



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

<b>Date:</b>	<b>Monday, 8 August 2022</b>
<b>Time:</b>	<b>2.30pm</b>
<b>Location:</b>	<b>Council Chamber 107 te Heuheu Street Taupō</b>

# **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 TAUPŌ AIRPORT AUTHORITY COMMITTEE MEETING - 27 JUNE 2022**

**Author:** Nicole Turnbull, Executive Assistant

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

**RECOMMENDATION(S)**

1. That the minutes of the Taupō Airport Authority Committee meeting held on Monday 27 June 2022 be confirmed as a true and correct record.

**ATTACHMENTS**

1. Taupō Airport Authority Committee Meeting Minutes - 27 June 2022

**4.1 ACTIONS FROM PREVIOUS COMMITTEE MEETINGS**

**Author:** Wayne Wootton, General Manager Taupo Airport

**Authorised by:** Julie Gardyne, Deputy Chief Executive Officer

**PURPOSE**

For the Acting Taupō Airport General Manager to provide the Taupō Airport Authority Committee with an update on actions from previous committee meetings.

**RECOMMENDATION(S)**

That the Taupō Airport Authority Committee receives the update.

**ATTACHMENTS**

1. Actions from previous committee meetings 2022

**4.2 HEALTH AND SAFETY**

**Author:** Wayne Wootton, General Manager Taupo Airport

**Authorised by:** Julie Gardyne, Deputy Chief Executive Officer

**PURPOSE**

For the Acting Taupō Airport General Manager to provide the Taupō Airport Authority (TAA) Committee with a Health and Safety update.

**DISCUSSION****Safety Management System**

Following the recent CAA Audit it was advised that, due to recent changes in the management structure, there was a recommendation to review the airport risk register and subsequent residual risks.

The airport utilises a proprietary software platform called IRIS to manage the Safety Management System (SMS) and the management team has commenced an update of the risk register which has resulted in some changes to the residual risks. To date this has mainly shown that the risks are being better managed with risks factors being lowered.

**Reported accident / incidents**

These will be communicated through the next Airport Safety Group meeting in mid-August and the minutes from this meeting will be presented to the TAA Committee scheduled for September 2022.

**Monitoring and inspections**

Works are being programmed to undertake crack sealing on the southern section of the apron as part of the FY2023 airside maintenance programme. Funding for the works is included in the FY2023 budget and the works will be scheduled over the coming weeks.

During the recent land improvement works the old post and wire fencing alongside north-western side of the main sealed runway had to be removed due to its age and overgrown vegetation. Once the vegetation was grubbed out it was noted that the fence was rotten and beyond repair. Reinstatement of the fencing is required, and an item has been included later in this report (General Items) giving details for this work.

**Training**

As part of the airport's SMS there is a requirement to carry out regular security training. Refreshers will be carried out in due course by the airport Operations Manager and Safety Manager.

**Wildlife management**

The Civil Aviation Authority (CAA) regularly updates airports on wildlife monitoring through their Bird Incident Rate Reports. A recent report received from the CAA indicates that the Taupō airport incident rate is low and trending constant. This indicates that bird strikes rates per 1,000 movements are rare and that this trend has been constant for the last 12 months.

**Management of change**

Following the engagement of the Acting General Manager and recent CAA Audit, there was a requirement for management to submit to the CAA a Management of Change report addressing the change of the TAA staff structure. This has duly been carried out by the airport Safety Manager and submitted to the CAA.

**RECOMMENDATION(S)**

That the Taupō Airport Authority Committee receives the update.

**ATTACHMENTS**

Nil

**4.3 OPERATIONS UPDATE**

**Author:** Wayne Wootton, General Manager Taupo Airport

**Authorised by:** Julie Gardyne, Deputy Chief Executive Officer

**PURPOSE**

For the Acting Taupō Airport General Manager to provide the Taupō Airport Authority Committee with an operations update.

**DISCUSSION****Airside and landside maintenance**

During the winter months there has been less growth in vegetation surrounding the airport which in turn has resulted in less maintenance being required. It is anticipated that as we head into spring regular cutting and weed spraying will resume.

