



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

Date:	Monday, 12 August 2024
Time:	1.30pm
Location:	Taupō Airport ANZAC Memorial Drive Taupō

AGENDA

MEMBERSHIP

Chairperson	Mr Chris Johnston
Deputy Chairperson	Cr Yvonne Westerman
Members	Cr Duncan Campbell Mr Chris Grace Mayor David Trewavas
Quorum	3

**Julie Gardyne
Chief Executive**

Order Of Business

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4.1 TAUPŌ AIRPORT AUTHORITY COMMITTEE MEETING - 27 MAY 2024

Author: Nicole Turnbull, Committee Advisor

Authorised by: Nigel McAdie, Legal and Governance Manager

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

1. That the minutes of the Taupō Airport Authority Committee meeting held on Monday 27 May 2024 be approved and adopted as a true and correct record.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Taupō Airport Authority Committee Meeting Minutes - 27 May 2024

5.1 OPERATIONS UPDATE

Author: Wayne Wootton, General Manager Taupō Airport

Authorised by: Warrick Zander, General Manager Strategy and Environment

TE PŪTAKE | PURPOSE

For the Taupō Airport General Manager to provide the Taupō Airport Authority (TAA) Committee with an operational update.

NGĀ KŌRERORERO | DISCUSSION

Safety Management System software

Management has now fully transitioned to the new safety management software platform called OneReg.

OneReg has regular training webinars and continues to meet online with management to update and critique the software. OneReg remains a valuable partner in operational compliance and the system's ability to integrate new modules and audits has streamlined regulatory adherence.

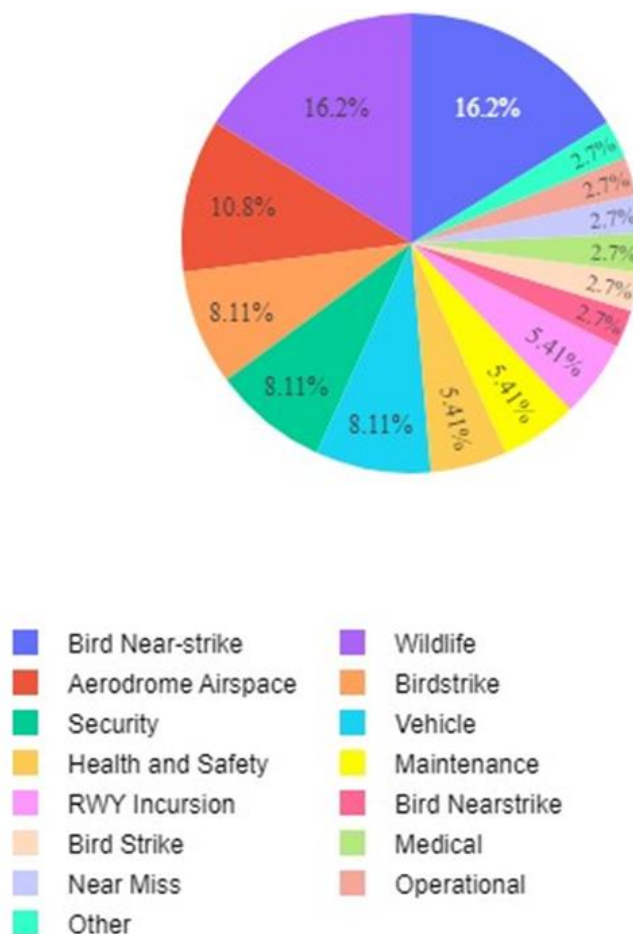
Occurrence reporting

There were three occurrences reported covering the time period 26 May to 1 July 2024. Two concerned wildlife bird occurrences, involving magpies (1 near-strike and 1 strike) and the third involved a helicopter utilising the disestablished low-flying area to the east of the airport.

All three occurrences have been closed off in OneReg after the appropriate investigation and actioning.

Filed occurrences continue to be monitored against the TAA Safety Performance Indicators (SPIs)

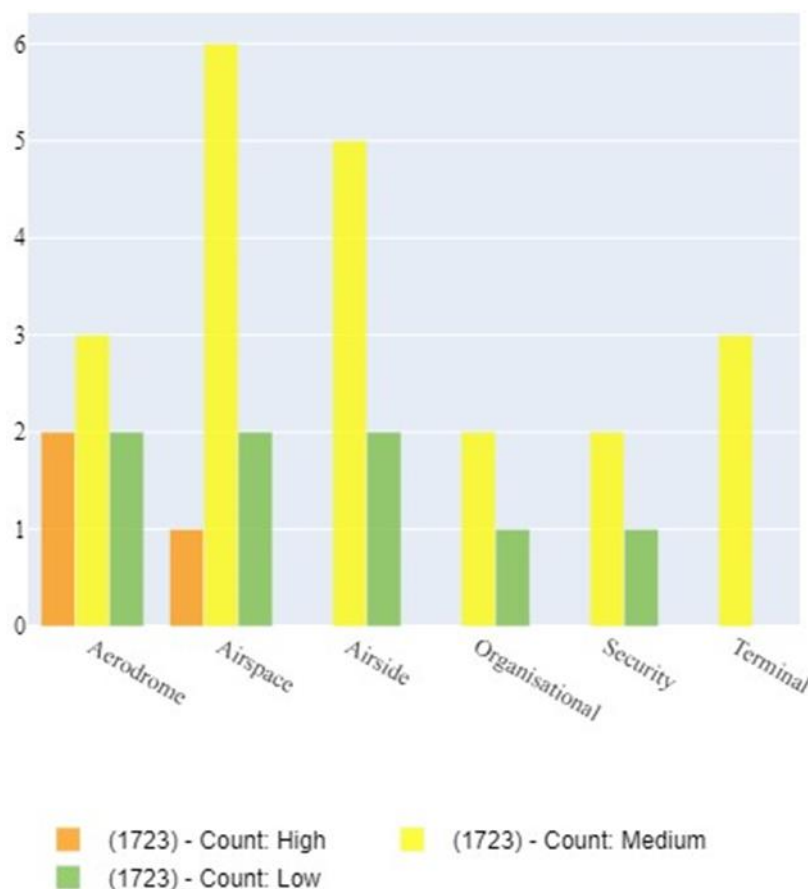
Occurrences – last 24 months



Risks

During the period 26 May to 1 July 2024 there were no new risks added to the register.

