

ATTACHMENTS

**Taupō Airport Authority Committee
Meeting**

23 June 2025

Table of Contents

4.1	Taupō Airport Authority Committee Meeting - 28 April 2025	
	Attachment 1 Taupō Airport Authority Committee Meeting Minutes - 28 April 2025	3
5.2	Finance Report for the Period Ended 30 April 2025	
	Attachment 1 Taupō Airport Authority Finance Report 30 April 2025.....	9
	Attachment 2 Taupō Airport Authority Detailed Finance Report 30 April 2025	11
5.3	Taupō Airport Authority Statement of Intent 1 July 2025 to 30 June 2028	
	Attachment 1 Taupō Airport Authority Statement of Intent 1 July 2025 to 30 June 2028.....	15
5.6	Land Subdivision	
	Attachment 1 Taupō Airport Lease Sites 1 July 2025	40

Taupō Airport Authority Committee Meeting Minutes

28 April 2025

**TAUPŌ DISTRICT COUNCIL
MINUTES OF THE TAUPŌ AIRPORT AUTHORITY COMMITTEE MEETING
HELD AT THE TAUPŌ AIRPORT, ANZAC MEMORIAL DRIVE, TAUPŌ
ON MONDAY, 28 APRIL 2025 AT 1.30PM**

PRESENT: Mr Chris Johnston (in the Chair), Cr Duncan Campbell (from 1.33pm), Mr Chris Grace, Cr Yvonne Westerman

IN ATTENDANCE: General Manager Strategy and Environment (W Zander), General Manager Airport (W Wootton), Airport Operations Manager (K Gard), Airport Safety Manager (S Petersen), Communications Specialist (A Taylor), Finance Business Partner (D Klue), Senior Solicitor (K Hollman), Committee Advisor (D Periam), Senior Committee Advisor (K Watts)

MEDIA AND PUBLIC: No members of the public

Note: Cr Duncan Campbell entered the meeting at 1.33pm. He was not present for resolution TAA202504/01.

1 KARAKIA

The General Manager Strategy and Environment opened the meeting with a karakia.

2 WHAKAPĀHA | APOLOGIES

TAA202504/01 RESOLUTION

Moved: Mr Chris Johnston

Seconded: Cr Yvonne Westerman

That the apology received from Mayor David Trewavas be accepted.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202504/01 above.

3 NGĀ WHAKAPĀNGA TUKITUKI | CONFLICTS OF INTEREST

Nil

4 WHAKAMANATANGA O NGĀ MENETI | CONFIRMATION OF MINUTES

4.1 TAUPŌ AIRPORT AUTHORITY COMMITTEE MEETING - 24 FEBRUARY 2025

TAA202504/02 RESOLUTION

Moved: Mr Chris Johnston

Seconded: Cr Yvonne Westerman

That the public and confidential portions of the minutes of the Taupō Airport Authority Committee meeting held on Monday 24 February 2025 be approved and adopted as true and correct records.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202504/02 above.

Page 1

Taupō Airport Authority Committee Meeting Minutes

28 April 2025

5 NGĀ RIPOATA | REPORTS**5.1 PUBLIC FORUM**

Item **withdrawn**.

5.2 OPERATIONS UPDATE

The Airport Operations Manager summarised the report.

The Safety Manager explained that the Taupō Airport Authority (TAA) Management Review was an annual review and it was an opportunity to look at processes and procedures, and exposition suite. It looked in depth into safety management systems (SMS) and if they met requirements of certification. This review was part of the airport's SMS obligations. The review focused on safety performance indicators, risk register, if the SMS was in place and working. The external auditor was the Civil Aviation Authority (CAA) and they would look at an external one next year.

The General Manager Airport explained that passengers and aircraft movements had a resurgence since Originair started, with their Friday service most popular.

Cr Duncan Campbell entered the meeting at this point (1.33pm).

The Safety Manager explained that most issues with wildlife were birds with about 1000 culled in the last year.

TAA202504/03 RESOLUTION

Moved: Cr Duncan Campbell

Seconded: Mr Chris Johnston

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

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202504/03 above.

5.3 FINANCE REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2025

The Finance Business Partner explained the bars in the first graph, explaining the orange bar was the budget surplus, green was the year to date, the red was unfavourable and the blue bar was the total.

Year to date the actual operating surplus was great and this was mostly due to landing fees. After depreciation, it was still slightly positive however the apron was not included so that could change.

In answer to a question, she explained that the carpark paid for itself and the cost to run it in terms of equipment, and from an operation perspective but it was not making a profit. The lease was due to be renewed in three years so it would be possible to look at other options then.

Members thanked the Finance Business Partner for keeping the figures the best they had been.

TAA202504/04 RESOLUTION

Moved: Mr Chris Grace

Seconded: Cr Yvonne Westerman

That the Taupō Airport Authority Committee receives the Taupō Airport Authority finance report for the period ended 28 February 2025.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution

Page 2

Taupō Airport Authority Committee Meeting Minutes

28 April 2025

TAA202504/04 above.

5.4 TAUPŌ AIRPORT AUTHORITY CAPITAL PROJECTS UPDATE

The General Manager Airport summarised the report.

TAA202504/05 RESOLUTION

Moved: Mr Chris Grace

Seconded: Mr Chris Johnston

That the Taupō Airport Authority Committee receives the capital projects update.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202504/05 above.

5.5 DISTRICT PLAN NOTICE OF REQUIREMENT

The General Manager Airport summarised the report and explained the planner was organising a meeting with Iwi as part of the consultation process and would continue the process once that had happened. The General Manager Strategy and Environment explained that he would speak to the Policy Advisor and the Iwi and Co Governance Manager.

TAA202504/06 RESOLUTION

Moved: Mr Chris Grace

Seconded: Cr Duncan Campbell

That the Taupō Airport Authority Committee receives the District Plan notice of requirement update.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202504/06 above.

5.6 PROPOSED LAND SUBDIVISION AT TAUPŌ AIRPORT

The General Manager Airport explained all parties were ready to sign the agreement however they were waiting on a finance clause to be added before signing.

TAA202504/07 RESOLUTION

Moved: Mr Chris Johnston

Seconded: Cr Yvonne Westerman

It is recommended that the Taupō Airport Authority Committee receives the land subdivision information.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202504/07 above.

5.7 MINISTRY OF TRANSPORT JOINT VENTURE

The General Manager Airport summarised the report and explained that he was trying to get a meeting with

Page 3

Taupō Airport Authority Committee Meeting Minutes

28 April 2025

the Associate Minister of Transport in a couple weeks in Wellington to speak about regional connectivity.

TAA202504/08 RESOLUTION

Moved: Mr Chris Grace

Seconded: Cr Yvonne Westerman

That the Taupō Airport Authority Committee receives the Ministry of Transport joint venture update.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202504/08 above.

5.8 MARKETING UPDATE

The General Manager Airport summarised the report. The Airport Operations Manager explained that over the Supercars weekend there was one aircraft which was the same as the previous year, aside from this it was mostly just business as usual. Heli Seeker looked after the airspace restrictions around the event. A member explained they had received feedback that the accommodation sector had been price gouged over the Supercars event dates.

TAA202504/09 RESOLUTION

Moved: Mr Chris Johnston

Seconded: Mr Chris Grace

That the Taupō Airport Authority Committee receives the Marketing update.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202504/09 above.

5.9 NEW ZEALAND AIRPORTS ASSOCIATION - AIRPORTS DAY

The General Manager Airport summarised the report.

TAA202504/10 RESOLUTION

Moved: Cr Yvonne Westerman

Seconded: Cr Duncan Campbell

That the Taupō Airport Authority Committee receives the update on the New Zealand Airports Association.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202504/10 above.

