

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

Date:	Monday, 27 June 2022
Time:	10.30am
Location:	Council Chamber 107 Heuheu Street Taupō

AGENDA

MEMBERSHIP

Chairperson	Mr Chris Johnston
Deputy Chairperson	Cr Kathy Guy
Members	Mr Andrew Hintz Cr Christine Rankin Mayor David Trewavas
Quorum	3

Gareth Green
Chief Executive Officer

Order Of Business

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3.1 EXTRAORDINARY TAUPŌ AIRPORT AUTHORITY COMMITTEE MEETING - 16 MAY 2022

Author: Nicole Turnbull, Executive Assistant

Authorised by: Nigel McAdie, Legal, Risk and Governance Manager

RECOMMENDATION(S)

That the public and confidential portions of the minutes of the Taupō Airport Authority Committee meeting held on Monday 16 May 2022 be confirmed as true and correct records.

ATTACHMENTS

1. Taupō Airport Authority Committee Meeting Minutes - 16 May 2022
2. Confidential Portion of the Taupo Airport Authority Committee Meeting Minutes - 16 May 2022

4.1 TEMPORARY CHANGE IN PERSONNEL

Author: Wayne Wootton, General Manger Taupo Airport

Authorised by: Julie Gardyne, Deputy Chief Executive Officer

PURPOSE

This item is for the General Manager Taupō Airport to provide a verbal update to the Committee on the temporary change in personnel.

DISCUSSION

Due to an ongoing business need, Taupō District Council (TDC) has sought support with the general management of Taupō Airport and has approached Wayne Wootton, who was the former Chief Executive of New Plymouth Airport and is currently consulting to the Airport industry. Wayne has over 10 years' Airport experience at a senior executive level and has agreed to take on an Acting General Manager role at Taupō Airport. Wayne will be a Senior Person on the aerodrome operating certificate and will be designated as Chief Executive and the main point of contact for the Civil Aviation Authority (CAA).

This is a temporary arrangement, and the CAA will be advised at the appropriate time that Rhys Frearson (who has currently taken on a Deputy Chief Executive position for TAA) will be redesignated as the Chief Executive on the aerodrome operating certificate.

RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the update.

ATTACHMENTS

Nil

4.2 HEALTH AND SAFETY UPDATE

Author: Kim Gard, Airport Operations Manager

Authorised by: Julie Gardyne, Deputy Chief Executive Officer

PURPOSE

This item is for the Airport Operations Manager to provide a health and safety update to the committee.

DISCUSSION

There has been one incident in recent weeks to report which involved an accident outside a tenant's leased area. A person tying down a load on the back of a truck fell and damaged both ankles requiring hospitalisation. The incident was reported to TAA by the tenant and this in turn was recorded into TAA's Safety Management System, with TDC also being notified.

The tenant reported the incident to WorkSafe as part of their responsibility as a PCBU⁽¹⁾ under the Health and Safety Act at work 2015.

RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the update.

ATTACHMENTS

Nil

4.3 TAUPŌ AIRPORT AUTHORITY FINANCIAL UPDATE

Author: Danielle Klue, Finance Business Partner

Authorised by: Jeanette Paenga, Finance Manager

PURPOSE

This item is for the Taupō Airport Authority Business Partner to provide an update to the committee on the Taupō Airport Authority Financial Update.

- May landing fees and passenger fees \$3k above SOI for the month. May was the highest month for passenger fees for the financial year at \$7.4k showing a positive increase in our scheduled aircrafts with the opening of the borders.
- Other income includes \$5.8k charged to previous cropper for the storage of bales and clean-up costs
- Capitalised ~\$110k cropping expenses to land additions.

DISCUSSION**RECOMMENDATION(S)**

That the Taupō Airport Authority Committee receives the financial update.

ATTACHMENTS

1. TAA Statement of Financial Performance May 2022
2. TAA Statement of Cashflows May 2022
3. TAA Statement of Financial Position May 2022
4. Project spend to 31 May 2022

4.4 FY2023 STATEMENT OF INTENT

Author: Wayne Wootton, General Manger Taupo Airport

Authorised by: Julie Gardyne, Deputy Chief Executive Officer

PURPOSE

This item is for the Taupō Airport Authority Business Partner to provide the financial update to the committee.

