

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

<b>Date:</b>	<b>Monday, 2 December 2024</b>
<b>Time:</b>	<b>1.00pm</b>
<b>Location:</b>	<b>Taupō Airport ANZAC Memorial Drive Taupō</b>

# **AGENDA**

## **MEMBERSHIP**

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

**Julie Gardyne  
Chief Executive**

## Order Of Business

<b>1</b>	<b>Karakia</b>	
<b>2</b>	<b>Whakapāha   Apologies</b>	
<b>3</b>	<b>Ngā Whakapānga Tukituki   Conflicts of Interest</b>	
<b>4</b>	<b>Whakamanatanga O Ngā Meneti   Confirmation of Minutes</b>	
4.1	Taupō Airport Authority Committee Meeting - 14 October 2024 .....	3
<b>5</b>	<b>Ngā Ripoata   Reports</b>	
5.1	Operations Update .....	4
5.2	Finance Report for the Period Ended 31 October 2024 .....	6
5.3	Capital Projects Update .....	7
5.4	Incorporating the Taupō Airport Authority .....	9
5.5	Regional Infrastructure Fund .....	10
5.6	Car Parking Charges Review 2025.....	11
<b>6</b>	<b>Ngā Kōrero Tūmataiti   Confidential Business</b>	
6.1	Confirmation of Confidential Portion of Taupō Airport Authority Committee Minutes - 14 October 2024 .....	13
6.2	Ministry of Transport Joint Venture .....	13
6.3	Regional Connectivity .....	14

**4.1 TAUPŌ AIRPORT AUTHORITY COMMITTEE MEETING - 14 OCTOBER 2024**

**Author:** Karen Watts, Senior Committee Advisor

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

**NGĀ TŪTOHUNGA | RECOMMENDATION(S)**

That the minutes of the Taupō Airport Authority Committee meeting held on Monday 14 October 2024 be approved and adopted as a true and correct record.

**NGĀ TĀPIRIHANGA | ATTACHMENTS**

1. Taupō Airport Authority Committee Meeting Minutes - 14 October 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**

**Operations update**

There will be a verbal briefing given to members at the meeting to include the following:

- The council water main replacement project to the airport – works adjacent Anzac Memorial Drive nearing completion
- The cropping contract – the first cut for FY2025
- Replacement of Civil Aviation Authority (CAA) signage that has been recently raised by the Authority – changes to security designated areas
- UAV (drone) applications – TAA working closely with AirShare to streamline processes
- Airport Safety Group meeting being held on the 20 November – minutes of the meeting will be distributed in due course
- Terminal automatic doors and heating, ventilation and air conditioning (HVAC) – works completed
- The annual Airport User Group meeting is scheduled for early December 2024
- Taupō World Ironman championships – preparations for the event.

**Passengers and aircraft movements**



Passenger numbers per month (January 2022 to October 2024)

Members will be aware of the recent announcement by Sounds Air Travel and Tourism that the airline will cease their Taupō – Wellington air service from the end of December 2024. Due to commercial sensitivity, a more detailed discussion will be held during the confidential section of the meeting.

**WHAKAKAPINGA | CONCLUSION**

It is recommended that the Committee receives the Airport Operations Update.

**NGĀ TŪTOHUNGA | RECOMMENDATION(S)**

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

**NGĀ TĀPIRIHANGA | ATTACHMENTS**

Nil

**5.2 FINANCE REPORT FOR THE PERIOD ENDED 31 OCTOBER 2024**

**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 31 October 2024.

**WHAKAKAPINGA | CONCLUSION**

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

**NGĀ TŪTOHUNGA | RECOMMENDATION(S)**

That the Taupō Airport Authority Committee receives

1. The Taupō Airport Authority summary finance report for the period ended 31 October 2024; and
2. The Taupō Airport Authority October 2024 financial report.

**NGĀ TĀPIRIHANGA | ATTACHMENTS**

1. Taupō Airport Authority finance summary report for the period ended 31 October 2024
2. Taupō Airport Authority Financials October 2024

**5.3 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****Baggage make-up extension**

The project to construct the new baggage make-up extension to the northern end of the terminal is now completed.

The new 98m<sup>2</sup> extension is being 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.

A new lease agreement with Air New Zealand has been prepared but is still awaiting signing by the airline. In the meantime, the lease has become effective from 1 November 2024 with rental being invoiced.