6 NGĀ KŌRERO TŪMATAITI | CONFIDENTIAL BUSINESS

TAA202504/11 RESOLUTION

Moved: Mr Chris Johnston

Seconded: Cr Yvonne Westerman

Page 4

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 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 Taupō Airport Authority Draft Operational Budget - Financial Year 2026	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 Taupō Airport Authority Corporatisation	Section 7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	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	This contains legal advice that should remain confidential between the Council and its legal advisors.
Agenda Item No: 6.3 Taupō Airport Authority Safety Manager	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 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	This considers an employment matter at Taupō Airport and deals with personal information so needs to remain confidential.
Agenda Item No: 6.4 Ground Leases	Section 7(2)(i) - the withholding of the information is necessary to enable [the Council] to carry on, without prejudice or	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	It is necessary to consider this item with the public excluded to enable the Committee to consider potential

Taupō Airport Authority Committee Meeting Minutes

28 April 2025

	disadvantage, negotiations (including commercial and industrial negotiations)	information for which good reason for withholding would exist under section 7	commercial negotiations in relation to ground leases.
--	---	---	---

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202504/11 above.

The meeting closed at 2.56pm with a karakia from the Senior Committee Advisor.

The minutes of this meeting were confirmed at the Taupō Airport Authority Committee Meeting held on 23 June 2025.

.....
CHAIRPERSON

TAUPŌ AIRPORT



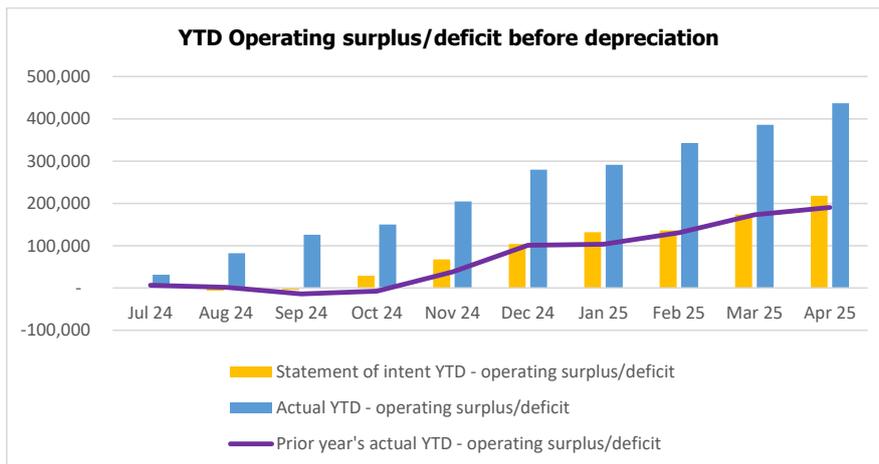
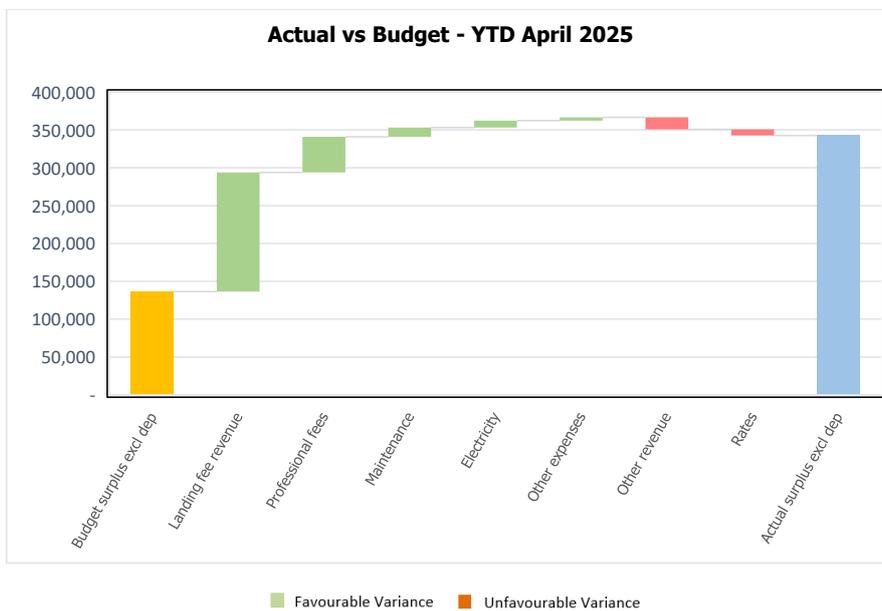
TE TAUNGA WAKA
RERERANGI O TAUPŌ

FINANCE REPORT

FINANCE REPORT – YTD April 2025

Statement of Financial Performance

- Operating revenue overall is \$143k favourable to budget due to the commercial landing charges. Although passenger numbers have remained below budget, the contractually committed forecast numbers has yielded the positive variance.
- Operating costs are \$67k favourable to budget mostly due to professional fees. Rates expense is \$8k unfavourable to budget and expected to be \$15k unfavourable to budget by the end of the financial year mostly due to the increase in capital value of the terminal building in the last financial year.
- Overall operating surplus after depreciation is \$23k which is \$210k favourable to budget.



Statement of Financial Performance
For 10 months ending 30 April 2025

Taupo Airport Authority

	YTD Actual 30/4/25 \$	YTD Budget 30/4/25 \$	YTD Var to Budget \$	YTD Actual Last Yr \$	YTD Var to Last Yr \$	Full Year original budget 30/06/25 \$	Full Year Audited 30/06/24 \$
Revenue							
Landing charges - commercial	782,010	638,834	143,176	660,490	121,519	761,987	776,758
Landing charges - general aviation	88,623	62,575	26,048	-	88,623	70,585	-
Aircraft parking charges	4,685	5,000	(315)	-	4,685	6,000	-
Leases & Terminal Rent	263,949	281,950	(18,001)	260,872	3,078	338,337	320,309
Carpark revenue	95,479	112,540	(17,062)	102,598	(7,119)	135,046	122,843
Advertising	4,495	3,000	1,495	4,490	5	4,000	6,118
Hay Sales	16,570	16,000	570	13,210	3,360	20,469	13,210
Interest	5,280	-	5,280	5,616	(337)	-	6,364
Insurance proceeds	-	-	-	13,660	(13,660)	-	13,660
Other income	5,669	2,500	3,169	4,804	866	3,000	5,536
Recoveries	6,896	8,000	(1,104)	6,630	266	9,600	10,314
Total Operating Revenue	1,273,655	1,130,399	143,256	1,072,369	201,286	1,349,024	1,275,112
Expenditure							
Employee Expenses							
Employee expenses	224,619	232,660	8,041	226,461	1,842	279,182	271,473
ACC levies	1,222	1,170	(51)	1,140	(81)	1,409	1,357
Training & associated costs	161	800	639	-	(161)	960	-
Other employee costs	1,978	2,200	222	2,630	652	2,200	2,630
	227,980	236,830	8,850	230,232	2,252	283,751	275,460
Operating Expenditure							
Audit fees - Audit NZ	5,317	14,000	8,684	13,883	8,566	16,800	16,625
Bad and doubtful debts	-	-	-	-	-	-	3,483
Bank fees and interest expense	13,244	9,930	(3,314)	14,239	994	11,916	17,554
Catering	-	200	200	525	525	240	525
Cleaning	3,902	2,600	(1,302)	5,647	1,745	3,120	6,325
TDC Business Services	40,000	40,000	-	40,000	-	48,000	48,000
Contractors	203,946	195,650	(8,296)	29,263	(174,682)	234,776	32,416
Electricity	50,621	60,350	9,729	53,463	2,843	71,620	67,280
Health and Safety	3,789	2,735	(1,054)	2,935	(854)	3,540	4,099
Insurance	27,140	27,348	208	24,997	(2,143)	33,024	30,155
IT & Telecommunications	53,481	48,910	(4,571)	48,992	(4,489)	58,692	61,740
Legal fees	-	5,000	5,000	-	-	5,000	-
Maintenance - airside	4,063	4,000	(63)	22,672	18,609	4,800	25,624
Maintenance - landside	3,202	14,000	10,798	204,580	201,377	14,800	236,953
Maintenance - building	23,419	23,219	(200)	3,042	(20,377)	27,268	3,573
Maintenance - other	3,935	-	(3,935)	-	(3,935)	-	-
Marketing	14,342	30,000	15,658	-	(14,342)	-	-
Professional fees	61,022	116,000	54,978	94,298	33,276	146,000	101,737
Rates	26,748	18,602	(8,146)	22,543	(4,205)	24,051	27,989
Rental & equipment hire	48,378	46,530	(1,848)	46,330	(2,048)	55,836	55,626
Rubbish Disposal	4,965	4,750	(215)	4,724	(242)	5,700	5,786
Security	2,473	2,780	307	6,179	3,706	3,336	4,938
Stationery and supplies	4,459	3,200	(1,259)	8,359	3,900	3,840	9,178
Travel	2,494	3,330	836	2,541	46	4,000	2,541
Vehicle running costs & maintenance	3,539	2,500	(1,039)	2,457	(1,082)	3,000	2,846
Other expenses	4,170	-	(4,170)	-	-	-	804
Total operating expenditure	608,647	675,634	66,987	651,667	43,020	779,359	765,797
Operating surplus/(deficit) before depreciation & taxation	437,028	217,935	219,093	190,471	246,557	285,914	233,855
Depreciation & Amortisation							
Depreciation	413,623	405,402	(8,221)	376,229	(37,394)	495,135	498,995
	413,623	405,402	(8,221)	376,229	(37,394)	495,135	498,995
Operating surplus/(deficit) before taxation	23,406	(187,467)	210,873	(85,758)	209,164	(209,221)	(265,141)

