GREAT LAKE TAUPŌ
Taupō District Council

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

Date:	**Monday, 29 June 2026**
Time:	**1.30pm**
Location:	**Taupō Airport**
	ANZAC Memorial Drive
	Taupō

AGENDA

MEMBERSHIP

Chairperson	Mr Chris Grace
Deputy Chairperson	Cr Steve Manunui
Members	Cr Duncan Campbell
	Mr Mark Costello
	Mayor John Funnell
	Mr Barry Payne (Observer)
	Mr James Turner (Observer)
Quorum	3

Julie Gardyne
Chief Executive

Auditory Announcement

Please note that one of today's meeting participants has hearing loss. To support clear communication, please use the microphones, speak clearly, and keep your mouth visible to assist with lip-reading.

Reports Not Council Policy

The reports included in this agenda are provided for consideration only and do not represent Council policy unless or until they are formally adopted. If you require further information about any report, please contact the Chief Executive, the Chairperson, or the Deputy Chairperson.

Public Forum

Members of the public are welcome to address the Council or committee during the public forum at the start of the meeting. To participate, please complete the public forum request form available on Council's website by 4.00pm on the day prior to the meeting.

Livestreaming and Recording

Meetings held in the Council Chamber are livestreamed on Council's YouTube channel, and recordings are uploaded shortly after the meeting.

Karakia Tīmatanga – opening prayer gifted by Iraia Bailey of Ngāti Tūwharetoa to Taupō District Council

Tuia ki te mauri o te whenua	Connect to the life essence of the land
Tuia ki te mana o te tangata	Connect and respect to all
Tuia ki te pono, te aroha	Be honest and compassionate
Kia piki, kia eke	(As we seek) to improve, to exceed
Ki te taumata	Expectations
Hui e, Tāiki e	To aim/reach for the summit
	(As we) come together

Karakia Whakamutunga – closing prayer gifted by Iraia Bailey of Ngāti Tūwharetoa to Taupō District Council

Unuhia te rito o tēnei hui	Remove any angst/stress that may have arisen during this gathering
Kia wātea i runga	To be free of anything that impacts your wellbeing
Kia wātea i raro	That we will act with integrity
Aro ki te tika	As we pursue our goals
Aro ki te pae	(As we) come together
Hui e, Tāiki e!	

Order Of Business

4.1 TAUPŌ AIRPORT AUTHORITY COMMITTEE MEETING - 18 MAY 2026

Author: **Dana Periam, Committee Advisor**

Authorised by: **Wayne Wootton, General Manager Taupō Airport**

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the minutes of the Taupō Airport Authority Committee meeting held on Monday 18 May 2026 be approved and adopted as a true and correct record.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Taupō Airport Authority Committee Meeting Minutes - 18 May 2026 ⇩

TAUPŌ DISTRICT COUNCIL
MINUTES OF THE TAUPŌ AIRPORT AUTHORITY COMMITTEE MEETING
HELD AT THE TAUPŌ AIRPORT, ANZAC MEMORIAL DRIVE, TAUPŌ
ON MONDAY, 18 MAY 2026 AT 1.30PM

PRESENT: Mr Chris Grace (in the Chair from Item 5.2), Cr Duncan Campbell, Mr Mark Costello, Mayor John Funnell, Cr Steve Manunui, Mr Barry Payne (Observer), Mr James Turner (Observer) (via MS Teams)

IN ATTENDANCE: General Manager Strategy and Environment (W Zander), General Manager Airport (W Wootton) Airport Operations Manager (K Gard), Airport Safety Manager (S Petersen), Finance Business Partner (D Klue), Committee Advisor (D Periam)

MEDIA AND PUBLIC: 6 members of the public

Note: *(i) The General Manager Strategy and Environment opened and closed the meeting with a karakia.*

(ii) Items were considered in the following order: 1, 5.1, 2, 3, 4, 5.2-5.11, 6

(iii) Three representatives from two companies presented to the committee individually in the confidential portion of the meeting in relation to item 6.2.

1 KARAKIA

2 WHAKAPĀHA | APOLOGIES

Nil

3 NGĀ WHAKAPĀNGA TUKITUKI | CONFLICTS OF INTEREST

Mayor John Funnell – Lease holder at the Taupō Airport

4 WHAKAMANATANGA O NGĀ MENETI | CONFIRMATION OF MINUTES

4.1 TAUPŌ AIRPORT AUTHORITY COMMITTEE MEETING - 23 FEBRUARY 2026

TAA202605/01 RESOLUTION

Moved: Cr Duncan Campbell
Seconded: Mayor John Funnell

That the minutes of the Taupō Airport Authority Committee meeting held on Monday 23 February 2026 be approved and adopted as a true and correct record.

CARRIED

Note: *All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202605/01 above.*

5 NGĀ RIPOATA | REPORTS

5.1 PUBLIC FORUM

Item Withdrawn

5.2 ELECTION OF CHAIRPERSON

TAA202605/02 RESOLUTION

Moved: Mayor John Funnell
Seconded: Cr Duncan Campbell

That the Taupō Airport Authority Committee confirms that System B will be used to determine the election process for the Chairperson.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202605/02 above.

TAA202605/03 RESOLUTION

Moved: Cr Duncan Campbell
Seconded: Mayor John Funnell

That the Taupō Airport Authority Committee elects Mr Chris Grace as the Chairperson of the Taupō Airport Authority Committee.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202605/03 above.

5.3 ELECTION OF DEPUTY CHAIRPERSON

TAA202605/04 RESOLUTION

Moved: Mayor John Funnell
Seconded: Mr Mark Costello

That the Taupō Airport Authority Committee confirms that System B will be used to determine the election process for the Deputy Chairperson.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202605/04 above.

TAA202605/05 RESOLUTION

Moved: Mr Chris Grace
Seconded: Mayor John Funnell

That the Taupō Airport Authority Committee elects Cr Steve Manunui as the Deputy Chairperson of the Committee for the 2025-28 Triennium.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202605/05 above.

5.4 OPERATIONS UPDATE

The Airport Operations Manager summarised the report.

Airside bunded area

In answer to questions, the following was explained:

- WorkSafe requested the change. There was electrical control gear which controlled the gates and it was too close to the bunded area which could put the tanker at risk from static electricity.
- Various solutions were being worked through with the affected parties.

Security Incident Response

In answer to questions, the following was explained:

- It was a threat via a phone call, the person was known to police.
- If there was an aircraft with passengers on board during that time, passengers would not have been allowed to deplane.

Wildlife risk with black-backed gulls

In answer to questions, the following was explained:

- It was a worry for aviation users that the birds could be a hazard.
- Taupō Airport Authority (TAA) monitored wildlife within the airport confines, however, the gull's flightpath fell outside of the area.
- TAA would work with Council as owner of the landfill if any action was required.

Business continuity and fuel crisis risk analysis

In answer to a question, it was explained that officers had engaged with civil defence in relation to the fuel crisis.

Airways New Zealand DVOR project

The Airport Safety Manager explained the non-directional beacon (NDB) would be kept for a year to 18 months and would run in conjunction with the new DVOR. In answer to a question it was explained that it would be placed on the eastern side of the aerodrome adjacent the boundary fence.

Passengers

The General Manager Airport explained there had been a decrease in passengers when compared to March 2025.

TAA202605/06 RESOLUTION

Moved: Cr Steve Manunui
Seconded: Mr Mark Costello

That the Taupō Airport Authority Committee receives the Airport operations update.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202605/06 above.

5.5 FINANCE REPORT FOR THE PERIOD ENDED 31 MARCH 2026

The Finance Business Partner summarised the report and in answer to a question, it was explained that the next CAA recertification would be in July 2028.

TAA202605/07 RESOLUTION

Moved: Cr Duncan Campbell
Seconded: Cr Steve Manunui

That the Taupō Airport Authority Committee receives the Taupō Airport Authority Finance Report for the period ended 31 March 2026.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202605/07 above.

5.6 TAUPŌ AIRPORT AUTHORITY CAPITAL PROJECTS UPDATE

The General Manager Airport summarised the report.

Runway surface treatment

In answer to questions, the following was explained:

- The runway was built in 1960's and resurfacing had been completed since then.
- The runway had deteriorated a lot since the last survey in 2022.
- The were also issues with the southern end of the taxi way.
- Officers were looking to complete the work over four years.
- The Ministry of Transport Observer explained that there were no noticeable patterns of runway deterioration across the five joint owned runways.

Fencing and gates

In answer to questions, the following was explained:

- There was no timeframe limit on when the fencing around the perimeter could be completed.
- The airport was required to have an operational fence around the boundary.
- If the Civil Aviation Authority (CAA) decided to change the security conditions of operational fencing, this could be costly.
- There may be an option to get joint funding with NZTA on the boundary with the State Highway.

For the following four financial years

In answer to questions, the following was explained:

- The development of aviation and non-aviation areas was a four year rolling project and therefore it was budgeted across those four years.
- There had been very little interest in leases at the Taupō Airport until the past 6 months.

Members felt it would be good to revise the draft master plan in order to gain direction on the future of the airport.

TAA202605/08 RESOLUTION

Moved: Cr Duncan Campbell
Seconded: Mr Mark Costello

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 TAA202605/08 above.

5.7 DISTRICT PLAN NOTICE OF REQUIREMENT AND PRIVATE PLAN CHANGE

The General Manager Airport summarised the report.

In answer to questions, the following was explained:

- Projected increases in aircraft indicated there would not be a huge increase in commercial aviation but likely general aviation.
- Development contributions were to cover growth and this plan change was not within the scope of what development contributions could be used for.

TAA202605/09 RESOLUTION

Moved: Mayor John Funnell
Seconded: Cr Duncan Campbell

That the Taupō Airport Authority Committee receives the District Plan Notice of Requirement and Private Plan Change update.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202605/09 above.

5.8 NEW ZEALAND AIRPORTS

The General Manager Airport summarised the report.

TAA202605/10 RESOLUTION

Moved: Mr Mark Costello
Seconded: Cr Duncan Campbell

That the Taupō Airport Authority Committee receives the New Zealand Airports information.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202605/10 above.

5.9 TREES

The General Manager Airport summarised the report.

TAA202605/11 RESOLUTION

Moved: Mr Mark Costello
Seconded: Cr Duncan Campbell

That the Taupō Airport Authority Committee receives the update on trees information.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202605/11 above.

5.10 TAUPŌ AIRPORT CAR PARKING CHARGES

The General Manager Airport summarised the report.

TAA202605/12 RESOLUTION

Moved: Mayor John Funnell
Seconded: Cr Steve Manunui

That the Taupō Airport Authority Committee receives the Taupō Airport car parking charges information.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202605/12 above.

5.11 TAUPŌ AIRPORT - RUN THE RUNWAY

The General Manager Airport summarised the report. It was explained that there were a few airports around the country that hold this event. In answer to a question, he explained that it would be done after the last commercial flight and officers would work with the general operators with the run/walk being held during daylight hours.

TAA202605/13 RESOLUTION

Moved: Cr Steve Manunui
Seconded: Cr Duncan Campbell

That the Taupō Airport Authority Committee receives the Taupō Airport run the runway information.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202605/13 above.

6 NGĀ KŌRERO TŪMATAITI | CONFIDENTIAL BUSINESS

TAA202605/14 RESOLUTION

Moved: Mr Chris Grace
Seconded: Mr Mark Costello

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 Confirmation of Confidential Portion of	Section 7(2)(h) - the withholding of the information is necessary	Section 48(1)(a)(i)- the public conduct of the relevant part of the	It is necessary to exclude the public for consideration of this

Taupō Airport Authority Committee Minutes - 23 February 2026	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)	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	item, as the report contains commercially sensitive information provided by businesses considering development opportunities at Taupō Airport.
Agenda Item No: 6.2 Business Development Landside	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 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 exclude the public for consideration of this item, as the report contains commercially sensitive information provided by businesses considering development opportunities at Taupō Airport
Agenda Item No: 6.3 Business Development Airside	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 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 exclude the public for consideration of this item, as the report contains commercially sensitive information provided by businesses considering development opportunities at Taupō Airport
Agenda Item No: 6.4 Leases	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 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 exclude the public to enable the Committee to receive information relating to Taupō Airport ground leases, including rental costs.

CARRIED

Note: All members present at the Taupō Airport Authority Committee meeting voted in favour of resolution TAA202605/14 above.

The meeting closed at 5.05pm.

The minutes of this meeting were confirmed at the Taupō Airport Authority Committee Meeting held on 29 June 2026.

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CHAIRPERSON

5.1 PUBLIC FORUM

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

Authorised by: **Warrick Zander, General Manager Strategy and Environment**

TE PŪTAKE | PURPOSE

To receive comments from members of the public on matters specified on this agenda or, if time permits, on other Committee matters.

NGĀ KŌRERORERO | DISCUSSION

Standing Orders provide for a period of up to 30 minutes to be made available at the start of meetings for members of the public to bring matters to the attention of the Taupō Airport Authority Committee. Any issue, idea or matter raised in public forum must fall within the Group's terms of reference.

Speakers can speak for up to 5 minutes. Where the number of speakers presenting in the public forum exceeds 6 in total, the chairperson has discretion to restrict the speaking time permitted for all presenters. Members of the public wishing to address the Group during public forum should register at least one clear day before the meeting by emailing publicforum@taupo.govt.nz.

No debate or decisions will be made at the meeting on issues raised during the forum unless related to items already on the agenda. Items not on the agenda may only be discussed if the matter is minor in nature and the procedures set out in Standing Order 9.13 are followed. A meeting may deal with (i.e. make a resolution in respect of) an item of business not on the agenda only if the procedures set out in Standing Order 9.12 are followed.

The relevant extracts from Standing Orders are **attached**.

WHAKAKAPINGA | CONCLUSION

It is recommended that the Taupō Airport Authority Committee receives comments from members of the public.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives comments from members of the public.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Extracts from Standing Orders 2022-2025 ⇩

Extracts from Standing Orders 2022-2025

15. Public Forums | Ngā Matapakinga a te Marea

Public forums are a defined period of time, usually at the start of an ordinary meeting, which, at the discretion of a meeting, is put aside for the purpose of public input. Public forums are designed to enable members of the public to bring matters of their choice, not necessarily on the meeting's agenda, to the attention of the local authority.

In the case of a committee, subcommittee, local or community board, any issue, idea, or matter raised in a public forum, must fall within the terms of reference of that body.

15.1 Time limits | Ngā tepenga wā

A period of up to 30 minutes, or such longer time as the meeting may determine, will be available for the public forum at each scheduled local authority meeting. Requests must be made to the chief executive (or their delegate) at least one clear day before the meeting; however this requirement may be waived by the chairperson. Requests should also outline the matters that will be addressed by the speaker(s).

Speakers can speak for up to 5 minutes. Where the number of speakers presenting in the public forum exceeds 6 in total, the chairperson has discretion to restrict the speaking time permitted for all presenters.

15.2 Restrictions | Ngā Herenga

The chairperson has the discretion to decline to hear a speaker or to terminate a presentation at any time where:

- A speaker is repeating views presented by an earlier speaker at the same public forum;
- The speaker is criticising elected members and/or staff;
- The speaker is being repetitious, disrespectful or offensive;
- The speaker has previously spoken on the same issue;
- The matter is subject to legal proceedings; and
- The matter is subject to a hearing, including the hearing of submissions where the local authority or committee sits in a quasi-judicial capacity.

15.3 Questions at public forums | Ngā pātai i ngā matapakinga a te marea

At the conclusion of the presentation, with the permission of the chairperson, elected members may ask questions of speakers. Questions are to be confined to obtaining information or clarification on matters raised by a speaker.

