will have a document that can be used to leverage central government funding. • The quantum of investment will be clear and a decision will be able to be made as to what the future of the Taupō airport should look like with all factors considered, commercial and community. 	<ul style="list-style-type: none"> • Other infrastructure projects may not have as much focus while this is being completed.

Option 2. Do not authorise the unbudgeted expenditure to enable the work to commence.

Advantages	Disadvantages
<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • There will not be a mechanism for applying to the Provincial Growth Fund in the future for capital works

	<ul style="list-style-type: none">• The master planning required under the Airport Authorities Act will not be complete, the TAA will not be compliant with current legislation.
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Analysis Conclusion:

The preferred option recommended by officers is to authorise the unbudgeted expenditure.

CONSIDERATIONS

Financial Considerations

The current financial consideration for the work is \$84,000 plus GST and disbursements. This can be funded from the TAA cash reserves. The Ministry of Transport as the 50% shareholder of the airport has indicated that this is their preferred method of funding the work.

There is \$2.5million for the redevelopment of the Taupō airport in the draft long term plan 2018-2028. This may change dependent on the final decision on the breadth and depth of the capital works required.

Legal Considerations

Local Government Act 2002

The matter comes within scope of the Council's lawful powers, including satisfying the purpose statement of Section 10 of the Local Government Act 2002. The matter will enable the Council to meet the current and future needs of communities for good quality local infrastructure and public services. (i.e. efficient, effective and appropriate to present and anticipated future circumstances).

Policy Implications

In terms of the Procurement Policy, Airbiz is only one of two providers who have expertise in this field, the other being Beca. Both will be involved in this project.

Risks

There are several low risks which are as follows;

- Non-approval of the TAA for investment into the project.
- Negative feedback from key stakeholders and the community.
- Lack of interest from key investment sectors. However, this has been mitigated by engaging with sectors during the development of the scope of the work.

SIGNIFICANCE OF THE DECISION OR PROPOSAL

Council's Significance and Engagement policy identifies the following matters that are to be taken into account when assessing the degree of significance of proposals and decisions:

- a. The level of financial consequences of the proposal or decision;
- b. Whether the proposal or decision will affect a large portion of the community or community of interest;
- c. The likely impact on present and future interests of the community, recognising Maori cultural values and their relationship to land and water;
- d. Whether the proposal affects the level of service of an activity identified in the Long Term Plan;
- e. Whether community interest is high; and
- f. The capacity of Council to perform its role and the financial and other costs of doing so.

Officers have undertaken a rounded assessment of the matters in clause 11 of the Significance and Engagement Policy (2016), and are of the opinion that the proposal under consideration is of low importance.

COMMUNICATION/MEDIA

A communications plan is being developed.

CONCLUSION

The Airbiz proposal, once the unbudgeted expenditure is authorised, will enable the quantum of investment and the master planning for the Taupō airport to be realised. This will mean that the TAA and TDC will be in a position to apply to the Provincial Growth Fund investment panel with a plan that is endorsed by the MOT and MBIE to enable the best outcome for the future of the Taupō airport.

ATTACHMENTS

1. Airbiz Proposal [⇒](#)

4.4 GENERAL MANAGER'S OPERATIONS REPORT

Author: Michael Groome, General Manager Taupo Airport

Authorised by: John Ridd, Head of Economic Development and Business Transformation

PURPOSE

To provide the Taupō Airport Authority Committee an overview of the Taupō Airport's operations year to date.

RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the General Manager's Operations report as presented on 11 June 2018.

ATTACHMENTS

1. General Manager's Report [⇒](#)
2. Internal Audit - March 2018 (A2193133) [⇒](#)

4.5 HEALTH AND SAFETY UPDATE

Author: Tina Jakes, Democracy & Community Engagement Manager

Authorised by: Gareth Green, Chief Executive Officer

PURPOSE

This item allows for discussion on matters relating to health and safety.

RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the information relating to health and safety.

ATTACHMENTS

Nil

4.6 SAFETY MANAGEMENT SYSTEM (SMS) UPDATE

Author: Michael Groome, General Manager Taupo Airport

Authorised by: John Ridd, Head of Economic Development and Business Transformation

PURPOSE

This item is for the General Manger to provide an update on the development of the Safety Management Systems (SMS) plan as required by the Civil Aviation Authority (CAA).

RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the update on the Safety Management System.

ATTACHMENTS

Nil

5 CONFIDENTIAL BUSINESS

RESOLUTION TO EXCLUDE THE PUBLIC

I move that the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the local government official information and meetings act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Agenda Item No: 5.1 Confirmation of Confidential Portion of Taupō Airport Authority Committee Minutes - 19 February 2018	Section 7(2)(d) - the withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public	Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6
Agenda Item No: 5.2 Receipt of Unconfirmed Minutes: Taupō Airport & Operational Safety Committee - 9 April 2018	Section 7(2)(d) - the withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public	Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7

I also move that *[name of person or persons]* be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of *[specify]*. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because *[specify]*.