



Photo: Lydia Tulip



# WHAKATĀNE AIRPORT

Ten Year Business Plan 2012-22

*Adopted by Council 6 March 2013*



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## Executive summary

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This business plan has been developed for the Whakatāne Airport Board. It aims to provide a strategic framework, identify opportunities for growth and development and outline a set of actions to support the future capacity of the Whakatāne Airport.

Whakatāne Airport was established under a 1962 joint venture partnership with the Crown. The Crown vested the land to the Whakatāne District Council and the two partners equally share capital costs and operating surpluses or deficits.

It is a key economic asset and a vital part of the local infrastructure. Although it is a small scale business, it is relatively complex with diverse tasks, regulatory compliance and reporting requirements, and various stakeholders.

A key issue facing the Whakatāne Airport is the annual deficits that have been reported every year since 2006/07. Forecasts in the draft Long Term Plan are for annual deficits in excess of \$100,000 per annum. This position is concerning and unacceptable to both joint venture partners.

The volume of flights to and from Whakatāne and income derived from flights is unlikely to meet the combined costs of operation and capital, even if growth was significant. It is important, however, to maintain these services for the economic good of the District.

Non-aeronautical services (those that support activities on the aerodrome but are not dependant on them) currently derive more revenue. Many more opportunities exist to build this side of the Whakatāne Airport's business sufficient to meet operational and capital costs.

A strategic management approach, new and diversified income streams and the careful evaluation and planning of developments in the future that promote Whakatāne Airport to new and existing users will all help to protect the future viability of this important asset. This will involve a mix of short, medium and long term projects over the ten year period.

To achieve this goal five strategies and accompanying actions form the basis of this business plan. The strategies are:

1. Create a safe, accessible, affordable and reliable air transport system.
2. Maximise commercial opportunities from current activities.
3. Diversify income streams by encouraging aviation and other service industries and associated enterprises.
4. Maintain and improve the assets of the Whakatāne Airport in order to present and operate as an efficient facility and enterprise.
5. Maintain and enhance relationships with businesses and individuals with interests in the airport to improve confidence in airport operations and management.

## Purpose of report

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The Whakatāne Airport Business Plan provides a strategic framework for decision making, resource allocation and a prioritised work programme. Along with strategies, it clearly identifies actions and methods for achieving these goals. It essentially sets the direction and capacity for the Whakatāne Airport over the next ten years.

This Business Plan aims to:

1. Provide a strategic framework for the Whakatāne Airport to ensure the sustainability of this key economic asset.
2. Identify opportunities for growth and development and any risks to ensure the viability and operational effectiveness of the airport.
3. Outline a set of realistic actions that support the continued operation and protect the future capacity of the Whakatāne Airport.

The scope of this Business Plan is limited to the Whakatāne Airport. It is important to consider that it also sits within a wider context. There are many influences that affect airport use and airport users, many of which are out of the Airport Board's control. Influencing factors include the general economic climate, changes in technology, changes to the way we do business, and tourism and travel trends. Any plans carried out under this business plan should fully consider this wider context along with local, district, regional and national initiatives that may influence or affect the Whakatāne Airport.

A Consultation Plan is attached in Appendix I outlining key messages and a time-phased programme of consultation.

# Background

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## **ABOUT THE WHAKATĀNE AIRPORT**

The Whakatāne Airport is a Council-Controlled Organisation (CCO) under the Local Government Act 2002. It was formed as a CCO in 2006. The Whakatāne Airport is a valued community asset, which contributes to residents' quality of life and is considered crucial to the economic well-being of the District.

Planning for an aerodrome was initiated by the Whakatāne County and Borough Councils in 1944. Development of a grass airfield started in 1958 on the current Whakatāne Airport site but it was not until 1960 that it was officially opened, following some difficulties in sowing grass. A sealed airstrip was completed a few years later in 1962 to provide adequate services for the larger DC3 aircraft. The iconic Whakatāne Airport building, designed by architect Roger Walker, was completed in 1974 and has since received the enduring architecture award from the NZ Institute of Architects. Today, daily services are provided to and from Auckland.

## **WHAT DOES IT DO?**

The primary activity of this organisation is to operate the airport efficiently and on sound business principles for the benefit of both commercial and non-commercial aviation users. It must also operate in accordance with the terms of its aerodrome certificate, which defines standards and conditions laid down by the Civil Aviation Authority of New Zealand (CAA).

The airport is maintained as a non-certified aerodrome in accordance with the CAA aerodrome design for aircraft at or below 5,700kg Maximum Combined Take Off Weight (MCTOW). As a non-certified aerodrome the Whakatāne Airport is limited to a maximum aeroplane seating capacity of 30 passengers for any regular flight services. Air New Zealand Link provides regular return services to and from Auckland using Beech 1900D aircraft which have a passenger capacity of 19 seats.

Airport land and facilities are leased out where these are either surplus to the airport's operational requirements or to allow for activities that are compatible with the operation of the airport. This includes land for hangars, parts of the terminal building for commercial operators and areas of airport land for grazing.

# Objectives, governance and responsibilities

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## THE OBJECTIVES OF THE WHAKATĀNE AIRPORT ARE:

- To promote a safe, accessible, affordable and reliable air transport system for the benefit of the economic and social development of the Eastern Bay of Plenty region.
- To ensure the facility is maintained at its present level and increased wherever practicable and economic.
- To ensure that the airport is administered efficiently and effectively to the benefit of scheduled flight operations.

## GOVERNANCE AND MANAGEMENT

The airport is a joint venture operation between the New Zealand Government (Ministry of Transport) and the Whakatāne District Council (the Council), with each party owning a 50% share.

The Whakatāne Airport Board (the Board) provides governance oversight of the Whakatāne Airport CCO and of the implementation of the Whakatāne Airport Business Plan. The Board provides advice to the Council which is ultimately responsible for decisions relating to the airport.

Day to day operation and maintenance of the airport including the delivery of projects, services and initiatives is managed by the Council.

This CCO supports the safe and secure movement of aircraft passengers and freight. Operational costs are predominantly funded through fees (80%) and rental income reflecting the private benefit to those residents, businesses and visitors using the Whakatāne Airport. The use of general rates (20%) recognises that there is some level of public benefit to the District as a whole from operating a sub-regional airport.

The Council has an arrangement with the Ministry of Transport that each party is responsible for half of the operational costs of the Whakatāne Airport. This allows for the continued operation of the airport at its current level. Any capital costs required for an improvement of the level of service beyond what is currently being provided needs to be negotiated between the shareholders.

The specific performance targets for the Whakatāne Airport are set annually through the Airport Statement of Intent and based on the framework outlined below. At the end of each financial year the Airport Annual Report reports on performance against the Statement of Intent and includes how it performed against those targets.

## **FINANCIAL PERFORMANCE MEASURES AND TARGETS**

The Council's financial target is to operate and maintain the airport's assets within operational and capital budgets (excluding corporate overheads and depreciation). These budgets are outlined in the Whakatāne Airport Statement of Intent each year.

## **NON-FINANCIAL PERFORMANCE MEASURES AND TARGETS**

The Council's non-financial target is to maintain the Airport as a non-certified aerodrome in accordance with CAA aerodrome design for aircraft at or below 5,700kg MCTOW.

The CAA is proposing changes to the rule governing the operation of aerodromes (CAA Rule Part 139). The proposed new rule will require the Whakatāne Airport to become certified within a relatively short timeframe, within about 2 years.

Any new performance measures will be disclosed in the Statement of Intent for the year in which they relate to.



## Nature and scope of activities

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### **AIRPORT SERVICES**

The airport provides a range of services, both aeronautical and non-aeronautical. Aeronautical services are those that directly assist in the take off and landing of aircraft. Non-aeronautical are all other activities. The revenue split between aeronautical and non-aeronautical is approximately 50 / 50 with non-aeronautical bringing in slightly more revenue (53%).

### **AERONAUTICAL SERVICES**

The airport provides a range of services supporting the safe arrival and departure of aircraft and passengers. Primarily these relate to physical assets and the services around ensuring their collective safety and fitness for purpose. The primary focus is the provision of landing and take off surfaces and navigational services to support scheduled passenger aircraft and general aviation activities.

The primary users of these facilities are Eagle Airways. Eagle Airways scheduled flight volume is essentially static, with 31 return flights per week (5 per day on weekdays and 3 on Saturdays and Sundays) to Auckland. Summer weekday return flights to Wellington were recently curtailed with the reason given by Eagle Airways being that the flights were uneconomic. The fares for flights to and from Whakatāne are relatively expensive when compared to flights to and from the larger centres.