15.4 No resolutions | Kāore he tatūnga

Following the public forum, no debate or decisions will be made at the meeting on issues raised during the forum unless related to items already on the agenda. (See the LGNZ Guide to Standing Orders for suggestions of good practice in dealing with issues raised during a forum).

Extracts from Standing Orders 2022-2025

9.1 Items of business not on the agenda which cannot be delayed | Ngā take kāore i runga i te rārangi take e kore e taea te whakaroa

A meeting may deal with an item of business that is not on the agenda where the meeting resolves to deal with that item and the chairperson provides the following information during the public part of the meeting:

(a) The reason the item is not on the agenda; and

(b) The reason why the discussion of the item cannot be delayed until a subsequent meeting.

LGOIMA, s 46A(7).

Items not on the agenda may be brought before the meeting through a report from either the chief executive or the chairperson.

Please note, that nothing in this standing order removes the requirement to meet the provisions of Part 6 of the LGA 2002 with regard to consultation and decision-making.

9.2 Discussion of minor matters not on the agenda | Te kōrerorero i ngā take iti kāore i runga i te rārangi take

A meeting may discuss an item that is not on the agenda only if it is a minor matter relating to the general business of the meeting and the chairperson explains at the beginning of the public part of the meeting that the item will be discussed. However, the meeting may not make a resolution, decision, or recommendation about the item, except to refer it to a subsequent meeting for further discussion.

LGOIMA, s 46A(7A).

5.2 RECORDING OF MEETINGS AND WORKSHOPS

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

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

TE PŪTAKE | PURPOSE

This report seeks direction from the Taupō Airport Authority Committee on whether to audio-visually record its workshops and meetings.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

Taupō District Council has adopted a practice of recording and livestreaming meetings and workshops held in the Taupō District Council Chamber to support transparency and public access. This approach has been extended to other Council committees where appropriate.

The Committee must balance the benefits of transparency and accessibility with the need to maintain an environment that supports open and effective discussion, particularly during workshops where no decisions are made.

Two options are presented:

- do not record
- record meetings and workshops

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Taupō Airport Authority Committee:

1. resolves to [record /not record] its meetings and workshops held from item 5.3 onwards on 29 June 2026; and
2. notes that recordings will be uploaded to the Taupō District Council YouTube channel following the meeting.

TE WHAKAMAHUKI | BACKGROUND

The proposal has not been presented previously.

The Council's elected members have approved all meetings and workshops held in the Council chamber to be livestreamed and this has extended to other committees of Council around the Taupō District.

Best practice for councils across the country is to make meetings and workshops accessible to all members of the public where practicable by providing audio-visual records. This is also supported by advice provided by the Office of the Ombudsman and is set out in the purposes of the Local Government Official Information and Meetings Act 1987 and Local Government Act 2002 for councils to conduct their business in an open and transparent manner.

NGĀ KŌRERORERO | DISCUSSION

Recording and livestreaming meetings can enhance:

- transparency
- public trust and accountability
- accessibility for community members unable to attend in person

However, there are also considerations:

- If livestreaming was preferred, further investigation would need to be undertaken to ensure that this would be possible for the Taupō Airport Authority Committee meetings
- Workshops are designed as informal forums for discussion, information sharing, and direction-setting, and recording may limit open and free discussion
- Members may be less willing to explore ideas or ask questions if recorded
- There are practical constraints, where recording and livestreaming technology may not always be available
- Additional administrative effort is required to manage, store, and upload recordings

Meetings differ from workshops in that they are formal, decision-making forums and are generally open to the public. This distinction supports a different approach to recording.

Based on this information it is considered that there are two options. Livestreaming is not considered to be an option at this stage because it is untested.

NGĀ KŌWHIRINGA | OPTIONS

Analysis of Options

Option 1. Do not audio-visually record Committee meetings and workshops.

Advantages	Disadvantages
• This is the current practice and all committee members and regular attendees to workshops and meetings are comfortable. • No additional administrative or technical requirements.	• Some members of the public may feel that the committee meetings and workshops are less transparent and accessible. • There is less alignment with broader Council practice.

Option 2. Audio-visually record Committee meetings and workshops, and upload later to Council's You Tube channel.

Advantages	Disadvantages
• Committee meetings and workshops will be more accessible and transparent to the public. • If a sensitive matter is discussed that should not be made publicly available, this could be redacted ahead of the recording being made available to You Tube.	• Higher administrative and technical requirements.

Analysis Conclusion:
The Committee is now able to decide its preference going forward.

WHAKAKAPINGA | CONCLUSION

The Committee is best placed to determine its preferred approach to recording meetings and workshops, taking into account the balance between transparency, accessibility, and the need for effective discussion.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.3 OPERATIONS UPDATE

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

Authorised by: **Warrick Zander, General Manager Strategy and Environment**

TE PŪTAKE | PURPOSE

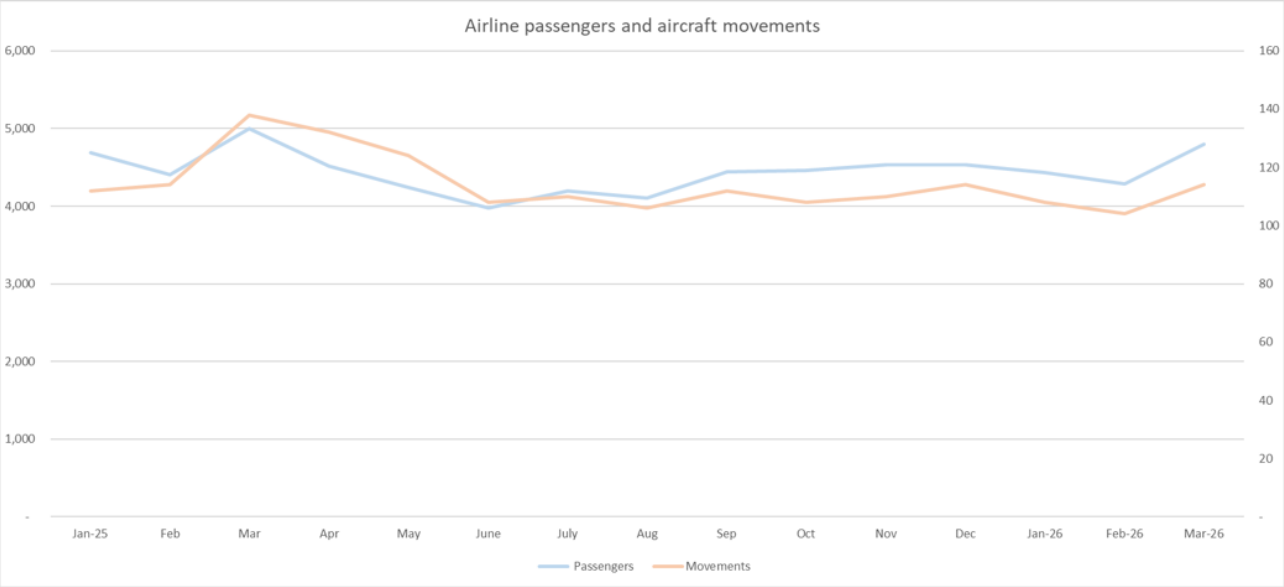
This report has been prepared for the Taupō Airport Authority (TAA) Committee to provide a clear governance-level overview of operational and safety matters arising from the current airport operations.

No immediate decisions are sought.

NGĀ KŌRERORERO | DISCUSSION

Due to the short timeframe since the last TAA Committee meeting in May, the operational report for June will consist of a verbal update from the airport management team.

Passengers
Passenger and aircraft movement numbers per month (January 2025 to May 2026)



The rolling 12-month commercial passenger numbers through the airport was 51,008 as at the period ended 31 May 2026 with load factors consistently remaining around 80%. Once again there has been some disruptions due to the weather resulting in a slight decrease in aircraft movements as compared to the same period last year.

There has been no further information received from Air New Zealand with regards a reduction in regional services as a result of the current Middle East issues and the fuel crisis.

WHAKAKAPINGA | CONCLUSION

It is recommended that the Committee receives the update.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the Airport operations update.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.4 FINANCE REPORT FOR THE PERIOD ENDED 31 MAY 2026

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

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

TE PŪTAKE | PURPOSE

To receive the finance report for the period ended 31 May 2026.

WHAKAKAPINGA | CONCLUSION

It's recommended that the Committee receives the finance report.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the Taupō Airport Authority Finance Report for the period ended 31 May 2026.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. TAA financial summary May 26 ⇩
2. TAA financial reports May 26 ⇩

TAUPŌ AIRPORT

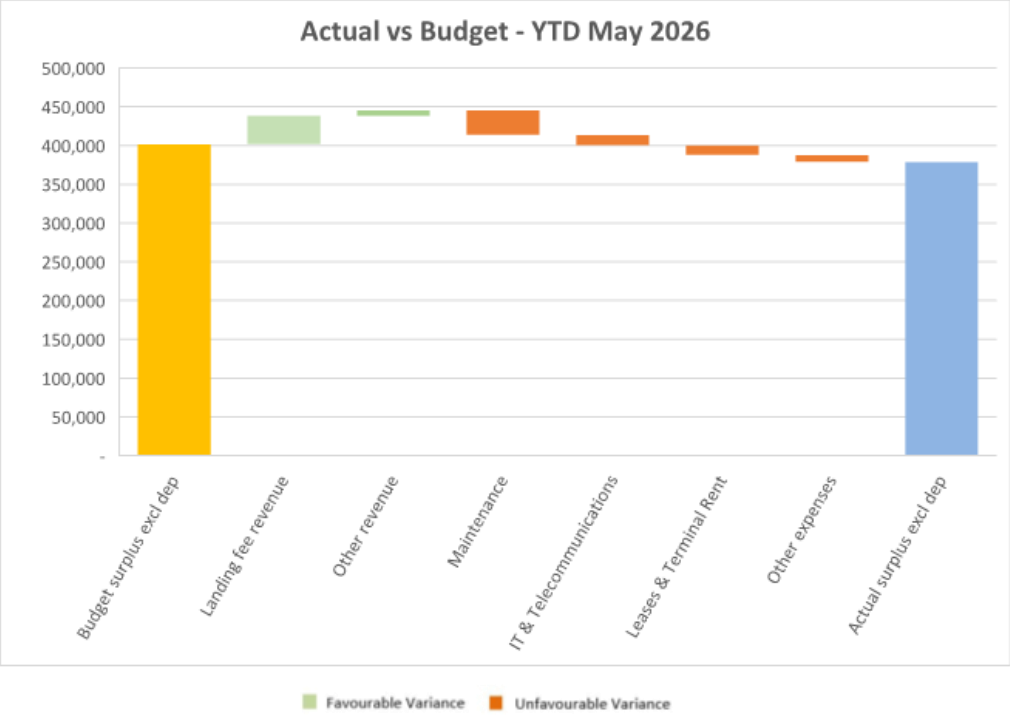
TE TAUNGA WAKA
RERERANGI O TAUPŌ

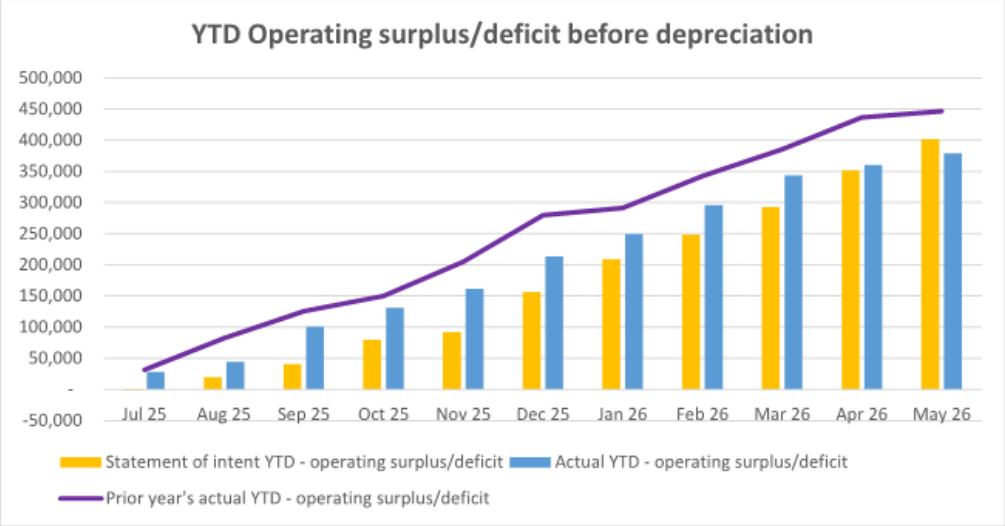
FINANCE REPORT

FINANCE REPORT – YTD May 2026

Statement of Financial Performance

- Operating revenue overall is $32k 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 $52k unfavourable to budget mostly due to more maintenance required than anticipated.
- Overall operating deficit after depreciation is $159k which is $12k favourable to budget.





Statement of Financial Performance
For 11 months ending 31 May 2026

Taupo Airport Authority

	YTD Actual 31/5/26 $	YTD Budget 31/5/26 $	YTD Var to Budget $	YTD Actual Last Yr $	YTD Var to Last Yr $	Full Year original budget 30/06/26 $	Full Year 30/06/25 $
Revenue							
Landing charges - commercial	848,530	815,358	33,172	842,331	6,199	883,720	916,919
Landing charges - general aviation	90,987	87,755	3,232	95,774	(4,787)	93,240	99,238
Aircraft parking charges	7,031	2,200	4,831	4,915	2,116	2,400	4,915
Leases & Terminal Rent	315,429	327,701	(12,272)	292,151	23,278	363,619	325,112
Carpark revenue	104,307	110,000	(5,693)	105,950	(1,643)	120,000	115,439
Advertising	5,088	4,500	588	4,495	593	6,000	6,606
Cropping Income	13,822	18,953	(5,131)	16,855	(3,033)	18,953	16,855
Interest	6,250	-	6,250	5,524	726	-	6,557
Insurance proceeds	-	-	-	-	-	-	-
Other income	5,368	2,750	2,618	6,277	(909)	3,000	6,495
Recoveries	10,785	6,820	3,965	7,838	2,947	7,440	8,596
Total Operating Revenue	1,407,597	1,376,037	31,561	1,382,110	25,488	1,498,372	1,506,733
Expenditure							
Employee Expenses							
Employee expenses	299,687	296,907	(2,779)	251,504	(48,182)	324,234	284,578
ACC levies	1,616	1,498	(118)	1,333	(284)	1,641	1,444
Training & associated costs	-	880	880	161	161	960	161
Other employee costs	3,073	2,200	(873)	1,978	(1,095)	2,200	1,643
	304,376	301,485	(2,891)	254,977	(49,399)	329,035	287,827
Operating Expenditure							
Audit fees - Audit NZ	16,101	16,115	14	6,780	(9,321)	17,580	17,747
Audit fees - CAA	-	5,000	5,000	-	-	5,000	-
Bank fees and interest expense	3,775	9,295	5,520	14,370	10,595	10,140	15,503
Catering	9	220	211	-	(9)	240	-
Cleaning	6,875	3,047	(3,828)	6,175	(700)	3,324	6,607
TDC Business Services	44,000	44,000	-	44,000	-	48,000	48,000
Contractors	209,258	201,793	(7,465)	225,748	16,490	219,992	247,505
Electricity	67,340	61,185	(6,155)	57,425	(9,915)	67,620	64,719
Health and Safety	4,988	2,815	(2,173)	3,843	(1,145)	3,540	3,843
Insurance	27,280	31,667	4,387	29,944	2,665	34,588	32,748
IT & Telecommunications	70,502	57,101	(13,401)	58,063	(12,439)	62,292	63,704
Legal fees	-	-	-	-	-	-	-
Maintenance - airside	16,651	5,225	(11,426)	4,063	(12,588)	5,700	8,260
Maintenance - landside	18,154	6,050	(12,104)	4,748	(13,406)	6,600	7,587
Maintenance - building	17,000	26,281	9,281	24,593	7,593	27,204	24,579
Maintenance - plant and machinery	17,776	-	(17,776)	3,935	(13,841)	-	1,691
Marketing	-	5,000	5,000	15,142	15,142	5,000	15,142
Professional fees	88,404	83,300	(5,104)	63,990	(24,414)	83,300	81,356
Rates	49,334	44,090	(5,244)	39,032	(10,301)	44,090	41,591
Rental & equipment hire	51,316	51,183	(133)	53,614	2,297	55,836	58,849
Rubbish Disposal	5,561	5,610	49	5,461	(100)	6,120	5,937
Security	1,112	3,058	1,946	2,651	1,539	3,336	3,730
Stationery and supplies	4,869	4,070	(799)	5,260	391	4,440	7,385
Travel	946	3,663	2,717	3,569	2,623	4,000	3,794
Vehicle running costs & maintenance	2,825	2,750	(75)	3,630	805	3,000	3,720
Other expenses	-	-	-	4,170	4,170	-	12,404
Total operating expenditure	724,077	672,518	(51,559)	680,206	(43,871)	720,942	776,400
Operating surplus/(deficit) before depreciation & taxation	379,145	402,034	(22,889)	446,927	(67,783)	448,394	442,507
Depreciation & Amortisation							
Depreciation	538,231	573,348	35,117	479,528	(58,704)	625,471	546,457
	538,231	573,348	35,117	479,528	(58,704)	625,471	546,457
Operating surplus/(deficit) before taxation	(159,086)	(171,315)	12,228	(32,600)	(126,486)	(177,077)	(103,951)