**Boundary fencing**

A project has been established to commence a rolling programme for the airport boundary fence replacement and installation of upgraded security gates. The works are being co-funded with the Ministry of Transport in accordance with the terms of the Joint Venture Deed.

The first phase will be fencing works to the southern boundary and the installation of a new automatic vehicular gate to give access from landside to airside via the southern apron.

**Apron extension**

The main project consists of the construction of a 3,100 square metre extension with asphalt surfacing to the existing apron, complete with ground lighting and revised aircraft guidance markings to the new and existing apron areas.

Upgraded and additional floodlighting has previously been installed during the terminal redevelopment.

The overall project, which also includes some minor reconstruction on the main apron and surfacing to the fuelling area, has a budget of \$1.6m and, at this stage, it is anticipated that this will be sufficient for project completion. The contract for the construction was awarded to Fulton Hogan Ltd and commenced late-October. Progress to date has been good and as at 19 November 2024:

- Site safety and security remains paramount during the works
- Access to the airside is managed by contractor personnel at the landside / airside gate by logging contractors / visitors on and off-site
- Mixed use of site boundary barriers (300mm timber and 800mm high water-filled) working well
- The 300mm timber barriers are lit at night denoting the apron edge
- Foreign Object Debris (FOD) being kept to a minimum with regular watering of the excavated site and sweeping of the airside hard infrastructure
- Increased watering to be carried out during the week of IRONMAN 70.3 to minimise dust during additional scheduled flights
- All old cables (including an unknown domestic cable) located and diverted or made redundant
- Temporary cabling and ducting to maintain apron edge lighting installed
- Completion of the installation of 100m ducting and Sika draw pits
- All topsoil stripped and stored landside for reuse as necessary
- 80% of bulk earthworks completed
- Testing of subgrade and local pumice underway

- Good chance that a percentage of the cut-to-fill will yield pumice of sufficient quality to reuse with cement stabilisation
- Landside stockpile area working well with pumice suitable for cement stabilisation being segregated from general fill
- Pavement crew to immobilise week commencing 18 November with construction of the pavement subbase and pumice / cement stabilisation
- Apron remarking to be carried out following the apron surface treatment project (January / February 2025)
- Contract currently on schedule for completion (except the apron markings) prior to the end of the year, however, disruptions due to additional flights during the busy Ironman week or inclement weather may delay works into the New Year.

### **Apron surface treatment**

Members have previously been advised that cracking to the northern apron, in particular around the vicinity of the commercial aircraft turning paths, has been identified. The integrity of the apron surface is being regularly monitored and weekly sweeping programmed using the FOD boss to ensure there is no build-up of loose debris.

Management is working on a solution with a national contractor who specialises in applying a proprietary surface treatment following localised sealing of the more extensively cracked areas. The surface treatment would extend the apron life by up to eight years with the treatment consisting of a coating to the surface with a flexible membrane which seals the surface and creates a waterproof layer.

Following a site survey of the southern apron, it has been discovered that the cracking is far more widespread than first thought and also extends over the southern apron. The contractor has again visited the site and is currently preparing an estimate to surface treat the whole apron area – approximately 14,000 square metres.

Management has also been liaising with the Ministry of Transport (MoT) who had originally agreed to fund half of the works to the northern apron. As the work is classed as essential to maintain safe Civil Aviation Authority (CAA) operational compliance with the aerodrome operator certificate, the MoT has confirmed that there will be a 50% contribution to the whole apron works in accordance with the Joint Venture Deed.

Management is planning to schedule this work immediately following the construction of the apron extension to produce cost benefits by only having to remark the apron once.

Committee members will be updated with costs in due course.

### **WHAKAKAPINGA | CONCLUSION**

It is recommended that the Taupō Airport Authority Committee receives the Capital Projects update.

### **NGĀ TŪTOHUNGA | RECOMMENDATION(S)**

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

### **NGĀ TĀPIRIHANGA | ATTACHMENTS**

Nil



**5.4 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**

Taupō Airport Authority (TAA) is the trading name for 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, the TAA is currently overseen by a Council standing committee consisting of two local Taupō business owners, two councillors and the Mayor.

