

ATTACHMENTS

Taupō Airport Authority Committee Meeting

11 May 2020

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17 February 2020

**TAUPŌ DISTRICT COUNCIL
MINUTES OF THE TAUPŌ AIRPORT AUTHORITY COMMITTEE MEETING
HELD AT THE TAUPŌ AIRPORT, ANZAC MEMORIAL DRIVE, TAUPŌ
ON MONDAY, 17 FEBRUARY 2020 AT 10.30AM**

PRESENT: Mr Chris Johnston (Chair), Cr Kathy Guy, Cr Christine Rankin, Mayor David Trewavas

IN ATTENDANCE: Head of Economic Development & Business Transformation, Head of Democracy, Governance & Venues, General Manager – Taupō Airport, Airport Safety Manager, Financial Accountant, Economic Relationships Manager

MEDIA AND PUBLIC: Nil

1 APOLOGIES

Nil

2 CONFLICTS OF INTEREST

Nil

3 CONFIRMATION OF MINUTES

Nil

4 REPORTS

4.1 ELECTION OF CHAIRPERSON

The Head of Democracy, Governance and Venues briefly outlined (the two) available voting processes for the election of the chairperson and recommended that members use System B, which was the simplest option.

Mr Chris Johnston

Nominated by Councillor Rankin

Seconded by Councillor Guy

TAA202002/01 RESOLUTION

Moved: Mayor David Trewavas

Seconded: Cr Kathy Guy

That the Taupō Airport Authority Committee confirms that System B be used to determine the election process for the Chairperson.

CARRIED

TAA202002/02 RESOLUTION

Moved: Cr Christine Rankin

Seconded: Cr Kathy Guy

That the Taupō Airport Authority Committee elects Mr Chris Johnston as the Chairperson of the Taupō Airport Authority Committee for the 2019-2022 Triennium.

CARRIED

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4.2 ELECTION OF DEPUTY CHAIRPERSON

The Head of Democracy, Governance and Venues briefly outlined (the two) available voting processes for the election of the deputy chairperson and recommended that members use System B, which was the simplest option.

Councillor Kathy Guy**Nominated by Mr Chris Johnston
Seconded by Councillor Rankin****TAA202002/03 RESOLUTION**

Moved: Mayor David Trewavas

Seconded: Cr Kathy Guy

That the Taupō Airport Authority Committee confirms that System B be used to determine the election process for the Deputy Chairperson.

CARRIED**TAA202002/04 RESOLUTION**

Moved: Cr Chris Johnston

Seconded: Cr Christine Rankin

That the Taupō Airport Authority Committee elects Cr Kathy Guy as the Deputy Chairperson of the Taupō Airport Authority Committee for the 2019-2022 Triennium.

CARRIED**4.3 FINANCIAL PERFORMANCE REPORT - HALF YEARLY 2019**

The Financial Accountant made the following comments in relation to the six-monthly financial report:

- revenue was slightly down on budget due to reduced income from landing fees during the summer months.
- in relation to contractor payments of \$66k against budget \$12k on page 20, this was as a result of the Airport Manager vacancy and was offset by a reduction in personal costs.
- professional services and legal fees were higher than budgeted as a result of costs associated with the renewal of leases which had been outsourced, and legal fees incurred in relation to the MOU with the skydive operators.
- the costs associated with the airport redevelopment can be capitalised when the project proceeds
- approval by the joint venture partner had been obtained for the purchase of a vehicle for the airport; this was in addition to the operational vehicle which had to remain on site.

TAA202002/05 RESOLUTION

Moved: Cr Christine Rankin

Seconded: Cr Kathy Guy

That the Taupō Airport Authority Committee receives the 2019 Half Yearly Financial Performance report.

CARRIED**4.4 RECEIPT OF DRAFT STATEMENT OF INTENT 2019/20**

The Financial Accountant advised that the final Statement of Intent (SOI) needed to be submitted to Council by 30 June 2020.

The draft SOI did not factor any increases in income and expenditure resulting from the proposed airport

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redevelopment. This additional information could be added to the draft SOI prior to final submission to Council in June 2020.

The Economic Relationships Manager advised that documentation relating to the airport redevelopment had been returned by the Ministry of Business, Innovation and Employment post assessment by the Ministry of Transport legal team.

Council's finance team were working with Pricewaterhouse Coopers regarding the tax implication for the airport on receipt of the loan from MBIE.

TAA202002/06 RESOLUTION

Moved: Cr Chris Johnston

Seconded: Cr Kathy Guy

That the Taupō Airport Authority Committee adopts the draft Statement of Intent of the Taupo Airport Authority for the 2019-2020 financial year.

CARRIED**4.5 GENERAL MANAGER'S OPERATIONS REPORT**

The General Manager – Taupō Airport indicated that in future his reports would be kept at a higher level and less focussed on operational matters.