Risk register – residual risk Level



Airport Safety Group

An Airport Safety Group meeting was held on 15 May 2024. A verbal update of the meeting was provided at the TAA Committee on the 26 May and the full minutes are attached.

The next Airport Safety Group Meeting is scheduled for 14 August 2024.

Emergency Management

An Emergency Services Coordinated Committee meeting is scheduled for 23 July 2024 at Taupō Airport.

These meetings are instrumental in building and strengthening relationships with key partners in the emergency sector facilitating preparedness, response and resilience.

Through the New Zealand Airports Group, airports have been tasked to provide information on logistical capabilities to the National Emergency Management Agency (NEMA). New Zealand Airports strongly supports the Government doing this work to gather knowledge and develop plans on how the airport sector can be better used in emergency management.

Security

A new security gate has been installed to the north-west boundary fence of the airport off Anzac Memorial Drive which will mainly enable ease of access for agriculture contractors.

Passengers and aircraft movements

Despite overall passenger numbers still trending upwards post COVID-19, numbers at the end of the financial year were disappointing. The last quarter at 13,590 was 6% down on the equivalent months for FY2023 and the total for FY2024 (59,940) finished well short of the Statement of Intent (SOI) forecasted total of 71,720.

Passenger numbers per month (January 2022 to June 2024)

The SOI originally envisaged a full post-COVID recovery during the year, however, with load factors beginning to drop below recent figures and the fact that there was a number of cancellations during the last three months due to weather and mechanical issues, have combined to give the poor results.

This being the case and looking ahead to FY2025, with a modest growth of 3% will put the total number of passengers for the year at approximately 62,000, quite a bit short of pre-COVID numbers which stood at over 71,000.

Recent discussions with Air New Zealand have shown that Taupō airport is not alone, and other regional airports are also struggling to meet passenger targets as there is a general softening of domestic travel throughout the country. This is particularly evident with Government travel following cuts throughout the departments.

With regards general aviation at Taupō Airport, movements are tracking according to forecast, however, revenue is lower than anticipated as, despite the 2023 review of landing charges now having been approved by the Ministry of Transport, the new rates do not commence until 1 July 2024.

Training / events

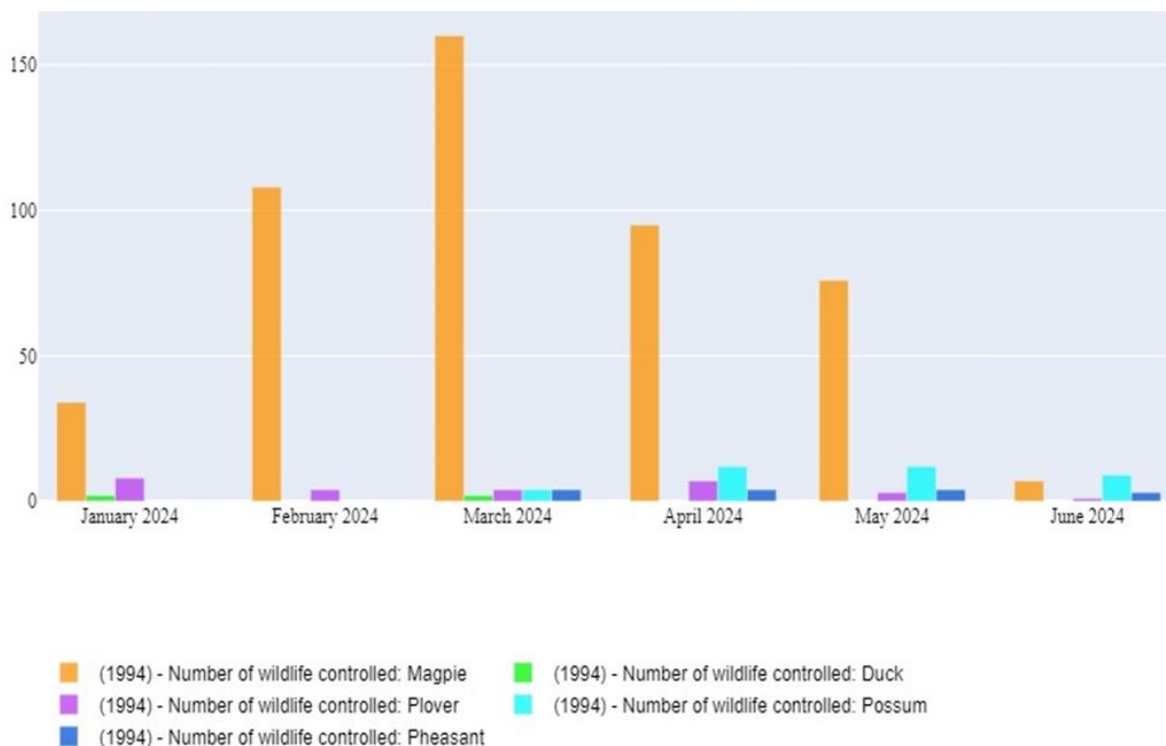
Management was invited to attend the inaugural Taupō Climate Project at the Ngaire George Sustainability Centre, Mokai, which was hosted by the Tuaropaki Trust and supported by the ANZ Bank.

The event was aimed to provide a collaborative forum to foster climate-focused business ideas, innovations and problem-solving around climate change. Unfortunately, the event was postponed due to unforeseen issues and the plans are to rearrange the forum for a later date.

Wildlife management

Members will be aware through the media of recent events where aircraft have had to make emergency landings due to striking birds on take-off. This is a reminder of the dangers of wildlife in the vicinity of airports and an opportunity to ensure that wildlife hazard management plans are in place and that mitigation techniques are effective.

As highlighted by the Civil Aviation Authority, it is a balance between protecting New Zealand biodiversity while keeping the travelling public safe. Management is committed to maintaining aircraft and passenger safety and continuous improvement is discussed at weekly management meetings.

Number and species of wildlife controlled during 2024 to date**Airspace****Drone operations**

Management previously advised Committee members that AirShare, which is an entity of Airways New Zealand, has contacted the airport with regards an airspace management programme to facilitate and control drones in the Taupō region.