**Airfield and pavement inspections**

In compliance with the airport's Civil Aviation Authority (CAA) Rule Part 139 certification, a runway surface condition report is required prior to the end of 2022. Accordingly, management is arranging for a survey to be carried out by a certified consultant and management will also take the opportunity to assess the strength of the taxiways where they intersect with the main sealed runway.

**Access and parking during the terminal redevelopment**

Stage 1 of the car park has been completed and the development project team is in the process of planning stage 2. Work is scheduled to commence during October 2022 and, as part of the works, there will be some minor disruption to the access in front of the existing terminal. Traffic management will be in place and diversions well sign-posted to advise the travelling public.

Following discussions with the car rental companies, the rental vehicles will now be relocated into the main car park rather than the drop off area as originally planned. This is seen as offering a better fit for their operations and will allow for additional rental vehicle spaces if required.

The existing area car rental location will be extended and predominately used as a drop off / pick up area in front of the new terminal.

**CAA audit and outcomes**

Following the CAA Audit in June, there were two recommendations to introduce new markings on the main sealed runway:

1. End of Runway turning bay markings.  
At each end of the main runway there is a turning area for aircraft that have taxied by backtracking along the runway. Currently each end of the runway is marked with white piano key lines and management is currently investigating a methodology to also mark the turning area with yellow markings. Painting will be carried out once a solution is agreed with the CAA.
2. Marking of non-load bearing surfaces.  
Another recommendation by the CAA was to investigate the strength of the taxiway shoulders at the intersection of the main runway and mark the shoulders to advise pilots to keep clear if necessary. In conjunction with the airfield and pavement inspections, management will seek advice from the engineers as to the strength of the shoulders. If the results show that the pavement strength is low then markings will be carried out during the works to mark the turning areas.

**RECOMMENDATION(S)**

That the Taupō Airport Authority Committee receives the update.

**ATTACHMENTS**

Nil

**4.4 TERMINAL REDEVELOPMENT PROJECT**

**Author:** Wayne Wootton, General Manager Taupo Airport

**Authorised by:** Julie Gardyne, Deputy Chief Executive Officer

**PURPOSE**

For the Acting Taupō Airport General Manager to provide the Taupō Airport Authority Committee with an update on the Terminal Redevelopment Project.

**DISCUSSION**

The project is progressing well with construction on track to deliver to timeframes. During recent weeks the general internal fitout is ramping up and the window units are due to be installed during August. Exterior cladding is being installed and work associated with the installation of the Rimu trunks is going ahead.

Talks are ongoing with the car rental companies regarding their allocated spaces in the terminal and discussions are underway on cable routing for CCTV, data and power connections. Consultation with other terminal tenants is ongoing.

Key risks remain with the Rimu trunks installation and potential delays due to staff absenteeism through COVID-19 and winter flu, although at this stage this is being well managed by the building contractor. A further risk is material price fluctuations but these have steadied over the past few weeks and most product provision for the terminal has already been procured.

A major concern is still the very low project contingency with variations to date totalling circa 75% of the total contingency sum. This is being closely monitored by the project team.

**RECOMMENDATION(S)**

That the Taupō Airport Authority Committee receives the update.

**ATTACHMENTS**

1. Project Financial Update June 2022

**4.5 TENANTS AND LEASES**

**Author:** Wayne Wootton, General Manager Taupo Airport

**Authorised by:** Julie Gardyne, Deputy Chief Executive Officer

**PURPOSE**

For the Acting General Manager Taupō Airport and the Taupō Airport Operations Manager to provide an update to the Committee on the tenants and leases.

**DISCUSSION****New Zealand Motor Caravan Association (NZMCA)**

The NZMCA have been based at the airport for several years occupying non-airside land off the airport access road. Recent discussions with the NZMCA have indicated that in the coming months the association is planning to move to another site in Taupō once consenting has been finalised.

The NZMCA lease expired in December 2021 and since that time their lease has been on a month-to-month basis, therefore, as soon as their new site is available their existing land lease with the airport will be terminated. This will free up the area for non-aviation commercial use and management has been approached by car rental company Hertz who are keen to relocate from their existing area. Hertz currently sublease a building and land next to the new terminal location and by relocating to the NZMCA site would enable them to install a wash bay area for vehicle valeting and free up more storage space.