### **Runways, taxiways and aprons**

The sealed 1280 metre runway, taxiways and aprons are adequate to meet the unrestricted take-off and landing requirements of Air New Zealand's current fleet of turboprop aircraft, which includes 19-seat Beechcraft 190D, 50-seat de Havilland Dash 8 300Q and 68-seat Aerospatiale ATR 72-500 aircraft. The runway has an east-west alignment.

Air New Zealand occasionally use Air National to provide backup services using 19 seat BAe Jetstream aircraft which require a takeoff distance for unrestricted operation of 1400 metres and is weight limited on Whakatāne's 1280 metre runway.

### **Grass runway**

The Reference Code 1A grass runway is expected to be adequate to meet the current and future needs of both resident and visiting light fixed wing aircraft. Most of these aircraft are also capable of using the sealed runway.

The limitation of the grass runway is that it does not have the required separation from the main runway to permit simultaneous operation of both runways.

## **Aircraft parking**

Sealed apron space is provided directly in front of the terminal and is used primarily by scheduled services. Auxiliary power connections are provided for the apron. Both are adequate for current services.

## **Approach services**

Approach services are the services required to be delivered by the airport to facilitate safe landings and takeoffs primarily for instrument flights. There are a range of infrastructural assets that serve to provide the services:

- Runway perimeter lights
- Windsocks
- Aerodrome beacon (currently out of action)
- Emergency power supply – generator
- Visual Approach Slide Indicator system
- Runway end lights (to be possibly installed in near future)

The current runway light and navigation aid systems are degraded to the extent where they may need replacing within the next 5-10 years.

## **Fuel services**

Whakatāne Airport has adequate storage facilities for fuel for existing requirements.

## **Flight paths**

The highest terrain on Kohi Point ridge, which is situated within the Whakatāne urban area approximately 8 km in a direct line from the airport, intrudes the ICAO<sup>6</sup> maximum 2% obstacle limitation surface for take-offs on runway 09 and approaches on runway 27. The alternate circling approach path increases the operating minima for aircraft, placing greater restriction on the use of the airport in adverse weather conditions. Fortunately, the weather conditions at Whakatāne are generally favourable and there are very few occasions where commercial aircraft are diverted to another airport as a result of adverse weather conditions.

## **Ancillary services**

Rescue fire services Currently Whakatāne Airport is not required to provide a Rescue Fire Service as it does not service any aircraft of 30 seats or more engaged in regular air transport operations. The CAA have advised that this is not expected to change under the proposed Part 139 rule change.

Airport fire fighting water supply The airport water supply is fed from the Braemar supply and is at the end of the reticulation network. Consequently the water pressure is not very high. In addition, the NZ Fire Service has advised that the water pressure at the airport is insufficient to meet fire fighting requirements. As a result three sets of tanks are proposed to be installed for this purpose in 2012/13.

Air traffic control service There is no air traffic control service at Whakatāne Airport (i.e. there is no staffed control tower).

Air traffic information services As a non-certified aerodrome Whakatāne Airport is not required to provide an aerodrome flight information service. The CAA have advised that this will not change under the proposed Part 139 rule change.

Bird and pest control There are two runway inspections and bird patrols per day, before the first morning flight and again either before the midday or evening flight. This service is provided by contractual arrangement with Eagle Airways ground handling contractor based at the Whakatāne aerodrome terminal building.

### **Airside security**

Whakatāne Airport is a non-security designated aerodrome (i.e. it does not provide international flights). As described in Part 139 in relation to aerodrome safety, this requires compliance with the following:

- stock proof perimeter fence
- 1200mm high continuous barriers in areas where the public has direct access to the operational area.

The proposed rule amendment to Part 139 requires the following<sup>1</sup>:

- the development of a contingency plan to respond to a security threat (Rule Part 139.205)
- to provide and maintain lighting and emergency lighting in the event of failure of normal lighting systems, provide lighting on any designated isolated aircraft parking area used at night, ensure personnel undergo a security awareness programme and establish procedures for dealing with breaches of and deficiencies in any security procedures (Rule Part 139.203 (d)(2), (3), (8) and (9))
- safeguards to prevent inadvertent entry of animals to the movement area, safeguards to deter the entry of unauthorised persons or vehicles to the aerodrome operational area, and reasonable protection of persons and property from aircraft blast (Rule Part 139.69).

## **NON-AERONAUTICAL SERVICES**

Non aeronautical services relate to services that support activities on the aerodrome but the operation of the airport is not dependent on them.

### **Terminal facilities**

The terminal complex (aprons, passenger terminal, control tower, storage shed, car park, fuel storage compound and related ancillary infrastructure) is situated on 2.5 hectares of land.

The terminal building has an existing ground floor area of 249m<sup>2</sup>. There is provision for one primary airline check-in facility and this is leased to Eagle Airways Limited, a wholly-owned Air New Zealand subsidiary. In the past, a second airline, Bellair Aviation, operated in a shared counter environment with Air New Zealand. The check-in facility includes two check-in counters with baggage conveyor to the baggage make-up area and loading bay plus two offices. Arriving passengers collect their baggage at the kerb-side outside the terminal.

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<sup>1</sup>Refer to [http://www.caa.govt.nz/rules/Rule\\_Consolidations/Part\\_139\\_Consolidation.pdf](http://www.caa.govt.nz/rules/Rule_Consolidations/Part_139_Consolidation.pdf) for more detail.

From a practical operational perspective, the building is less than functional and barely fit for purpose with high maintenance costs. The non-standard architectural style makes it very difficult for even small operational improvements to be made without impacting on its structural framework.

### **Lease of airport land and buildings**

Surplus land to the airport's present operational requirements is leased for grazing. Areas of the terminal building are leased for activities compatible with the operation of the airport. Lease of airport land is also available to commercial operators and associated industry.

A summary of leasing income is outlined in the table below.

<b>Summary of Leasing Income</b>		
	2010/11	Current/Plan
Grazing Leases	\$74,267.00	\$75,826.61
Commercial (Land) Leases	\$13,671.00	\$24,179.00
Building Leases	\$13,484.00	\$11,966.00
<b>Total</b>	<b>\$101,422.00</b>	<b>\$111,971.61</b>

Leases are typically reviewed every five years. The grazing leases have been recently reviewed and are not due for review again until November 2015.

The commercial leases are for the land on which hangers (for about 20 aircraft) and other buildings and fuel installations are located. Four commercial leases with a current value totaling \$10,617 are due for review by 31st March 2013, with the remainder not due until 2015.

There is potential demand for additional hangers, but developments are currently constrained by the availability of land to the west of the existing hangers.

The rental income from council owned buildings has reduced since 2010/11 because a building previously occupied by Vulcan Helicopters is currently vacant. Eagle Airway's lease of part of the terminal building was last reviewed in 2009 and is due for a review in June 2012. Any increase to that rental will require a robust justification to be provided to Eagle Airways.

### **Car parking services**

A large car parking space is provided free of charge at the Whakatāne Airport (approximately 80 spaces, including 6 set aside for rental vehicles). Security of the car parking area is also provided through the operation of CCTV cameras.

The role car parking plays in both growing and servicing passenger demand is worth exploring, as is the opportunity of a potential untapped income stream.

### **Other services**

The NZ Meteorological Service has a weather station located immediately to the east of the terminal building. There is also a remote wind speed monitoring station located on the north side of the aerodrome, just outside the operational area.

Other services include lawn mowing and general maintenance services for tenants.

## Current environment

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### **AIRPORT FINANCIAL POSITION**

The Whakatāne Airport operated with a deficit of \$46, 476 in 2010/11. This is forecasted to increase to \$172,201 by 2021/22.

The deficit is funded through the Council's Airport Reserve account. This reserve account is the accumulation of the gains and losses through the years. The loss is not rates funded. The balance of this reserve is presently a credit balance, which means a deficit equity. It is now a "negative" reserve. This position is a concern to the Council.

Current Council policy, however, is to not fund airport deficits, and the willingness of the Ministry of Transport to fund a deficit has not yet been tested.

The current plan deficit is not acceptable to either of the joint venture partners.

The Whakatāne Airport's actual and forecasted financial position for the next 10 years is summarised in Appendix A. Both the current draft LTP financials and the changes to the LTP as submitted by the Airport Board are included in the Appendix II.