The following items of interest were noted:

- the Civil Aviation Bill currently under review would have implications on the ability of airports nationwide to set their own landing fees. The Airport Association were working collaboratively to ensure that smaller airports like Taupō were represented as part of this review.
- Airways Corporation - who provided air traffic control, lighting and navigation - had indicated that they wanted to sell these assets to the airports. The issue for airports would be around maintenance and renewal costs of these assets. The projected spend for Taupō Airport for these assets over a few years was approximately \$8m. Airways would still maintain air traffic control. There were also a few operational issues that would need to be worked through, for example who would turn on the landing lights. The Airports Association would be progressing this as well.
- apron marking to be repainted.
- the General Manager – Taupō Airport would discuss potential changes to the structure with the Airport User group, which would be in line with how other Airport user groups operated. In essence, TAA needed to retain governance by chairing the group.
- the Safety Committee needed to remain self-chairing and be independent from TAA. Membership should however comprise sectors from fixed wing private, commercial, and rotary commercial.

The Safety Manager provided an update on discussions with the parachute operators around the MOU and advised that there was now a rule in place which was overseen by the Civil Aviation Authority (CAA). The new rule put the onus on the parachute pilot to now control the risk.

TAA202002/07 RESOLUTION

Moved: Cr Christine Rankin

Seconded: Cr Chris Johnston

That the Taupō Airport Authority Committee receives the Acting General Manager's Operations report as presented on February 17, 2020.

CARRIED

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4.6 HEALTH AND SAFETY

The Airport Safety Manager advised that there was nothing to report.

TAA202002/08 RESOLUTION

Moved: Cr Christine Rankin

Seconded: Mayor David Trewavas

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

CARRIED**5 CONFIDENTIAL BUSINESS****COMMITTEE RECOMMENDATION**

Moved: Mayor David Trewavas

Seconded: Cr Christine Rankin

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 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 Receipt of Unconfirmed Minutes of the Taupo Airport Operational & Safety Committee - January 21, 2020	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

5.1 RECEIPT OF UNCONFIRMED MINUTES OF THE TAUPŌ AIRPORT OPERATIONAL & SAFETY COMMITTEE - JANUARY 21, 2020**TAA202002/C09 RESOLUTION**

Moved: Cr Kathy Guy

Seconded: Cr Christine Rankin

That the Taupō Airport Authority Committee receives the unconfirmed Taupō Airport Operational and Safety Committee minutes of a meeting held on January 21, 2020.

CARRIED

The meeting closed at 11.12 am.

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The minutes of this meeting were confirmed at the Taupō Airport Authority Committee Meeting held on 6 April 2020.

.....
CHAIRPERSON

Statement of Financial Performance
for the period ending 31 March 2020

Taupo Airport Authority

	YTD Actual 31/03/20 \$	YTD Budget 31/03/20 \$	YTD Variance \$	Full Year Budget (as per SOI) 30/06/20 \$	Full Year Forecast 30/06/20
Income					
Landing charges - Bulk	3,433	4,153	(720)	5,538	
Landing charges - General Aviation	210,420	216,344	(5,924)	281,700	216,300
Landing charges - Charters	-	800	(800)	800	
Aircraft Parking	1,320	1,500	(180)	1,500	
Leases	143,294	141,300	1,994	188,400	186,200
Terminal Rent	20,062	19,766	296	26,355	27,200
Advertising	1,267	680	587	1,360	1,500
Fuel Commission	1,715	4,200	(3,485)	5,200	1,000
Hay Sales	2,090	2,000	90	2,000	2,500
Other income	1,712	1,274	438	1,700	3,000
Gain on sale of assets	215	-	215	-	
Interest	136	198	(62)	264	150
Total operating revenue	384,663	392,215	(7,551)	514,817	437,850
Expenditure					
Employee Expenses					
Employee expenses	101,657	129,700	28,043	173,000	149,000
ACC levies	225	1,000	775	2,000	8,781
Training & associated costs	-	2,500	2,500	3,000	
	101,882	133,200	31,318	178,000	149,383
Management and Administration Expenses					
Accountancy & Business Services - Taupo District Council	10,413	9,378	(1,035)	12,504	12,500
Audit fees - Audit NZ	9,632	11,100	1,468	14,400	13,500
CAA Audit fees	-	-	-	-	
Taxation / Revaluation Fees	14,368	13,500	(868)	13,500	23,900
Directors fees and expenses	-	-	-	-	
Bad and doubtful debts	-	-	-	-	
Settlements	32,433	-	(32,433)	-	32,500
Administration	2,615	1,354	(1,261)	1,806	3,000
	69,461	35,332	(34,129)	42,210	73,113
Other Operating Expenditure					
Cleaning	14,611	13,615	(996)	18,220	16,360
Advertising	-	-	-	-	
Catering	88	300	212	400	100
Grants/Donations	-	-	-	-	
Entertainment	-	-	-	-	
Telecommunications	1,597	1,815	218	2,420	2,000
WiFi costs	1,938	1,865	(273)	2,220	3,000
Travel	3,620	3,000	(620)	4,000	3,620
Contractors	68,167	22,500	(45,667)	30,000	69,000
Consultants fees	610	29,500	28,890	40,000	4,500
Legal fees	30,590	-	(30,590)	-	34,000
Electricity	12,166	10,534	(1,632)	14,816	17,000
Equipment hire	14,562	15,552	870	20,737	21,500
Ground maintenance - Airside	3,137	-	(3,137)	-	3,500
Ground maintenance - Other	10,170	11,250	1,080	15,000	15,000
Runway maintenance	1,706	-	(1,706)	-	5,000
Building maintenance	4,199	7,450	3,251	10,000	5,000
Software maintenance	1,710	1,110	(600)	1,480	3,000
Vehicle Maintenance	3,650	2,000	(1,650)	2,500	4,000
Roading maintenance	748	3,000	2,252	4,000	1,000
Other maintenance	2,712	5,200	2,488	7,000	4,000
Software Licences	8,854	10,800	1,946	14,400	12,000
Aerodrome Inspections & Bird Control	10,938	-	(10,938)	-	12,000
Rates	12,487	12,200	(287)	16,000	15,000
Stationery and supplies	8,939	10,450	1,511	13,650	10,000
Subscriptions	7,559	8,055	496	10,740	10,500
Insurance	6,717	6,156	(561)	8,208	9,000
Rubbish Disposal	2,404	2,390	(14)	3,140	3,000
Security	1,744	2,000	256	2,000	3,500
Vehicle running costs	1,658	1,315	(343)	1,500	3,500
Loss on disposal of assets	187	-	(187)	-	-
Total operating expenditure	237,588	181,857	(55,731)	242,431	247,283
Operating surplus/(deficit) before depreciation & taxation	(24,268)	41,826	(66,093)	52,176	(31,929)
Depreciation & Amortisation					
Depreciation	185,030	183,717	(1,313)	244,956	240,088
	185,030	183,717	(1,313)	244,956	240,088
Operating surplus/(deficit) before taxation	(209,298)	(141,891)	(67,406)	(192,780)	(272,017)