**Statement of Financial Position
as at 30 April 2025**

Taupō Airport Authority

	As At 30/4/2025	Budget 30/4/2025	Variance to Budget	Prior year 30/04/2024	Variance to prior year	Full Yr Bud 30/06/25	Audited 30/06/24
	\$	\$	\$	\$	\$	\$	\$
Equity							
Equity Interest of Joint Venture Partners	15,358,136	15,732,315	(374,178)	13,751,317	1,606,819	15,732,315	13,751,317
Appropriation Accounts	(490,432)	1,066,464	(1,556,896)	1,222,997	(1,713,429)	1,103,294	(513,838)
Asset Revaluation Reserves	6,692,170	6,695,177	(3,007)	6,695,177	(3,007)	6,695,177	6,692,170
Total Equity	21,559,874	23,493,956	(1,934,081)	21,669,491	(109,616)	23,530,786	19,929,649
Assets							
Current Assets							
Cash & Cash Equivalents	297,523	167,464	130,059	158,273	139,250	147,045	187,078
Trade Debtors	259,290	128,583	130,707	202,243	57,046	114,118	161,841
Other Receivables	54,079	50,000	4,079	56,742	(2,663)	50,000	25,411
Total current assets	610,892	346,047	264,845	417,259	193,633	311,162	374,331
Non-Current Assets							
Intangible Assets	41	569	(528)	298	(258)	569	244
Property, Plant and Equipment	22,884,341	24,644,843	(1,760,502)	23,222,207	(337,866)	24,555,113	23,138,766
Work in Progress	1,425,255	-	1,425,255	37,653	1,387,602	-	132,373
Total non-current assets	24,309,637	24,645,412	(335,775)	23,260,159	1,049,478	24,555,682	23,271,383
Total Assets	24,920,529	24,991,459	(70,931)	23,677,417	1,243,111	24,866,844	23,645,713
Liabilities							
Current Liabilities							
Trade Payables	-	61,650	(61,650)	328,464	(328,464)	59,408	385,165
Other Payables	119,280	-	119,280	85,917	33,363	-	62,895
Income in Advance	45,680	50,000	(4,320)	47,636	(1,956)	50,000	59,366
Provisions	3,729	3,729	-	3,729	-	3,729	3,729
Employee Entitlements	31,020	41,852	(10,832)	37,965	(6,945)	41,852	40,856
Total current liabilities	199,710	157,230	42,479	503,711	(304,002)	154,989	552,011
Non-Current Liabilities							
Borrowings	200,000	100,000	100,000	200,000	-	-	200,000
Provisions	2,486	2,481	5	6,215	(3,729)	1,859	5,594
Deferred Tax Liability	2,958,459	1,237,792	1,720,667	1,298,000	1,660,459	1,179,210	2,958,459
Total non-current liabilities	3,160,945	1,340,273	1,820,671	1,504,215	1,656,730	1,181,070	3,164,052
Total Liabilities	3,360,655	1,497,504	1,863,151	2,007,927	1,352,728	1,336,058	3,716,064
Net Assets	21,559,874	23,493,956	(1,934,081)	21,669,491	(109,616)	23,530,786	19,929,649

Statement of Cashflows
For 10 months ending 30 April 2025

Taupo Airport Authority

	YTD Actual	YTD Budget	YTD Var to Budget	YTD prior year	Variance to prior year	Full Year Budget FY2025	Full prior year actuals FY2024
	\$	\$	\$	\$	\$	\$	\$
Cashflows from operating activities							
Cash was provided from:							
Receipts from customers	1,223,481	1,094,999	128,481	890,443	333,037	1,328,089	1,168,160
Interest received	5,280	-	5,280	5,616	(337)	-	6,364
Payments to suppliers	(678,278)	(656,034)	(22,244)	(703,649)	25,371	(760,637)	(858,064)
Interest paid	(12,173)	(9,930)	(2,243)	(10,916)	(1,257)	(11,916)	(13,150)
Payments to employees	(234,455)	(236,830)	2,375	(233,225)	(1,230)	(283,751)	(275,346)
Net GST refunded / (paid)	(17,444)	-	(17,444)	324	(17,767)	-	(2,787)
Net Cashflows from Operating Activities	286,412	192,205	94,207	(51,406)	337,818	271,786	25,176
Cashflows from Investing Activities							
Purchase of property, plant & equipment	(1,706,083)	(2,030,000)	323,917	(889,583)	(816,500)	(2,030,000)	(937,359)
Net Cashflows from Investing Activities	(1,706,083)	(2,030,000)	323,917	(889,583)	(816,500)	(2,030,000)	(937,359)
Cashflows from Financing Activities							
Proceeds from Equity injections	1,530,116	1,981,000	(450,884)	806,067	724,049	1,981,000	806,067
Loan from Taupo District Council	-	-	-	-	-	(100,000)	-
Net Cashflows from Financing Activities	1,530,116	1,981,000	(450,884)	806,067	724,049	1,881,000	806,067
Net Increase / (decrease) in cash held	110,445	143,205	(32,760)	(134,922)	245,367	122,786	(106,116)
Add Cash at start of year	187,078	24,259	162,819	293,194	(106,115)	24,259	293,194
Cash & cash equivalents at end of period	297,523	167,464	130,059	158,272	139,252	147,045	187,078

Statement of Financial Performance
Taupō Airport Authority
For 10 months ending 30 April 2025