The agreement between Airways and the airport has been reviewed and, following minor changes, all aerodromes in the Taupō region have now signed up to the AirShare Airspace Management AITP trial, which is for three months at no cost to the aerodromes.

Local UAV (drone) users will be directed to the AirShare website via the existing Taupō Airport UAV (drone) webpage. The outcome of the trial will provide valuable data-gathering in terms of airspace management in uncontrolled airspace.

This is a nationwide trial with airports throughout New Zealand participating.

Noise complaints

Members will recall that at the last TAA Committee meeting, management advised of various noise enquires / complaints relating to the approach paths at Taupō airport. These appeared to be mainly in connection with helicopter operations and tended to be focused on the Wharewaka area to the west of Lakeside Terrace.

Management took the opportunity to educate the general public by utilising the Aeronautical Information Publication and Flight Radar application to illustrate how aircraft operate in and around the airport. Management also visited the manager of a nearby retirement facility to explain and clarify how the airport operates.

Since then, there have been no further reports of issues with aircraft noise.

Navigation aids

Airways New Zealand is responsible for installing and maintaining all aviation navigational aids and the organisation is planning to upgrade facilities at Taupō airport by installing a new short to medium-range radio navigation system called a Doppler VHF Omni Directional Range (DVOR).

It was reported at the last Committee meeting that the location of the DVOR will be within the south-eastern airport boundary and construction is due to commence late 2024 / early 2025.

Initial geotechnical ground works and a topographical survey have been organised and carried out by the consultants working on behalf of Airways and management is awaiting the results and the next steps as indicated by the agency.

A ground lease for the site is being progressed with TDC legal and this will also capture two existing Airways New Zealand sites at the airport – the old control tower and the power centre.

Airside**Department of Conservation**

The Department of Conservation is currently reviewing their methods of weed control and in particular targeting certain weed species utilising a spraying system from helicopters.

With the agreement of management, this was recently simulated using water on the taxiway Alpha at the airport and proved to be successful.

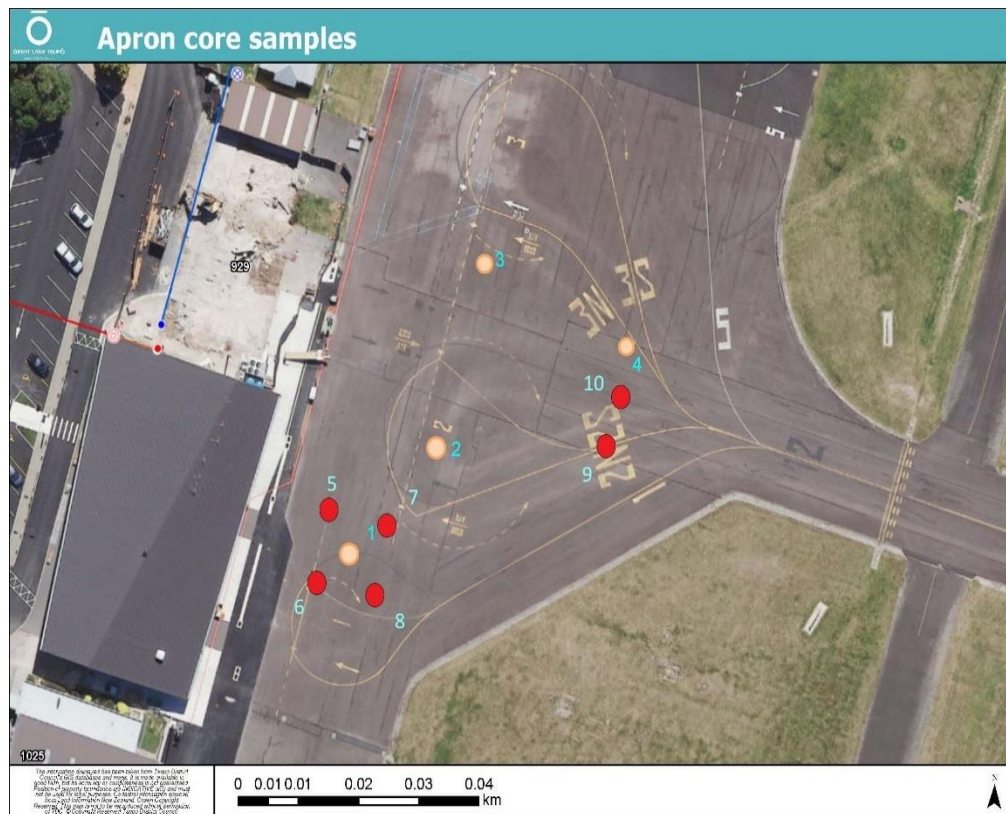
The department is reviewing the results in preparation for a much larger scale trial.

Apron remedial works

Management has previously advised that significant cracking to the northern apron, in particular around the vicinity of the commercial aircraft turning paths, has been identified.

Following surface testing for deflection under loading and core sampling at various locations on the apron, initial findings indicated that localised reconstruction could well be required followed by a waterproofing surface treatment over the whole of the apron area. This would extend the life of the apron by between five and eight years.

One of the original four core samples (No 1) totally fell apart which was concerning as this indicated total failure of the apron structure. Therefore, to gain a better understanding, six further core samples were taken (shown in red below) to determine whether this type of failure was localised or more widespread.



Samples 5 to 8 came out intact and showed no evidence of cracking or disintegration.



Core samples 9 and 10 were also intact with no evidence of cracking. However, it was noted in core sample 10 that there was another asphalt layer between the two main asphalt layers as illustrated in the image below.



As discussed with the airport's consultant, AECOM, this was a positive result and reassured management that whilst an apron surface treatment is still necessary, the initial core sampling, specifically core sample number 1, may have disintegrated as a result of damage by the core sampling process itself rather than issues with the asphalt layers.

With regards the apron surface treatment, this consists of a coating of the surface with a flexible membrane which seals the cracks and creates a waterproof layer. This is scheduled to be carried out following the apron extension construction (towards the end of 2024 / early 2025) to produce cost benefits by only having to remark the apron twice.