TAA Committee members will be updated in due course once an agreement to lease has been agreed with Hertz and new rental terms confirmed.

**Lakeview Helicopters**

Management has been approached by the owner of Lakeview Helicopters, Mark Williams, who has expressed an interest in leasing further land at the airport to relocate the business. The area is at the end of an existing airport access road which is future proofed for expansion in the Airport Master Plan.

Management is reviewing the proposal in conjunction with the Master Plan and will meet with Mark to discuss in more depth in early August.

**Valuations**

Management has recently received valuation reports from the valuers, Telfer Young, which will be used to determine terms for the tenants in the new terminal.

These will be reviewed by management in conjunction with the Council legal team with the potential to also include in the lease an expected standard level of service. Proposals will be reported back to Committee in due course.

**RECOMMENDATION(S)**

That the Taupō Airport Authority Committee receives the updates.

**ATTACHMENTS**

Nil



#### 4.6 PASSENGERS AND AIRCRAFT MOVEMENTS

**Author:** Wayne Wootton, General Manager Taupo Airport

**Authorised by:** Julie Gardyne, Deputy Chief Executive Officer

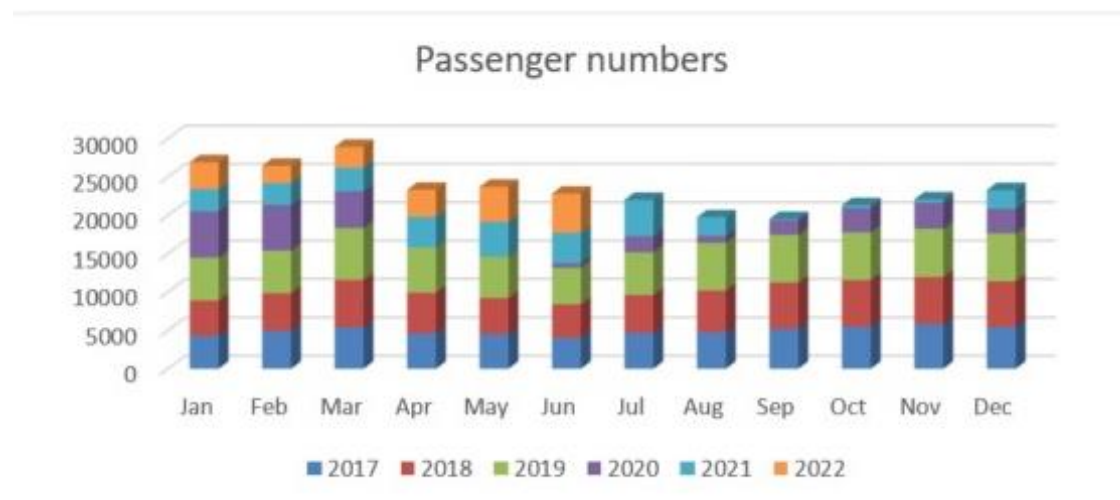
#### PURPOSE

For the Acting General Manager Taupō Airport and the Taupō Airport Operations Manager to provide an update to the Committee on the passenger and aircraft movements.