On 31 October 2024 a Council workshop was held which was attended by councillors, members of the executive team, the general public and the TAA Committee. At the workshop the airport general manager gave a presentation focussing on airport operational facts and figures, a review of the current CCO structure and an approach of how a transition to a corporatised entity for the future benefit of the airport could be achieved.

It is to be noted that Taupō Airport Authority is only the trading name of the Joint Venture between Taupō District Council and the Ministry of Transport (MoT) and is not a legal entity in its own right.

A full transition from a CCO governed by a standing committee of Council to a corporatised company under the control of an independent Board of Directors will take time and there is a need to break the process down into stages, with the first being to pursue legal advice on the right approach. In this respect, management is currently seeking a proposal from corporate and aviation lawyers Ford Sumner.

This will give an indication of the processes involved, costs, accounting procedures and maintaining continued compliance with the Civil Aviation Authority (CAA).

At this stage Ministerial officials from the MoT have been approached and do not see any barriers to a proposal to form a corporate entity, with a willingness to support the transition. The MoT would still be a 50% shareholder under a corporate structure.

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

**5.5 REGIONAL INFRASTRUCTURE FUND**

**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 Regional Infrastructure Fund.

**NGĀ KŌRERORERO | DISCUSSION**

Management has recently received advice from the Ministry of Transport (MoT) regarding direction from Ministers as to what kinds of projects they want to focus on for the regional infrastructure funding (RIF).

There are three key areas that will be taking priority with funding allocation:

- Energy
- Water storage
- Resilience

It is seen that regional air connectivity fits well into the resilience category and there is a strong, positive signal from the Kānoa – Regional Economic Development and Investment Unit (Kānoa – RDU) team at Ministry of Business, Innovation and Employment (MBIE) that applications for RIF investment from the Joint Venture airports will certainly be considered.

Further the Kānoa team has been given the mission of allocating the RIF by mid-2025 and has been asked to put forward proposals for consideration by the end of this year. These proposals do not have to necessarily be fully developed but there is a need to know who might be seeking support and a rough order project cost.

The Kānoa team has been told that this will require a proactive approach with regards to looking for opportunities and there needs to be a concerted effort with regional airports to understand if there are resilience focused infrastructure projects in the pipeline and to learn more about them.

While the three key areas are the main focus, this does not mean that other opportunities will not be considered and if an airport has the opportunity to support economic growth in the region (e.g. perhaps as part of a broader commercial/industry hub for the region), then these projects also need to be put forward.

Management has had an initial meeting with the Kānoa team to discuss potential projects at Taupō airport and will keep members updated with progress.

**WHAKAKAPINGA | CONCLUSION**

It is recommended that the Taupō Airport Authority Committee receives the regional infrastructure fund information.

**NGĀ TŪTOHUNGA | RECOMMENDATION(S)**

That the Taupō Airport Authority Committee receives the Regional Infrastructure Fund update.

**NGĀ TĀPIRIHANGA | ATTACHMENTS**

Nil

**5.6 CAR PARKING CHARGES REVIEW 2025**

**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 car parking charges review for 2025.

**NGĀ TŪTOHUNGA | RECOMMENDATION(S)**

That the Taupō Airport Authority Committee approves Taupō Airport car parking increases of \$1.00 increase on hourly rates up to 6 hours, day charge of \$16.00 up to 3 days and then \$14 per day afterwards, effective 1 January 2025.

**NGĀ KŌRERORERO | DISCUSSION**

Members will be aware of management's intention to review the car parking charges once the car park had been operating for 18 months. A detailed analysis has now been carried out and management is proposing three options for Committee discussion with one option being recommended.

The results indicated that during the last 12 months the revenue, whilst barely covering operational costs, did not fully fund depreciation of the assets, therefore, management is proposing that any changes to the charging regime needs to ensure that income is sufficient to cover both costs and depreciation.

Since the car park became operational, there has been extensive damage to the car park equipment totalling almost \$40,000 which has had to be funded from the airport operational budget, therefore, an appropriate figure to cover minor damage to barrier arms/signage etc. for the next 12 months has been included in the analysis.

The costs also include the car park equipment lease, service and maintenance contract, IT support, licenses, card payment fees and grounds maintenance.

During the past 12 months 47,135 vehicles parked in the car park with 80% staying for less than 30 minutes and incurring no charge. Of the remaining number, 16% of vehicles parked for one day or less, with longer-term parking (more than 1 day) representing only 4%.