	Quarter 1			Quarter 2			Quarter 3			Apr-25			YTD		
	Actual	Budget	Var	Actual	Budget	Var	Actual	Budget	Var	Actual	Budget	Var	Actual	Budget	Var
Revenue															
Landing charges - commercial	225,419	170,872	54,547	248,410	203,537	44,873	240,024	199,404	40,620	68,157	65,021	3,136	782,010	628,834	143,176
Landing charges - general aviation	17,844	12,015	5,829	27,159	21,025	6,134	36,124	21,025	15,099	7,496	8,510	(1,014)	88,623	62,575	26,048
Aircraft parking charges	650	1,500	(850)	890	1,500	(610)	2,425	1,500	925	720	500	220	4,685	5,000	(315)
Leases & Terminal Rent	78,225	84,585	(6,360)	85,662	84,585	1,077	74,048	84,585	(10,537)	26,014	28,195	(2,181)	263,949	281,950	(18,001)
Carpark revenue	29,184	33,762	(4,578)	30,226	33,762	(3,536)	28,026	33,762	(5,736)	8,042	11,254	(3,212)	95,479	112,540	(17,062)
Advertising	-	-	-	1,754	1,000	754	2,262	1,000	1,262	478	1,000	(522)	4,495	3,000	1,495
Hay Sales	-	-	-	13,300	8,000	5,300	3,270	8,000	(4,730)	-	-	-	16,570	16,000	570
Interest	1,332	-	1,332	1,457	-	1,457	1,885	-	1,885	606	-	606	5,280	-	5,280
Insurance proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	2,055	750	1,305	1,381	750	631	964	750	214	1,270	250	1,020	5,669	2,500	3,169
Reserves	2,934	2,400	534	822	2,400	(1,578)	2,445	2,400	45	696	800	(104)	6,896	8,000	(1,104)
Total Operating Revenue	357,644	305,884	51,760	411,060	356,559	54,501	391,472	352,426	39,046	113,479	115,530	(2,051)	1,273,655	1,130,399	143,256
Expenditure															
Employee Expenses															
Employee expenses	65,001	69,798	4,797	74,006	69,798	(4,208)	70,117	69,798	(319)	15,494	23,266	7,772	224,619	232,660	(8,041)
ACC levies	388	351	(37)	333	351	18	389	351	(38)	111	117	6	1,222	1,170	51
Other employee costs	1,643	-	(1,643)	335	2,200	1,865	-	-	-	-	-	-	1,978	2,200	(222)
	67,032	70,389	3,357	74,836	72,589	(2,247)	70,506	70,389	(117)	15,606	23,463	7,857	227,980	236,830	(8,850)
Operating Expenditure															
Audit fees - Audit NZ	4,391	4,200	(191)	4,391	4,200	(191)	4,391	4,200	(191)	(7,857)	1,400	9,257	5,317	14,000	(8,684)
Audit fees - CIA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad and doubtful debts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank fees and interest expense	4,429	2,979	(1,450)	4,041	2,979	(1,062)	3,584	2,979	(605)	1,191	993	(198)	13,244	9,930	3,314
Catering	-	60	60	-	60	60	-	60	60	-	20	20	-	200	(200)
Cleaning	892	780	(112)	911	780	(131)	1,815	780	(1,035)	284	260	(24)	3,902	2,600	1,302
TDC Business Services	12,000	12,000	-	12,000	12,000	-	12,000	12,000	-	4,000	4,000	-	40,000	40,000	-
Contractors	58,369	58,695	326	59,716	58,695	(1,023)	67,655	58,695	(8,960)	18,204	19,965	1,761	213,946	195,650	18,296
Electricity	19,800	19,905	105	10,874	17,905	7,031	13,785	16,905	3,120	6,161	5,635	(526)	50,621	60,350	(9,729)
Health and Safety	1,036	885	(151)	1,789	885	(904)	963	885	(78)	-	80	80	3,789	2,735	1,054
Insurance	7,738	7,740	2	8,187	8,256	69	8,412	8,514	102	2,804	2,838	34	27,140	27,348	(208)
IT & Telecommunications	16,139	14,673	(1,466)	16,683	14,673	(2,010)	15,558	14,673	(885)	5,100	4,891	(209)	53,481	48,910	4,571
Legal fees	-	-	-	-	2,500	2,500	-	2,500	2,500	-	-	-	-	5,000	(5,000)
Maintenance - airside	353	1,200	847	710	1,200	490	3,000	1,200	(1,800)	-	400	400	4,063	4,000	63
Maintenance - landside	130	6,700	6,570	2,472	5,700	3,228	600	1,200	600	-	400	400	3,202	14,000	(10,798)
Maintenance - building	8,811	8,692	(119)	6,471	4,942	(1,529)	3,733	8,692	4,959	4,403	893	(3,510)	23,419	23,219	200
Maintenance - other	-	-	-	-	-	-	3,248	-	(3,248)	687	-	(687)	3,935	-	3,935
Marketing	-	-	-	-	-	-	13,832	30,000	16,168	510	-	(510)	14,342	30,000	(15,658)
Professional fees	10,229	76,000	65,771	20,200	16,000	(4,200)	30,060	24,000	(6,060)	533	-	(533)	61,022	116,000	(54,978)
Rates	-	6,704	6,704	14,449	5,449	(9,000)	12,299	6,449	(5,850)	-	-	-	26,748	18,602	8,146
Rental & equipment hire	13,945	13,959	14	14,032	13,959	(73)	15,166	13,959	(1,207)	5,235	4,653	(582)	48,378	46,530	1,848
Rubbish Disposal	1,635	1,425	(210)	1,298	1,425	127	1,434	1,425	(9)	599	475	(124)	4,965	4,750	215
Security	433	834	401	1,327	834	(493)	534	834	300	178	278	100	2,473	2,780	(307)
Stationery and supplies	1,320	960	(360)	1,106	960	(146)	1,815	960	(855)	217	320	103	4,459	3,200	1,259
Travel	1,767	999	(768)	664	999	335	64	999	935	-	333	333	2,494	3,330	(836)
Vehicle running costs & maintenance	1,363	750	(613)	669	750	81	1,322	750	(572)	184	250	66	3,539	2,500	1,039
Other expenses	-	-	-	143	-	(143)	27	-	(27)	4,000	-	(4,000)	4,170	-	4,170
Total operating expenditure	164,780	240,140	75,360	182,137	175,151	(6,986)	215,297	212,659	(2,638)	46,434	47,684	1,250	608,647	675,634	(66,987)
Operating surplus/(deficit) before depreciation & taxation	125,833	(4,645)	130,478	154,087	108,819	45,268	105,669	69,378	36,291	51,440	44,383	7,057	437,028	217,935	219,093
Depreciation & Amortisation															
Depreciation	123,368	112,971	(10,397)	124,213	112,971	(11,242)	124,252	134,595	10,343	41,789	44,865	3,076	413,623	405,402	8,221
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	123,368	112,971	(10,397)	124,213	112,971	(11,242)	124,252	134,595	10,343	41,789	44,865	3,076	413,623	405,402	8,221
Operating surplus/(deficit) before taxation	2,464	(117,616)	120,080	29,874	(4,152)	34,026	(18,583)	(65,217)	46,634	9,651	(482)	10,133	23,406	(187,467)	210,873

TAUPŌ AIRPORT  TE TAUNGA WAKA
RERERANGI O TAUPŌ

Taupō Airport Authority

Statement of Intent
for the three-year period
1 July 2025 to 30 June 2028

Taupō Airport
929 Anzac Memorial Drive
RD 2
TAUPŌ
Website: www.taupoairport.co.nz

1.	INTRODUCTION	4
1.1	THE LOCAL GOVERNMENT ACT	4
1.2	RESPONSIBILITIES	4
1.3	CONTACT DETAILS.....	4
2.	TAUPŌ AIRPORT AUTHORITY (TAA)	5
2.1	ESTABLISHMENT OF TAA	5
2.2	GOVERNANCE	5
2.3	MANAGEMENT	6
2.4	FINANCIAL ACCOUNTABILITY	6
3.	TAUPŌ AIRPORT	7
4.	CIVIL AVIATION AUTHORITY (CAA)	8
5.	RESPONSIBILITY TO THE SHAREHOLDERS	9
5.1	STATEMENT OF INTENT.....	9
5.2	GENERAL INFORMATION FLOWS AND REPORTING	9
5.3	STRATEGIC FOCUS.....	9
5.4	TDC / TAA ADMINISTRATION SUPPORT SERVICES	10
5.5	GOVERNANCE STRUCTURE REVIEW	10
5.6	AIRPORT MASTER PLAN	11
5.7	AIRPORT ASSET MANAGEMENT PLAN	11
5.8	STAKEHOLDER RELATIONS	12
6.	CAPITAL EXPENDITURE PROPOSALS.....	13
6.1	SURFACE TREATMENT WORKS TO THE MAIN SEALED RUNWAY.....	13
6.2	ANZAC MEMORIAL DRIVE IMPROVEMENTS	13
6.3	DEVELOPMENT OF AREAS FOR AVIATION / COMMERCIAL USE	14
6.4	SMALL LANDSIDE AND AIRSIDE PROJECTS	14
6.5	INFRASTRUCTURE FOR NEXT GENERATION AIRCRAFT	14
	FOR THE 2027/2028 YEAR \$40K WILL BE SOUGHT FROM THE MOT WITH THE REMAINING \$140K OF THE FORECASTED CAPEX TO BE INTERNALLY FUNDED.	15
7.	OPERATIONS.....	16
7.1	OPERATIONAL PERFORMANCE	16
7.2	PASSENGER NUMBERS	16
8.	FINANCIALS.....	17
8.1	RATIO OF TAA’S CAPITAL TO TOTAL ASSETS	17

8.2	STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION	17
8.3	ACCOUNTING POLICIES	17
8.4	FINANCIAL PERFORMANCE	23
8.5	FORECAST STATEMENT OF FINANCIAL POSITION.....	23
8.6	FORECAST STATEMENT OF CASHFLOWS	24
8.7	COMMERCIAL VALUE OF TAA	24
8.8	TDC LOAN TO TAA	25
8.9	INFORMATION TO BE PROVIDED	25

1. INTRODUCTION

This Draft Statement of Intent (SOI) is presented by Taupō Airport Authority (TAA) in accordance with the requirements of Section 64(1) of the Local Government Act 2002. It represents the objectives, intentions, nature and scope of activities to be undertaken, financial and performance targets by which TAA will be measured.