### **GROWTH ASSUMPTIONS**

The Council has two growth scenarios. First, the Whakatāne Urban Growth Strategy (2011) is aspirational and reflects the high population projection by Statistics New Zealand. This relates to the Whakatāne urban area only (17, 300 in 2011) with a predicted growth of 25,000 people by 2050.

Second, the medium population projection by Statistics New Zealand over the next 10 years for the District is for a population of 34,300 by the year 2021. This is the population growth model reflected in the Council's Long Term Plan and District Plan. This projection indicates a static population (34,700 in 2011) with a slight decline after 2021.

Growth projections are significant for business planning as this helps to form the basis of the feasibility of new or expanding services. More generally, planning for and managing growth in a proactive manner provides an opportunity for Council to direct how and where growth occurs, and ultimately, how to manage the effects and costs of such growth.

A full and thorough analysis on how growth may influence airport services and business in the future is needed. This should include impacts and influences on any new development plans as well as expansion and diversification of existing business and services. This study should also consider protection against incompatible land use activities such as residential development. Any population or usage-based forecasts are likely to expose the residual capacity at Whakatāne Airport to a greater risk of encroachment of incompatible land use activities. If this occurs, when demand eventuates the ability to meet that demand may already be compromised. It is therefore important to consider the extent to which the airports capacity should be protected in order to meet the community's future demand for transport services.

There are various planning issues that also need consideration in any future plans for development or expansion. Planning issues include aircraft noise, visual intrusion, level of aircraft activity, engine exhaust residue, obstacle height limits, tree topping and removal, public safety, restrictions on adjoining land utilisation, natural landform and vegetation disturbance, environmental pollution and effects on landscape amenity values.

## Strategic impact

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The relatively small scale of the Whakatāne Airport business, in combination with (fixed) costs of compliance with aviation and local body requirements and regulations, presents a challenging environment for managing costs.

Although operating at a deficit, the airport's current situation is secure and growth options do exist. There are, however, potential risks to growth and therefore the airport's viability.

The maintenance of the Whakatāne Airport as a key economic asset can be considered in two parts – aeronautical and non-aeronautical.

### AERONAUTICAL SERVICES

There is a need to maintain the aeronautical services for the economic good of the District recognising that the volume of flights and income derived from these flights is unlikely to sufficiently meet the combined cost of operations and capital, even if growth was significant.

This situation is consistent with a tighter economy. Whakatāne's lack of population growth, lack of competition on the route, and possibly some impact from the increasing effectiveness of internet communications reduces the need for business travel.

Whakatāne travelers have the option of using either of two larger regional airports within about an hours drive. There is anecdotal evidence that some people find travel to and from these airports to be more reliable and affordable than flights into and out of Whakatāne Airport.

It will be difficult to persuade Eagle Airways to increase flights, or a competitor to enter the market, without reasonable confidence in a significant increase in passenger demand from either visitors and/or local travelers.

The introduction of a departure tax could be considered although this is often a controversial matter at regional airports.

### NON-AERONAUTICAL SERVICES

There are multiple opportunities to derive income from the non-aeronautical services sufficient to meet operational and capital costs to ensure the airport remains operational and limits costs to the District's ratepayers. Already non-aeronautical activities generate a higher revenue.

A strategic management approach, new and diversified income streams and the careful evaluation and planning of developments in the future that promote Whakatāne Airport to new and existing users will all help to protect the future viability of this important asset. This will involve a mix of short, medium and long term projects over the ten year period.

### RISKS

The main risks associated with existing and future proposed airport activities include:

- more stringent CAA compliance and security requirements
- reduced scheduled services from Whakatāne Airport
- competition for scheduled services from Rotorua and Tauranga
- inability to fund growth projects
- inability to access land for growth projects
- district planning requirements that limit development opportunities
- the Crown's divestment of its 50% interest in the joint venture
- Whakatāne District Council's funding limitations.

A full SWOT analysis was completed by the Whakatāne Airport Board in June 2011 (Appendix III).

## **STRATEGIC FRAMEWORK**

A wide range of potential opportunities are available to protect the future capacity of the Whakatāne Airport. These are presented as five strategies with accompanying actions.

The strategies are:

1. Create a safe, accessible, affordable and reliable air transport system.
2. Maximise commercial opportunities from current activities.
3. Diversify income streams by encouraging aviation and other service industries and associated enterprises.
4. Maintain and improve the assets of the Whakatāne Airport in order to present and operate as an efficient facility and enterprise.
5. Maintain and enhance relationships with businesses and individuals with interests in the airport to improve confidence in airport operations and management.



## Strategies and actions

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### STRATEGY 1      **MAINTAIN AND PROMOTE A SAFE, ACCESSIBLE, AFFORDABLE AND RELIABLE AIR TRANSPORT SYSTEM**

#### **ACTION 1.1: Research into current scheduled passenger flights.**

##### **This will be done by:**

- Developing a profile of customers that use scheduled passenger flights, including business versus leisure, local versus tourist.
- Determining the extent of business lost to neighbouring airports (Rotorua and Tauranga) and exploring the reasons for any losses.

##### **Rationale**

Customer profiling is essential for developing a better understanding of how current scheduled passenger flights are being used. It will also assist with identifying where improvements can be made by airline operators.

Travelers have the option of using either of two larger regional airports within approximately one hours drive from Whakatāne. There is anecdotal evidence that some people find travel to and from these airports to be more reliable and affordable than flights into and out of Whakatāne Airport.

#### **ACTION 1.2: Investigate the fee setting structure for Whakatāne flights.**

##### **This will be done by:**

- Comparing and assessing the cost of Whakatāne flights with other small airports.
- Investigating any inconsistencies in fee setting for Whakatāne flights.

##### **Rationale**

The cost of scheduled passenger flights to and from Whakatāne Airport are perceived by some as being reasonably high. Investigating fee setting along with assessing how comparable costs are across small regional airports will help with building any business cases that aim to improve the level of service for scheduled passenger flights.

**ACTION 1.3: Identify any improvements that can be made to scheduled passenger flights and enter into discussions with Eagle Airways and other operators to maximise the level of service provided by airlines.**

**This will be done by:**

- Using the information from Actions 1.1. and 1.2 to develop a business case that aims to improve the level of service provided by airline operators.
- Presenting the business case to Eagle Airways and other relevant operators to encourage improvements to the level of service provided.

**Rationale**

Although the income derived from scheduled passenger flights is unlikely to meet the combined costs of operation and capital, it is important to maintain and improve, where possible, these services for the economic good of the Eastern Bay of Plenty. This will help meet the primary objective of the Whakatāne Airport – *“to promote a safe, accessible, affordable and reliable air transport system for the benefit of the economic and social development of the Eastern Bay of Plenty”*.

## **STRATEGY 2      MAXIMISE COMMERCIAL OPPORTUNITIES FROM CURRENT AIRPORT ACTIVITIES**

**ACTION 2.1      Review the overall management of the airport to provide a strategic and focused management structure that improves the overall operational performance of the business and reduces long term overhead costs.**

### **This will be done by:**

- Researching the management structures of similar small New Zealand airports.
- Reviewing the overall management of the airport, including identifying the current issues, priorities, responsibilities, structure, strategy and reporting and management approaches.
- Identifying where improvements could be made to the overall management of the airport.
- Outlining possible management structures, including a more strategic management approach and a focus on improving operational procedures, along with advantages and disadvantages of each.
- Evaluating different management structures in terms of short, medium and long terms costs.
- Informed decision making and implementation of the preferred management model.
- Regularly evaluating the management structure and approach to allow for continued improvement.

### **Rationale**

Other responsibilities and priorities mean that the Manager Transportation is currently able to spend less than 10% of his time on airport business. This contributes to a reactive management approach.

It is apparent that there is currently a significant dispersal of responsibilities and tasks relating to the airport. It also appears that analysis and reporting via the Council system is currently not in a format that facilitates close management of airport revenue and costs.

In-house manager responsibility for the strategic development work will ensure that the knowledge and experience gained during the process will be retained by the Council.