Balance Sheet**as at 31 March 2020**

	31/03/2020	Full Yr 30/06/2019
Equity	\$	\$
Equity Interest of Joint Venture Partners	4,941,587	4,071,585
Appropriation Accounts	1,627,092	1,836,391
Asset Revaluation Reserves	4,291,939	4,291,938
Total Equity	10,860,618	10,199,914
Assets		
Current Assets		
Cash & Cash Equivalents	1,035,773	190,364
Other Financial Assets	-	-
Trade Debtors	52,406	66,867
Other Receivables	9,377	4,164
Provision for income tax	-	-
Total current assets	1,097,556	261,395
Non-Current Assets		
Intangible Assets	1,126	1,906
Property, Plant and Equipment	10,848,433	11,008,712
Total non-current assets	10,849,559	11,010,618
Total Assets	11,947,115	11,272,013
Liabilities		
Current Liabilities		
Trade Payables	12,608	17,241
Other Payables	44,279	31,170
Income in Advance	43,544	53,379
Employee Entitlements	27,802	14,974
Total current liabilities	128,233	116,764
Non-Current Liabilities		
Borrowings	-	-
Employee Entitlements	4,690	1,761
Deferred Tax Liability	953,574	953,574
Total non-current liabilities	958,264	955,335
Total Liabilities	1,086,497	1,072,099
Net Assets	10,860,618	10,199,914

Cashflow Statement**for the period ended 29 February 2020**

	YTD Actual 31/03/20	Actual 30/06/19
	\$	\$
Cashflows from operating activities		
Cash was provided from:		
Receipts from customers	399,783	524,856
Interest received	136	248
Other income		
Payments to suppliers	(313,434)	(391,503)
Interest paid	-	-
Payments to employees	(86,125)	(200,202)
Net GST refunded / (paid)	(1,009)	(322)
Net Cashflows from Operating Activities	(649)	(66,923)
Cashflows from Investing Activities		
Proceeds from sale of property, plant & equipment	5,000	-
Purchase of property, plant & equipment	(28,943)	(9,142)
Net Cashflows from Investing Activities	(23,943)	(9,142)
Cashflows from Financing Activities		
Proceeds from Equity injection	870,000	-
Net Cashflows from Financing Activities	870,000	-
Net Increase (decrease) in cash held	845,408	(76,065)
Add Cash at start of year	190,364	266,429
Cash & cash equivalents at end of period	1,035,772	190,364
Consisting of:		
Cash and bank	900,746	10,698
Call deposits	135,026	179,666
Cash at end of period	1,035,772	190,364
Reconciliation of Net Surplus to Net cash Inflow from Operating Activities		
Net surplus(deficit)	(209,298)	(221,248)
<i>Adjustments for non-cash items</i>		
Bad/Doubtful Debts	-	-
Gain on sale of fixed assets	(215)	-
Loss on sale of fixed assets	187	16
Depreciation	185,030	249,847
<i>Changes in Working Capital</i>		
(Increase) decrease in accounts receivable & other receivables	9,248	(1,616)
Increase (decrease) in accounts payable & accruals	8,476	(9,482)
Increase (decrease) in income in advance	(9,835)	6,788
Increase (decrease) in employee entitlements	15,757	(26,606)
	208,648	218,947
<i>Non-operating changes in working capital</i>		
Increase (decrease) in Capital Creditors	-	-
Per statement of cashflows	(649)	(2,301)