The surface treatment will also give a good indication of the suitability for a similar treatment of the sealed runway during the 2026 financial year.

Whilst the surface treatment will initially work, it is stressed that this is only a temporary solution and in the long-term (next five to ten years) the apron surface will have to be milled and resurfaced with the laying of a flexible geogrid between the asphalt layers to prevent cracks migrating through.

Management will continue to review the cracking and will utilise existing aeronautical sweeping equipment to remove any loose chippings.

Committee members will be updated in due course.

Runway surface maintenance

In accordance with the airside maintenance schedule, lichen removal has been carried out on the shoulders of the main sealed runway.

Landside

Public car parking

Regular maintenance checks and servicing, carried out by the service provider and local contractors, is ensuring that the terminal car park is working efficiently.

A new pre-booking system is currently being investigated by the car park software provider and a third-party software specialist. The system, currently on trial at another airport, will be explored by management and, if cost effective, implementation at Taupō airport will be considered.

The system will allow the travelling public the convenience of booking online with payment being made at the time of booking.

Committee members will be updated in due course.

Grounds maintenance

In conjunction with the apron extension project, stormwater drains have been assessed to ascertain the ability for the system to be effective in heavy rain and whether the sizing will cater for the surface water run-off from the additional apron extension area.

Whilst this work was carried out there has also been a general tidy-up and clearing of culverts and stormwater drains to minimise flooding in the event of heavy rainfall.

As part of the new security fence installation in the vicinity of the old terminal, vegetation has had to be trimmed, however, this was done bearing in mind the need to retain green spaces to create an ecological and welcoming environment for the general public.

Terminal

Heating, Ventilation and Air Conditioning system (HVAC)

Following the incident as reported at the May Committee meeting where there was a rupture of an expansion vessel on the heating water circuit, contractors have been on site carrying out remedial works which are due to be completed during July.

Terminal Conference Room

Enquiries into the use of the airport conference room have been increasing and management are receiving more requests from the general public regarding the hiring of the room.

This provides a small income stream for the airport and also provides a venue outside of the town for meetings. The room has also been identified as a potential area for travelling VIP guests who require a separate area from the main terminal whilst waiting for flights.

Building Management System (BMS)

A Service Level Agreement (SLA) has been set up with a software provider in terms of the service and maintenance of the mechanical side of the BMS system. There will be an annual charge for the service which has been included in the FY2025 operational budget.

Due to the recent issues with the HVAC system, this agreement has been put on hold while the remedial mechanical works are being carried out by the original installer. The software SLA remains in place which is managed by another supplier.

Terminal automatic doors

Management previously reported that there are still issues with the four sets of automatic doors, two landside and two airside, with doors not opening or closing correctly and trims coming off. This is of particular concern with the airside doors from a safety perspective.

At this time the issues appear to have subsided to the extent that all four sets of automatic doors are working correctly.

This may be due to the automated doors bedding in, which can take time for mechanisms to settle, or the change in temperature with the cooler weather preventing expansion of the running mechanisms.

The situation will be monitored.

Taupō major events 2024

Following the success of the V8 Supercars event in April, the focus now turns to the next major event, the Ironman 70.3 Worlds in December.

This event will have different challenges to the V8 Supercars and will undoubtedly demand a greater input from management as a good number of competitors, family and support crews will be transiting through the airport complete with bikes and kit.

Management is working in collaboration with the Council's events team, Air New Zealand and Auckland airport to ensure that Taupō airport not only provides a welcoming gateway to the region but is also geared up to handle additional flights and passengers.

To date there has been several meetings with all parties and a delegation consisting of airport management and the events team have been to Auckland airport to view the facilities available and to discuss in more detail plans for the events.

Further meetings are planned over the next few months with proposals for the event being analysed and refined to ensure that Taupō and the airport provides a great welcome to all the international and national competitors and visitors.

General**Project Quantum**

The project quantum team has been collaborating with management to facilitate a software program that houses Taupō Airport Authority (TAA) leases and licenses.

TAA was chosen for the pilot project, due to the reasonably small number of leases, and the system will eventually be rolled out across Taupō District Council (TDC). The project has gone live with management beginning to load leases and licenses.

To ensure a smooth transition once it is rolled out across the wider organisation, issues are being monitored and raised with TDC IT and the Project Quantum team.

Taupō Airport Website

In cooperation with the Council's media team, management has made some changes to the Taupō Airport website.

The site now includes information about the two taxi companies operating at the airport and also the updated general aviation aeronautical charges (that come into force 1 July), the terminal café contact details, and a copy of the FY2025 Statement of Intent.

WHAKAKAPINGA | CONCLUSION

It is recommended that the Committee receives the operational update report from the General Manager.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the operational update report.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Airport Safety Group Minutes 15 May 2024

5.2 FINANCE REPORT

Author: Wayne Wootton, General Manager Taupō Airport

Authorised by: Warrick Zander, General Manager Strategy and Environment

TE PŪTAKE | PURPOSE

To receive the Summary Finance Report for the period ended 30 June 2024.

WHAKAKAPINGA | CONCLUSION

It is recommended that the Committee receives the finance update from the General Manager.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the summary finance report for the period ended 31 May 2024.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Taupō Airport Authority Summary Finance Report 30 June 2024

5.3 CIVIL AVIATION AUTHORITY (CAA)

Author: Wayne Wootton, General Manager Taupō Airport

Authorised by: Warrick Zander, General Manager Strategy and Environment

TE PŪTAKE | PURPOSE

For the Taupō Airport General Manager to provide a Civil Aviation Authority update to the committee.

NGĀ KŌRERORERO | DISCUSSION**Obstacle Limitation Surface (OLS) survey**

Management has recently received information from LandCorp Farming regarding the costs to remove pine trees and replant in manuka in the area that is currently within the obstacle limitation surface to the northern end of the runway.

Engagement with LandCorp Farming has resulted in a subcontractor scheduled to remove the remaining trees within the OLS during October 2024. The intention is to then take up the suggestion and replant this area with much slower growing manuka that will not have any impact on the OLS.

It was reported at the last Committee meeting that LandCorp Farming was open to Council purchasing the land in this vicinity but at this stage no further action has been taken by TDC in terms of the valuation.