**ACTION 2.2      Carry out a price review of the Eagle Airways landing fees using the best practice pricing methodology model for regional airports.**

**This will be done by:**

- Examining Airbiz's pricing methodology for regional airports and any other models used by small airports.
- Examining the consultation guidelines produced by Chapman Tripp.
- Consulting with Gisborne Airport about any lessons learnt from using this methodology.
- Requesting advice from the New Zealand Airports Association on different issues that may arise during the price review.
- Carrying out a price review for Eagle Airways landing fees using the pricing methodology for regional airports and the consultation guidelines.
- Implementing the new landing fees for Eagle Airways.

**Rationale**

It is not easy for any airport to change the fees charged to Air New Zealand (or Eagle Airways). An August 2009 Cabinet Paper by the Ministry of Transport highlighted some of the issues faced by regional airports arising from their vulnerability to a market structure which is dominated by a single large customer. Those issues include asymmetries in resources, expertise and access to information.

The New Zealand Airports Association commissioned Airbiz (2011) to develop a comprehensive and robust pricing methodology model for regional airports, supported by guidelines, and based on best practice in New Zealand. The Association also commissioned Chapman Tripp to prepare consultation guidelines, and these were issued in September 2011. The Association recommends strict adherence to both guidelines to minimise disputes and delays in the price review process.

Landing fees for Eagle Airways were not changed when they were last reviewed in 2008. A recent survey of landing fees for small airports suggests that an increase of at least 10% should be possible for Whakatāne.

**ACTION 2.3 Review Eagle Airways building rent to ensure optimum return.****This will be done by:**

- Researching best practice pricing methodology models used for setting airport building rents.
- Consulting with Eagle Airways about the review of the building rent.
- Carrying out a price review for Eagle Airways building rent using best practice methodologies and the existing lease agreement.
- Implementing the new building rent for Eagle Airways.
- Evaluating the method used.

### **Rationale**

The Eagle Air occupancy at the terminal building is due for a rent review in June 2012. Any review needs to be in keeping with the terms and conditions of the current lease.

**ACTION 2.4 Review the management of other airport rentals and leases with a view to improve management practices and reduce costs.**

#### **This will be done by:**

- Identifying and examining all other airport rentals and leases, including current value, market value and review dates.
- Identifying any improvements that could be made to better manage current airport activities that will result in increased revenue.
- Implementing any management changes.
- Evaluating changes in terms of direct and indirect savings and costs.

### **Rationale**

Other rentals and leases with a current value of \$10,867 are due for review by 31 March 2013. There is also a building previously occupied by Vulcan Helicopter which is currently vacant.

With total lease and rental income at \$112,000 or 49% of total revenue, the optimum return from occupancies can make a significant difference to the annual deficit.

**ACTION 2.5 Evaluate the management of contracts with a view to improve management practices and reduce costs.**

#### **This will be done by:**

- Identifying and examining all airport related contracts, including the current management and monitoring of these.
- Identifying any improvements that could be made to better manage current and/or future contracts to reduce current costs while still providing adequate services.
- Implementing and monitoring any changes, including direct and indirect savings and costs and any changes in the level of service provided.

## **Rationale**

Contracts can be a very efficient way of providing services, providing there are competitive tenders, packaging of services and the contracts are adequately monitored and managed.

In 2010/11, 52% of direct costs were via contracts including bird control, vegetation control (mowing) management of landing fees, maintaining the lighting and navigation aids and routine road maintenance.

## **ACTION 2.6 Investigate options for management of the landing fees administration.**

### **This will be done by:**

- Identifying and reviewing the advantages and disadvantages of alternative systems used to process landing fees for small airports, including automated systems and honesty payment systems.
- Reviewing short term and long terms costs and savings to the airport for each option.
- Implementing and monitoring the system that is considered the most advantageous.

## **Rationale**

The \$7,200 per annum for management of landing fees involves summarising recorded radio transmission data and reconciling cash payments to allow the Council to invoice users. This figure accounted for almost all of the \$7,691 income from landing fees (excluding Eagle Airways), but did not include the cost of manually processing about 180 transactions by the Council. More automated systems are available.

## **STRATEGY 3      DIVERSIFY INCOME STREAMS BY ENCOURAGING AVIATION AND OTHER SERVICE INDUSTRIES AND ASSOCIATED ENTERPRISES**

**ACTION 3.1      Using the medium population growth scenario, investigate how the District's future population growth assumptions could influence and impact on the future capacity of the airport.**

### **This will be done by:**

- Adopting the medium population projection for the next ten years to align with the Council's main strategic and planning documents.
- Identifying any impacts and implications from a static population on the future capacity of the Whakatāne Airport.
- Applying the medium growth projection to all current and future airport activities, particularly any plans for growth and/or expansion to ensure feasibility.
- Investigate and develop business opportunities and strategies that do not rely on population growth.

### **Rationale**

To protect the future capacity of the airport it is vital that a full and thorough investigation is carried out in the short term on how underlying growth assumptions may influence airport services and business. This will impact heavily on any plans for expansion or growth as well as diversification of any aeronautical and non-aeronautical services.

It is suggested that the medium growth model is adopted for any airport growth related projects to be consistent with the Council's strategic documents.

**ACTION 3.2      Protect aviation activities and airport business through district plan objectives, policies and rules.**

### **This will be done by:**

- Investigating the use of designations for both air and land space.
- Investigate the use of an airport zone in relation to the District Plan.
- Ensuring the Business Plan and actions carried out under this plan are aligned with the District Plan.

District planning implications will need to be fully researched to identify any limitations or restrictions, particularly in relation to the issue of noise and the zoning of land. There is a need to resolve the existing issue of different zones (and rules)

in the District Plan for different parts of the airport. Future growth scenarios and business opportunities may need to be provided for through the District Plan.

### **ACTION 3.3 Carry out a feasibility study on charging car parking fees.**

#### **This will be done by:**

- Researching other small airports and car parking fee charges.
- Collecting and analysing data on current car parking volumes and patterns at Whakatāne Airport.
- Surveying airport users / travellers on their opinions of what acceptable car parking charges would be and the likelihood of them using this service.
- Estimating capital costs of bollards, fences, barrier arms and any other equipment needed for introducing car parking fees.
- Estimating any operational and/or technical costs for implementing car parking fees, including security costs.
- Calculating the proposed revenue from introducing car parking fees.
- Informed decision making on the viability of introducing car parking fees to Whakatāne Airport.
- Development of a communication plan to inform the public.

#### **Rationale**

A feasibility study would need to consider the required investment in secure parking infrastructure and also make some assessment of current parking volumes and patterns. How best to manage the likely response to the introduction of charges would also be useful.

Initial research shows that Gisborne and Wanganui airports find that parking revenue is in the order of 20% to 25% of revenue from landing charges. New Plymouth airport introduced parking fees at \$5 per day, and when they doubled the charges (to try to reduce demand because parking was getting too full) they had much fewer objections than when the charges were first introduced.



**ACTION 3.4 Carry out a feasibility study on providing advertising space at the airport terminal.**

**This will be done by:**

- Researching other small airports and their use of space for advertising, including charging regimes.
- Identifying appropriate spaces at the airport for advertising.
- Surveying local businesses on the likelihood of them using this service and appropriate charges they would be willing to pay.
- Estimating costs of brochure stands, notice boards, television screens interactive displays and any other equipment needed for providing space for advertising, along with any operational costs.
- Calculating the proposed revenue of introducing advertising space for local businesses in the Whakatāne Airport.
- Informed decision making on the viability of introducing advertising space for local businesses in Whakatāne Airport.
- Development of a communication plan to promote the use of advertising space to local businesses.

**Rationale**

Council has received requests for advertising space at the airport terminal over recent years.

**ACTION 3.5 Carry out a feasibility study on developing additional aircraft hangers or a residential park, including the accessing of land near the terminal for this purpose.**

**This will be done by:**

- Examining the feasibility, opportunities and costs of accessing land needed for this purpose.
- Investigating the customer profile and demand for additional aircraft hangers, along with any competition.
- Estimating capital costs of building additional hangers, associated infrastructure and access to land.
- Investigating any current or possible future district planning or legal issues.
- Calculating the proposed profitability of developing and renting additional aircraft hangers in the short and long term.
- Informed decision making on the viability of this development.

## **Rationale**

Several airports have established a quality standard for light aircraft hangar development which has been successful in growing the light commercial and general aviation activity at those airports. Indications are that a similar development at Whakatāne Airport would encourage operators to consider the attractions of relocating their business and/or aircraft to Whakatāne. There is currently interest in such an initiative.

Aircraft hangars on airport land provide higher land rental income than grazing leases. It is desirable for security and operational safety reasons to cluster these activities on the terminal side of the airport.