Statement of Financial Position
as at 31 May 2026

Taupo Airport Authority

	As At 31/05/2026 $	Budget 31/05/2026 $	Variance to Budget $	Prior year 31/05/2025 $	Variance to prior year $	Full Yr Bud 30/06/26 $	Full Year 30/06/25 $
Equity							
Equity Interest of Joint Venture Partners	15,673,499	16,674,833	(1,001,334)	15,497,011	176,489	16,674,833	15,457,922
Appropriation Accounts	(443,528)	(807,690)	364,162	(546,438)	102,910	(763,866)	(277,600)
Asset Revaluation Reserves	6,698,525	6,692,170	6,354	6,692,170	6,354	6,692,170	6,698,525
Total Equity	21,928,496	22,559,313	(630,817)	21,642,743	285,753	22,603,137	21,878,846
Assets							
Current Assets							
Cash & Cash Equivalents	843,036	487,428	355,608	410,243	432,793	436,311	348,640
Other Financial Assets	-	-	-	-	-	-	-
Trade Debtors	128,867	290,981	(162,115)	343,469	(214,602)	278,838	176,439
Other Receivables	81,225	112,380	(31,155)	52,997	28,228	112,380	13,649
Provision for income tax	-			-		-	-
Total current assets	1,053,127	890,790	162,338	806,709	246,418	827,529	538,728
Non-Current Assets							
Intangible Assets	-	122	(122)	20	(20)	122	-
Property, Plant and Equipment	23,769,683	24,929,588	(1,159,906)	22,818,457	951,226	24,877,470	24,279,894
Work in Progress	33,988	20,000	13,988	1,426,171	(1,392,184)	20,000	20,285
Total non-current assets	23,803,670	24,949,710	(1,146,039)	24,244,648	(440,978)	24,897,592	24,300,178
Total Assets	24,856,798	25,840,499	(983,702)	25,051,358	(194,560)	25,725,121	24,838,906
Liabilities							
Current Liabilities							
Trade Payables	3,758	108,895	(105,137)	63,954	(60,197)	99,584	42,432
Other Payables	130,199	64,334	65,865	110,760	19,439	64,334	89,505
Income in Advance	46,197	63,156	(16,960)	33,260	12,937	63,156	59,934
Provisions	3,729	2,174	1,555	3,729	-	1,865	3,729
Employee Entitlements	30,605	42,750	(12,145)	36,277	(5,673)	42,750	44,565
Total current liabilities	214,487	281,309	(66,822)	247,981	(33,494)	271,689	240,165
Non-Current Liabilities							
Borrowings	-	100,000	(100,000)	200,000	(200,000)	-	-
Provisions	(1,554)	-	(1,554)	2,175	(3,729)	-	1,865
Deferred Tax Liability	2,715,369	2,899,877	(184,508)	2,958,459	(243,090)	2,850,296	2,718,030
Total non-current liabilities	2,713,815	2,999,877	(286,062)	3,160,634	(446,819)	2,850,296	2,719,895
Total Liabilities	2,928,302	3,281,186	(352,884)	3,408,615	(480,313)	3,121,984	2,960,060
Net Assets	21,928,496	22,559,313	(630,817)	21,642,743	285,753	22,603,137	21,878,846
Trade Debtors Aging:							
Current	*114,359*						*163,851*
Past due 1-30 days	*5,559*						*2,787*
Past due 31-60 days	*4,533*						*949*
Past due 61+ days	*4,415*						*8,852*
Total Trade Debtors:	*128,866*			-			*176,439*

Statement of Cashflows
For 11 months ending 31 May 2026

Taupo Airport Authority

	YTD Actual	YTD Budget	YTD Var to Budget	YTD prior year	Variance to prior year	Full Year Budget FY2026	Full prior year actuals FY2025
	$	$	$	$	$	$	$
Cashflows from operating activities							
Cash was provided from:							
Receipts from customers	1,373,333	1,241,869	131,464	1,224,267	149,066	1,376,037	1,486,157
Interest received	6,250	-	6,250	5,524	726	-	5,743
Payments to suppliers	(715,300)	(617,782)	(97,518)	(704,875)	(10,425)	(675,598)	(769,896)
Interest paid	-	-	-	(12,961)	12,961	-	(14,540)
Payments to employees	(313,647)	(298,405)	(15,241)	(256,083)	(57,563)	(325,875)	(280,869)
Net GST refunded / (paid)	640	-	640	5,303	(4,663)	-	9,487
Net Cashflows from Operating Activities	**351,276**	**325,681**	**25,595**	**261,174**	**90,102**	**374,563**	**436,082**
Cashflows from Investing Activities							
Purchase of property, plant & equipment	(72,458)	(1,040,000)	967,542	(1,706,998)	1,634,541	(1,040,000)	(1,781,123)
Net Cashflows from Investing Activities	**(72,458)**	**(1,040,000)**	**967,542**	**(1,706,998)**	**1,634,541**	**(1,040,000)**	**(1,781,123)**
Cashflows from Financing Activities							
Proceeds from Equity injections	215,578	890,000	(674,422)	1,668,991	(1,453,413)	890,000	1,706,605
Loan from Taupo District Council	-	-	-	-	-	(100,000)	(200,000)
Net Cashflows from Financing Activities	**215,578**	**890,000**	**(674,422)**	**1,668,991**	**(1,453,413)**	**790,000**	**1,506,605**
Net Increase / (decrease) in cash held	494,396	175,681	318,715	223,166	271,230	124,563	161,563
Add Cash at start of year	348,641	311,747	36,894	187,078	161,563	311,747	187,078
Cash & cash equivalents at end of period	**843,037**	**487,429**	**355,608**	**410,244**	**432,793**	**436,311**	**348,641**

Statement of Financial Performance
For 11 months ending 31 May 2026

Taupo Airport Authority

	Quarter 1			Quarter 2			Quarter 3			Apr-25			May-25			YTD		
	Actual	Budget	Var	Actual	Budget	Var	Actual	Budget	Var	Actual	Budget	Var	Actual	Budget	Var	Actual	Budget	Var
Revenue																		
Landing charges - commercial	220,183	181,046	39,137	245,979	226,560	19,419	249,057	245,686	3,371	70,720	79,929	(9,209)	62,593	82,137	(19,544)	848,530	815,358	33,172
Landing charges - general aviation	17,981	16,455	1,526	26,827	27,423	(596)	30,937	27,423	3,514	7,876	10,969	(3,093)	7,367	5,485	1,882	90,987	87,755	3,232
Aircraft parking charges	1,390	600	790	1,511	600	911	1,995	600	1,395	540	200	340	1,595	200	1,395	7,031	2,200	4,831
Leases & Terminal Rent	86,412	89,373	(2,961)	86,185	89,373	(3,188)	85,207	89,373	(4,166)	28,364	29,791	(1,427)	29,262	29,791	(529)	315,429	327,701	(12,272)
Carpark revenue	31,653	30,000	1,653	28,216	30,000	(1,784)	27,604	30,000	(2,396)	7,334	10,000	(2,666)	9,500	10,000	(500)	104,307	110,000	(5,693)
Advertising	-	-	-	2,787	1,500	1,287	-	1,500	(1,500)	2,301	1,500	801	-	-	-	5,088	4,500	588
Cropping Income	-	-	-	11,324	7,581	3,743	-	5,686	(5,686)	2,498	-	2,498	-	5,686	(5,686)	13,822	18,953	(5,131)
Interest	1,009	-	1,009	1,469	-	1,469	1,196	-	1,196	2,227	-	2,227	350	-	350	6,250	-	6,250
Insurance proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	1,655	750	905	1,538	750	788	818	750	68	468	250	218	889	250	639	5,368	2,750	2,618
Recoveries	2,545	1,860	685	3,331	1,860	1,471	3,315	1,860	1,455	972	620	352	621	620	1	10,785	6,820	3,965
Total Operating Revenue	362,827	320,084	42,743	409,166	385,647	23,519	400,129	402,878	(2,748)	133,300	133,259	(9,959)	112,176	134,169	(21,993)	1,407,597	1,376,037	31,561
Expenditure																		
Employee Expenses																		
Employee expenses	75,448	81,991	6,543	87,152	81,991	(5,161)	83,780	79,507	(4,273)	22,562	27,330	4,768	30,744	26,088	(4,656)	299,687	296,907	2,779
ACC levies	498	414	(84)	394	413	19	460	401	(59)	133	138	5	131	132	1	1,616	1,498	118
Other employee costs	3,073	-	(3,073)	-	2,200	2,200	-	-	-	-	-	-	-	-	-	3,073	2,200	873
	79,019	82,645	3,626	87,547	84,844	(2,703)	84,240	80,148	(4,092)	22,695	27,548	4,853	30,875	26,300	(4,575)	304,376	301,485	2,891
Operating Expenditure																		
Audit fees - Audit NZ	4,391	4,395	4	4,391	4,395	4	4,391	4,395	4	1,464	1,465	1	1,464	1,465	1	16,101	16,115	(14)
Audit fees - CAA	-	5,000	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000	(5,000)
Bad and doubtful debts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank fees and interest expense	1,083	2,535	1,452	1,073	2,535	1,462	663	2,535	1,872	336	845	509	619	845	226	3,775	9,295	(5,520)
Catering	-	60	60	9	60	51	-	60	60	-	20	20	-	20	20	9	220	(211)
Cleaning	2,559	831	(1,728)	647	831	184	3,235	831	(2,404)	201	277	76	233	277	44	6,875	3,047	3,828
TDC Business Services	12,000	12,000	-	12,000	12,000	-	12,000	12,000	-	4,000	4,000	-	4,000	4,000	-	44,000	44,000	-
Contractors	56,276	54,798	(1,478)	57,230	55,198	(2,032)	56,288	55,198	(1,090)	19,734	18,399	(1,335)	19,731	18,199	(1,531)	209,258	201,793	7,465
Electricity	22,205	22,305	100	13,575	13,205	(370)	16,403	13,905	(2,498)	7,305	5,335	(1,970)	7,853	6,435	(1,418)	67,340	61,185	6,155
Health and Safety	1,673	885	(788)	1,574	885	(689)	988	885	(103)	-	80	80	752	80	(672)	4,988	2,815	2,173
Insurance	8,412	8,415	3	7,393	8,647	1,254	6,885	8,763	1,878	2,295	2,921	626	2,295	2,921	626	27,280	31,667	(4,387)
IT & Telecommunications	18,018	15,573	(2,445)	20,735	15,573	(5,162)	18,728	15,573	(3,155)	6,281	5,191	(1,090)	6,740	5,191	(1,549)	70,502	57,101	13,401
Legal fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance - airside	5,934	1,425	(4,509)	9,161	1,425	(7,736)	375	1,425	1,050	405	475	70	776	475	(301)	16,651	5,225	11,426
Maintenance - landside	-	1,650	1,650	1,880	1,650	(230)	9,464	1,650	(7,814)	-	550	550	6,810	550	(6,260)	18,154	6,050	12,104
Maintenance - building	4,937	8,666	3,729	8,850	6,546	(2,304)	2,668	9,146	6,478	2,995	1,000	(1,995)	(2,450)	923	3,373	17,000	26,281	(9,281)
Maintenance - plant and machinery	3,765	-	(3,765)	5,815	-	(5,815)	7,752	-	(7,752)	445	-	(445)	-	-	-	17,776	-	17,776
Marketing	-	2,000	2,000	-	3,000	3,000	-	-	-	-	-	-	-	-	-	-	5,000	(5,000)
Professional fees	13,720	23,950	10,230	33,040	30,000	(3,040)	14,003	29,350	15,347	27,759	-	(27,759)	(118)	-	118	88,404	83,300	5,104
Rates	10,202	13,210	3,008	12,565	9,960	(2,605)	12,945	10,960	(1,985)	1,889	-	(1,889)	11,732	9,960	(1,772)	49,334	44,090	5,244
Rental & equipment hire	13,981	13,959	(22)	13,981	13,959	(22)	14,007	13,959	(48)	4,673	4,653	(20)	4,673	4,653	(20)	51,316	51,183	133
Rubbish Disposal	1,609	1,530	(79)	1,456	1,530	74	1,519	1,530	11	567	510	(57)	411	510	99	5,561	5,610	(49)
Security	178	834	656	934	834	(100)	-	834	834	3,378	278	(3,100)	(3,378)	278	3,656	1,112	3,058	(1,946)
Stationery and supplies	950	1,110	161	2,024	1,110	(914)	1,473	1,110	(363)	224	370	146	199	370	171	4,869	4,070	799
Travel	740	999	259	(412)	999	1,411	618	999	381	-	333	333	-	333	333	946	3,663	(2,717)
Vehicle running costs & maintenance	759	750	(9)	449	750	301	1,329	750	(579)	77	250	173	211	250	39	2,825	2,750	75
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenditure	183,392	196,880	13,488	208,373	185,092	(23,281)	185,733	185,858	125	84,027	46,952	(37,074)	62,552	57,735	(4,817)	724,077	672,518	51,559
Operating surplus/(deficit) before depreciation & taxation	180,416	40,559	59,856	113,246	115,711	(2,465)	130,156	136,872	(6,716)	16,578	58,758	(42,180)	18,749	58,133	(31,384)	379,145	402,034	(22,889)
Depreciation & Amortisation																		
Depreciation	146,219	156,368	10,149	147,017	156,368	9,351	146,618	156,368	9,750	48,873	52,123	3,250	49,505	52,123	2,618	538,231	573,348	(35,117)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	146,219	156,368	10,149	147,017	156,368	9,351	146,618	156,368	9,750	48,873	52,123	3,250	49,505	52,123	2,618	538,231	573,348	(35,117)
Operating surplus/(deficit) before taxation	(45,804)	(115,809)	70,005	(33,771)	(40,657)	6,886	(16,461)	(19,496)	3,034	(32,295)	6,636	(38,930)	(30,756)	(1,989)	(28,766)	(159,086)	(171,315)	12,228

5.5 TAUPŌ AIRPORT AUTHORITY STATEMENT OF INTENT 1 JULY 2026 TO 30 JUNE 2029

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

Authorised by: **Warrick Zander, General Manager Strategy and Environment**

TE PŪTAKE | PURPOSE

To receive and approve the Statement of Intent for the period 1 July 2026 to 30 June 2029.