To note that the next obstacle limitation survey will be due during 2025 in accordance with the airport's Civil Aviation Authority Rule Part 139 compliance.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the Civil Aviation Authority update.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.4 MASTER PLANNING UPDATE

Author: Wayne Wootton, General Manager Taupō Airport

Authorised by: Warrick Zander, General Manager Strategy and Environment

TE PŪTAKE | PURPOSE

For the General Manager Taupō Airport to provide a master planning update to the committee.

NGĀ KŌRERORERO | DISCUSSION**District Plan**

Committee members will be aware of concerns as to the current lack of information in the Taupō District Plan relating to the protection of airport operations. Management is working with two consultancy companies to assist with a review of what is required to ensure that the airport continues to provide a facility without operational constraints and to remain a key infrastructure asset for the region.

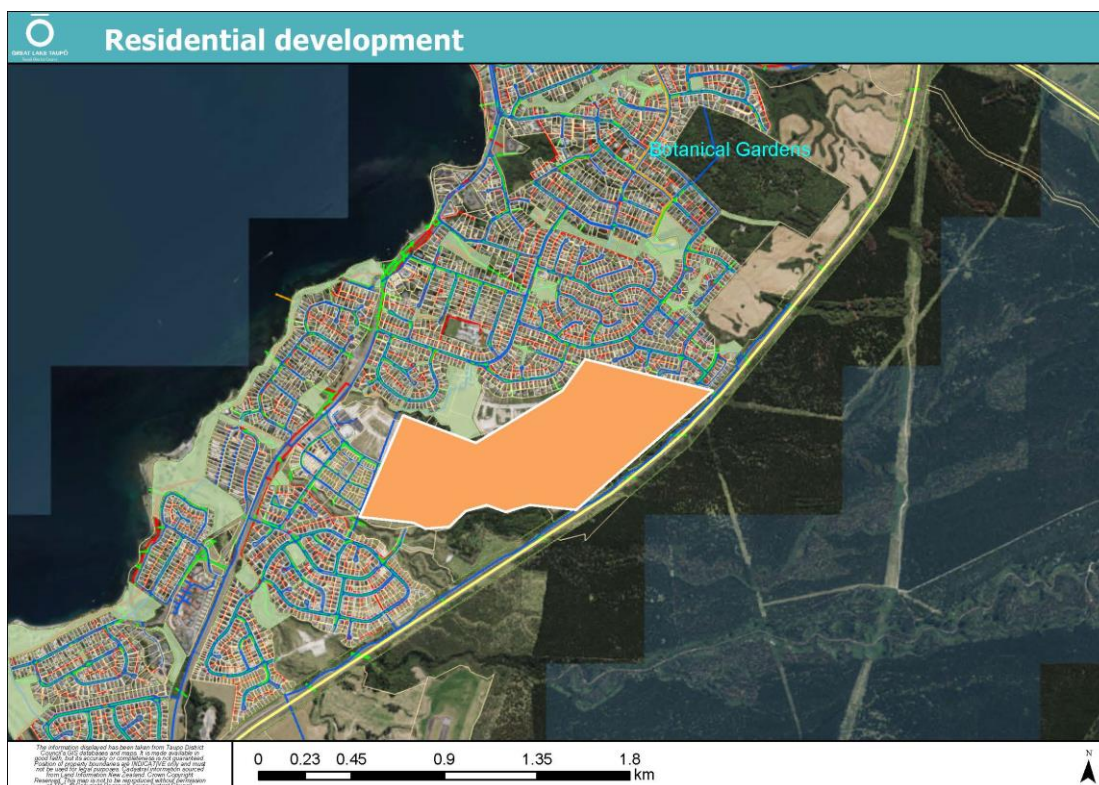
A noise contour report, taking into account the anticipated growth of airport operations over the next 30 years, has been produced and will be used in conjunction with planning considerations to enable both TDC and TAA to decide on the best way forward in protecting operations.

TAA's planning consultant is intending to lodge an Airport Designation with Council later this year which will go out to public consultation along with other district plan designations.

Committee members will be updated in due course.

Sale of land south of Richmond Heights

At the May Committee meeting management advised members that Council had recently agreed to progress an agreement with a development partner for a housing project on the East Urban Lands to the south of Richmond Heights as shown below.



Concern was raised by management that the development was between 1,000m and 1,500m from the northern threshold of the sealed runway and directly beneath the aircraft take-off and landing fans.

This could well impact on airport operations from both a noise perspective and potential protrusions through the obstacle limitation surface and, considering the seriousness of the situation, management was keen to ensure that airport operations are not compromised in any way.

Members will recall the issues with the trees in the Botanical Gardens (shown on the above plan) almost protruding through the obstacle limitation surface and these trees are 3,000m from the end of the runway. Although it must be noted that the ground level does also rise up to the Botanical Gardens, whereas the proposed development will be more or less the same ground level as the runway end.

Management has been working with a planning consultant and draft conditions have been presented to the Council's Property team who are dealing with the sale, the main aim being to incorporate covenants into the consenting process.



As can be seen from the picture above, a considerable amount of the development areas falls within the airport's 55 db Ldn contour. The properties in this area will need to be fully sound insulated and double-glazed throughout as well as having an effective air conditioning system. Further, the height of any fixed object (structure or tree) will be restricted to between 20m and 30m depending on the location within the development.

Following a meeting between management and the Council's Property team, there was some concern by Council that the additional costs imposed on the construction of the properties to cover the extent of the sound proofing and insulation, would be too onerous as stage 1 of the development is mainly classed as affordable housing.

The Council team will liaise with the developer to ascertain the additional costs involved and whether the impact will cause issues, however, it has since been determined that stage 1 may fall just outside of the 55 db contour line.

Further meetings are being planned and members will be updated in due course.

Solar power generation

It has previously been advised that management is working with a solar supplier with a proposal to install a solar field to generate up to 80% of the airport terminal's annual power consumption and strategically plan for cleaner energy production.

There will be no upfront capital costs, apart from security fencing around the panels, and TAA will lease the system for either 10 or 20 years. By leasing the system, TAA will pay a price per kwh to the solar company for power generated through their system and a charge to the power company (currently Meridian) for the grid supply.