**ACTION 3.6 Carry out a feasibility study on establishing and operating an international pilot training school, including accessing the land north west of the runway for this purpose.**

### **This will be done by:**

- Examining the feasibility, opportunities and costs of accessing land needed for this purpose.
- Investigating the customer profile and demand for an international pilot school, along with any competition.
- Estimating capital and operational costs for implementing this project.
- Investigating any current or possible future district planning or legal issues and/or requirements that may arise from the establishment or operation of an international pilot training school.
- Detailing activities, suppliers and staff issues critical to achieving the successful operation of an international pilot training school.
- Calculating the proposed profitability of establishing and operating an international pilot training school in the short and long term, including the setting of targets.
- Informed decision making on the viability of this development.
- Development of a marketing plan to promote the use of the international pilot training school.

## **Rationale**

A significant potential opportunity that would require a much larger site is the establishment of an international pilot training school. There is increasing worldwide demand for these facilities, especially to serve the rapidly developing air services within Asia. Expansion of existing training facilities is limited by land and air space.

Gisborne has explored the possibility of a school, but found the interested party preferred to able to own the land as this made it easier to raise finance for the required investment.

**ACTION 3.7    Develop a marketing strategy that promotes airport use and attracts new airport users, including new business opportunities.**

**This will be done by:**

- Developing a marketing objective aimed to develop airport business and attract new airport users.
- Assessing the current economic, travel and tourism climate and keeping fully informed of new or emerging initiatives that could provide opportunities for airport use.
- Liaison with Toi-EDA and Tourism BOP.
- Identifying airport users and potential future airport users, their needs and priorities.
- Identifying what services the Whakatāne Airport offers, what client profile services are targeted at (or new clientele that could be targeted) how services are sold and associated service charges.
- Investigating any current or possible future district planning or legal issues for any new business opportunities.
- Estimating financial targets.
- Detailing activities, suppliers and staff issues critical to achieving the marketing objective.

**Rationale**

There are many influences that affect airport use and airport users. Any marketing strategy would need to fully consider this wider context and any changes to optimise on new or emerging opportunities.

A promotional campaign could also remind people of the benefits of using the local airport/airline service, for example, an Airport Bulletin on Radio 1XX.

If potential future projects are viable, such as the international pilot training school, an overarching marketing strategy could also cover these.

**ACTION 3.8    Develop an airport layout plan that supports aviation related activities and that enables competing uses to be effectively managed.**

**This will be done by:**

- Reviewing existing and future needs of the airport.
- Identifying and analysing any existing or potentially incompatible or competing uses within the airport.
- Mapping existing airport facilities and structures, and locations of any new airport opportunities.

**Rationale**

To support the future capacity of the airport it is important to consider and plan for existing and future aviation related activities.

An airport layout plan is a scaled drawing of existing and proposed land and facilities necessary for the operation and development of the airport. It will show boundaries for new airport opportunities and the location and nature of existing airport facilities and structures. The development of an airport layout plan will ensure the effective and efficient operation of the airport into the future.

## **STRATEGY 4      MAINTAIN AND IMPROVE THE ASSETS OF THE WHAKATĀNE AIRPORT IN ORDER TO PRESENT AND OPERATE AS AN EFFICIENT FACILITY AND ENTERPRISE**

### **ACTION 4.1      Comply with regulatory requirements, including maintaining Rule Part 139 CAA certification once amendments occur.**

#### **This will be done by:**

- Once amendments to Rule Part 139 are in place, implementing any changes needed for certification in a timely and effective manner.
- Once certified, regularly communicating with CAA to keep up to date with any required changes needed to maintain CAA certification.
- Assess the financial impact of the certification process.

#### **Rationale**

CAA recently released proposed Rule Part 139 changes that are likely to require Whakatāne Airport (and three others) to be certificated for the first time. The proposed changes will shift the onus for certain security and operational matters from the airline to the Whakatāne Airport Operator. Areas affected would include improved security systems, fire fighting plans and documentation of operating procedures.

### **ACTION 4.2      Investigate options for upgrading infrastructure (runway and apron paving, lighting and navigational aids, buildings, electricity and water supplies), including research into new technology, to better service airport users and optimise capital spend.**

#### **This will be done by:**

- Identifying infrastructure upgrades that will need to occur in the short, medium and long term.
- Considering any future plans that may have implications for future infrastructure needs.
- Researching technology for upgrades that may reduce costs and provide improved service.
- Evaluating options in terms of quality and costs.
- Investigating any opportunities to share costs with other partners or across projects.
- Exploring any funding opportunities for specific capital projects.

- Informed decision making about infrastructure upgrades that are cost effective and meet the current and future needs of airport users.

### **Rationale**

The current cycle of pavement resurfacing is almost complete and there is little potential to reduce costs in the short term. Technology or other changes may provide an opportunity to reduce planned cost of the next cycle.

Major upgrades to lighting and navigation aids are planned for 2017/18.

The currently planned capital for the terminal building is for renewal only. There may be opportunities through planned upgrades to improve the amenities and the experience of ratepayers and other travellers using the building. A cost-benefit analysis on any upgrades and/or redevelopment of the airport terminal should be carried out. This should align with the airport layout plan as set out in Action 3.8.

The existing electricity supply (cables/transformers) to the airport is old and has limited capacity. An upgrade is likely to be needed for reliability or to better service existing and new airport users.

The airport is located at the end of line from the Braemar water system and suffers from low water pressure. The current plan makes allowance for water storage intended primarily for fire fighting capability. The underlying problem of limited line capacity to the airport has not yet been addressed.

**STRATEGY 5      MAINTAIN AND ENHANCE RELATIONSHIPS WITH  
BUSINESSES AND INDIVIDUALS WITH INTERESTS  
IN THE AIRPORT TO IMPROVE CONFIDENCE IN  
AIRPORT OPERATIONS AND MANAGEMENT**

**ACTION 5.1      Communicate regularly with all airport tenants and  
stakeholders.**

**This will be done by:**

- Meeting on at least a six monthly basis to inform, obtain feedback and build relationships with airport tenants and stakeholders.
- Establishing a separate airport accounting system from the Council accounts to improve transparency, reporting and communication.

**Rationale**

Airport users strongly suggest that more frequent communication and consultation would be beneficial for both parties. Separate airport accounts would also improve communication in relation to the airport's financial position.

**ACTION 5.2      Establish joint venture Partnership intentions for the long  
term.**

**This will be done by:**

- Researching other joint ventures with small airports to better understand the potential issues around participation, ownership and funding.
- Explore the nature of the relationship between the two partners in terms of the sharing of capital costs and operating surpluses or deficits.
- Communicate with the relevant Crown agency about long term intentions in relation to the Whakatāne Airport.

**Rationale**

The current joint venture arrangement provides for the capital requirements and operating deficits to be shared 50/50. However, the Crown is likely to be increasingly uncomfortable about the ongoing capital requirements and the increasing annual deficits.

**ACTION 5.3 Build and maintain relationships with the surrounding residential community and consult with them fully and in a timely manner about airport related issues and any plans for growth.**

**This will be done by:**

- Communicating with the residential community to inform, obtain feedback and build effective relationships.
- Involving and consulting openly with the residential community in the initial planning stages in any plans for future growth or expansion that may directly or indirectly affect them.

**Rationale**

Willingness for the surrounding residential community to continue to accept noise from airport activities is vital. Building better relationships with this group is important for any future business opportunities and developments.

**ACTION 5.4 Build and maintain relationships with the local iwi and consult with them fully and openly and in a timely manner about airport related issues and any plans for growth.**

**This will be done by:**

- Communicating with relevant iwi to inform, obtain feedback and build effective relationships.
- Involving and consulting openly with iwi in the initial planning stages in any plans for future growth or expansion that may directly or indirectly affect them.
- Exploring options of partnering with iwi in the future.

**Rationale**

During the consultation phase of the Draft District Plan concern was raised by Taiwhakaea hapu and surrounding airport residents about the growth assumptions that underpinned the master plan. The growth assumptions for the ten year period of the Business Plan need to be clear and how this may impact on the District Plan.

Local iwi have expressed concerns about the noise from the airport. Iwi have also expressed their anticipation of an eventual ownership stake in Whakatāne Airport.