DISCUSSION

The Taupō Airport Authority (TAA) draft Statement of Intent (SOI) for the three-year period July 2022 to June 2025 was forwarded to Council by the deadline of 1 March 2022 in accordance with the requirements of Section 64(1) of the Local Government Act 2002. It represents the objectives, nature, and scope of activities to be undertaken and performance targets by which TAA will be measured. Adjustments from the draft SOI have been made regarding the cropping expense and revenue, along with interest on the loan from Taupō District Council. The final FY2023 SOI is required to be ratified by 30 June 2022 and a copy is attached for reference.

RECOMMENDATION(S)

That the Taupō Airport Authority Committee approves the final version of the FY2023 Statement of Intent for release to Taupo District Council and the Ministry of Transport.

ATTACHMENTS

1. Taupo Airport Authority Final SOI 2023 - 2025

4.5 MINISTRY OF TRANSPORT (MOT) AND TAUPŌ DISTRICT COUNCIL JOINT VENTURES AIRPORT DEED.

Author: Wayne Wootton, General Manger Taupo Airport

Authorised by: Julie Gardyne, Deputy Chief Executive Officer

PURPOSE

The General Manager Taupō Airport to provide an update to the committee on the Ministry of Transport (MoT) and Taupo Airport Authority (TAA) Joint Ventures Airport deed.

DISCUSSION

The Deed stems back from the 60's when most of the airports in New Zealand were formed as joint ventures between Local Authorities and the Crown. The Deed remained effective for around a decade and was revised in the mid-70's to take account of growing passenger numbers and changes in airport operational requirements.

Since the revision almost 50 years ago, airport operations around the country have changed considerably and, subsequently, all but five of the joint venture airports have abandoned the JV format and formed separate entities known as Council Controlled Trading Organisations (CCTO's). These organisations are generally managed by private companies and governed by a Board of Directors appointed by the Council. In this format the CCTO can operate as a standalone business. The CCTO adheres to a Statement of Intent with the Council and reports quarterly on finances and operations.

TAA is one of the remaining five airport JV's and is now in consultation with the other four airports on a much-needed review and updating of the Deed with the MoT.

The JV airports have engaged lawyers, Simpson Grierson, to draft a memorandum with a contribution to legal costs required from each council. Each council will be responsible for identifying and addressing any JV issues specific to its airport and the intention is to create an airport specific schedule that will form part of a new generic JV agreement – this work is currently in progress.

The MoT has also signalled that the Ministerial officers wish to visit the airport later in the year and meet with representatives from TAA and Taupō District Council.

RECOMMENDATION(S)

That the Taupō Airport Authority Committee received the information.

ATTACHMENTS

Nil

4.6 CAA INTERNAL RISK ASSESSMENT

Author: Wayne Wootton, General Manger Taupo Airport

Authorised by: Julie Gardyne, Deputy Chief Executive Officer

PURPOSE

This item is for the General Manager Taupō Airport to provide an update on the Civil Aviation Authority (CAA) Internal Risk Assessment.

DISCUSSION

The CAA have advised the Taupō Airport Authority that they intend to carry out a routine audit at Taupō Airport and an opportunity to discuss the review of the Aeronautical Study carried out in October 2021. The assessment date is scheduled for 21 June 2022 and an update will be given at the June's Committee meeting.

RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the information.

ATTACHMENTS

Nil

4.7 TERMINAL CAR PARKING CHARGES

Author: Wayne Wootton, General Manger Taupo Airport

Authorised by: Julie Gardyne, Deputy Chief Executive Officer

PURPOSE

This item is for the General Manager Taupō Airport to provide an update on the Terminal Car Parking Charges.

DISCUSSION

Stage 1 of the new car park is complete with stage 2 scheduled for later in the year. Committee members have previously been advised that parking charges will be levied once the new terminal becomes operational. Parking charges are a new concept for the Airport and will, without doubt, generate discussion amongst members and potentially negative feedback from the general public.