NGĀ KŌRERORERO | DISCUSSION

The draft Statement of Intent for the period 1 July 2026 to 30 June 2029 was approved by members at the meeting of the Taupō Airport Authority (TAA) Committee on 23 February 2026 for release to Council and the Ministry of Transport (as joint venture owners) for comment.

Comments were received from both of the joint venture owners:

Taupō District Council (TDC)

1. Nature and scope of activities
- *TDC is satisfied with the nature and scope of the proposed activities*

2. Performance measurement
- *TDC is satisfied with the performance measures proposed*

3. Disclosures – Local Government Act 2002
- *No concerns*

4. Other matters
- *Can the TAA please add an assumption regarding how they consider the impact of the current fuel crisis and also review their budgets to ensure they reflect any recent decisions as a result of this*
- *It must be noted that within the SOI capital budgets are subject to approval through the relevant Taupō District Council Annual or Long-term Plans*

5. Timeliness of forwarding draft SOI
- *Receipted within legislative timeframes*

Ministry of Transport

In general the Ministry is happy with the content of the draft SOI but has noted that, even though TAA is maintaining strong financial stability which enables the airport to finance some of its commercial projects from its reserves, not being able to generate any net operating surplus significantly limits its ability to build reserves and, as a result, constrains its capacity to fund future capital projects from internal sources.

Management is acutely aware that, even though the current surplus operational revenue covers operational costs, it is not sufficient to fully fund depreciation. However, management is forecasting that within four to five years, surplus TAA funds will accumulate to a sufficient level to be able to put aside funding for depreciation.

Management has reviewed the draft Statement of Intent and made updates as recommended by Joint Venture owners for the final version.

WHAKAKAPINGA | CONCLUSION

It is recommended that the Committee receives and approves the Statement of Intent.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives and approves the Taupō Airport Authority Statement of Intent 1 July 2026 to 30 June 2029.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Taupō Airport Authority Statement of Intent 1 July 2026 to 30 June 2029 ⇩

TAUPŌ AIRPORT | TE TAUNGA WAKA RERERANGI O TAUPŌ

Taupō Airport Authority

Statement of Intent
for the three-year period
1 July 2026 to 30 June 2029

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

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 2026 to 30 June 2029 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	To be advised
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.

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:

- John Funnell (Mayor)
- Duncan Campbell (Councillor)
- Steve Manunui (Councillor)
- Chris Grace (Business representative)
- Mark Costello (Business representative)
- Bryan Field (Ministry of Transport observer)
- Barry Payne (Airport local user observer)

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 Rules Part 139 and Part 100 as well as 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 operates on a self-funding model without the need for any general ratepayer contributions.

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 between Taupō and Auckland
- General aviation
- Skydiving adventure operations
- Scenic flights
- Agricultural aviation services
- Non-aviation commercial and retail offerings

The 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.

Taupō Airport is identified as a critical piece of regional transport infrastructure, provides an important asset for the region and is home to the central north island helicopter rescue services.

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.

Airside assets include a 1,386m long sealed runway (non-instrument Code 3) capable of catering for all domestic New Zealand 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 Rules Part 139 and Part 100.

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

- Certification and operation
- Applicable security measures
- Use by aircraft operators
- Provision of a shared radio frequency used by pilots (UNICOM)
- Operation of a mandatory broadcast zone (MBZ)
- Aerodrome and weather information broadcasting services (AWIB)

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 are compiled by Airport management for approval 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 Airport is exempt from this 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 Rules Part 139 and Part 100.

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.

Any amendments will be assessed by TAA and the final SOI is to be provided to the JV partners after adoption by the TAA Committee and prior to the start of the SOI period from 1 July 2026.

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

- Financial
- IT
- Legal
- Communications and media

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

During the period of the SOI, TAA and TDC will 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

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.

Previous TAA Committees have signalled that corporatisation would 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 of the Airport Company.

A review on the Governance structure of TAA was carried out during the previous SOI period with legal and financial advice being sought on moving to a stand-alone structure similar to most other regional airports in New Zealand that operate as corporatised entities to allow:

- Greater flexibility
- Quicker response to changing conditions
- Ability to loan fund asset development
- Organise and sign contracts
- Ability to own assets
- Self-funding
- Clearer TAA/TDC interface
- Ability to attract a high calibre of governance and management

At the time the Ministry of Transport signalled their support for corporatisation, however, due to the Local Government elections taking place during the last SOI period, further work on the governance structure review was deferred but may resume again during the period of this SOI.

In the meantime, there has been changes to the structure of the TAA Committee with the inclusion of two observers – one from the Ministry of Transport and one nominated from the Airport users.

It is noted that the role of the observers is to attend meetings, receive information and monitor proceedings without the ability to vote or form part of a quorum. In principle, the observers act as a non-decision-making presence who provide value through insight, expertise and a different perspective, while respecting the formal governance structure of the Committee.

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 was reached 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 that the national carrier, Air New Zealand, is currently trialling.

5.7 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 continue to 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 recent major projects such as the Airport terminal redevelopment, new car park and the widespread works to the apron with an extension and surface treatment, the requirement for major airside capital expenditure during this SOI period will be limited.

Therefore, the focus over the next three years will mainly be concentrated on landside capital expenditure:

- Anzac Memorial Drive improvements
- 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 experienced 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 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, a recommendation was made to apply a proprietary surface treatment and joint funding by the JV owners was sought and agreed. However, more recently it has become apparent that surface condition, apart from some localised areas, has not seen further deterioration and there may be a case to defer the surface treatment or plan for a complete surface overlay of the runway at a later date.

Whilst a further review is pending, the surface treatment project will be maintained in the period of this SOI but this may change and, if necessary, a requirement to seek additional funding from the JV owners dependent of whether the recommended option is to carry out a runway overlay.

6.2 Anzac Memorial Drive improvements

In 2023 TDC carried out an upgrade to the adopted section of Anzac Memorial Drive leading from the State Highway to the Airport entrance 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 (the airport perimeter road) has not been maintained for many years, has no kerb and channel, poor drainage and a deteriorating road surface.

The intention during this SOI period is to investigate, plan and carry out works to upgrade this section of Anzac Memorial Drive by installing new kerb and channel, improving the drainage and resurfacing to the carriageway.

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. Therefore, with a detailed business case, funding will be sought from TDC and, if agreed, works will be aligned from 2027/28 onwards.

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.

One of these areas has been identified for rotary activities expansion and investigation with regards requirements for either upgrading or the provision of roading and services infrastructure will be undertaken during the period of this SOI.

Due to the location of the development area being away from the main Airport operational infrastructure, it is doubtful that the MoT will be prepared to co-fund the work, however, submissions will be made to both the Ministry and Council for co-funding.

6.4 Small landside and airside projects

- Airport boundary fence replacement – continuation of a rolling programme (Stage 3) 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
- CCTV expansion to landside/airside 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 although Air New Zealand is currently trialling a full electric aircraft initially for cargo use.

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.

6.6 Taupō District Plan

Whilst not necessary a capital works project, this is a substantial piece of work that has been ongoing since 2023 which is being funded through operational expenditure and will come to a conclusion during the period of this SOI.

The operative Taupō District Plan does not explicitly recognise the Airport which could well have an impact as the operations, activities and effects of the Airport are not adequately considered and provided for under the existing provisions.

Experienced aviation and planning consultants have been engaged to investigate and prepare a private plan change and notice of requirement to cover forecasted aviation growth over the next 30 years with a purpose to set in place an appropriate and efficient planning method within the Taupō District Plan.

This will provide for the ongoing use and development of the Airport land and infrastructure whilst seeking to provide recognition and controls in the Plan in a way that appropriately recognises the specific development and operational needs of a regional airport.

The total project cost is estimated at approximately $250,000, with $150,000 allocated in the first year of this SOI for professional fees associated with the hearing process.

Forecasted capital expenditure

Project (cost x $000)	2026/27	2027/28	2028/29
Development of aviation / commercial areas	100	100	100
Southern Apron reconstruction	-	600	800
Anzac Memorial Drive upgrade – Stage 1	-	850	750
Parallel taxiway surface treatment	-	-	300
Small projects:			
1) Airport boundary fence (Stage 3)	50	-	-
2) Taxiway work north-west of apron	50	-	-
3) CCTV landside/airside expansion	10	-	-
4) Taxiway rehabilitation	-	50	50
5) Next generation aircraft infrastructure	-	30	-
6) Vehicle renewal	-	50	-
Other potential capex:			
Terminal renewals	10	10	10
Landside renewals	10	10	10
Airside renewals	10	10	10
Car park renewals	10	10	10
Furniture and fittings renewals and new items	10	10	10
Total	**260**	**1,730**	**2,050**

Expected funding source of capital expenditure

Project (cost x $000)	2026/27				2027/28			
	Cost	TDC funded	Govt funded	Internally funded	Cost	TDC funded	Govt funded	Internally funded
Development of aviation / commercial areas	100			100	100			100
Southern Apron reconstruction					600	300	300	
Anzac Memorial Drive upgrade – Stage 1					850	850		
Small projects:								
1) Airport boundary fence (Stage 3)	50		25	25				
2) Taxiway work north-west of apron	50		25	25				
3) CCTV landside expansion	10			10				
4) Taxiway rehabilitation					50		25	25
5) Next gen aircraft infrastructure					30		15	15
6) Vehicle renewal					50			50
Other potential capex	50			50	50			50
Total	**260**	**0**	**50**	**210**	**1,730**	**1,150**	**340**	**240**

For the 2028/2029 year $575k will be sought from the Government, $1.3m from the Council and the remaining $175k of the forecasted capital expenditure to be internally funded.

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

6.7 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 costs funded from Airport revenue with no reliance on the general ratepayer

6.8 Passenger numbers

Passenger numbers through the Airport have remained flat since the impacts of the COVID-19 pandemic and the demise of the Taupō to Wellington air sector.

Even though Sounds Air and Originair were not successful in maintaining a service to the Wellington, with recent Government support for second and third tier airlines and airline interline agreements with the National carrier, there may be a possibility for a sustainable operation to resume. This will be investigated during this SOI period.

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

	2026/27	2027/28	2028/29
Forecasted passenger numbers	54,590	56,230	57,920

7. FINANCIALS

7.1 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 0.89:1 to 0.91:1.

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

7.2 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 2023and 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.

7.3 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 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 years - Indefinite
	Kerbs	50 years
	Footpaths	80 years
	Stormwater	80 years
	Fencing	5 – 30 years
	Street Lighting	52 years
Operational Assets		
	Buildings	14 - 64 years
	Furniture and Fittings	4 - 50 years
	Motor Vehicles	5 years

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 2025.

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 nil funding from Taupō District Council for FY26/27.

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.

7.4 Financial performance

This section outlines TAA's projected financial performance for the three-year period ending 30 June 2028, based on forecast passenger growth, current and anticipated aircraft types and sizes, and planned commercial activity within the airport.

The budget also reflects external pressures, including volatility in global fuel markets arising from the situation in the Middle East. This has contributed to increased aviation fuel costs and demand, with possible implications for both airport operating revenue and expenditure.

A review resulted in minor adjustments with no significant impact on the overall forecasts.

Following the release of the draft SOI, the budget has been reviewed. Given the uncertainty around the timing and outcomes of these external factors, adjustments to operating revenue and expenditure have been incorporated for the first year of the SOI.

	2026/27 $000	2027/28 $000	2028/29 $000
Operating revenue	1,508	1,586	1,618
Operating expenditure	1,251	1,139	1,161
Operating surplus before depreciation and tax	257	447	457
Depreciation	640	702	799
Taxation credit	107	71	96
Net operating surplus/(deficit)	**-276**	**-184**	**-246**

7.5 Forecast statement of financial position

	2026/27 $000	2027/28 $000	2028/29 $000
Assets			
Current assets	1,118	1,324	1,606
Property, plant and equipment	24,218	25,246	26,496
Total assets	25,336	26,570	28,102
Liabilities			
Current liabilities	209	207	207
Non-Current liabilities	2,604	2,533	2,437
Total liabilities	2,813	2,740	2,644
Net assets	22,523	23,830	25,458
Total equity	22,523	23,830	25,458

7.6 Forecast statement of cashflows

	2026/27 $000	2027/28 $000	2028/29 $000
Net cashflows from operating activities	260	445	457
Net cashflows from investing activities	(260)	(1,730)	(2,050)
Net cashflows from financing activities	50	1,490	1,875
Net increase/(decrease) in cash held	50	205	282
Add forecasted cash at start of year	820	870	1,075
Cash and cash equivalents at end of year	870	1,075	1,357

7.7 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.

	2027 $000	2026 $000	Movement $000
Land	5,110	5,110	0
Infrastructure and buildings (landside assets)	10,996	11,137	141
Runway, taxiways and apron (airside assets)	7,558	7,783	225
Furniture and fittings	554	569	15
Total	24,218	24,599	381

7.8 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 a loan facility agreement between TDC and TAA was signed. TAA paid the outstanding balance in June 2025 through surplus funds as revenue received from Airport operations met operational requirements.

The loan facility is still available and may be drawn down if required for working capital.

7.9 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

5.6 TAUPŌ AIRPORT AUTHORITY OPERATIONAL BUDGET - FINANCIAL YEAR 2027

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

Authorised by: **Warrick Zander, General Manager Strategy and Environment**

TE PŪTAKE | PURPOSE

To receive and approve the Taupō Airport Authority operational budget for the 2027 financial year.

WHAKAKAPINGA | CONCLUSION

It is recommended that the Taupō Airport Authority receives and approves the operational budget for the 2027 financial year.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives and approves the operational budget for the 2027 financial year.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. TAA budget FY2027 ⇩

Taupo Airport Authority
FY2027 Budget

	Budget FY2027
Revenue	
Landing charges - commercial	899,250
Landing charges - general aviation	94,634
Aircraft parking charges	3,400
Leases & terminal rent	381,259
Carpark revenue	110,888
Advertising	6,000
Cropping Income	15,000
Other income	3,000
Recoveries	7,440
Total Operating Revenue	1,520,871
Expenditure	
Employee Expenses	
Employee expenses	332,341
ACC levies	1,682
Training & associated costs	960
Other employee costs	2,200
	337,183
Operating Expenditure	
Audit fees - Audit NZ	17,580
Bank fees and interest expense	4,440
Catering	240
TDC Business Services	60,000
Contractors	235,299
Electricity	81,480
Health and Safety	3,968
Insurance	28,412
IT & Telecommunications	77,870
Maintenance - airside	16,780
Maintenance - landside	12,000
Maintenance - building	21,724
Maintenance - plant and machinery	17,700
Marketing	5,000
Materials and supplies	7,670
Professional fees	229,000
Rates	54,939
Rental & equipment hire	55,913
Rubbish Disposal	6,862
Security	3,336
Travel	4,000
Vehicle running costs & maintenance	4,200
Total operating expenditure	948,414
Operating surplus/(deficit) before depreciation & taxation	235,274
Depreciation & Amortisation	
Depreciation	656,803
Operating surplus/(deficit) before taxation	(421,529)
Taxation credit	118,028
Operating surplus/(deficit) after taxation	(303,501)

Professional services:	
District Plan designation	*150,000*
Master plan consultation	*25,000*
Aeronautical charges review consultation	*20,000*
General consultation	*13,000*
Valuations for ease renewals	*8,000*
Audit disbursements	*1,000*
Tax disclosure for annual report & tax return	*12,000*
	229,000

5.7 TAUPŌ AIRPORT AUTHORITY CAPITAL PROJECTS UPDATE

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

Authorised by: **Warrick Zander, General Manager Strategy and Environment**

TE PŪTAKE | PURPOSE

To receive an update from the General Manager Taupō Airport in relation to airport capital projects.