Management has now received a supply agreement and draft lease for review and is working with Council's lawyer on the documents.

Members will be updated in due course.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the master planning update.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.5 CAPITAL PROJECTS UPDATE

Author: Wayne Wootton, General Manager Taupō Airport

Authorised by: Warrick Zander, General Manager Strategy and Environment

TE PŪTAKE | PURPOSE

For the General Manager Taupō Airport to provide a capital projects update to the committee.

NGĀ KŌRERORERO | DISCUSSION**Terminal Redevelopment**

The gala awards night was successful for the project development team as the terminal redevelopment project won the silver award in the New Zealand Commercial Project Awards 2024. This was in recognition of excellence in workmanship, construction practices and innovation.

Baggage Make-up Extension

The contractor currently working on the construction of the new baggage make-up extension has been having difficulties on another project in the town centre which has had a knock-on effect with progress of work at the airport.

The floor slab and timber framing has been erected and work on the exterior walls is progressing. The original intention was to complete the construction of the building to enable Air New Zealand to take possession of the premises from 1 July 2024. Unfortunately, this date will now not be achievable and has had to be delayed until 1 August 2024.

The new 98m² extension will be used by Air New Zealand as part of their baggage make-up process as well as storage, forklift charging and drying facilities for the airline staff. Committee members will be updated on progress.

Security Fencing

Members will be aware that as part of the terminal redevelopment project, new security fencing was to be installed between landside and the operational areas adjacent to the new terminal building. This was supposed to go-ahead once the old terminal was demolished and the new baggage make-up extension work completed.

Due to the delay in the construction of the new extension, management took the decision to start the security fencing from the northern end, working back towards the new build. Work on the fence has progressed well and the 2.4m high security-designated terminal fencing has almost been completed.

The fence also includes an automated cantilevered vehicle gate and a pilot access gate with a keypad combination lock from landside to airside. Once the security fencing and gates are installed the existing fencing will be removed. The work is scheduled to be completed during July apart from the final connection to the corner of the new extension. The vehicular and pilot gates have been installed, however, the electrification and controls for the vehicular gate will take a little longer than envisaged.

The new security fence will provide the airport with Tier 2 airport security fencing status in the vicinity of the terminal. The Ministry of Transport has agreed to contribute 50% of the costs.

Apron Extension

The project consists of the construction of a 3,000 square metre extension to the south of the existing apron complete with ground lighting and aircraft guidance markings to the new and existing apron areas. Upgraded and additional floodlighting has already been installed to maintain security to parked aircraft.

Following approval by the Committee at the May meeting to award the project consultancy work to AECOM, approval for unbudgeted expenditure in advance of the finalisation of the Long-Term Plan was sought and accepted by Council.

The consultancy work has commenced with preliminary site investigations, value engineering and earthworks, stormwater and land use consenting issues being addressed. The drainage to the existing apron has been jetted and cleaned in preparation for a CCTV survey to ascertain the capability of the stormwater system to accept the surface drainage from the new extension.

This project, estimated at \$1.6m, was originally planned as part of the terminal redevelopment but was deferred due to the increase in cost. To enable TDC to receive the final tranche of the shovel ready project funding for the terminal construction, the apron extension has to be completed by January 2025. Management has submitted a business case to the MoT for a potential 50% contribution from their appropriation funding.

Committee members will be updated on progress.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the Capital Projects update.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.6 TENANTS AND LEASES UPDATE

Author: Wayne Wootton, General Manager Taupō Airport

Authorised by: Warrick Zander, General Manager Strategy and Environment

TE PŪTAKE | PURPOSE

For the General Manager Taupō Airport to provide a tenants and leases update.

NGĀ KŌRERORERO | DISCUSSION**Airways New Zealand**

Management has received a draft Deed of Lease from Airways for the proposed DVOR site as noted earlier in the report and is currently reviewing the detail in conjunction with TDC Legal.

Airways also have two other assets located at the airport, namely the power centre (housing an emergency generator) and the old air traffic control tower which contains the power controls for the airfield lighting. Management will take the opportunity at the same time as agreeing the DVOR lease to also review leasing arrangements for the other two assets.

Air New Zealand

Management is still in discussions with Air New Zealand regarding the airline's lease in the new terminal and has recently been in further consultation with the airline with regards finalising the lease documents for both the terminal and the baggage extension. Air New Zealand has now been occupying the space in the terminal building since 7 February 2023 with the lease commencement date being set as 1 April 2023.

As previously reported, Air New Zealand has now been invoiced at the new lease rates backdated to 1 April 2023 less what the airline has already paid, with the accrual in the airport accounts being reversed once payment has been received.

The lease also allows for a recovery of the electricity used by the airline during their day-to-day operations in the terminal and this too has now been invoiced also being backdated to 1 April 2023. The electricity is metered separately through the building management system.

The new baggage make-up extension will be for the sole use of Air New Zealand and a new lease is currently with the airline for review. This will be effective once the construction works are completed and the airline occupies the building, which is currently scheduled from 1 August 2024.

Lil' Something Café

The new café owner has now been operating since 1 April 2024 and is progressing well.

There are some new options on the menu and the owner is offering a takeaway coffee and cakes service. To assist in generating sales, management is continuing with the airport free parking option between 11am and 2pm.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the tenants and leases update.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.7 AIRPORT JOINT VENTURE

Author: Wayne Wootton, General Manager Taupō Airport

Authorised by: Warrick Zander, General Manager Strategy and Environment

TE PŪTAKE | PURPOSE

For the General Manager Taupō Airport to provide an update on the airport joint venture.

NGĀ KŌRERORERO | DISCUSSION

Members will be aware that Taupō Airport is administered by Taupō District Council, trading as Taupō Airport Authority, pursuant to a Joint Venture Deed between TDC and the MoT (representing the Crown).

This original Deed was first established in 1964, was reviewed in 1973 and is currently going through the process of a further update.

Representatives from the Ministry recently visited the airport and spent the day with management learning about the history and day-to-day operations. They were very impressed with the new terminal and, following a presentation by management, were taken on a tour of the airfield.

The Ministry is keen to work closer with the Joint Venture airports over the coming months and to continue with the review of the Deed as well as gaining a better insight and strengthening relationships.