It is important to take people along the journey and Taupō Airport Authority (TAA) will work with Taupo District Council (TDC) communications team to start to publicise the proposed parking changes over the next few months. This will ensure that there are no surprises on day one of the new terminal.

Car parking charges are a significant portion of non-aeronautical revenue and will be required to ensure that the finances of TAA are sufficiently robust moving forward.

TAA are currently working with TDC on modelling potential car park usage and appropriate costs based on current parking charges at other regional airports and will report back to the Committee in due course.

RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the information.

ATTACHMENTS

Nil

4.8 TERMINAL TENANTS AND LEASES

Author: Kim Gard, Airport Operations Manager

Authorised by: Wayne Wootton, General Manger Taupo Airport

PURPOSE

This item is for the Airport Operations Manager to provide an update on the Terminal Tenants and Leases.

DISCUSSION

Taupō Airport Authority are working with Telfer Young to carry out an independent valuation on current terminal tenants. Once completed, The Taupō Airport Authority and Taupō District Council legal, will work with the tenants to draft new lease terms and conditions, including licenses to occupy for the rental vehicle businesses.

A draft deed of Assignment was sent to Argus Aviation, to date The Taupō Airport have not received a response.

RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the information.

ATTACHMENTS

Nil

4.9 LANDING CHARGES

Author: Wayne Wootton, General Manger Taupo Airport

Authorised by: Julie Gardyne, Deputy Chief Executive Officer

PURPOSE

This item is for the General Manager Taupō Airport provide an update on the landing charges.

DISCUSSION

The last landing charge review was undertaken in 2014 and, considering reviews are normally done every five years, another review is overdue.

Current terminal charges for the scheduled airlines (regular passenger transport), which are a component of the overall landing charges, are \$2.20 per seat on the aircraft. This figure was used by consultants AirBiz two years ago to establish a proposed new fee, once the redevelopment of the airport was complete, of \$6.70 per seat.

This now needs to be reviewed and formalised with the two airlines that operate at Taupō Airport, Air New Zealand and Sounds Air. Now that more accurate costs of the new terminal are available, the two-year-old proposed landing charge fee will, undoubtedly, change.

A more detailed assessment of capital expenditure and operating costs will be carried out and used to form the basis of a new charge, applicable from early 2023, and consultation will take place with the two airlines over the next six months.

The Taupō Airport Authority (TAA) will also take the opportunity to review how the charge is levied and may move away from a seat charge per aircraft landing only, to a charge per passenger on board per aircraft movement (an aircraft movement is a landing and take-off). TAA are also considering incorporating the maximum certified take-off weight (MCTOW) charge, which is currently levied separately, to be included in the per passenger charge to simplify accounting procedures.

As part of the landing charge review, TAA will also undertake an exercise to assess the current general aviation landing charges, and these will be adjusted as necessary. Any change will be effective from the commencement date of the new regular passenger transport charges.

Please note that under the current JV arrangement, the MoT will also have to approve any alteration to the airport landing charges both for regular passenger transport and general aviation prior to implementation.

RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the information.

ATTACHMENTS

Nil

4.10 AIRPORT DEVELOPMENT PROJECT

Author: Wayne Wootton, General Manger Taupo Airport

Authorised by: Julie Gardyne, Deputy Chief Executive Officer

PURPOSE

This item is for the General Manager Taupō Airport to provide an update to the committee on the airport development project.

RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the information.

ATTACHMENTS

Nil

4.11 TAUPŌ AIRPORT AUTHORITY LOAN FACILITY FROM TAUPŌ DISTRICT COUNCIL

Author: Danielle Klue, Finance Business Partner

Authorised by: Jeanette Paenga, Finance Manager

PURPOSE

The committee will be aware that the Taupō Airport Authority are seeking a loan facility from Taupō District Council to enable current airport operational expenses to be met. This item is for the Finance Business Partner to provide an update to the committee.

DISCUSSION**RECOMMENDATION(S)**

That the Taupō Airport Authority Committee receives the update.

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 Confidential Health and Safety Update	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]*.