NGĀ KŌRERORERO | DISCUSSION

Main sealed runway 17/35

At the May 2026 meeting, members were updated on a project to surface treat the main sealed runway due to cracking and general deterioration of the surface, for which an item was originally included in the FY2026 capital works programme.

Unfortunately, following an extensive survey by aviation consultants AECOM (copy attached), the results no longer favour a surface treatment as there has been a marked deterioration since the previous survey in 2022 and to surface treat at this stage would neither achieve any betterment nor prolong the life expectancy of the runway.

To fully understand the extent of works required, AECOM has recommended that further testing be carried out as follows:

- Cores – AECOM will choose several areas for TAA to organise with a local contactor to take core samples – to be carried out during July/August 2026.

- AECOM will arrange for deflectometer testing for the length of the runway to be undertaken as soon as the contractor is due to move to the North Island (work currently being carried in the South Island) – tentatively planned for August/September 2026

These results should give an indication as to why the surface condition has declined – is it purely a surface problem or a more serious underlying issue with the pumice base?

Therefore, the planned surface treatment during FY2026 at an estimated cost of $800k (shared 50/50 between Ministry of Transport and Taupō District Council) has been cancelled with a recommendation to both Council and the Ministry that the budget be moved to carry out works during FY2027.

It may be the case that more extensive works will be necessary, especially if the pumice base is failing, and a better understanding will be gained once the further investigation is completed.

Management will provide an update to the Committee in due course.

WHAKAKAPINGA | CONCLUSION

It is recommended that the Committee receives the update.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

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

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Taupō Airport Airside Pavements Condition Inspection 2026 ⇩


Prepared for
Taupo Airport Authority
Co No.: N/A
AECOM
Airside Pavements Inspection 2026
Taupo Airport
11 May 2026
aecom.com
Delivering a better world

Airside Pavements Inspection 2026

Taupo Airport

Client: Taupo Airport Authority

Co No.: N/A

Prepared by

Xander Arlow

11-May-2026

Job No.: 6704534

AECOM in Australia and New Zealand is certified to ISO9001, ISO14001 and ISO45001.

Revision 0 – 11-May-2026
Prepared for – Taupo Airport Authority – Co No.: N/A

Quality Information

Document	Airside Pavements Inspection 2026
Ref	6704534
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Date	11-May-2026
Originator	Xander Arlow
Checker/s	Craig Ridgley

Revision History

Rev	Revision Date	Details	Approved	
			Name/Position	Signature
0	29-Apr-2026	Draft – For Client Review	Craig Ridgley Technical Director - Airports	

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Prepared for – Taupo Airport Authority – Co No.: N/A

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Executive Summary

Overall, the airside runway pavement surfacing's at Taupō Airport, whilst remaining serviceable, have shown a marked decline in condition since the previous 2022 inspection. The southern taxiway surfacing has also significantly deteriorated and is now in need of major renewal works, with the existing chipseal nearing the point where loose aggregate generation may become a Foreign Object Debris (FOD) risk.

In comparison, the apron areas are generally in good condition and have benefited from recent surface treatments and renewal works. The main taxiways are also showing signs of age-related deterioration, although the northern taxiway has benefited from more recent surfacing treatments and remains in comparatively better condition.

The runway is now exhibiting cracking along the majority of the wheel paths, indicating progressive surfacing ageing and the onset of pavement fatigue cracking and possible degradation of the underlying cemented pumice formation. A major works programme is recommended, including pavement deflection testing to determine the underlying structural capacity of the airfield pavements and to support the development of rehabilitation options for the runway. In addition, a resurfacing programme for the southern parallel taxiway should be developed as a priority due to the advanced deterioration of the existing surface.

The comparative condition of the various airside surfacing areas is presented in the following figure.

2026 Airport surfacing simplified PCI visual condition rating.

Adoption of a Pavement Preservation Strategy to Maximize Service Life of Existing Surfacing's

The majority of the airside bituminous surfacing's are becoming aged and are at a stage in their respective life cycles that preservation type treatments will be highly beneficial. Without this intervention maintenance, the surfacing's will begin to degrade relatively quickly, accelerating annual maintenance costs and reducing the overall life cycle eventually necessitating an expensive resurfacing program. Preservation treatments are highly cost-effective and can significantly increase the life cycle of the original surfacing's. The main RPT apron, GA apron and Taxiways Bravo and Delta have already received three rounds of bituminous preservation treatments over the original spray seal surfacing's. The last bitumen sand seal was applied over these areas in 2005 through 2008 and has been highly effective in locking up the surface and providing an extended reliable service life.

Bituminous surface treatment application is recommended for the outer thirds of the runway, as well as Taxiway Alpha south of the runway holding position and Taxiway Bravo east of the runway holding position in the near future in order to extend out the reliable life cycle of the surface. Sand seal treatments should be planned for Taxiways Charlie and Echo, the runway turning node widenings and Taxiway Alpha north of the runway holding position. Refer section 5 of the main report for additional details.

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1.0 Introduction

This report presents the results of a visual walkover inspection of the runway and associated aircraft pavements, general aviation taxiways and related refuelling hard stands at Taupo Airport by AECOM. Previous annual inspections were undertaken in 2003, 2005, 2006, 2008, and 2022. A visual inspection was also made in 2024 to gauge suitability for application of surface treatments. During the early 2000's several rounds surface treatments were implemented to stabilise the aged original seal coats prior to the runway overlay works program in 2008-2011.

The purpose of this inspection was to record the current condition of the various airport pavement surfacing's and from this identify areas requiring maintenance and/or more intensive works. Further to the site inspection and assessment of maintenance and/or rehabilitation requirements, options for the longer-term management of the pavements are also presented.

2.0 Pavement History

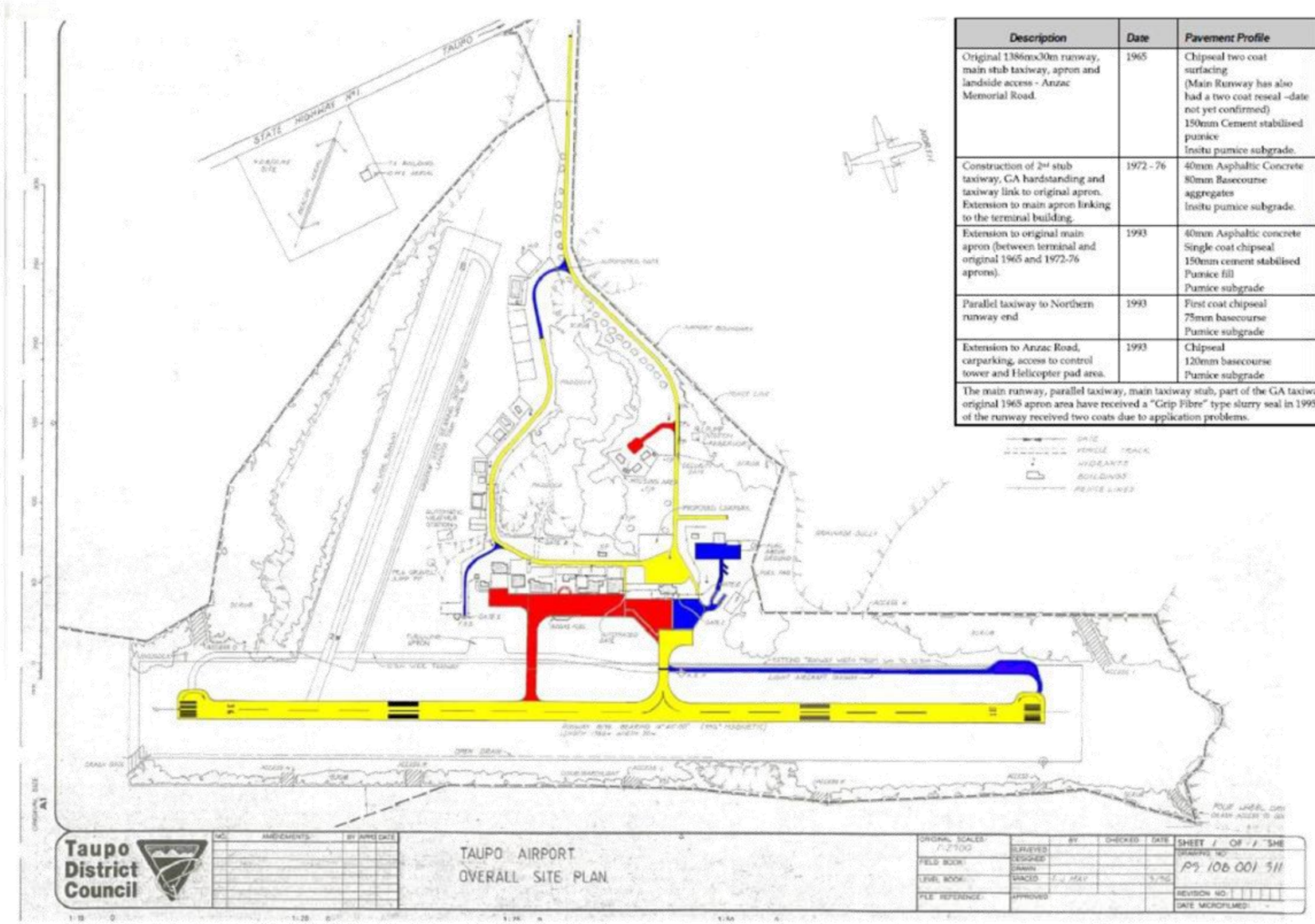
The airside and landside pavements at Taupo have been progressively expanded since the original facility was completed in 1965. Surfacing treatments and area expansion details are summarised in Table 1.

Table 1 Pavement areas and resurfacing history

Description	Date	Pavement Profile
Main 1386mx30m runway Main Taxiway Bravo Original RPT apron Refer Figure 1 for extents	2025	Bitumen surface treatment main RPT apron, GA apron, Taxiways Bravo and Delta up to runway hold positions.
	2011	50mm asphalt replacement overlay main runway only Sand seal treatment to main RPT apron and Taxiway Bravo
	2008	Main runway 50mm asphalt overlay, removed and replaced in 2011 due to construction issues except for runway turning bays and Taxiway Bravo and Delta stubs (approximately 10m in length)
	2008	RPT Apron area – 50mm asphalt overlay
	2006	Sand Seal outer quarters of the runway to slow down stone loss form the slurry matrix
	2004	Sand Seal central half of the runway to slow down fine material loss from the slurry matrix
	1995	2 coats of "grip fibre" slurry seal applied to the runway. 1 coat to Taxiway Bravo and original RPT apron
	TBC	Two coat chipseal resurfacing, exact date not known
	1965	Chipseal two coat surfacing 150mm Cement stabilised pumice In-situ pumice subgrade.
Construction of Taxiway Delta, GA apron and taxiway link to original	2008 TBC	GA apron bitumen sand seal
	2008	Taxiway Delta bitumen sand seal

Description	Date	Pavement Profile
apron. Extension to main apron linking to the terminal building. Refer Figure 1 and Figure 2 for extents	1995	1 coat "grip fibre" slurry seal applied to the Taxiway Delta
	1972 - 76	40mm Asphaltic Concrete 80mm Basecourse aggregates In-situ pumice subgrade.
Extension to original main apron (between terminal and original 1965 and 1972-76 aprons). Refer Figure 1 and Figure 2 for extents	2011 TBC	Bitumen sand seal
	2008	50mm asphalt overlay
	1993	40mm Asphaltic concrete Single coat chipseal 150mm cement stabilised Pumice fill Pumice subgrade
Parallel Taxiway Alpha to northern runway end Refer Figure 1 for extents	2012-2013	Shoulder widening of Taxiway Alpha using runway millings and surfaced with a two-coat spray seal
	2008	Bitumen sand seal was applied to original section of Taxiway Alpha
	1995	1 coat "grip fibre" slurry seal applied to the taxiway Alpha
	1993	First coat chipseal 75mm basecourse Pumice subgrade
Extension to northern refuelling area Refer to Figure 2 for extents	Jan 2011	Portland Cement Concrete (depth tbc) Basecourse (depth tbc) Pumice subgrade
New Taxiways Charlie, Echo and Foxtrot. Widening of existing taxiway Alpha. Refer to Figure 2 for extents	2012 – 2013	Two-coat spray seal Runway millings as basecourse (depth tbc) Pumice subgrade
Concrete slab refuelling bays adjacent to Taxiway Echo. Refer to Figure 2 for extents	February 2017	Portland Cement Concrete (depth tbc) Basecourse (depth tbc) Pumice subgrade
Concrete slab expansion to the GA apron. Refer to Figure 2 for extents	October 2017	Portland Cement Concrete (depth tbc) Basecourse (depth tbc) Pumice subgrade
Concrete slab fillet and SW sump addition to Taxiway Echo and Foxtrot junction. Refer to Figure 2 for extents	January 2018	Portland Cement Concrete (depth tbc) Basecourse (depth tbc) Pumice subgrade
New concrete slab refuelling pads GA area. 2 x Service trenches across GA apron. Refer to Figure 2 for extents	2019 - 2020:	Portland Cement Concrete (depth tbc) Basecourse (depth tbc) Pumice subgrade
Additional concrete slab refuelling pad GA apron area. 1 x Service trenches across GA apron. Refer to Figure 2 for extents	October 2020:	Portland Cement Concrete (depth tbc) Basecourse (depth tbc) Pumice subgrade

Figure 1 (next page) highlights the major airside areas that were initially in place as of 1996.



Description	Date	Pavement Profile	
Original 1386mx30m runway, main stub taxiway, apron and landside access - Anzac Memorial Road.	1965	Chipseal two coat surfacing (Main Runway has also had a two coat reseal –date not yet confirmed) 150mm Cement stabilised pumice Insitu pumice subgrade.	
Construction of 2nd stub taxiway, GA hardstanding and taxiway link to original apron. Extension to main apron linking to the terminal building.	1972 - 76	40mm Asphaltic Concrete 80mm Basecourse aggregates Insitu pumice subgrade.	
Extension to original main apron (between terminal and original 1965 and 1972-76 aprons).	1993	40mm Asphaltic concrete Single coat chipseal 150mm cement stabilised Pumice fill Pumice subgrade	
Parallel taxiway to Northern runway end	1993	First coat chipseal 75mm basecourse Pumice subgrade	
Extension to Anzac Road, carparking, access to control tower and Helicopter pad area.	1993	Chipseal 120mm basecourse Pumice subgrade	
The main runway, parallel taxiway, main taxiway stub, part of the GA taxiway stub and original 1965 apron area have received a "Grip Fibre" type slurry seal in 1995. Sections of the runway received two coats due to application problems.			