Committee members will be updated in due course.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the Airport Joint Venture update.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.8 LAND SURROUNDING THE AIRPORT - LAND MANAGEMENT SWAP

Author: Wayne Wootton, General Manager Taupō Airport

Authorised by: Warrick Zander, General Manager Strategy and Environment

TE PŪTAKE | PURPOSE

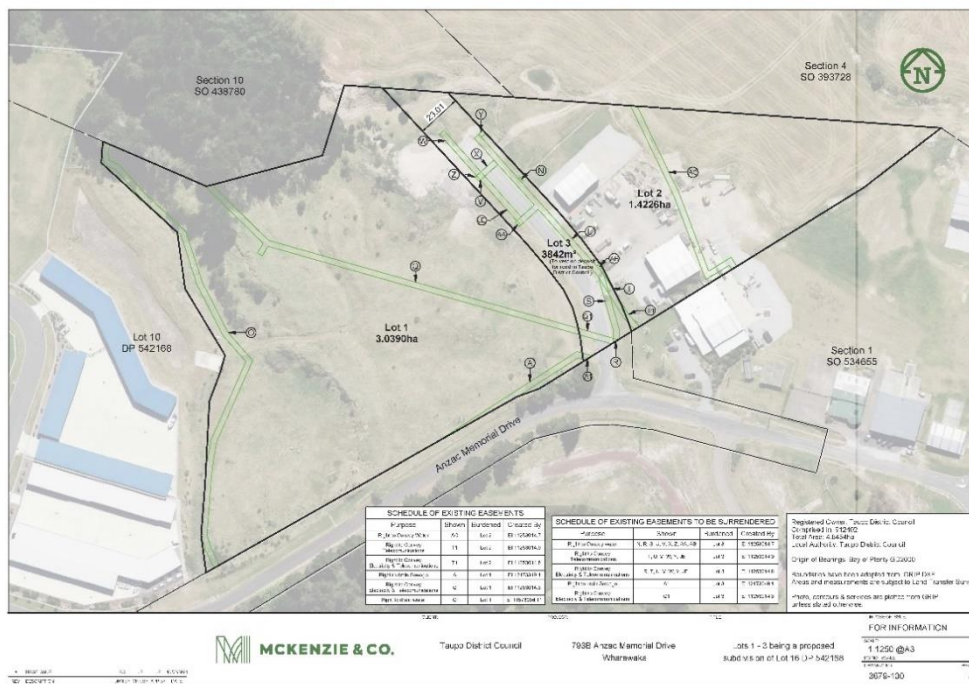
For the General Manager Taupō Airport to provide the committee with a land management update.

NGĀ KŌRERORERO | DISCUSSION

It has previously been advised that management is in discussions with the TDC Property team regarding the administration of an area of land to the north of Anzac Memorial Drive, shown as Lot 16 on the plan below. The land is currently managed by the Property team and has two aviation related tenants for which the Council receive income.



The proposal is to sub-divide the area as shown below and draw up a management agreement, whereby, TAA administer the land to the east of the stub access off Anzac Memorial Drive (Lot 2) and the Property team manage the area to the west (Lot 1).



TAA will take over the management of the two existing aviation tenants and will then be in a position to further develop this area as well as land to the north which is designated for airport purposes under the Public Works Act as part of the overall airport master plan.

The Property Team is proposing to develop their portion of the land into industrial use and potentially sell the area to a developer. This being the case management has sought advice from a planning consultant who has suggested stipulations that will be required to safeguard the future of airport operations.

The process is ongoing between management and the Property team and it is hoped that an agreement will be settled and signed with both parties during the third quarter of 2024.

Committee members will be updated in due course.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the Land Management update.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.9 INCORPORATING THE TAUPŌ AIRPORT AUTHORITY

Author: Wayne Wootton, General Manager Taupō Airport

Authorised by: Warrick Zander, General Manager Strategy and Environment

TE PŪTAKE | PURPOSE

For the Taupō Airport General Manager to provide the committee with an Incorporation of Taupō Airport Authority update.

NGĀ KŌRERORERO | DISCUSSION

As a recap from the previous meeting, Taupō Airport Authority (TAA) is the trading name for the Taupō Airport and is classed as a Council Controlled Organisation (CCO) as defined under the Local Government Act 2002. However, rather than being governed by an independent Board of Directors, is overseen by a Council Standing Committee consisting of two local Taupō business owners, two Councillors and the Mayor.

Following an extensive discussion at the May Committee meeting, the consensus was that the proposal to incorporate Taupō Airport Authority as a separate legal entity could well be the way forward and that the matter needs to be addressed by the full Council.

Therefore, management has arranged for a Council workshop to be held on 22 October 2024 at which the airport general manager will present a proposal to incorporate Taupō Airport Authority under an independent Director governance structure.

It is seen that this could provide a higher degree of independence for the airport's operations with more autonomy and the ability to have greater flexibility in response to changing conditions. A governance Board of Directors, appointed by the Joint Venture owners, could ensure a more commercial focus and monitored strategic direction, maximise revenue from the operations and work towards the airport being fully self-funding.

It is to be noted that CCOs are still subject to considerable Council control through statutory mechanisms under the Local Government Act 2002 (such as appointing Directors and annual Statements of Intent) as well as informal mechanisms.

Management has recently been in discussion with the MoT on the proposal to incorporate Taupō Airport Authority as a separate entity and has received a favourable response from the Ministry. At this stage the MoT do not see any impediment to the proposal and would be willing to fully support the transition.

The process will take time as there are a number of elements that have to be considered, each with the cooperation of the airport Joint Venture owners.

Establishment of Taupō Airport Authority as a company

- Company registration
- Company constitution
- Appointment of Directors
- Tax advice
- Civil Aviation Authority consultation (Aerodrome Operating Certificate)
- Transfer of staff from TDC to TAA Limited
- Changes to financial delegations
- Policies and procedures

Formation of a Service Level Agreement between TDC and TAA Limited

- Accounts
- IT
- Administration
- Public relations
- Legal

Drafting of an Asset Transfer Deed

- Valuations
- Assets under TAA Limited
- Change in landlord from TDC to TAA Limited
- Will possibly exclude land

At some stage in the above set of elements, there may also be a requirement for public consultation under the special consultative procedure as required by section 56 of the Local Government Act 2002.