It covers the three years of operations from 1 July 2025 to 30 June 2028 and supersedes the previous Statement of Intent (SOI).

1.1 The Local Government Act

The Local Government Act 2002 requires a Council Controlled Organisation (CCO) to:

- Review their SOI prior to the commencement of each financial year
- Have a financial year ending 30 June each year

Schedule 8 of the Local Government Act 2002 states that the purpose of an SOI is to:

- State publicly the activities and intentions of the CCO for the year and objectives to which those activities will contribute
- Provide an opportunity for the shareholders to influence the direction of the organisation
- Provide a basis for accountability of the CCO governing body for the performance of the organisation

1.2 Responsibilities

The Aerodrome certification, operation and use is governed by the New Zealand Civil Aviation Authority (CAA) and TAA is currently the Aerodrome Operator Certificate (AOC) holder. TAA will manage the Taupō Airport operations, will be responsible for the ongoing capital development and will be responsible for the maintenance of the Airport assets and core infrastructure, ensuring full compliance with CAA Rule Part 139.

1.3 Contact details

Chair	Chris Johnston
General Manager	Wayne Wootton
Address:	Taupō Airport Authority 929 Anzac Memorial Drive RD 2 TAUPŌ

2. TAUPŌ AIRPORT AUTHORITY (TAA)

2.1 Establishment of TAA

TAA is a Council Controlled Organisation (CCO) as defined under the Local Government Act 2002 and was established to manage the full operations of Taupō Airport.

TAA is not a legal entity in its own right but is the name given to the Joint Venture (JV) relationship between Taupō District Council (TDC) and the Ministry of Transport (MoT), representing the New Zealand Government, under a Deed drafted in 1973. Each partner has a 50% share in the JV and TAA is entrusted to manage the Airport operations on behalf of the JV partners.

Under the Deed any annual operating profit is allocated back into the Airport's maintenance budget with operating losses being shared equally between the two partners.

The MoT sets aside a rolling three-year cycle appropriation budget for capital expenditure at the JV airports. With projects that are deemed to be essential to meet CAA compliance and subject to robust business cases, the Ministry will consider a 50% contribution towards the total project cost.

There are five JV airports:

- Taupō
- Westport
- Whakatane
- Whanganui
- Whangārei

The MoT has signalled that the agreements with all of the JV airports require to be updated to bring them more in line with modern aviation practices. Discussions related to Taupō Airport will continue during this SOI period at the regular meetings between the Airport General Manager and executives from the MoT.

2.2 Governance

A Standing Committee of TDC has been established to provide an oversight of the Airport operations including issues of safety.

The Committee members are appointed by TDC and meet at approximately eight-week intervals with Airport Management to review the Airport's performance and provide quarterly, half yearly and annual business performance reports. The Committee elects a Chair and TAA operates under this SOI as agreed by the Committee members, TDC and the MoT.

TAA Committee members are:

- Chris Johnston (Chair and Business representative)
- Chris Grace (Business representative)
- David Trewavas (Mayor)
- Duncan Campbell (Councillor)
- Yvonne Westerman (Councillor)

2.3 Management

Management of the Airport is the responsibility of the TAA General Manager with the assistance of a small team comprising of a full-time Operations Manager and a part-time Safety Manager.

The General Manager, whilst being accountable to the TAA Committee members, does not report to the Committee Chair (as is the case with other regional airports) but is employed by TDC and has a direct reporting line to the TDC General Manager (Strategy and Environment).

All Airport operations and assets are managed by the General Manager who has overall responsibility for the day-to-day activities, business development, stakeholder relations and monitoring the organisation's performance against specified criteria. This includes overall accountability for implementing the Airport's strategic direction and ensuring the ongoing safe and successful operation of the Airport in full compliance with CAA Rule Part 139 and the Health and Safety at Work Act 2015.

For economic efficiency, Airport management utilises the commercial airline's ground handling operator to assist with the day-to-day running of the Airport. This is through an Airport Operations Contract which also includes terminal building cleaning, car park management and basic security.

Grounds and general maintenance of the Airport, both landside and airside, is through a Grounds and General Maintenance Contract operated by a local company which includes maintenance of the airside grassed areas, terminal precinct, car parking areas, landscaping, fencing and gates

The General Manager has regular meetings with the Committee Chair and TDC executive staff.

2.4 Financial accountability

A key focus for the Airport General Manager is to ensure that the Airport is self-funding

In the management of the Airport operations, TAA can set the following charges at the Airport subject to the approval of the TAA Committee and the MoT (in the case of aeronautical charges).

- Fees and associated charges in respect to public vehicle parking
- Aeronautical charges from regular passenger transport services
- Aeronautical charges from general aviation aircraft
- Revenue from tenant's leases and rents, licences, concession-based contracts and lessee's outgoings

3. TAUPŌ AIRPORT

Taupō Airport was originally constructed in the mid-1960's and provides a complimentary mix of aviation and commercial activities.

This includes:

- Scheduled regular passenger transport services to the hubs of Auckland and Wellington
- General aviation
- Skydiving adventure operations
- The central north island helicopter rescue service
- Scenic flights
- Agricultural aviation services
- Non-aviation commercial and retail offerings

The Airport receives a significant number of private jet charters attracted by high profile regional destinations and activities such as Huka Lodge, Taupō lake fishing and golf.

Being identified as a critical piece of regional transport infrastructure and, following a major redevelopment completed in 2022, Taupō Airport provides an incredible asset for the region and a community experience that is authentic, safe and efficient. The new terminal has been constructed with a view of increasing passenger numbers over the coming years and the potential introduction of Aviation Security screening.

Taupō Airport delivers a great experience for the travelling public, creates a welcoming gateway and is also a destination in its own right. It provides services to allow the safe and efficient facilitation of travellers and freight and, ancillary to this, TAA leases terminal space and land at the Airport.

Airside assets include a 1,386m long sealed runway (non-instrument Code 3) capable of catering for all domestic turbo prop aircraft and the ability to provide the safe movements of jet charter aircraft up to 50 tonnes (weight restricted for take-off).

There is also a shorter cross grass runway as well as a parallel taxiway for the use by aircraft with a wingspan of less than 15m.

The passenger terminal, airside infrastructure, car parking areas, roading and underground utilities form the assets within TAA's financial accounts. These facilities are sited on land owned by TDC that is designated for Airport purposes.

The Airport is viewed as an essential infrastructure asset for Taupō and the wider region and has a key role to play in the economic performance, growth and development of the area. The aim is to ensure the ongoing safe and successful operation of the Airport whilst also facilitating the growth of tourism and trade by working with key stakeholders to sustainably increase passenger numbers.

TAA will work collaboratively with the Council, Destination Great Lake Taupō (Taupō tourism), Amplify (Taupō economic development agency), Taupō Chamber of Commerce, airlines and other key stakeholders, to ensure a combined approach to achieve the region's desired strategic goals.

4. CIVIL AVIATION AUTHORITY (CAA)

The Airport General Manager is designated as the Chief Executive Officer on the Aerodrome Operator Certificate (AOC) and has direct accountability to the Director of Civil Aviation for all matters relating to Airport airside operations in compliance with the CAA Rule Part 139.

Taupō Airport is certified as a non-security designated aerodrome and CAA Rule Part 139 provides requirements relating to:

- Certification and operation of aerodromes
- Security measures applicable to aerodromes
- Use of aerodromes by aircraft operators
- Provision of UNICOM and AWIB services

To comply with CAA Rule Part 139, the Airport operations are defined under an Airport Exposition which consists of three manuals:

- Airport Operations
- Safety Management System
- Emergency Response Plan

These manuals have been compiled by Airport management and are approved by the CAA who undertake annual audits to randomly monitor certain elements against compliance. Every five years there is an extensive audit of all the manuals in preparation for recertification – Taupō Airport is currently certified until 28 July 2028.