**ACTION 5.5 Establish and maintain relationships with the regional community in relation to regional transport opportunities.**

**This will be done by:**

- Participating in any regional discussions about air transport and other regional airport users.
- Explore the opportunities of a sub-regional approach.
- Keeping fully informed on regional travel and tourism trends and any new or emerging airport or airport related initiatives.

**Rationale**

Building better relationships with this group is important for any future business opportunities and developments.

## Timing of actions – a summary

Timing	Actions	Methods
Short term 1- 2 years	<b>1.1: Research into current scheduled passenger flights.</b>	<ul style="list-style-type: none"> <li>▪ Developing a profile of customers that use scheduled passenger flights, including business versus leisure, local versus tourist.</li> <li>▪ Determining the extent of business lost to neighbouring airports (Rotorua and Tauranga) and exploring the reasons for any losses.</li> </ul>
	<b>1.2: Investigate the fee setting structure for Whakatāne flights.</b>	<ul style="list-style-type: none"> <li>▪ Comparing and assessing the cost of Whakatāne flights with other small airports.</li> <li>▪ Investigating any inconsistencies in fee setting for Whakatāne flights.</li> </ul>
	<b>1.3 Identify any improvements that can be made to scheduled passenger flights and enter into discussions with Eagle Airways and other operators to maximise the level of service provided by airlines.</b>	<ul style="list-style-type: none"> <li>▪ Using the information from Actions 1.1. and 1.2 to develop a business case that aims to improve the level of service provided by airline operators.</li> <li>▪ Presenting the business case to Eagle Airways and other relevant operators to encourage improvements to the level of service provided.</li> </ul>
	<b>2.1 Review the overall management of the airport to provide a strategic and focused management structure that improves the overall operational performance of the business and reduces long term overhead costs.</b>	<ul style="list-style-type: none"> <li>▪ Research the management structures of similar small New Zealand airports.</li> <li>▪ Review the overall management of the airport, including identifying the current issues, priorities, responsibilities, structure, strategy and reporting and management approaches.</li> <li>▪ Identify where improvements could be made to the overall management of the airport.</li> <li>▪ Outline possible management structures, including a more strategic management approach and a focus on improving operational procedures, along with advantages and disadvantages of each.</li> <li>▪ Evaluate different management structures in terms of short, medium and long terms costs.</li> <li>▪ Informed decision making and implementation of the preferred management model.</li> <li>▪ Regularly evaluate the management structure and approach to allow for continued improvement.</li> </ul>

	<p><b>2.5 Evaluate the management of contracts with a view to improve management practices and reduce costs.</b></p>	<ul style="list-style-type: none"> <li>▪ Identify and examine all airport related contracts, including the current management and monitoring of these.</li> <li>▪ Identify any improvements that could be made to better manage current and/or future contracts to reduce current costs while still providing adequate services.</li> <li>▪ Implement and monitor any changes, including direct and indirect savings and costs and any changes in the level of service provided.</li> </ul>
	<p><b>2.6 Investigate options for management of the landing fees administration.</b></p>	<ul style="list-style-type: none"> <li>▪ Identify and review the advantages and disadvantages of alternative systems used to process landing fees for small airports, including automated systems and honesty payment systems.</li> <li>▪ Review short term and long terms costs and savings to the airport for each option.</li> <li>▪ Implement and monitor the system that is considered the most advantageous.</li> </ul>
	<p><b>3.1 Using the medium population growth scenario, investigate how the District's future population growth assumptions could influence and impact on the future capacity of the airport.</b></p>	<ul style="list-style-type: none"> <li>▪ Adopting the medium population projection for the next ten years to align with the Whakatāne District Council's main strategic and planning documents.</li> <li>▪ Identifying any impacts and implications from a static population on the future capacity of the Whakatāne Airport.</li> <li>▪ Applying the medium growth projection to all current and future airport activities, particularly any plans for growth and/or expansion to ensure feasibility.</li> <li>▪ Investigate and develop business opportunities and strategies that do not rely on population growth.</li> </ul>
	<p><b>3.2 Protect aviation activities and airport business through district plan objectives, policies and rules.</b></p>	<ul style="list-style-type: none"> <li>▪ Investigating the use of designations for both air and land space.</li> <li>▪ Investigate the use of an airport zone in relation to the District Plan.</li> <li>▪ Ensuring the Business Plan and actions carried out under this plan are aligned with the District Plan.</li> </ul>

	<p><b>3.3 Carry out a feasibility study on charging car parking fees.</b></p>	<ul style="list-style-type: none"> <li>▪ Researching other small airports and car parking fee charges.</li> <li>▪ Collecting and analysing data on current car parking volumes and patterns at Whakatāne Airport.</li> <li>▪ Surveying airport users / travellers on their opinions of what acceptable car parking charges would be and the likelihood of them using this service.</li> <li>▪ Estimating capital costs of bollards, fences, barrier arms and any other equipment needed for introducing car parking fees.</li> <li>▪ Estimating any operational and/or technical costs for implementing car parking fees, including security costs.</li> <li>▪ Calculating the proposed revenue from introducing car parking fees.</li> <li>▪ Informed decision making on the viability of introducing car parking fees to Whakatāne Airport.</li> <li>▪ Development of a communication plan to inform the public.</li> </ul>
	<p><b>3.4 Carry out a feasibility study on providing advertising space at the airport terminal.</b></p>	<ul style="list-style-type: none"> <li>▪ Researching other small airports and their use of space for advertising, including charging regimes.</li> <li>▪ Identifying appropriate spaces at the airport for advertising.</li> <li>▪ Surveying local businesses on the likelihood of them using this service and appropriate charges they would be willing to pay.</li> <li>▪ Estimating costs of brochure stands, notice boards, television screens, interactive displays and any other equipment needed for providing space for advertising, along with any operational costs.</li> <li>▪ Calculating the proposed revenue of introducing advertising space for local businesses in the Whakatāne Airport.</li> <li>▪ Informed decision making on the viability of introducing advertising space for local businesses in Whakatāne Airport.</li> <li>▪ Development of a communication plan to promote the use of advertising space to local businesses.</li> </ul>

	<p><b>3.5 Carry out a feasibility study on developing additional aircraft hangers or a residential park, including the accessing of land near the terminal for this purpose.</b></p>	<ul style="list-style-type: none"> <li>▪ Examining the feasibility, opportunities and costs of accessing land needed for this purpose.</li> <li>▪ Investigating the customer profile and demand (taking into account the medium growth scenario) for additional aircraft hangers, along with any competition.</li> <li>▪ Estimating capital costs of building additional hangers and any associated equipment.</li> <li>▪ Investigating any current or possible future district planning or legal issues.</li> <li>▪ Calculating the proposed profitability of developing and renting additional aircraft hangers in the short and long term.</li> <li>▪ Informed decision making on the viability of this development.</li> </ul>
	<p><b>3.6 Carry out a feasibility study on establishing and operating an international pilot training school, including accessing the land north west of the runway for this purpose.</b></p>	<ul style="list-style-type: none"> <li>▪ Examining the feasibility, opportunities and costs of accessing land needed for this purpose.</li> <li>▪ Investigating the customer profile and demand (taking into account the medium growth scenario) for an international pilot school, along with any competition.</li> <li>▪ Estimating capital and operational costs for implementing this project.</li> <li>▪ Investigating any current or possible future district planning or legal issues and/or requirements that may arise from the establishment or operation of an international pilot training school.</li> <li>▪ Detailing activities, suppliers and staff issues critical to achieving the successful operation of an international pilot training school.</li> <li>▪ Calculating the proposed profitability of establishing and operating an international pilot training school in the short and long term, including the setting of targets.</li> <li>▪ Informed decision making on the viability of this development.</li> <li>▪ Development of a marketing plan to promote the use of the international pilot training school.</li> </ul>
	<p><b>3.8 Develop an airport layout plan that supports aviation related activities and that enables competing uses to be effectively managed.</b></p>	<ul style="list-style-type: none"> <li>▪ Reviewing existing and future needs of the airport.</li> <li>▪ Identifying and analysing any existing or potentially incompatible or competing uses within the airport.</li> <li>▪ Mapping existing airport facilities and structures, and locations of any new airport opportunities.</li> </ul>