Committee members will be updated in due course.

WHAKAKAPINGA | CONCLUSION

It is recommended that the Taupō Airport Authority Committee receives the Incorporation of Taupō Airport Authority update.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the Incorporation of Taupō Airport Authority update.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.10 AIRWAYS NEW ZEALAND - AIRPORT POWER AND LIGHTING

Author: Wayne Wootton, General Manager Taupō Airport

Authorised by: Warrick Zander, General Manager Strategy and Environment

TE PŪTAKE | PURPOSE

For the General Manager Taupō Airport to provide an update to the committee on the Airways New Zealand - airport power and lighting.

NGĀ KŌRERORERO | DISCUSSION

Airways New Zealand is a Government State-Owned Enterprise and is an air navigation service provider responsible for ensuring the safe travel of all aircraft through the airspace over the country.

As well as controlling aircraft in the air, Airways also provides power and lighting on the ground in the form of runway, taxiway and apron edge lighting plus controllers, back-up generators and an extensive network of cabling around the airports. Whilst this is the case at most airports in New Zealand, there are a couple which control their own power and lighting, mainly the international airports.

in 2019 Airways started to look at divesting all power and lighting to regional airports, however, the consensus at that time was why should airports take ownership of an aging infrastructure that was expensive to maintain and operate. With pressure from all of the airports and support from the New Zealand Airports Association, the plan was quashed.

Airways are now keen to look at divesting their power and lighting again and have so far been successful with both Tauranga and Hamilton airports and with other regionals in the pipeline over the next 18 months.

As Taupō airport is Joint Venture with the Crown, represented by the Ministry of Transport, Airways have approached the MoT to discuss divesting of their assets at the JV airports as a project called Airport Power and Lighting Exit (APLE). The current management team at the MoT was not aware APLE had previously been attempted and, following discussion with airport management (who had been through the process in 2019), a meeting was arranged between three of the JV airports namely Taupō, Whakatāne and Whanganui, the MoT and Airways.

The initial stage will be for both the airport and the MoT to sign a non-disclosure agreement (NDA) with Airways which would give access to the state of the assets, maintenance costs and an indication as to the quantum of fee that Airways charge the airlines for the service. Hopefully, it will also suggest an asset purchase figure. Management has received the NDA which is with the Council lawyer for review.

Currently Airways charge the airlines directly for the power and lighting service at aerodromes (varies depending on the category of airport), however, this would be removed from their charging regime and would have to be recovered by the airports through inclusion in the landing charge fee.

Management has the following concerns:

- Age of infrastructure – up to 60 years old
- Hard to get hold of replacements
- Maintenance – been suggested by Airways that this could be circa \$60-70k per annum
- All lighting is currently halogen which is expensive to run
- The CAPEX to purchase the equipment – would be jointly shared with the MoT
- Airways recovery cost to the airlines may be low as included in other Airways recovery items which would mean airport recovery charges may be significantly more
- Would need to engage an expert to confirm the current state of the assets is as Airways state – it has been suggested that the MoT will do this for all the JV airports
- Cost of upgrading to a far more efficient LED system
- New Taupō airport landing charges have recently been imposed so to impose further fees on the commercial airlines and general aviation prior to the next review in 2027 would undoubtedly cause issues

At this stage management is open to further discussions and would be willing to sign the NDA but would need some guidance from Council as to the appetite to fund a 50% share of the CAPEX with potential to have to also fund any upgrades required.

Management is of the opinion that the Government is simply moving a poorly run service from one agency to another and that the MoT will agree to the transfer, so it may be the case that there may be no option but to take over the assets.

As a matter of interest there is an Australian company that maintains power and lighting in Australia and is now in New Zealand managing power and lighting assets for Tauranga airport. This company has already approached Airways with an offer to purchase their assets at airports to maintain them and then lease back to the airports. The airport would still need to recover the lease costs and any upgrading of the system through landing charges.

Committee members will be updated in due course.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the Airways New Zealand airport power and lighting update.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.11 TŪRANGI AIRFIELD

Author: Wayne Wootton, General Manager Taupō Airport

Authorised by: Warrick Zander, General Manager Strategy and Environment

TE PŪTAKE | PURPOSE

For the General Manager Taupō Airport to provide the committee with an update on the Tūrangi Airfield.

NGĀ KŌRERORERO | DISCUSSION

Committee members will recall that questions have previously been raised regarding the leasing arrangements of the Turangi airfield. Taupo District Council lease the land from Te Kotahitanga o Ngāti Tūwharetoa (TKNT) with the Turangi Aero Club sub-leasing the land from the Council – the head lease is due to terminate mid-2025.

TAA only has an involvement to undertake quarterly inspections to ensure that the airfield is safe from an operational perspective and the airfield is maintained by TDC who carry out scheduled regular grass mowing.

Questions regarding the continuation of the lease post mid-2025 have again been brought up by the aeroclub, however, management is not aware of any change from the information received last year that TKNT was unable to provide any assurance regarding further lease renewals

At that time TKNT was constrained in committing to any long-term leasing arrangements and, if there were any lease terms going forward, it was anticipated that these would be based on an annual rollover arrangement until the original owner processes are concluded and or TKNT receives definitive instructions by the owners.

It must be stressed that this is not a matter for TAA to resolve but instead needs to be addressed by the Council's Property Team as the head lessee.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the update regarding the Tūrangi Airfield lease.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

6 NGĀ KŌRERO TŪMATAITI | 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	Plain English reason for passing this resolution in relation to each matter
Agenda Item No: 6.1 Finance update for period ended 30 June 2024	Section 7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons Section 7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	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	The financial information is presented at a granular level and includes employee costs, so there is a need to keep the figures confidential to protect the personal privacy of individuals and protect commercial interests.
Agenda Item No: 6.2 FY2024 Draft Financial Statement	Section 7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons Section 7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	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	The financial information is presented at a granular level and includes employee costs, so there is a need to keep the figures confidential to protect the personal privacy of individuals and protect commercial interests.
Agenda Item No: 6.3 Confirmation of Confidential Portion of			

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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]*.