As a requirement of Rule Part 139, the Airport General Manager, Operations Manager and Safety Manager are all designated as Senior Persons on the AOC. At each recertification, the three staff members have to undergo an extensive interview process and be approved by the CAA to be able to maintain this designation.

Due to the low number of commercial movements of aircraft above a 30 seat certified capacity, there is no requirement for a rescue fire service under CAA Rule Part 139 and Taupō is exempt from the section of the Rule.

Further, there is no air traffic control tower at Taupō Airport, however, the Airport operates a Mandatory Broadcast Zone, whereby, communication of aircraft movements is broadcast on a shared frequency that is used by all pilots in the vicinity.

TAA will keep the Committee members, Council officers and the CAA informed at all times of any changes in the status of these obligations or any other matters relating to CAA Rule Part 139.

5. RESPONSIBILITY TO THE SHAREHOLDERS

5.1 Statement of Intent

In accordance with the Local Government Act 2002, the draft Statement of Intent (SOI) for the coming financial year has to be submitted by 1 March to TDC and the MoT as the JV owners to review and make comments or suggest alterations prior to 1 May for the document being finalised.

Any amendments will be assessed by TAA and the final SOI is to be provided to the JV partners after the adoption by the TAA Committee and prior to the start of the SOI period from 1 July 2025.

5.2 General information flows and reporting

The TAA Committee aims to ensure that the JV owners are informed of all major developments affecting the Airport's state of affairs, while at the same time recognising that commercial sensitivity may preclude certain information from being made public

Whilst noting that TAA may function in a different market to Council, the Airport is aware that it operates in a public environment and, as such, TAA will exercise due care and attention in accordance with Council's policies and procedures, including sensitive expenditure.

Within these constraints, information will be communicated as follows:

- Delivery of a half-year report within 90 days of the end of the first six months of the financial year
- Delivery of a Committee-approved annual report with an unqualified Audit Opinion within 90 days of the financial year end
- Regular meetings between TAA General Manager and executives from the JV partners to ensure strong communications and alignment between the parties
- Other ad-hoc reports and briefings to inform well in advance of any material for significant events, transactions or other issues that would be considered contentious or attract wide public interest – operating a no surprises policy

5.3 Strategic focus

With a strategic focus to strengthen the airport and the region as a major tourism destination in the North Island, three key aspirations have been established for Taupō Airport:

- A safe and vibrant thriving transport hub serving communities within the Taupō District and connecting the region to the rest of New Zealand and to the World
- A strong commercial focus and has the ability to be self-funding
- The premium charter airport that serves the major tourism region of the North Island.

Whilst these aspirations are high-level and long-term, it is important that during the period of this SOI opportunities are developed to work towards achieving these goals.

5.4 TDC / TAA administration support services

Historically, TDC has provided services to TAA to ensure the Airport operations, in consideration of the small Airport management team, are managed effectively. These support services include:

- Financial
- IT
- Legal
- Communications and media releases
- Facilities compliance (building warrant of fitness etc.)

TDC invoice TAA on a quarterly basis for the support services but there is no formal agreement in place.

The intention is for TAA and TDC to enter into discussions to formulate a Service Level Agreement between the two entities for the administrative support which will detail the services to be provided and associated costs.

5.5 Governance structure review

TAA is currently a Council Controlled Organisation (CCO) of TDC as defined under the Local Government Act 2002 but basically operates as a business unit of TDC with the TAA General Manager reporting through to the TDC Strategy and Environment Manager.

A review on the Governance structure of TAA has been signalled by the TAA Committee as an option to enable the Airport to be managed on a more commercial footing and operate at industry best practice level whilst still providing stakeholders with the ability to provide valued input on strategic direction.

This would entail repositioning TAA from a Standing Committee of Council to a Council Controlled Trading Organisation (CCTO), including the development of an independent Board of Directors tasked with providing high-level governance over the Airport Company.

During the period of the previous SOI, a publicly open workshop was arranged with full Council to work through the proposal to corporatise and form a legal entity to operate the Airport at arms-length to TDC and with the JV partners retaining ownership as shareholders of the company.

This is the case with most regional airports in New Zealand and would allow:

- Greater flexibility
- Quicker response to changing conditions
- Ability to loan fund asset development
- Organise and sign contracts
- Ability to own assets
- No reliance on the general ratepayer
- Self-funding
- Clearer TAA/TDC interface
- Ability to attract a high calibre of governance and management

Work has commenced on the processes involved with the corporatisation of TAA and this will be further explored during the period of this SOI. This will involve seeking legal and financial advice, registration of the business, drafting the company's terms of reference and the appointment of a Board of Directors.

As one of the JV owners, the Ministry of Transport has been approached regarding corporatisation of TAA and has signalled their support, requesting that they be involved in the Board appointment process.

Further as the airport is viewed as a community benefit and with this being a step change in the airport governance, it may be necessary for TDC to put the proposal to public consultation prior to any final decision.

5.6 Airport Master Plan

In 2020 Airport management, in collaboration with local Architects, worked on the development of a draft Airport Master Plan and produced a high level pictorial imagery of a proposal to segregate the airport land into seven precincts each considering various development opportunities, both aviation and non-aviation.

Whilst this gave the basis of the ideas back in 2020, the Master Plan needs to be developed into a more detailed document that takes into account the future aspirations of the airport and the goal of operating a successful and robust business which is self-sustainable.

This will involve a better understanding of land use, establishing protection through the District Plan, setting parameters to avoid land-locking key areas and ensuring the prime purposes of facilitating travel for passengers and maintaining an Airport for the benefit of the local community are not compromised and able to grow as necessary.

Work commenced during the previous SOI period in relation to protecting the Airport through the District Plan and an agreement between TDC and TAA with regards land boundaries. This will be continued and a more encompassing Master Plan will be developed over this SOI period.

The Master Plan also needs to consider the operations from a more environmentally sustainable point of view with options being investigated such as solar power production and facilities to service the next generation of aircraft whether it be electrical, hybrid or hydrogen power.

5.7 Airport Asset Management Plan

Following the completion of the terminal and associated infrastructure redevelopment project this has given the opportunity to take stock of all of the Airport assets:

- Buildings
- Fixtures and fittings
- Landside infrastructure – roading, paving, landscaping, underground services
- Airside infrastructure – runways, taxiways, apron, drainage
- Airport land

Currently, these assets are generally under TDC ownership, although they are included in TAA's statement of financial position.

TAA will work with TDC during this SOI period to formulate a detailed Airport Asset Management plan. However, with the intention to work through a corporatisation process, this will require some definition as to asset ownership, a detailed asset register to be developed and who will be responsible for maintaining the Asset Management Plan moving forward.

5.8 Stakeholder relations

To effectively grow passenger traffic through the Airport and be of benefit for the region, a concerted effort has to be made by all interested parties for a common goal:

- Airport
- Airlines
- Council
- Tourism
- Economic development
- Local businesses

Whilst there has been some coordination in the past between certain entities, this now has to take a much stronger direction and, during the SOI period, TAA will support this process by participating in regular forums with representatives from the key stakeholders and work towards the strategic focus of developing Taupō and the region into the major tourism destination in the North Island.

6. CAPITAL EXPENDITURE PROPOSALS

Following the completion of the airport terminal redevelopment and the apron extension project during the previous SOI period, apart from the runway surface treatment programmed for FY2026, the requirement for major capital expenditure during this SOI period will be limited.

Therefore, the focus over the next three years will be concentrated on:

- Runway surface treatment
- Anzac Memorial Drive
- Initial works to develop areas for aviation / commercial use
- Small landside and airside projects
- Infrastructure to cater for the next generation of aircraft

As with all Capital projects, these will be subject to feasibility studies and sound business cases being presented by TAA management for approval by the TAA Committee, TDC and the MoT (in the case of any essential airside works).

6.1 Surface treatment works to the main sealed runway

In late 2022 management engaged an aviation consultant to carry out a runway condition survey.