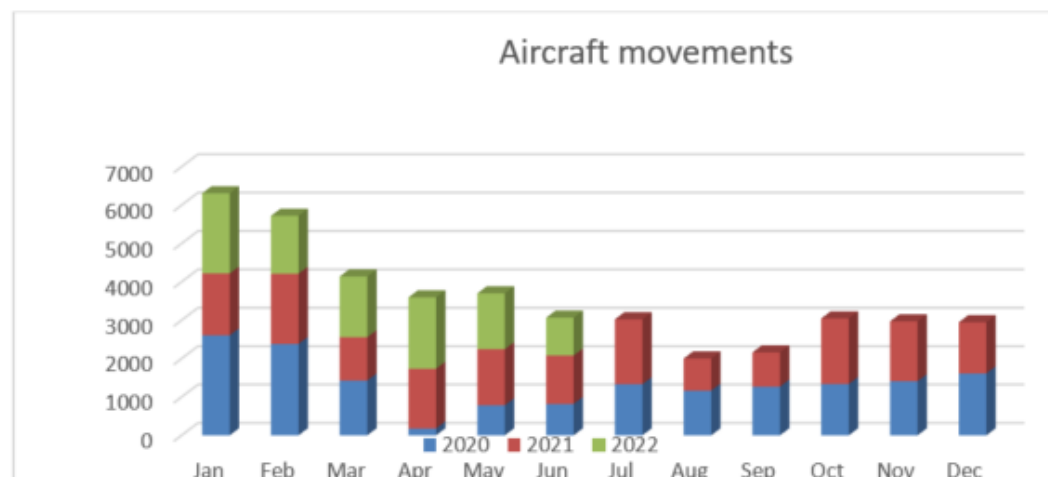
#### DISCUSSION

Prior to the outbreak of the COVID-19 pandemic, passenger numbers at Taupō airport had reached circa 71,000 before dropping to zero for the two months of April and May 2021 and then slowly recovering to 32,000 for the 2021 calendar year (45% of pre-COVID numbers).

2022 has seen a higher than forecast recovery with passenger numbers for the first half the year at 22,000. It is expected that numbers will rise even further with the school holidays in July and the upcoming spring and summer season. If this recovery trend continues and assuming that there are no further lockdowns around the country, passenger numbers could well exceed 50,000 for the 2022 calendar year.



Aircraft movements are illustrated in the table below. Typically, there is a downturn in the number of movements during the winter months due to adverse weather and less daylight hours. Further with Sounds Air reducing their schedule, this has had a small impact on aircraft movements. However, this impact is not so distinct with passenger numbers as the airline carries much less regular passenger transport as compared to Air New Zealand.



**RECOMMENDATION(S)**

That the Taupō Airport Authority Committee receives the update.

**ATTACHMENTS**

Nil

**4.7 LANDING CHARGE REVIEW 2022**

**Author:** Wayne Wootton, General Manager Taupo Airport

**Authorised by:** Julie Gardyne, Deputy Chief Executive Officer

**PURPOSE**

For the Acting General Manager Taupō Airport to provide an update to the Committee on the landing charge review 2022.

**DISCUSSION**

It was reported to the June Committee meeting of the Taupō Airport Authority (TAA) that a landing charge review was overdue, and that management was seeking an offer of service and quotation from aviation consultant Peter Seed.

Peter has undertaken many landing charge reviews for various regional airports around the country and was a key player in the work undertaken by consultants Airbiz when they presented development options for Taupō airport's new terminal in 2019.

The intention is for the TAA Acting General Manager to work with Peter Seed in developing the landing charge review and consult with the airlines as appropriate, with the aim to implement the revised charges when the new terminal is fully operational.

The consultation with the airlines can take up to six months to complete but it is envisaged that, as Peter and the TAA Acting General Manager have both been through the process on other occasions and have a good working relationship with Air New Zealand, the timeline may well be shortened.

Due to the landing charge review not being envisaged, the FY2023 budget only has limited funding for professional services. It is estimated that the work will cost in the vicinity of \$20-30k, depending on the extent of consultation required.

Management advise Committee members that other areas of the FY2023 budget will have to be reallocated or part of the cost may have to remain as unbudgeted, with the appropriate approval being sought. The cost of this work can be met from the uncommitted funds available from the funding facility approved recently by Council.

**RECOMMENDATION(S)**

That the Taupō Airport Authority Committee:

1. notes that there is no allocation for professional services in the FY2023 budget; and
2. agrees that this cost will be met from the uncommitted funds available from the funding facility approved by Council.

**ATTACHMENTS**

Nil

**4.8 FENCING**

**Author:** Wayne Wootton, General Manager Taupo Airport

**Authorised by:** Julie Gardyne, Deputy Chief Executive Officer

**PURPOSE**

For the Acting General Manager Taupō Airport to provide a fencing update to the Committee.