Figure 1 Airfield pavement construction history prior to 1993

Table 2 Major surface maintenance history

Major Airfield Maintenance and Capital Expansions Works Post Original 1960-1990's construction, from 1996 to date, refer Figure 2 for locations and surfacing extents	
2008	50mm asphalt applied to RPT apron and Taxiway Bravo. Taxiway Bravo received an isolation layer prior to the asphalt overlay to control reflective cracking from the original formation.
2008	Bitumen sand seal applied to Taxiway Alpha and Delta.
2008/09	50mm asphalt overlay to the main runway 17-35, turning bays and Taxiway Bravo and Delta junctions. The runway asphalt surfacing had extensive QA issues and was ultimately rejected due to excessive air voids leading to the formation of runway icing in cold weather.
2011/12	Runway 17-35 surface was milled off and resurfaced with a fresh 50mm asphalt at no cost to the Council. 2009 asphalt remains on the turning bays and Taxiway Bravo and Delta junctions.
2011/12 TBC	Bitumen Sand Seal applied to Taxiway Bravo, RPT apron area. GA apron area
2011	Expansion to northern refuelling area, concrete slab surfacing.
March 2012	Construction of the northern remote "business jet" apron stand and unsealed infill to the adjacent refuelling pad areas.
2012/13	Construction of GA taxiways Charlie, Echo and Foxtrot, and shoulder widening of Taxiway Alpha using the runway millings and surfaced with a two-coat spray seal.
Feb 2017	Construction of Concrete slab refuelling bays adjacent to Taxiway Echo.
Oct 2017	Construction of Concrete slab expansion to the GA apron.
Jan 2018	Concrete slab fillet and SW sump addition to Taxiway Echo and Foxtrot junction
2019/20	New concrete slab refuelling pads GA area.
Oct 2020	Additional concrete slab refuelling pad GA apron area.

Figure 2 (next page) highlights the major airside areas and surfacing works undertaken from 1996 to date.

The site plans presented in Figures 1 and 2 of Taupo airport are attached in Appendix A Airside Pavement Areas – Construction and Maintenance History

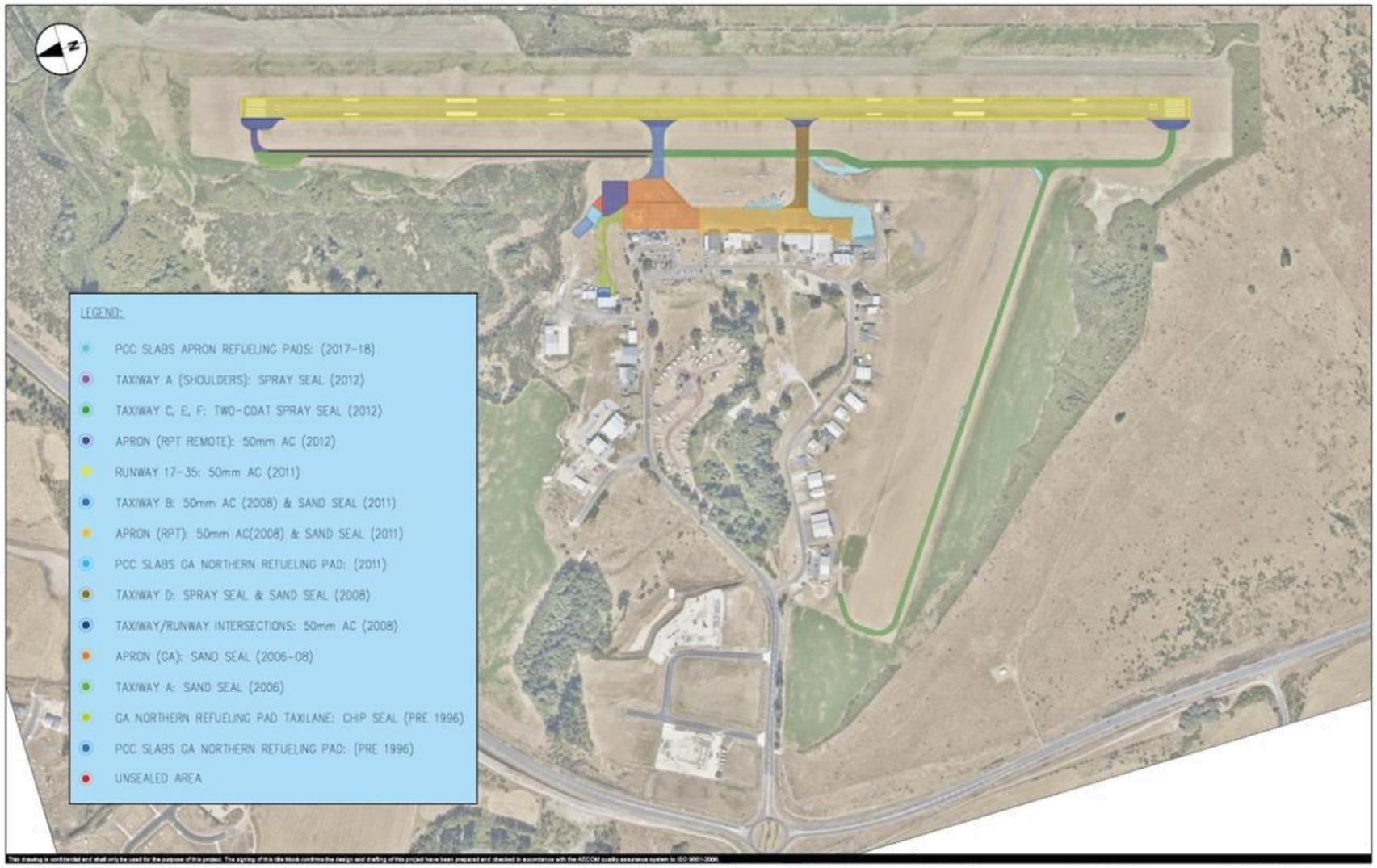


Figure 2 Airfield Pavement Resurfacing History 1996 to date.

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Prepared for – Taupo Airport Authority – Co No.: N/A

3.0 Airside Pavement Inspection

A walk over visual inspection was undertaken by Xander Arlow on Tuesday 24th of February 2026. Summarised observations are as follows:

3.1 Runway 17-35

The walk over inspection commenced from the northern Runway 17 threshold heading south. The following observations were made:

3.1.1 Northern Turning Node Widening

The older (2009) 50mm asphalt layer is showing signs of **accelerated weathering**, **cracking**, **white staining**, **surface aggregate loss** and **aging**. This section of the runway requires the application of a bitumen sand seal treatment to infill cracking and to waterproof, stabilise and preserve the surfacing layer.

Figure 3-1: Northern Turning Node – Accelerated weathering, white staining, aggregate loss

3.1.2 Main Runway

The main runway surfacing comprises the later (2011) replacement of 50 mm asphalt. Overall, asphaltic surfacing is in a fair condition, but is becoming aged and in need of planned intervention type maintenance activities in the near future. The runway surface has deteriorated markedly since the previous inspection that was undertaken in 2022, notably along the aircraft wheel paths on either side of the runway centreline. **Crocodile cracking** and isolated **rutting** was observed approximately 3 to 6 m offset on either side of the centreline along the length of the runway.

Further investigation is recommended into the failure mechanism resulting in the crocodile cracking, including Falling Weight Deflectometer (FWD) testing and core sampling of the asphalt. This will assist in developing rehabilitation options, which could consist of milling out the affected areas, installing geogrid asphalt reinforcing, and infilling with fresh asphalt.

Figure 3-2: Main Runway – Crocodile cracking

The outer runway flanks have also deteriorated, with widespread **age-related cracking** and **white staining** observed.

Figure 3-3: Main Runway – Age-related cracking and white staining

Longitudinal cracks have formed along some of the longitudinal construction joints along the runway, where the construction joints have started to become open. Noticeable water ingress and the onset of fretting (breakup of the exposed asphalt edge) was observed, which if left untreated will start to generate FOD. It is critical that these construction joints are sealed with high-quality joint sealer. Some transverse joints, although sealed, have also started opening up and forming **transverse cracks** due to aged sealant, and require resealing. **Thermal cracking** has also occurred under paint markings, which is caused by the differential expansion rate of the white paint markings over the asphaltic material. Thermal cracking is only moderate, in extreme cases cracking can occur along the outer edges of the paint markings.

Figure 3-4: Main Runway – Longitudinal and Transverse cracking

Encroachment of **lichen growth** was observed in isolated areas along the runway shoulder edges, on the runway end areas and turning nodes. The continued spread of lichen needs to be addressed. Not only does it greatly reduce braking friction when wet, the lichen enzymes accelerate breakdown of the bitumen binder within the surfacing course. Lichen growth was observed to a lesser extent than at previous inspections. **Vegetation buildup** along the runway edges above the runway edge level was also observed in isolated areas. This prevents effective drainage of surface runoff from the runway and should be monitored. If this becomes widespread, these areas will require shaping down to below the runway surface level to improve drainage (this was last done in 2008). **Red algal growth** was observed on the runway surface near the end of the southern touch down zone, potentially indicating areas of surface depression where water is retained.

Figure 3-5: Main Runway – raised grass growth and red algae build up

3.1.3 Southern Turning Node Widening

Like the northern turning node, the older (2009) 50mm asphalt layer is showing signs of **accelerated weathering** and **aging** with localised areas of surfacing fines loss and construction **joint cracking**. This section of the runway should have a bitumen sand seal treatment applied to infill cracking and waterproof and preserve the surfacing layer as an interim holding treatment.

Figure 3-6: Main Runway – Accelerated weathering, white staining, aggregate loss

3.1.4 Runway Maintenance Actions

The following maintenance actions are recommended:

- Runway:
    - The crocodile cracking observed in the wheel paths along the runway centreline requires additional investigation to determine the cause of the defect and effective repair.
    - The repair methodology may include milling out the defective asphalt and replacing with fresh asphalt, including the installation of asphalt reinforcing geogrid, or
    - A deeper lift mill out of the underlying cemented pumice base (if this is determined to be fatigued) and replacing with Bitumen Treated Basecourse (BTB) overlaid with new asphaltic surfacing layer.
    - Crack sealing should be undertaken to seal larger longitudinal and transverse cracking tom limit water ingress.
    - Bitumen surface treatment should be applied to the outer thirds of the runway surface to improve waterproofing and stabilise the surface.
    - A bitumen sand seal should be applied to the runway end turning node widening areas, where the high air voids 2008 asphalt was not replaced in 2011.

3.2 Taxiways

3.2.1 Taxiway Alpha

The 50mm runway asphalt surfacing completed in 2009 extends into Taxiway Alpha up to the runway hold position at the northern end of Taxiway Alpha. Like the northern turning node surface, this section of the taxiway is showing signs of **accelerated weathering**, **cracking**, **surface aggregate loss** and **aging** and needs a bitumen sand seal to waterproof and stabilise the surface. Reapplication of taxiway markings should also be implemented.

Figure 3-7: Taxiway A (N) - Accelerated weathering, aggregate loss

The remaining section of Taxiway Alpha down to the intersection with Taxiway Bravo received a bitumen sand seal treatment in 2006. The surface is still in a good/fair, sound condition due to the bitumen rich seal application. **Crocodile cracking** and **longitudinal/transverse cracking** with **white staining** have, however, been observed in isolated areas. The sand seal treatment in one isolated area appears to have debonded from the underlying surface. Crack sealing should be undertaken, and crocodile cracking area should be monitored and patched if it deteriorates further.

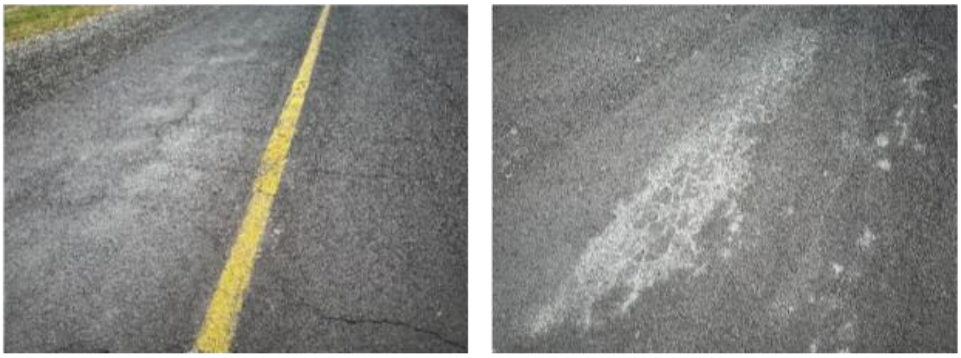

Figure 3-8: Taxiway A – Crocodile cracking, longitudinal/transverse cracking, white staining, debonding

The taxiway was widened in 2011 using asphalt millings from the runway surface replacement as a base layer and surfaced with a two-coat spray seal. The upper stone layer is **debonded** and is a FOD risk with excessive amounts of chip able to be easily dislodged. **Lichen growth** was also observed. Rolling of the sealcoat might help re-embed the chips. However, given the poor overall condition of the surfacing as observed, stabilisation by way of a sand bitumen surface treatment is recommended to be implemented as soon as possible.

Figure 3-9: Taxiway A (widening) – Debonding, lichen growth

3.2.2 Taxiway Bravo

The construction of this taxiway was part of the original pre-1990's construction of the airport and is the main taxiway for RPT operations and heavier business jet aircraft to access the main parking apron areas. The taxiway received a bitumen sand seal in 2008. A large asphalt patch was also completed recently at the intersection of Taxiway Bravo with the runway. The cemented base layer is showing signs of **reflective cracking** which has mostly been addressed with crack banding. The section of Taxiway Bravo west of the runway holding position (B1) recently received a surface treatment application (2025) as part of the apron surface treatment application.

Age cracking, isolated **crocodile cracking**, and **longitudinal and transverse cracking** along construction joint lines were observed. Some cracks have been sealed in the past; however, many other cracks require sealing. **White staining**, **binder bleeding, minor lichen growth, accelerated weathering** and **surfacing aggregate loss** were also observed.

In the medium to longer term, asphalt mill and fill or overlay should be planned for. In the interim, crack sealing and surface treatment should be implemented.

Figure 3-10: Taxiway B – Cracking, weathering, bleeding

3.2.3 Taxiway Charlie

Taxiway C was constructed in 2011 as a linking taxiway for GA aircraft to connect Taxiway A though to Taxiways E and F. The surfacing comprises a two-coat spray seal (2011) over a base layer of compacted asphalt millings. Overall, the surfacing is in a sound condition but would benefit from a surface rolling program this summer to re-embed the seal coat chips where **loosened aggregate** was observed. In certain areas the asphalt millings are protruding through the spray seal. In some areas **red algae** growth was also observed, in what appeared to be **depressions** where water ponding could be occurring. These need to be cleaned and infilled using a bitumen sand seal that can be applied in multiple thin layers as a leveling course. **Lichen** is beginning to establish on the taxiway edges and should be treated. A spray seal application should be planned for in the medium term.

Figure 3-11: Taxiway C – Loose aggregate, red algae, Lichen

3.2.4 Taxiway Delta

Taxiway D was constructed as part of the original pre-1990's construction of the airport and serves as the main taxiway for GA aircraft usage.

Between 2008 and 2011 a bitumen surface treatment was applied from the runway holding position (D1) and approximately 15m from the runway edge. In this section the cemented base layer appears to be causing **reflective cracking** through the surfacing which has mostly been addressed with crack banding. The taxiway surfacing appears to be in a sound condition; however, widespread **ageing** and **weathering** was observed.

To the east of the bitumen surface treated area up to the runway edge, a**ge cracking**, isolated **crocodile cracking**, and **longitudinal and transverse cracking** along construction joint lines were observed. Some cracks have been sealed in the past; however, many other cracks require sealing. **White staining, minor lichen growth,** and **accelerated weathering** were also observed.

A bitumen sand seal surface treatment should be budgeted for within the next 5 years covering the whole taxiway from the runway edge to the holding position. Longer term a specialist asphaltic overlay with a reinforcing grid should be implemented to minimise reflective cracking. AECOM have implemented reinforced asphaltic surfacing's at several airports in the wider region including Christchurch, Auckland, Whenuapai, Melbourne and Sydney.