	<b>4.1 Comply with regulatory requirements to maintain Part 139 CAA certification.</b>	<ul style="list-style-type: none"> <li>▪ Regularly communicating with CAA to keep up to date with any required changes needed to maintain Part 139 CAA certification.</li> <li>▪ Implementing any changes needed for certification in a timely and effective manner.</li> </ul>
	<b>5.1 Communicate regularly with all airport tenants and stakeholders.</b>	<ul style="list-style-type: none"> <li>▪ Meeting on at least a six monthly basis to inform, obtain feedback and build relationships with airport tenants and stakeholders.</li> <li>▪ Establishing a separate airport accounting system from the Council accounts to improve transparency, reporting and communication.</li> </ul>
	<b>5.2 Establish joint venture Partnership intentions for the long term.</b>	<ul style="list-style-type: none"> <li>▪ Researching other joint ventures with small airports to better understand the potential issues around participation, ownership and funding.</li> <li>▪ Communicate with the relevant Crown agency about long term intentions in relation to the Whakatāne Airport.</li> </ul>
	<b>5.3 Build and maintain relationships with the surrounding residential community and consult with them fully and in a timely manner about airport related issues and any plans for growth.</b>	<ul style="list-style-type: none"> <li>▪ Communicating with the residential community to inform, obtain feedback and build effective relationships.</li> <li>▪ Involving and consulting openly with the residential community in the initial planning stages in any plans for future growth or expansion that may directly or indirectly affect them.</li> </ul>
	<b>5.4 Build and maintain relationships with the local iwi and consult with them fully and openly and in a timely manner about airport related issues and any plans for growth.</b>	<ul style="list-style-type: none"> <li>▪ Communicating with relevant iwi to inform, obtain feedback and build effective relationships.</li> <li>▪ Involving and consulting openly with iwi in the initial planning stages in any plans for future growth or expansion that may directly or indirectly affect them.</li> <li>▪ Exploring options of partnering with iwi in the future.</li> </ul>

<p><b>Medium Term 3-5 years</b></p>	<p><b>2.2 Carry out a price review of the Eagle Airways landing fees using the best practice pricing methodology model for regional airports.</b></p>	<ul style="list-style-type: none"> <li>▪ Examine Airbiz’s pricing methodology for regional airports and any other models used by small airports.</li> <li>▪ Examine the consultation guidelines produced by Chapman Tripp.</li> <li>▪ Consult with Gisborne Airport about any lessons learnt from using this methodology.</li> <li>▪ Request advice from the New Zealand Airports Association on different issues that may arise during the price review.</li> <li>▪ Carry out a price review for Eagle Airways landing fees using the pricing methodology for regional airports and the consultation guidelines.</li> <li>▪ Implement the new landing fees for Eagle Airways.</li> </ul>
	<p><b>2.3 Review Eagle Airways building rent to ensure optimum return.</b></p>	<ul style="list-style-type: none"> <li>▪ Research best practice pricing methodology models used for setting airport building rents.</li> <li>▪ Consult with Eagle Airways about the review of the building rent.</li> <li>▪ Carry out a price review for Eagle Airways building rent using best practice methodologies</li> <li>▪ Implement the new building rent for Eagle Airways.</li> <li>▪ Evaluate the method used.</li> </ul>
	<p><b>2.4 Review the management of other airport rentals and leases with a view to improve management practices and reduce costs.</b></p>	<ul style="list-style-type: none"> <li>▪ Identify and examine all other airport rentals and leases, including current value, market value and review dates.</li> <li>▪ Identify any improvements that could be made to better manage current airport activities that will result in increased revenue.</li> <li>▪ Implement any management changes.</li> <li>▪ Evaluate changes in terms of direct and indirect savings and costs.</li> </ul>

	<p><b>3.7 Develop a marketing strategy that promotes airport use and attracts new airport users, including new business opportunities.</b></p>	<ul style="list-style-type: none"> <li>▪ Developing a marketing objective aimed to develop airport business and attract new airport users.</li> <li>▪ Identifying airport users and potential future airport users, their needs and priorities.</li> <li>▪ Identifying what services the Whakatāne Airport offers, what client profile services are targeted at or new clientele that could be targeted, how services are sold and associated service charges.</li> <li>▪ Investigating any current or possible future district planning or legal issues for any new business opportunities.</li> <li>▪ Estimating financial targets.</li> <li>▪ Detailing activities, suppliers and staff issues critical to achieving the marketing objective.</li> </ul>
	<p><b>4.2 Investigate options for upgrading infrastructure (runway and apron paving, lighting and navigational aids, buildings, electricity and water supplies), including research into new technology, to better service airport users and optimise capital spend.</b></p>	<ul style="list-style-type: none"> <li>▪ Identifying infrastructure upgrades that will need to occur in the short, medium and long term.</li> <li>▪ Considering any future plans that may have implications for future infrastructure needs.</li> <li>▪ Researching technology for upgrades that may reduce costs and provide improved service.</li> <li>▪ Evaluate options in terms of quality and costs.</li> <li>▪ Investigate any opportunities to share costs with other partners or across projects (e.g. upgraded electricity supply may be shared with Horizon Energy).</li> <li>▪ Informed decision making about infrastructure upgrades that are cost effective and meet the current and future needs of airport users.</li> </ul>
	<p><b>5.5 Establish and maintain relationships with the regional community in relation to regional transport opportunities.</b></p>	<ul style="list-style-type: none"> <li>▪ Participating in any regional discussions about air transport and other regional airport users.</li> <li>▪ Researching the issues surrounding local residents using alternative regional transport options and other airport services in favour of those offered by Whakatāne Airport.</li> </ul>



## Appendix I: Consultation plan



### PURPOSE

The purpose of this document is to provide an overview of consultation associated with the production of the Whakatāne Airport Draft Ten Year Business Plan 2012-22 (Business Plan 2012-22). It sets out key messages and an overview of the time-phased programme of consultation. The Consultation Plan will be used by the Whakatāne Airport Board to monitor and manage this aspect of the Business Plan 2012-22.

### SITUATION

The Business Plan 2012/22 is a key document that aims to provide a strategic framework to ensure the sustainability of the Whakatāne Airport as a key economic asset. It identifies opportunities for growth and development and outlines a set of realistic actions that both supports the continued operation of the airport and protects the future capacity of the airport over the next ten years.

### GOAL

The goal of this Consultation Plan is that the Whakatāne District community are informed, participate and are engaged in shaping the Business Plan 2012-22.

#### Open Days

The desire for transparency in Whakatāne Airport activities and community consultation is considered very important for building better community relationships and for any future business opportunities and developments.

It is suggested that in addition to general consultation activities, the Whakatāne Airport Board should hold an open day to ensure interested and affected groups are fully engaged in the consultation process.

#### Consultation with tangata whenua

Taiwhākeaa are the local hapu affected by airport activities. Taiwhākeaa have previously raised concerns about growth assumptions and former airport planning as well as noise from airport activities. Iwi have an underlying interest in the land occupied by the Whakatāne Airport.

Communicating openly with Taiwhākeaa to inform, obtain feedback and to build effective working relationships is considered vital for future business opportunities and development.

Hui with Taiwhākeaa hapu and Ngāti Awa iwi about the Business Plan is considered an important first step in building effective relationships.

The Tūtohunga (Memorandum of Understanding) between the Whakatāne District Council and the Iwi Liaison Committee (ILC) sets up and recognises the Committee as the conduit for consultation with iwi, hapu and tangata whenua. Although this Business and Consultation Plan is the responsibility of the Whakatāne Airport Board, ILC members will be encouraged to also use their networks to generate discussion and obtain feedback on the Business Plan.

## OBJECTIVES OF THE CONSULTATION PLAN

Key objectives of the Consultation Plan include:

- a. To engage the community, iwi, interest and stakeholder groups, and relevant agencies to understand the context of the Whakatāne Airport's goals and priorities over the next ten years.
- b. To encourage the community to be involved in the decision making process.
- c. To generate confidence and raise the profile of the Whakatāne Airport and its operation and management.
- d. To develop a more robust, thorough, considered Business Plan 2012-22 that reflects the community's views and aspirations.

## KEY CONSULTATION MESSAGES

Key messages to be communicated are:

- i. The Business Plan 2012-22 sets the Whakatāne Airport's priorities and actions for the next ten years – have your say.
- ii. The Whakatāne Airport is a vital economic resource for our community – your views on this asset are important and they count.