On the assumption that the intention is not to reduce the free parking time, the revenue needed to fully cover costs has to come from just 20% of the total number of parkers, or 9,400 vehicles based on the last 12 months' figures.

**NGĀ KŌWHIRINGA | OPTIONS**

Initially seven options were investigated ranging from no change to increases in hourly rates, day rates, weekly rates and a reduction in the free parking time. These have all been assessed based on the previous 12 months' parking numbers and durations, with the seven options resulting in a range from a net loss of \$13,500 to a net gain of \$34,500.

Considering the concerns that the public may have with large increase across the rates and/or a reduction in the free parking time, management has decided to put forward just three of the options for Committee discussion.

As previously mentioned, the options are based on the volumes and parking habits as of 2024 and changes to charges may create a change in parking behaviour. Further no consideration at this stage has been taken into account following the recent announcement that the Taupō to Wellington air service will cease as from the end of December.

The three options have also been compared with parking charges from five other north island regional airports and the charges are still below what can be determined as an average across the selection. The options are numbered 1, 3 and 5, which reflects the original numbering of the seven options considered.

Analysis of Options

Option 1. No change to car parking charges.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>No adverse reaction from the public.</li> <li>No costs to change signage.</li> </ul>	<ul style="list-style-type: none"> <li>Insufficient income to cover operating costs.</li> </ul>

Option 3. Increase car parking charges to cover operational costs plus a small return i.e. \$1.00 increase on hourly rates up to 6 hours, day charge of \$16.00 up to 3 days and then \$14.00 per day afterwards – *preferred option*.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Sufficient income to cover operating costs.</li> </ul>	<ul style="list-style-type: none"> <li>Adverse reaction from the public.</li> <li>Costs to change signage, however these have been budgeted for.</li> </ul>

Option 5. Increase car parking charges to cover operational costs plus a larger return i.e. \$1.00 increase on hourly rates up to 6 hours, day charge of \$18.00 up to 3 days and then \$14.00 per day afterwards.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Income would exceed operating costs to make a larger return.</li> </ul>	<ul style="list-style-type: none"> <li>Greater risk of adverse reaction from the public.</li> <li>Potential change in parking habits, for example travellers may use taxis instead, to avoid car parking charges.</li> </ul>

Analysis Conclusion:

Option 1 has been discounted as the intention is to cover all costs including depreciation.

Option 3 is preferred because it will meet the requirements of covering all costs, including depreciation, and the increase in rates will not be too onerous.

Option 5 would also meet the requirements of covering all costs, including depreciation, however, it is felt that the increase in the day charge to \$18 may cause some kickback from the public due to an almost 30% increase on the current day rate.

**TE WHAKAWHITI KŌRERO PĀPAHO | COMMUNICATION/MEDIA**

The Committee’s decision will be communicated to the public following the meeting.

**WHAKAKAPINGA | CONCLUSION**

Management is recommending that option 3 be adopted and that the new rates are effective from 1 January 2025.

**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
<p><b>Agenda Item No: 6.1</b> Confirmation of Confidential Portion of Taupō Airport Authority Committee Minutes - 14 October 2024</p>	<p>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 7(2)(h) - the withholding of the information is necessary to enable [the Council] to carry out, without prejudice or disadvantage, commercial activities Section 7(2)(i) - the withholding of the information is necessary to enable [the Council] to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>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</p>	<p>These matters were considered with the public excluded because of the following reasons: The financial information is presented at a granular level and includes employee costs Negotiations with the Ministry of Transport</p>
<p><b>Agenda Item No: 6.2</b> Ministry of Transport Joint Venture</p>	<p>Section 7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be</p>	<p>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</p>	<p>It is necessary for the Committee to consider this item with the public excluded, because it relates to confidential matters being considered by</p>

	likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	good reason for withholding would exist under section 7	the Ministry of Transport in relation to the joint venture with Taupō District Council
<b>Agenda Item No: 6.3</b> Regional Connectivity	Section 7(2)(h) - the withholding of the information is necessary to enable [the Council] to carry out, without prejudice or disadvantage, commercial activities Section 7(2)(i) - the withholding of the information is necessary to enable [the Council] to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	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	It is necessary to consider this item with the public excluded to enable the Committee to consider potential commercial activities and negotiations in relation to regional connectivity

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]*.