

**TAUPŌ DISTRICT COUNCIL
MINUTES OF THE TAUPŌ AIRPORT AUTHORITY COMMITTEE MEETING
HELD ONLINE VIA 'ZOOM' WITH RECORDING AVAILABLE AT WWW.TAUPO.GOVT.NZ
ON MONDAY, 11 MAY 2020 AT 10.30AM**

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

IN ATTENDANCE: Cr Anna Park, Head of Economic Development and Business Transformation, Head of Democracy, Governance & Venues, General Manager – Taupō Airport, Economic Relationships Manager, Financial Accountant, ICT Support Officer, Democratic Services Support Officer

MEDIA AND PUBLIC: Nil

1 APOLOGIES

Nil

2 CONFLICTS OF INTEREST

Nil

3 CONFIRMATION OF MINUTES

3.1 TAUPŌ AIRPORT AUTHORITY COMMITTEE MEETING - 17 FEBRUARY 2020

TAA202005/01 RESOLUTION

Moved: Cr Kathy Guy

Seconded: Cr Christine Rankin

That the minutes (both public and confidential portion) of the Taupō Airport Authority Committee meeting held on Monday 17 February 2020 be confirmed as a true and correct record.

CARRIED

4 REPORTS

4.1 TAUPŌ AIRPORT AUTHORITY MONTHLY FINANCIAL REPORT - MARCH 2020

The Financial Accountant noted that there were no changes in income during March due to level 4.

The financial report for April was almost finalised and would show the effects of no landing fees.

The forecast column was based on 5% of Air New Zealand and Sounds Air (for the remainder of the financial year) and lowering maintenance costs.

TAA202005/02 RESOLUTION

Moved: Cr Christine Rankin

Seconded: Mr Chris Johnston

That the Taupō Airport Authority Committee receives the monthly financial report for month ending 31 March 2020.

CARRIED

4.2 DRAFT TAUPŌ AIRPORT AUTHORITY STATEMENT OF INTENT 2021-2023

A copy of the Draft Taupō Airport Authority Statement of Intent (SOI) 2021-2023 had been circulated via email before the meeting.

The Financial Accountant advised that the SOI was based on 50% Air New Zealand landing fees, 50% Sounds Air landing fees, 5% skydivers, and 25% other airfield users. Maintenance had been scaled back to be in line with 50% of major stakeholders, and other cost savings implemented where possible eg would try to utilise Council staff to do mowing and gardening rather than paying for external contractors. With the exception of depreciation, there were no inflation adjustment figures for the next two years as there was too much uncertainty.

The General Manager noted that the figures provided were a pragmatic view and based around best indications received from other parties.

The write-up at the top of the document was carried over from the previous SOI and needed to be updated.

TAA202005/03 RESOLUTION

Moved: Mr Chris Johnston

Seconded: Cr Kathy Guy

That the Taupō Airport Authority Committee adopts the Draft Taupō Airport Authority Statement of Intent 2021-2023.

CARRIED

4.3 UPDATE ON TAUPŌ AIRPORT PROJECT

The following key points were noted:

- Had met with the design team to provide ideas for the carpark redesign from an operational and functional perspective. Expecting to receive concept designs by tomorrow, which would initially be shared with the steering committee.
- Were in the early stages of designing the terminal. Had the original plans used at Kerikeri terminal which the design team would modify for Taupō requirements. Due to building constraints, the Kerikeri terminal building was L-shaped however, the Taupō terminal would be more rectangular in shape.
- Had received \$1m from Ministry of Business Innovation & Employment (MBIE) Provincial Growth Fund (PGF) and \$870k from the Ministry of Transport (MoT). Total of \$1.87m had been paid by Council to the Airport as an equity injection.

TAA202005/04 RESOLUTION

Moved: Mr Chris Johnston

Seconded: Cr Kathy Guy

That the Taupō Airport Authority Committee receives the update in relation to the Taupō Airport project.

CARRIED

4.4 GENERAL MANAGER'S REPORT

The General Manager gave a verbal update on airport operations noting that it had been a bleak month and very trying time. Additional key points noted were:

- Even though the airport had been operational there were still a lot of fixed costs to cover.
- Were trying to cut costs to an absolute minimum whilst still meeting compliance requirements. The General Manager and Operations Manager had worked extra hours, completed runway inspections, and undertaken bird eradication.
- Air New Zealand (Air NZ) had advised that they would not be restarting their Auckland to Taupō route

until level 1. However, on a positive note they had guaranteed that in level 1 they would provide 1 flight per day, 7 days per week. Any changes beyond that would be demand driven.

- The forecast beyond this initial hit looked quite average though the long term (3-year) prospect was good. Taupō Airport would be positioned a lot better than other airports in level 1 and would retain at least 50% of its services. Comparatively, Rotorua's weakest link - the Wellington to Rotorua service - and the strongest link - Rotorua to Christchurch - had both now ceased.
- His Worship the Mayor advised that he had spoken to Reuben Levermore (Air NZ Head of Tourism and Regional Affairs) prior to the meeting regarding a draft proposition from Sounds Air (SA). SA had proposed a schedule based on a Taupō to Wellington (return) flight and Auckland to Taupō link (during level 2 only). Mr Levermore would follow up with his superiors about this and provide a response to His Worship. Lengthy discussion for and against the proposition ensued and concluded with members agreeing to wait for Air NZ's response before making a decision.
- The Obstacle Limitation Survey which was a 5-yearly requirement and normally due in June / July had been deferred until November 2020. The cheapest basic package that met compliance requirements was just over \$18k; a top modelled survey cost circa \$35k. The General Manager explained the difference between the two cost options and confirmed that safety of the aerodrome would in no way be compromised by opting for the cheaper package. In addition, mid-year 2020 there would be an PGF Aerial Lidar survey completed which was a comprehensive top specification survey. The General Manager was also waiting to hear back from the MoT regarding them making a financial contribution towards the cost.
- There had been some jet aircraft operations during level 4 which had the appropriate approvals as required from MoT and Civil Aviation Authority (CAA). Cr Guy noted that she had received expressions of concern from local residents about the jet movements and had updated them accordingly about the approvals being in place.
- The apron markings for Q300 aircrafts had been completed to address concerns initially raised by Air NZ.

TAA202005/05 RESOLUTION

Moved: Cr Christine Rankin
Seconded: Cr Kathy Guy

That the Taupō Airport Authority Committee receives the update from the General Manager – Taupō Airport as submitted on April 6, 2020.

CARRIED

5 CONFIDENTIAL BUSINESS

Nil

The meeting closed at 11.11am.

The minutes of this meeting were confirmed at the Taupō Airport Authority Committee Meeting held on 22 June 2020.

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CHAIRPERSON