Figure 3-12: Taxiway D – Cracking, ageing, weathering

3.2.5 Taxiway Echo

Taxiway E was constructed in 2012 comprising a two-coat spray seal over compacted asphalt millings, similar to Taxiway C. Overall, the surface is in a poor condition. There are several **depressions** in the seal surface where water ponding appears to occur, resulting in **red algae** growth. These need to be

cleaned and infilled using a bitumen sand seal that can be applied in multiple thin layers as a leveling course. Removal of **Lichen** infestations needs to be actioned. The surfacing would benefit from a surface rolling program this summer to re-embed the seal coat chips where **loosened aggregate** was observed. In several areas the asphalt millings are protruding through the spray seal, in some areas becoming loose. An area wide surface treatment is recommended in the short term, with a spray seal treatment planned for in the medium to longer term.

A concrete refuelling apron was later added in 2017. The construction joint between the concrete and spray seal is poor with loose material and a lack of a defined sawn edge to the concrete resulting **edge spall** and voids along the joint. The concrete needs to be saw cut back to a neat edge and gap to be infilled with a cold mix bitumen or similar product.

Figure 3-13: Taxiway E – Loose aggregate, red algae, Lichen

There is a piped culvert under the taxiway which does not appear to comply with the minimum taxiway strip width provisions. The proximity of the culvert ends to the taxiway sealed edge is likely non-compliant.

Figure 3-14: Taxiway E – Culvert

3.2.6 Taxiway Maintenance Actions

The following maintenance actions are recommended:

- Taxiway A:
  - Bitumen sand seal should be applied to the full width of the taxiway from the intersection with the runway in the north to runway holding position A1, as well as on the taxiway shoulders south of the runway holding position up to the intersection with Taxiway B.
  - A surface treatment should be applied to the central taxiway area.
- Taxiway B:
  - Short term, crack sealing and surface treatment should be implemented.
  - Longer term, an asphalt mill and fill or overlay should be planned for.
- Taxiway C:
  - Surface rolling program to re-embed the seal coat chips.
  - Bitumen sand seal application in multiple layers where depressions have formed.
  - Longer term, a spray seal application should be planned for.
- Taxiway D:
  - Short term, crack sealing and surface treatment should be implemented.
  - Longer term, an asphaltic overlay with geogrid should be implemented.
- Taxiway E:
  - Surface rolling program to re-embed the seal coat chips.
  - Bitumen sand seal application in multiple layers where depressions have formed.
  - Surface treatment application to stabilise the surface.
  - Longer term, a spray seal application should be planned for.

3.3 Aprons

3.3.1 GA Apron: Concrete slab surfaced extension

An extensive concrete slab apron expansion was constructed in 2017 adjacent to the southern extents of the GA apron. This is in good overall condition. The joint at the concrete to asphalt interface is not sealed and is becoming open with isolated fretting and vegetation growth.

Figure 3-15: GA Apron: Concrete

3.3.2 GA Apron: Asphalt

The GA apron area received an area wide bitumen sand seal in 2008. Overall, the surfacing is in a good condition considering its age, due to the relatively rich bitumen surface treatment which has been effective in stabilising the seal coats.

The recent surface treatment application (2025) included most of the GA apron, apart from the area south of Taxiway D to the concrete extension area.

Reflective cracking from the underlying cemented base was observed. Crack sealing has been undertaken to most of these cracks inside the surface treatment extents, however, some of the cracks have since started to open again, and some new cracks have not been sealed. Crack sealing should have been completed before the surface treatment application. Crack sealing has not been completed on the area that did not receive the surface treatment application. The joints around concrete stormwater inlets have not been sealed and are allowing vegetation to grow in the joint.

Figure 3-16: GA Apron: Asphalt

3.3.3 Main RPT Apron

The construction history of the RPT apron resulted in the following five different pavement profiles:

- Original 1965 apron,
- 1974-76 extension southwest,
- 1993 extension northwest.
- 2012 expansion northwards for remote jet parking
- 2025 expansion southwards for more remote jet parking

The original pre 1996 apron extents received a 50mm asphaltic overlay in 2008 and a bitumen sand seal in 2011. In 2025, a surface treatment application was completed.

Binder bleeding and water pumping were observed along the southern side of the Stand 2N lead-in line. White staining was also observed along some of the reflective cracks. Overall, the RPT apron surfacing is in sound condition and requires only crack banding works where reflective cracking has progressed through the surface treatment application.

White staining was observed on the surface of the newly completed southern widening area. This needs to be monitored, as it could be an indication of high air voids in the asphalt.

Figure 3-17: RPT Apron

3.3.4 Infill pavement between remote parking area and refuelling aprons

The triangular section of infill pavement between the remote parking area and the refuelling apron along the northern edge of the RPT apron was recently surfaced as part of the southern apron extension project.

3.3.5 Apron Maintenance Actions

The following maintenance actions are recommended:

- GA Apron:

  - The joint at the concrete to asphalt interface requires cleaning and sealing.
  - Crack sealing of reflective cracking, as well as around concrete stormwater inlets.
  - Surface treatment application should be considered for the southern apron area which was excluded during the recent surface treatment works.
- Main RPT Apron:
  - Crack sealing should be undertaken where reflective cracks have progressed through the new surface treatment.
  - Monitor white staining areas in newly constructed southern apron expansion.

3.4 Airfield Pavement Condition Index Map

The visual inspection was undertaken by walking the full length of the runway, taxiways and apron pavements from end to end. Surfacing issues, distresses and failures and general observations have been manually logged along with site photographs and summary overview notes for each major airside pavement formation based on last known surfacing types and extents.

Based on the above we have undertaken a comparative ranking of the various airside pavement surfacing types based on the ASTM simplified Pavement Condition Index (PCI) rating methodology, noting that this has been a visual inspection only.

The ASTM simplified condition rating and typical defects severity are noted below.

Simplified Rating	ASTM PCI Rating	Scale	Definition
GOOD	GOOD	86-100	Pavement has minor or no distresses and should require only routine maintenance.
	SATISFACTORY	71-85	Pavement has scattered low-severity distresses that should require only routine maintenance.
FAIR	FAIR	56-70	Pavement has a combination of generally low- and medium-severity distresses. Near-term maintenance and repair needs may range from routine to major.
POOR	POOR	41-55	Pavement has low-, medium-, and high-severity distresses that probably cause some operational problems. Near-term maintenance and repair needs may range from routine up to a requirement for reconstruction.
	VERY POOR	26-40	Pavement has predominantly medium- and high-severity distresses that cause considerable maintenance and operational problems. Near-term maintenance and repair needs will be intensive in nature.
	SERIOUS	11-25	Pavement has mainly high-severity distresses that cause operational restrictions; immediate repairs are needed.
	FAILED	0-10	Pavement deterioration has progressed to the point that safe aircraft operations are no longer possible; complete reconstruction is required.

Source: Engineering Technical Letter (ETL) 04-9: Pavement Engineering Assessment (EA) Standards, US Air Force AFCESA

The majority of the airside areas are rated as “Good” to “Fair” with limited localised areas rated as “Poor”. The overall airside surfacing condition ratings are presented in Figure 18 on the following page.

3.5 Typical Airside Surfacing Reliable Service Life Durations

In general, runway asphaltic surfacing can be expected to last 15 to 20 years pending the combined effects of traffic loading and environmental weathering factors. Taxiways and manoeuvring areas generally last somewhat longer with a service life of 20 to 25 years. Concrete parking aprons can provide a very long service life (40+ years) but have a low tolerance to overloading.

Spray seal surfacing service lives are far more variable and are heavily dependent on the quality of the original construction. In general airside spray seal surfacing requires higher binder contents than what would typically be used in roading environments and also need to receive regular surface rolling treatments to keep the surface aggregate embedded.

Australia has extensive usage of spray sealed runways servicing regional communities and mining sites across the country. Normal surface maintenance practice there is to implement annual surface rolling programs to keep the surfacing aggregates embedded to prolong the surfacing service life for as long as practicable. In general, the more recently constructed spray seal surfacing’s used on Taxiways Alpha (widening), Charlie, Echo and Foxtrot are displaying very coarse surfacing profiles with low binder contents which later progresses towards debonding and sealing chip loss.

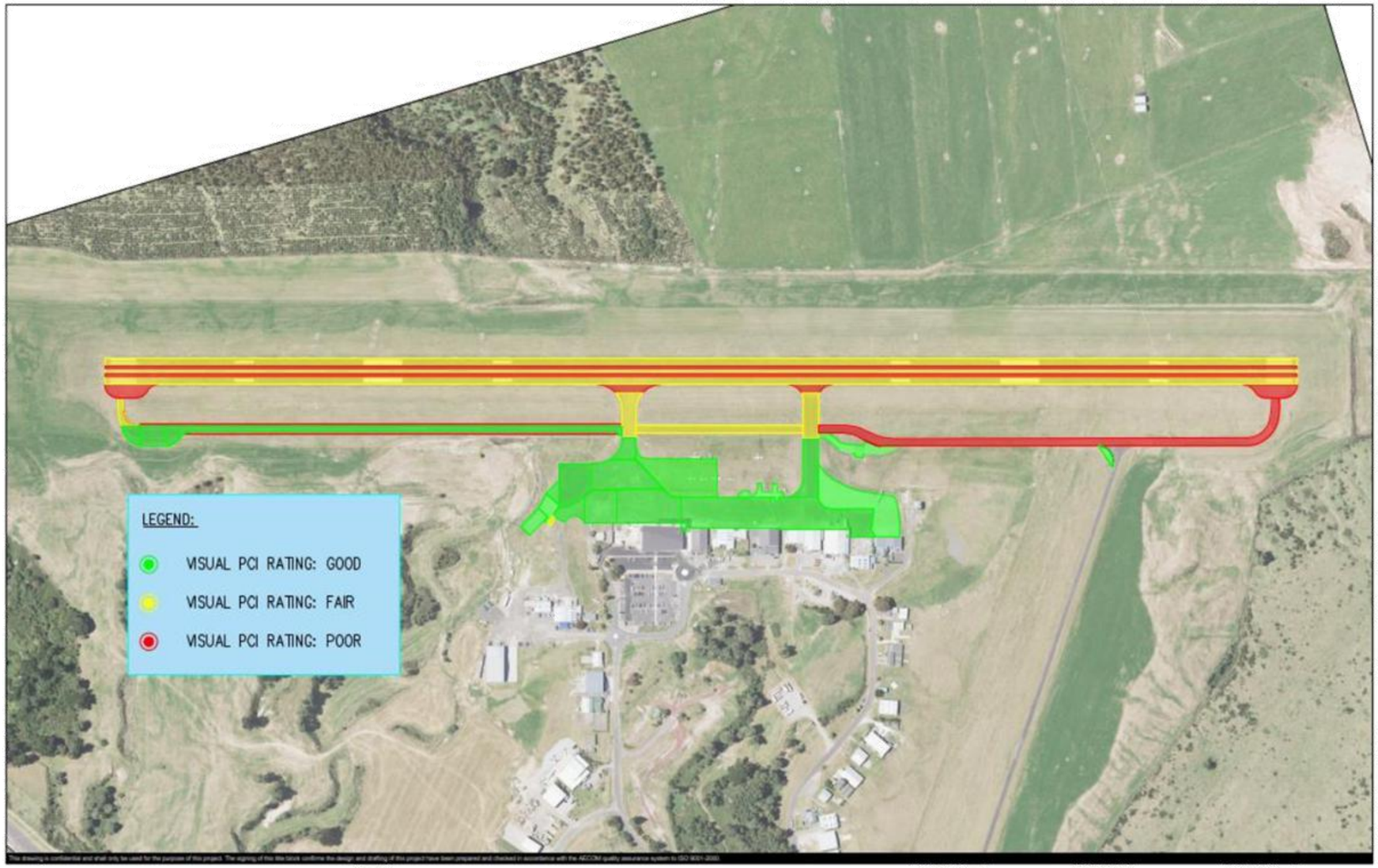

Figure 18 Overall airside surfacing condition rating

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3.6 Airside Surfacing's Photographic Inspection Records

The airside inspection georeferenced photographic records have been loaded into Google Earth Pro and a KMZ file has been generated which shows the positioning of all observed details around the airside surfacing areas. The digital KMZ file can be imported into Google Earth and each site photograph can be viewed at the location it was taken, allowing the site details to be observed. Due to the file size, the inspection .KMZ file will be made available by online file transfer.

A screen shot of the Google Earth KMZ image overall is presented in Figure 19 on the following page.

Figure 19 Screen shot of the assembled airside KMZ file in Google Earth

4.0 Airside Pavement Preservation Strategy

Flexible pavement preservation is essentially the topping up and replacement of the bitumen binder that is oxidised and weathered away by environmental effects. If left untreated weathering away of the binder results in stone loss from the surfacing initially, and longer term the binder eventually becomes brittle resulting in environmental cracking. Thereafter the only option is removal and replacement. The environmental weathering and "topping up" process is shown graphically in Figure 20 below.

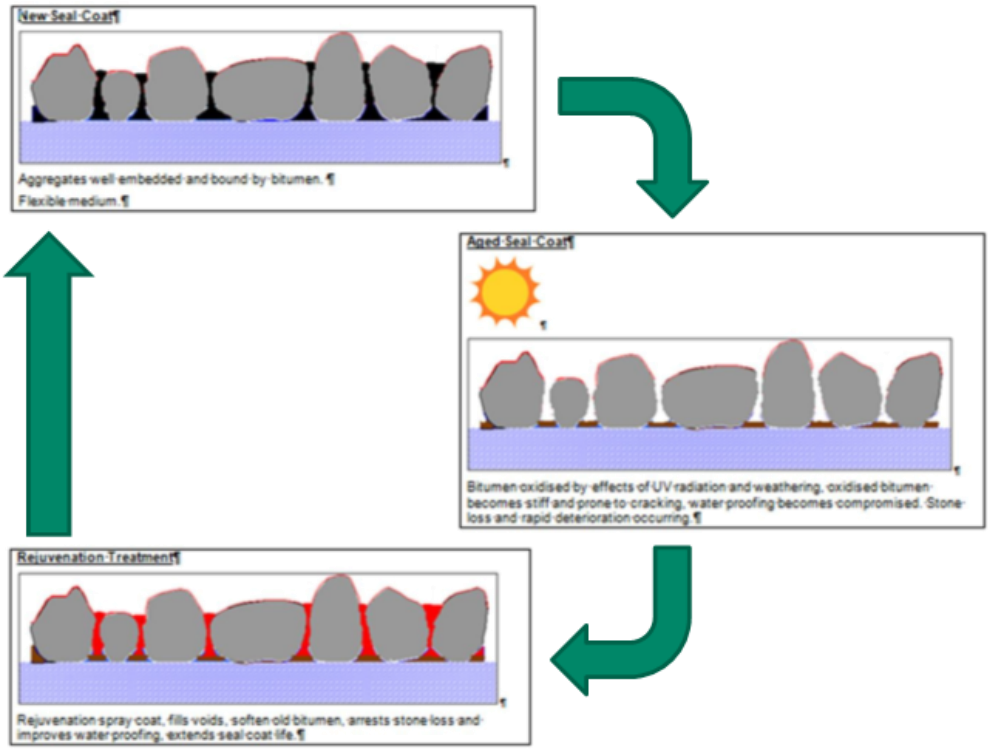

Figure 20 Flexible surfacing related weathering and lose of binder with age

There are a number of specialist surfacing preservation products available in the market that have been developed primarily to meet the FAA surface treatment technical specifications introduced in North America in 2013.

AECOM maintains an active research and development programme focused on evaluating and introducing suitable products for use within New Zealand airport environments. Surfacing preservation programmes have been implemented at Christchurch, Rotorua, Gisborne, Auckland, and Wellington Airports, as well as at several airports in the Pacific and Australia. The products recommended by AECOM have an established track record of performance within New Zealand operating conditions.

AECOM's Craig Ridgley was previously responsible for the earlier generation of surface treatments applied at Taupō Airport.