**DISCUSSION**

As verbally advised at the Taupō Airport Authority (TAA) June Committee meeting, a minor finding was placed on the TAA during the Civil Aviation Authority (CAA) Audit to replace a fence line that had been removed during the recent land improvement works. This was an old post and wire fence alongside the north-western side of the main sealed runway that, once the vegetation was grubbed out, was found to be rotten and beyond repair.

As a temporary measure, management are utilising the boundary fence alongside the State Highway as a protection barrier, however, this is far from satisfactory. Following the Audit, the CAA has requested that a root cause analysis be conducted to assess the risks in removing the old fence line, and that the TAA provide an acceptable corrective action plan no later than 31 August 2022.

The proposal is to erect a new post and wire fence, on a similar alignment to the previous fence, of approximately 1,100m in length, and management is currently seeking quotations from suitably qualified contractors for this work. An estimation of the work is circa \$30k and, if the quotations are received in time, they will be presented at the Committee meeting for a decision and approval to proceed. Funding is available via the uncommitted \$70k from the funding facility recently approved by Council.

Management advise Committee members that this expense is unbudgeted for the 2023 financial year but can be covered via the uncommitted funds in the loan from TAA.

**RECOMMENDATION(S)**

That the Taupō Airport Authority Committee:

1. notes that there is no allocation for a new fence in the FY2023 budget; and
2. agrees that this cost will be met from the uncommitted funds from the funding facility recently approved by Council.

**ATTACHMENTS**

Nil

**4.9 TAUPŌ AIRPORT AUTHORITY SIGNAGE**

**Author:** Wayne Wootton, General Manager Taupo Airport

**Authorised by:** Julie Gardyne, Deputy Chief Executive Officer

**PURPOSE**

For the Acting General Manager Taupō Airport to provide an update to the Committee regarding updating the signage at the new terminal.

**DISCUSSION**

Council have approached the Taupō Airport Authority (TAA) regarding updating the signage proposed at the new terminal as the current design has not been updated for some time.

At this stage it is very much in the infancy stages though the proposal is to have a smart fresh new signage in conjunction with the new terminal opening. Management are currently working with Council on concepts and Committee members will be updated in due course.

**RECOMMENDATION(S)**

That the Taupō Airport Authority Committee receives the update.

**ATTACHMENTS**

Nil

**4.10 FINAL 2021 TAUPO AIRPORT AUTHORITY ANNUAL REPORT**

**Author:** Danielle Klue, Finance Business Partner

**Authorised by:** Jeanette Paenga, Finance Manager

**PURPOSE**

For the Finance Business Partner to present the final 2021 Taupō Airport Authority Annual Report to the committee.

**RECOMMENDATION(S)**

That the Taupō Airport Authority Committee receives the final 2021 Taupo Airport Authority Annual Report.

**ATTACHMENTS**

1. Final 2021 Taupō Airport Authority Annual Report

**4.11 2021 AUDIT MANAGEMENT REPORT**

**Author:** Danielle Klue, Finance Business Partner

**Authorised by:** Jeanette Paenga, Finance Manager

**PURPOSE**

For the Committee to receive the report from Audit New Zealand on the audit of Taupō Airport Authority for the year ended 30 June 2021.

**RECOMMENDATION(S)**

That the Taupō Airport Authority Committee receives the 2021 Audit Management Report.

**ATTACHMENTS**

1. 2021 Audit Management Report

**4.12 DRAFT 2022 TAUPŌ AIRPORT AUTHORITY ANNUAL REPORT**

**Author:** Danielle Klue, Finance Business Partner

**Authorised by:** Jeanette Paenga, Finance Manager

**PURPOSE**

For the Taupō Airport Authority Committee to receive the draft 2022 Annual Report excluding tax.

The report was not available at the time the agenda was produced, however will be separately circulated prior to the meeting.

**RECOMMENDATION(S)**

That the Taupō Airport Authority Committee receives the draft 2022 Taupō Airport Authority Annual Report.

**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
<b>Agenda Item No: 5.1</b> Confirmation of Confidential Portion of Taupō Airport Authority Committee Minutes - 27 June 2022	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]*.