The runway was last resurfaced with a 50mm asphaltic overlay in 2010 and such surfacing generally lasts between 15 to 20 years. A longer surface life of up to 30 years can be achieved with the appropriate use of a bitumen surface treatment.

To maintain the integrity of the surface and extend the life of the runway, the consultant has recommended that a proprietary surface treatment be applied during this SOI period for which a specialist contractor will be engaged to design and carry out the operation.

Funding arrangements have already been agreed and it is anticipated that the works will be carried out during late summer 2026.

6.2 Anzac Memorial Drive improvements

During the previous SOI period, TDC carried out an upgrade to the section of Anzac Memorial Drive leading to the Airport which included new kerb and channel, street lighting, drainage improvements and carriageway resurfacing. This has greatly enhanced the approach to the Airport.

The portion of Anzac Memorial Drive within the Airport confines has not been maintained for many years, has no kerb and channel, poor drainage and a deteriorating road surface.

The intention during the first year of this SOI is to investigate and plan to upgrade this section of Anzac Memorial Drive road by installing new kerb and channel, improving the drainage and resurfacing to the carriageway. With a detailed business case, funding will be sought from TDC and, if agreed, works will be aligned from 2026/27 onwards.

As this work is landside and not essential to comply with the CAA Rule Part 139, it is very doubtful whether the MoT will be prepared to fund 50% of the costs.

6.3 Development of areas for aviation / commercial use

In connection with the draft Airport Master Plan, several areas within the Airport perimeter boundary have been designated for aviation / commercial development. This will enable the Airport to generate additional income which will lead to less reliance on aeronautical revenue.

Several areas have been earmarked for development and initially three of these areas will be explored with regards requirements for either upgrading or the provision of roading and services infrastructure:

- Heliport expansion
- Rotary and fixed wing interface
- Non-aviation industrial business park

Over the period of this SOI and dependant on the potential of shared funding either with TDC or the MoT together with the demand from tenants to enter into lease agreements, progress on the infrastructure for these three areas will commence.

6.4 Small landside and airside projects

- Apron security fence – continuation of a rolling programme to upgrade the fencing to the apron for safety and security in accordance with CAA regulations
- Airport boundary fence replacement – continuation of a rolling programme to completely replace the old, deteriorated fence around the perimeter of the Airport
- Access construction to grass runway from Anzac Memorial Drive
- Realignment an upgrade of taxiway to the north-west of the apron
- Rehabilitation works to the sealed taxiways
- Creation of a helicopter landing area north-western boundary
- CCTV expansion to landside areas

6.5 Infrastructure for next generation aircraft

With the intention by Air New Zealand and other airlines to explore the use of the next generation of aircraft, there is a need to investigate what type of infrastructure will be required to enable the turnaround of these aircraft at the Airport.

At this stage there is no certainty whether these aircraft will be pure electric, hybrid or hydrogen fuelled so all options will have to be explored.

As work progresses on the trialling of the aircraft, the requirements will become more apparent and this will enable TAA to understand how the Airport will need to be positioned and what infrastructure has to be installed.

If any capital works are required in the future that cannot be fully funded from Airport operations, TDC and the MoT, as JV owners, will be approached with regards contributions for the works.

Forecasted capital expenditure

Project (cost x \$000)	2025/26	2026/27	2027/28
Runway surface treatment	800	-	-
Development of aviation / commercial areas	50	75	100
Small projects:			
1) Apron security fence	25	25	-
2) Airport boundary fence	50	50	-
3) Access construction to grass runway	50	-	-
4) Taxiway work north-west of apron	25	-	-
5) Taxiway rehabilitation	-	50	50
6) Helicopter landing area	10	-	-
7) CCTV landside expansion	10	10	-
Next generation aircraft infrastructure	20	30	30
Total	1,040	240	180

Expected funding source of capital expenditure

Project (cost x \$000)	2025/26				2026/27			
	Cost	TDC funded	MOT funded	Internally funded	Cost	TDC funded	MOT funded	Internally funded
Runway surface treatment	800	400	400		-	-		-
Development of aviation / commercial areas	50	-		50	75	-		75
Small projects:								
1) Apron fence	25	-	12.5	12.5	25	-	12.5	12.5
2) Perimeter fence	50	-	25	25	50	-	25	25
3) Access works	50	-	25	25				
4) Taxiway north-west	25	-	12.5	12.5				
5) Taxiway rehab	-	-		-	50	-	25	25
6) Helicopter area	10	-	5	5				
7) CCTV	10	-		10	10	-		10
Next gen aircraft	20	-	10	10	30	-	15	15
Total	1,040	400	490	150	240		77.5	162.5

For the 2027/2028 year \$40k will be sought from the MOT with the remaining \$140k of the forecasted capex to be internally funded.

7. OPERATIONS

The Airport is an essential infrastructure transport hub for Taupō and the surrounding area and provides facilities that are safe, efficient and welcoming to all users.

It is essential that TAA positions the Airport for future aviation growth by close collaboration with the airlines and key stakeholders to facilitate the expansion of tourism, trade and domestic air travel and to play a key role in the economic performance and development of the region.

In meeting this goal TAA will optimise the use of its assets and generate a reasonable rate of return on investment by continually reviewing performance targets to reflect the future growth and development of the Airport's services and operations

7.1 Operational performance

For the day-to-day operations of Taupō Airport it is important that objectives are established that are tangible, can be monitored and measured for achievement.

To this end the following objectives will form the basis for the measurement of operational performance during the SOI period:

- Operate the Airport in full compliance with the regulations set down by the New Zealand Civil Aviation Authority under Rule Part 139 – no CAA audit findings
- Manage the health and safety risks and provide a safe and healthy environment – zero serious health and safety incidents
- Maintain the facilities to avoid any diversion or cancellation of scheduled commercial services – no scheduled commercial cancellations due to failure of Airport operational facilities
- Ensure that the business is run on a sustainable commercial basis – all operating, maintenance and interest costs funded from Airport revenue

7.2 Passenger numbers

Passenger numbers through the Airport have struggled to recover from the impacts of the COVID-19 pandemic and what was envisaged as a return to pre-COVID numbers within three years has not materialised.

The situation was made worse during the last half of FY2025 when Sounds Air ceased their air service between Taupō and Wellington, however, the service was taken over by Originair but, with a less frequency of flights, still resulted in further passenger number reductions.

The forecast for this SOI period does show a modest growth but still way below pre-COVID numbers.

	2025/26	2026/27	2027/28
Forecasted passenger numbers	56,000	56,680	59,410

8. FINANCIALS

8.1 Ratio of TAA's capital to total assets

For the next three years, the ratio of total equity to total assets is expected to range from 0.88:1 to 0.89:1.

Total equity includes:

- Equity interest of joint venture partners
- Appropriation accounts/retained earnings
- Asset revaluation reserves

Total assets include:

- Current assets
- Property, plant and equipment

8.2 Statement of compliance and basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the Civil Aviation Act 1990, the Airport Authorities Act 1966, and the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZGAAP).

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements are prepared using the historical cost basis except for certain classes of assets and liabilities which are recorded at fair value. These are detailed in the specific policies below.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Authority is New Zealand dollars.

8.3 Accounting policies

The accounting policies will be consistent with:

- The Financial Reporting Act 1993
- New Zealand Generally Accepted Accounting Principles (NZGAAP)
- Accounting Standards Review Board pronouncements
- A tier two public benefit entity for the purposes of New Zealand equivalents to International Public Sector Accounting Standards (PBE IPSAS)

The following accounting policies, which materially affect the measurement of results and financial position, have been applied.

a) Goods & Services Tax

The financial statements have been prepared exclusive of GST with the exception of receivables and payables that have been shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

b) Revenue recognition

Revenue is measured at the fair value of consideration received or receivable

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from any services rendered (except as described above) is recognised in proportion to the stage of completion of the transaction at the balance date. The stage of completion is assessed by reference to surveys of work performed.

Landing revenue is recognised on a straight-line basis over the term of the payments.

Rental revenue from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental revenue.

Interest revenue is recognised as it accrues, using the effective interest method.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Revenue is measured at the fair value of consideration received.