An example of bitumen surface treatment applied to a runway spray seal surfacing (2003) in the Pacific in 2010 is presented in Figure 21 (next page) This treatment extended the surfacing's service life by 12 years. The surfacing is now going to receive a second treatment this year with the TPMS bitumen sand seal product with an expected surfacing service life of at least 30 years being achieved on this busy regional airport.

Figure 21 Aitutaki airport bituminous surface preservation treatment 2010

One of the critical aspects with airport surfacing's is the relatively low trafficking compared to highways and as such the surfacing can remain in a visually sound condition for extended periods of time. However underlying issues such as binder oxidation, weathering and embrittlement are ongoing from initial placement and can combine in effects and present a rapid decline in visual condition over relatively short time frames. The timing of intervention maintenance is critical and early in life treatments are highly beneficial in extending the service life of airside surfacing well beyond normally expected time frames. If surface treatments are delayed and only actioned when the surfacing is showing distress, then the effective life extension is relatively short in comparison. A graphical comparison of preservation versus end of lifer treatment strategies is shown in Figure 22.

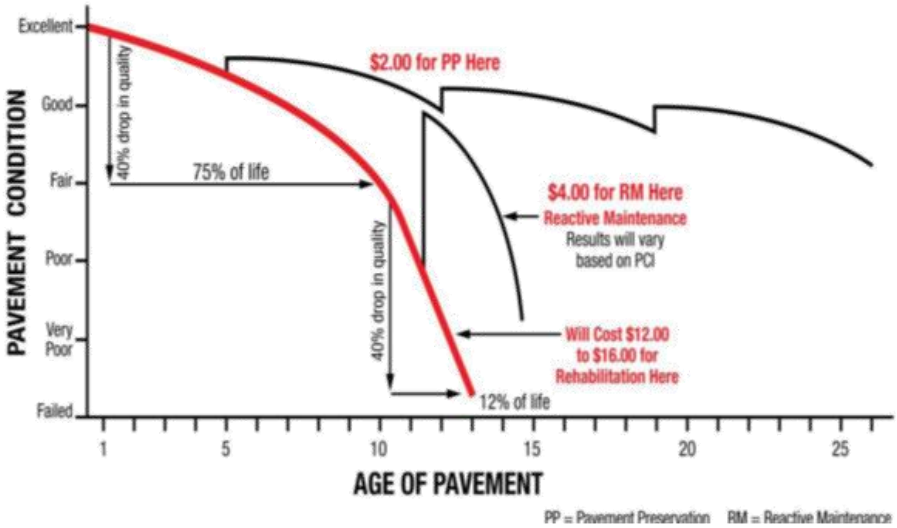

Figure 22 Comparison of preservation versus end-of-life reactive maintenance strategies

4.1 Specialist Contractors

Suitable asphaltic works contractors, familiar with your airport are Total Pavement Maintenance Systems (TPMS), SuperSealing and Fulton Hogan. Downer and Higgins also have surface preservation products available.

For area wide bituminous surface treatments there is sufficient work to warrant mobilisation of a specialist bituminous surface treatment contractor like TPMS for an estimated two to three days of work at the airport to address immediate needs. TPMS contact details are:

Stephen Goudie
Operations Director
m + 64-21-963-714
p + 64 9-273-4033
stephen@tpms.co.nz
www.tpms.co.nz

SuperSealing have already implemented RBB works on the airside apron and are familiar with the airport. The main runway centreline treatment is a major work item which is critical to the longevity of the runway surfacing. SuperSealing contact details are:

Dean Woolrich
NZ Crack Sealing Manager
m + 64-275 067 973
supersealingdean@xtra.co.nz
https://www.supersealing.com.au/contact-us

5.0 Inspection Summary and Recommendations for Pavement Maintenance Works

The majority of the airside bituminous surfacing's whilst in a relatively sound condition are becoming aged and are at a stage in their respective life cycles that preservation type treatments will be highly beneficial. Without this intervention maintenance, the surfacing's will begin to degrade relatively quickly with accelerating annual maintenance costs and a reduced overall life cycle eventually necessitating an expensive resurfacing program. Preservation treatments are highly cost-effective and can significantly increase the original surfacing's life cycle. The main RPT apron, GA apron and Taxiways Bravo and Delta have already received three rounds of bituminous preservation treatments over the original sprays seal surfacing's. The last bitumen sand seal was applied over these areas in 2005 through 2008 and has been highly effective in locking up the surface and providing a very long reliable service life. This type of treatment is recommended for the later constructed taxiways and for the main runway asphalt surface in order to extend out the original surfacing's reliable life cycle.

5.1 Taxiway Maintenance Items

The more recently constructed spray sealed shoulder widenings to Taxiway Alpha and Taxiways Charlie and Echo were constructed using the millings from the runway resurfacing in 2011 and surfaced with a two-coat spray seal. Asphalt millings, whilst very durable, can be a difficult material to handle and achieve a smooth finish. These taxiways have a somewhat uneven surface and in multiple locations along both taxiways there are depressions likely causing water ponding, which is degrading the seal coat. Spray seals also need regular trafficking to keep the sealing chip embedded into the binder coat. In areas of low traffic usage, the sealing chips are raised proud of the binder and if left "as is" will begin to shed the chip. This is visually evident along the full length of the widened shoulder sections of Taxiway Alpha which are now at the point of being a FOD issue. The millings, especially on Taxiway Echo, are starting to protrude through the spray seal surface. Exposed surfacing aggregates are also present on Taxiway Echo from the Taxiway Foxtrot intersection through to the Runway 35 end. It is common practice in Australia to implement annual rolling of low traffic airside spray seal areas to keep the sealing chips embedded into the binder. Rolling should be implemented with a multiple pneumatic tire roller or "PTR" as typically used on road construction programs. The heaviest weight PTR available should be used and ideally be ballasted to its maximum weight to effectively re-embed the surfacing aggregates into the bitumen binder. The Taxiway Alpha shoulders may be too far degraded to be recoverable by rolling but is worth trying. An overspray bituminous surface treatment will also be needed to stabilise this area. Taxiway Echo will also need multiple localised treatments using a sand seal to infill the ponding areas. The PTR rolling, surface treatment to the Taxiway Alpha shoulders and sand seal infills on Taxiway Echo should be implemented this summer to avoid more expensive resurfacing works in the short term. We recommend discussions with specialist contractor TPMS for the application of their bitumen sand seal product to treat these areas.

Transitions from the bitumen spray seal to the concrete slab surfacing at the Taxiway Echo refuelling area, stormwater sump area at the Taxiway Echo to Foxtrot junction and the concrete slab edge interface on the GA apron needs to be sealed with a flexible rubberised bandage treatment. Minor edge breaks from both the spray seal and the concrete edges were observable. If left untreated these will generate FOD with likely complaints regards propellor damage and related for taxiing aircraft in these areas.

5.2 Runway Maintenance Items

Runway 17/35 was resurfaced in 2011 with a 50mm asphaltic overlay. In general runway asphaltic surfaces last between 15 to 20 years in low traffic environments, longer service life can be achieved with the appropriate use of bitumen surface treatments with service life extensions up to 30 years being possible. Overall, the runway surfacing is in a fair condition but there are a number of age-related maintenance items becoming apparent that need to be addressed. Extensive low severity crocodile cracking was observed along the wheel paths on either side of the runway centreline. These areas require additional investigation to determine the root cause of the defect as well as appropriate maintenance actions. It is likely that mill and fill type remedial works will be required along the wheel

tracked sections once the root cause of the cracking is determined. This area has markedly declined in condition since the last inspection.

At this time, the transverse construction joints are sealed and performing adequately, but are becoming aged and starting to open in some instances. Similarly, the secondary longitudinal joints either side of the centreline are still "tight" but should be monitored annually and infill sealed if they begin to open.

5.2.1 Runway Zones with higher Air Voids in the mix.

As the asphalt binder ages there is a slow loss of the bitumen from the surfacing matrix due to a combination of UV degradation, weathering and oxidation. Water can start to enter the mix in localised with the development of "wet patches" being observable. Further to this localised pin holes into the asphalt can develop where water can then penetrate the mix. At these locations, a characteristic white staining develops which is binder being stripped out of the mix due to prolonged water saturation. Part of the issue for airport runways are the flat cross fall grades and wider expanses of surfacing which result in a lot of water build up compared to road surfacing's and the general lack of trafficking on the outer extents. When combined with the slow loss of fine material from the mix matrix, eventually the surface will develop a roughened texture which in turn then starts to hold water and the weathering process accelerates. Eventually the mix surface starts to fail as the binder becomes brittle due to accumulated weathering and oxidation effects. Preservation of the binder in the asphalt is a critical maintenance strategy, this is best addressed with a sprayed bitumen surface treatment which tops up the lost binder and protects the remaining binder from oxidation embrittlement. Sprayed surface treatments are in active use at Christchurch, Auckland, Palmerston North, Gisborne and Rotorua airports as a cost-effective means of extending their asphaltic surfacing life cycles. The older 2008 runway to taxiway junctions and runway end turning bays are starting to show signs of fines loss along the construction joints lines, water ingress and weathering effects. These older 2008 surfacing's should be addressed this summer using a bitumen sand seal type surfacing product.

5.3 Pavements investigation programme

A coring programme is recommended to determine whether the wheel track cracking is confined to the asphalt concrete (AC) layer or whether it is a reflective response originating from the underlying cemented pumice base layer.

In addition, an area-wide deflection testing programme is recommended using a Heavy Falling Weight Deflectometer (HWD). This will be used to map pavement structural capacity and variability, and to determine appropriate remedial actions for the runway and main taxiways.

5.4 Annual Inspection of pavements and establishment of future forward maintenance works programs

The existing pavements and operational surfaces at Taupo Airport comprise a mix of surfacing types and pavement profiles constructed initially in the 1960's through to 2025. Maintenance requirements will vary significantly as a result. Due to the age of the airside pavements and previous requirements for extensive interim holding work (bitumen sand seals), we recommend that inspections of the operational surfaces be carried out annually going forward to ensure the correct surface treatments are implemented to achieve the desired extended surfacing life cycles. Annual inspections will enable review of the performance of the pavement surfaces, scheduling of preventative maintenance works as needed and enable the firming up of the timing of critical near-term intervention and preservation treatment works as presented in this report over the next 5-year time frame.

Appendix A

Airside Pavement Plans

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Prepared for – Taupo Airport Authority – Co No.: N/A

5.8 DISTRICT PLAN NOTICE OF REQUIREMENT AND PRIVATE PLAN CHANGE

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

Authorised by: **Warrick Zander, General Manager Strategy and Environment**

TE PŪTAKE | PURPOSE

To receive an update about the District Plan notice of requirement and private plan change with consultancy firm Cheal.

NGĀ KŌRERORERO | DISCUSSION

Following previous advice to members at the May TAA Committee meeting, management attended a meeting with TDC's Property and Policy teams together with Cheal consultants. The meeting was arranged to discuss the implications of the proposed changes to the obstacle limitation surfaces and the noise contours in relation to the East Urban Lands development.

Cheal has raised concerns that the changes to the District Plan proposed by TAA could be detrimental to development in the area and more information was being sought.

This has delayed the lodgement once more whilst the information is being gathered by the TAA's aviation consultants, Planz and AirBiz. At this stage it appears that the requirements should be able to be incorporated within the proposed notice of requirements and private plan change without affecting any proposed development.

Management will continue to work with the aviation and planning consultants and, if all goes according to plan, there should be a determination early next year.

Management will provide an update to the Committee in due course.

WHAKAKAPINGA | CONCLUSION

It is recommended that the Committee receives the update.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the District Plan Notice of Requirement and Private Plan Change update.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

5.9 2027 TAUPŌ AIRPORT MASTER PLAN

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

Authorised by: **Warrick Zander, General Manager Strategy and Environment**

TE PŪTAKE | PURPOSE

To receive an update from the General Manager Taupō Airport in relation to the 2027 Taupō Airport Master Plan.

NGĀ KŌRERORERO | DISCUSSION

Following a request to review the 2020 Taupō Airport draft Master Plan, management is proposing to organise an initial workshop with the TAA Committee members to understand the basics of an Airport Master Plan and to guide the strategy for its development.

The draft Master Plan prepared in 2020 established a precinct-based approach to land use; however, further work is required to develop this into a comprehensive, future-focused framework.

This work is now critical to:

- Support the ongoing District Plan change and designation process
- Address existing planning gaps [Obstacle Limitation Surfaces (OLS), noise, reverse sensitivity]
- Provide a clear, commercially focused development pathway aligned with the Airport's long-term sustainability objectives

The Master Plan will provide a 30-year strategic framework to guide the protection, development and optimisation of the Airport and will:

- Protect current and future aviation operations, including airspace and noise environments
- Establish a clear spatial land use framework across all Airport land
- Enable a sustainable, self-supporting business model
- Align with District Plan provisions, designation and planning controls
- Support Taupō Airport's role as regionally significant infrastructure

Key outcomes of the Master Plan:

1. Protect operations
    - Safeguarded OLS, airspace and operational envelope
    - Reduced risk of reverse sensitivity and incompatible development

2. Clear land use framework
    - Refined precinct-based development structure
    - Defined areas for:
        - Airside operations
        - Landside/commercial use
        - Future expansion
    - Avoidance of land-locking strategic areas

3. Sustainable commercial growth
    - Increased non-aeronautical revenue opportunities
    - Structured staging of development aligned with demand

4. Integrated planning alignment
    - Alignment between:
        - Master Plan (strategy)
        - District Plan (rules)
        - Designation (protection mechanisms)
    - Resolution of existing planning gaps impacting Airport operations

5. Future-ready infrastructure
    - Provision for:
        - Passenger and aircraft growth
        - Emerging aviation technologies (e.g. electric/hybrid aircraft)

6. Stakeholder alignment
    - Shared long-term direction with:
        - Taupō District Council (TDC) and Ministry of Transport (MoT)
        - Airport users and tenants
        - Iwi and Hapū
    - Improved certainty for investment and decision-making

The key principle is that the protection of aviation operations takes priority, with all development planned around this constraint.

Management is seeking the early engagement of an aviation consultant to assist with the development of the 2027 Airport Master Plan, and a sum has been allowed in the TAA budget for FY2027.

Management will provide an update to the Committee in due course and will arrange a suitable date and time for the initial workshop.

WHAKAKAPINGA | CONCLUSION

It is recommended that the Committee receives the update.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That the Taupō Airport Authority Committee receives the 2027 Airport Master Plan update and approves management to engage an aviation consultant to assist in its development.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Nil

6 NGĀ KŌRERO TŪMATAITI | CONFIDENTIAL BUSINESS

RESOLUTION TO EXCLUDE THE PUBLIC

I move that the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution	Plain English reason for passing this resolution in relation to each matter
Agenda Item No: 6.1 Confirmation of Confidential Portion of Taupō Airport Authority Committee Minutes - 18 May 2026	Section 6(a) - the making available of the information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial 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 6 and 7	It is necessary to exclude the public for consideration of this item, as the report contains commercially sensitive information provided by businesses considering development opportunities at Taupō Airport.
Agenda Item No: 6.2 Business Development Landside	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 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 exclude the public for consideration of this item, as the report contains commercially sensitive information provided by businesses considering development opportunities at Taupō Airport
Agenda Item No: 6.3 Business Development Airside	Section 7(2)(h) - the withholding of the information is necessary to enable [the Council] to carry out, without	Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to	It is necessary to exclude the public for consideration of this item, as the report contains commercially

	prejudice or disadvantage, commercial activities	result in the disclosure of information for which good reason for withholding would exist under section 7	sensitive information provided by businesses considering development opportunities at Taupō Airport

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]*.