The main sources of revenue are airfield landing charges and lease revenue from leasehold sites at the airport. Revenue is recognised in the period to which it relates. Payment is received by credit card, EFTPOS, automatic payment or direct debit.

c) Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Payments made under operating leases are recognised in the surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Revenue and Expense as an integral part of the total lease expense

d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits, and other short term highly liquid investments with maturities of three months or less.

e) Financial Assets

Taupō Airport Authority classifies its investments as loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments, which are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of comprehensive revenue and expense.

f) Trade Receivables

Trade receivables are recognised at their cost less impairment losses.

A provision for impairment of receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the present value of estimated recovery of the debt.

g) Property, Plant and Equipment

Property, plant, and equipment consist of Land, operating assets, and infrastructural assets.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of property, plant, and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Airport and the cost of the item can be reliably measured.

Valuation methodologies

Those asset classes that are revalued, are revalued on a three yearly valuation cycle. All other asset classes are carried at depreciated historical cost. The carrying values of all assets not revalued in any year are reviewed at each balance date to ensure that those values are not materially different to fair value.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amounts arising on revaluation of an asset class are credited to revaluation reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in the surplus or deficit, the increase is first recognised in the surplus or deficit. Decreases that reverse previous increases of the same asset class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the surplus or deficit.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the surplus or deficit during the financial period in which they are incurred.

Additions

Additions between valuations are shown at cost.

The cost of an item of property, plant or equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably.

Disposals

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the surplus or deficit. When revalued assets are sold, the amounts included in other reserves in respect of those assets are transferred to retained earnings.

Subsequent measurement

Property, plant, and equipment, and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss

is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Depreciation

Land is not depreciated. Depreciation has been provided on a straight-line basis on all property, plant and equipment. Depreciation is provided at rates calculated to allocate the asset cost over the estimated useful life. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Infrastructural assets

Runways	3 Years - Indefinite
Roading network	3 - Indefinite
Kerbs	50 Years
Footpaths	80 Years
Stormwater	50 – 80 Years
Fencing	5 – 15 Years
Street Lighting	52 Years

Operational Assets

Buildings	14 - 64 Years	(1.6% – 7.1%)
Furniture and Fittings	4 - 20 Years	(5.0% - 20.0%)
Motor Vehicles	5 Years	(20%)
Office Equipment and Plant and Equipment	4 - 50 Years	(2%-25%)

The depreciation rates are applied at a component level and are dependent on the expected remaining useful life of each component.

Valuation of Land and Buildings

Airport land was initially valued at fair value by independent valuer Quotable Value New Zealand as of 1 July 2005, which was considered deemed cost. The land and buildings were revalued to fair value on the same basis by independent valuer Quotable Value New Zealand on 30 June 2022.

Valuation of Infrastructural Assets

Infrastructure assets are the utility systems that provide a continuing service to the Airport and are not generally regarded as tradeable. They include the runways, roads, and stormwater systems together with other improvements of an infrastructural nature. The runway and roading assets were valued at fair value by WSP New Zealand Limited (formerly Opus Consultants Limited) on 30 June 2023. The stormwater system assets were valued at fair value by independent valuer AECOM New Zealand Limited on 30 June 2023.

Assets under construction/work in progress

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated. Assets under construction are recognized at cost less impairment. The current carrying amount of items under construction is separately disclosed.

All the Authority's assets are classed as non-cash generating, that is they are not held with the primary objective of generating a commercial return.

Intangible Assets

Intangible assets have been valued at cost, and will be amortised on a straight line basis over the expected useful life of the asset. This is estimated as 4 years (25%).

Costs associated with maintaining computer software are recognised as an expense when incurred.

h) Investment Property

Properties leased to third parties under operating leases and properties held for capital appreciation are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Taupō Airport Authority measures all investment property at fair value as determined upon lease renewal, or other contractual basis by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the statement of comprehensive income.

All investment properties have currently been disposed.

i) Financial Liabilities

Short term creditors and other payables are recorded at their face value.

j) Employee Entitlements***Short-term employee entitlements***

Provision is made in respect of the Airport's liability for salaries and wages accrued up to balance date, annual leave, long service leave, and lieu leave.

Long service leave, where there is already actual entitlement, is accrued at actual entitlement using current rates of pay. In addition, there is an actuarial assessment of value for which entitlement has not yet been reached. This assessment uses current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. These estimated amounts are discounted to their present value.

Liabilities for annual leave and lieu day leave are accrued on an actual entitlement basis, using current rates of pay.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information
- the present value of the estimated future cash flows

Superannuation schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit when incurred.

k) Income Tax

Income tax on the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect to prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited to the statement of comprehensive revenue and expense, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

l) Going Concern

The Taupō Airport Authority consider that the continued adoption of the going concern assumption for the preparation of this financial report is appropriate. This conclusion has been reached having regard to assurances from the Taupō District Council that financial support and / or funding will be made available to ensure that the Authority can continue its current operations.

m) Acquisition of new investments

Approval of the joint venture partners is required before the joint venture can subscribe for, purchase or otherwise acquire shares in any company or other organisation.

n) Local Authority Compensation

The joint venture seeks funding of up to \$400k from Taupō District Council for the runway surface treatment in FY25/26.

o) Commercial value of the investment

The joint venture partner's estimate of the commercial value of the joint venture partner's investment in the TAA is equal to the net assets of the airport authority. Some asset classes will be revalued. Where an asset class is revalued, the revaluations will be carried out at least every three years.

p) Distribution of profits/reserves to joint venture partners

Any distribution of profits is allocated 50/50 between the joint venture partners. There is currently no intention to distribute accumulated profits to the joint venture partners, but for the foreseeable future, any capital reserves shall be used to fund Capital Expenditure.

8.4 Financial performance

The following outlines TAA's anticipated financial performance for the three-year period ending 30 June 2028 assuming forecasted passenger growth, current and known future aircraft type and size and other proposed commercial activity within the Airport confines:

	2025/26 \$000	2026/27 \$000	2027/28 \$000
Operating revenue	1,498	1,561	1,779
Operating expenditure	1,050	1,084	1,120
Operating surplus before depreciation and tax	448	477	659
Depreciation	625	688	694
Taxation credit	50	59	10
Net operating surplus/(deficit)	(127)	(152)	(25)

8.5 Forecast statement of financial position

	2025/26 \$000	2026/27 \$000	2027/28 \$000
Assets			
Current assets	734	1,047	1,567
Property, plant and equipment	24,897	24,449	23,935
Total assets	25,631	25,496	25,502
Liabilities			
Current liabilities	178	176	176
Non-Current liabilities	2,850	2,791	2,782
Total liabilities	3,028	2,967	2,958
Net assets/liabilities	22,603	22,529	22,544
Total equity	22,603	22,529	22,544

8.6 Forecast statement of cashflows

	2025/26 \$000	2026/27 \$000	2027/28 \$000
Net cashflows from operating activities	384	476	659
Net cashflows from investing activities	(1,040)	(240)	(180)
Net cashflows from financing activities	790	78	40
Net increase/(decrease) in cash held	134	314	519
Add forecasted cash at start of year	311	445	759
Cash and cash equivalents at end of year	445	759	1,278

8.7 Commercial value of TAA

In keeping with the spirit of the Act, the value of the investment is the capital. This rationale is based on the fact that TAA is a going concern and that the total assets are carried at fair value and assessed for impairment annually. This estimate will be re-assessed in the same manner on an annual basis.

	2026 \$000	2025 \$000	Movement \$000
Land	5,217	5,217	-
Infrastructure and buildings (landside assets)	11,087	11,124	(37)
Runway, taxiways and apron (airside assets)	8,071	7,546	525
Furniture and fittings	523	596	(73)
Total	24,898	24,483	415

8.8 TDC loan to TAA

With the focus to be more commercially sound, profitability from the Airport operations is expected to improve over the coming years.

In 2020 TDC agreed a loan facility to TAA and, whilst interest payments on the outstanding debt will be maintained, provisions will be made by TAA to repay the capital portion of the loan based on surplus funds once revenue received from Airport operations has met operational requirements.

8.9 Information to be provided

TAA will make the following available to JV partners if there are any material changes:

- details of any new developments which would involve a significant movement away from the current activities of the business
- information and details on any new developments which have not been covered in the Statement of Intent