## KEY BUSINESS PLAN MESSAGES

Key messages from the Business Plan are:

- i. Annual deficits – forecasts in the Long Term Plan 2012-22 are for annual deficits in excess of \$100,000 per annum.
- ii. The volume of flights to and from Whakatāne and income derived from flights is unlikely to meet the cost of operation and capital.
- iii. Opportunities exist to build the non-aeronautical services of the Whakatāne Airport's business.
- iv. Four strategies form the basis for the way forward:
  - Maximise commercial opportunities from current activities.
  - Diversify income streams by encouraging aviation and other service industries and associated enterprises.
  - Maintain and improve the assets of the Whakatāne Airport in order to present and operate as an efficient facility and enterprise.
  - Maintain and enhance relationships with businesses and individuals with interests in the airport to improve confidence in airport operations and management.

## APPROACH AND COMMUNITY CONSULTATION

Consultation on the Business Plan 2012-22 will involve targeted and wider public consultation. Consultation will utilise a number of techniques and media depending on the audience, the message and the purpose. These will range from presentations to stakeholder groups through to open days, hui and media releases. An outline of consultation activities, by audience, is provided in the table below.

Audience	Approach	Timing
Councillors	Agenda Report to Monitoring and Policy Committee with Draft Business Plan	22 August 2012

Ministry of Transport (joint venture partner) Eagle Air	Letters and plan to joint venture partner and Eagle Air	September 2012
Opotiki District Council Kawerau District Council BOP Regional Council	Letters and plan to relevant local authorities	September 2012
Community Boards (CB) Iwi Liaison Committee	Agenda Reports to Community Boards and ILC	Combined CB (September) or separate CBs (October) October (ILC)
Eastern BOP Chamber of Commerce Toi EDA	Presentations to Chamber of Commerce and Toi EDA	Next available meeting
Airport Users Group Lessees	Presentations to Airport User Group and Lessees	September 2012
Local iwi and hapu	Hui with affected hapu and iwi	September 2012
Neighbours Local landowners	Mail out to neighbours and land owners Open Day at Airport with Airport Board Public Notice/media release in Beacon Links from Council Website	September 2012
General public	Open Day at Airport with Airport Board Public Notice / Media Release in Beacon Links from Council Website	September 2012

An outline of the main methods for wider consultation is described in the table below.

Method	Description
Fact sheets	Outline of goals for Whakatāne Airport
Radio advertising	Radio bulletin on 1XX
Print advertising	Public notices (Beacon, EBN, and Murupara Newsletter).
Tabloid publication (Ko Kōnei)	Summary of key messages from Business Plan.
Letters ( <i>including meeting attendance requests</i> ).	Affected parties, interest and stakeholder groups.
Website and social media (Facebook)	Provide opportunities for interactive discussions and feedback
Open Day - Whakatāne Airport Board	Open day combined with Rangitaiki Community Board meeting. Presentations to third parties.
Media releases	Prepare media release on key issues and messages to generate interest and debate.
Feedback form	Form supplied at open day, hui and on website to encourage feedback.

## CONSULTATION PROTOCOLS

The Whakatāne Airport Board has overall responsibility for the management and implementation of this plan. Any changes to the Consultation Plan must be signed off by the Whakatāne Airport Board.

## RISK

There are a number of risks associated with consulting on the Business Plan 2012-22. These are outlined in the table below, along with an indication of probability, impact, severity and mitigating factors.

Risk	Probability	Impact	Severity	Mitigation
Inadequate consultation with iwi	M	H	Major	Ensure consultation with Taiwhākeā is full, transparent and timely to enable communication lines to be opened and effective relationships to be built for the benefit of both the future of the Whakatāne Airport and Taiwhākeā hapu.
Limited resources (people and budget)	H	M	Medium	Use existing Whakatāne Airport space for advertising. Engage the media to generate news and broadcast programmes. Allocate staff resources.
Poor attendance – Open days	H	M	Medium	Actively promote open days and combine with Community Board meeting and/or user group meetings.
Consultation fatigue	H	M	Medium	Utilise new methods of consultation (e.g. social media such as Facebook/links from WDC website). Ensure that consultation is scheduled to maximum effect and target consultation to likely interest groups.

## TIMEFRAME

Timing for consultation on the Draft Business Plan 2012-22 is outlined below:

Draft Business Plan approved by Whakatāne Airport Board for public consultation	26 August 2012
Draft Business Plan approved by Monitoring and Policy Committee for public consultation	22 August 2012
Public consultation (open day, hui, letters etc)	September – October 2012
Airport Board considers written feedback & verbal submissions	Early November 2012
Final Business Plan approved by Whakatāne Airport Board	27 November 2012
Final Business Plan adopted by Council	19 December 2012

## Appendix II: Airport financials

### OPERATIONAL EXPENDITURE FROM DRAFT LTP

Actuals \$ 2010/11	AP \$ 2011/12	Postcode & Description	LTP \$ 2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Group: 70 Reportable Council-ctrl Orgnis</b>												
<b>Activity: 10</b>												
<b>Whakatane</b>												
<b>Airport</b>												
<b>Cost Centre: 10</b>												
<b>Whakatane</b>												
<b>Airport</b>												
<b>Revenue</b>												
<b>User Fees and Charges</b>												
(95,126)	(120,000)	Landing Fees	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)
(88,684)	(97,000)	Rentals and Leases	(112,000)	(112,000)	(112,000)	(112,000)	(112,000)	(112,000)	(112,000)	(112,000)	(112,000)	(112,000)
<b>(183,810)</b>	<b>(217,000)</b>	<b>Total for User Fees and Charges</b>	<b>(232,000)</b>	<b>(232,000)</b>	<b>(232,000)</b>	<b>(232,000)</b>	<b>(232,000)</b>	<b>(232,000)</b>	<b>(232,000)</b>	<b>(232,000)</b>	<b>(232,000)</b>	<b>(232,000)</b>
<b>Sundry Income</b>												
			(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
<b>(350)</b>	<b>-</b>	<b>Total for Revenue</b>	<b>(234,000)</b>	<b>(234,000)</b>	<b>(234,000)</b>	<b>(234,000)</b>	<b>(234,000)</b>	<b>(234,000)</b>	<b>(234,000)</b>	<b>(234,000)</b>	<b>(234,000)</b>	<b>(234,000)</b>
<b>Expenditure</b>												
<b>Direct Costs</b>												
10,222	8,000	3040 Audit Charges	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
6,839	13,000	3120 Consultants	53,170	28,170	28,170	28,170	28,170	28,170	28,170	28,170	28,170	28,170
29,696	33,000	3140 Contracts	107,600	107,600	107,600	107,600	107,600	107,600	107,600	107,600	107,600	107,600
	-	3188 Directors Fees	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000
9,404	8,000	3210 Electricity	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600
	500	3280 Fire Security	500	500	500	500	500	500	500	500	500	500
44	1,000	3320 General Expenses	2,880	2,880	2,880	3,200	3,200	3,200	3,200	3,200	3,200	3,200
		3350 Insurances										

4,231	4,600		5,195	5,195	5,195	5,195	5,195	5,195	5,195	5,195	5,195	5,195
-	1,200	3400 Legal Costs	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
-	6,000	3440 Maintenance and Repairs	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100
3,660	3,843	3680 Rates Paid	3,946	3,946	3,946	3,946	3,946	3,946	3,946	3,946	3,946	3,946
1,300	1,200	3900 Subscriptions	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
-	1,000	3960 Taxation Advice	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
		3980 Travel & Accomodation	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
		3880 Training & Professional Develo	3,800	3,800	3,800	5,000	5,000	5,000	5,000	5,000	5,000	5,000
		4000 Valuation Expenses	600	600	600	600	600	600	600	600	600	600
		4050 Water Purchases	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
504	500	3970 Telephones and Tolls	500	500	500	500	500	500	500	500	500	500
<b>146,743</b>	<b>189,743</b>	<b>Total for Direct Costs</b>	<b>253,791</b>	<b>228,791</b>	<b>228,791</b>	<b>230,311</b>	<b>230,311</b>	<b>230,311</b>	<b>230,311</b>	<b>230,311</b>	<b>230,311</b>	<b>230,311</b>
<b>30,697</b>	<b>33,020</b>	<b>Total for Depreciation</b>	<b>40,219</b>	<b>40,229</b>	<b>40,237</b>	<b>40,261</b>	<b>40,275</b>	<b>40,285</b>	<b>40,293</b>	<b>40,299</b>	<b>40,294</b>	<b>40,292</b>
<b>61,053</b>	<b>57,053</b>	<b>Total for Overheads</b>	<b>58,948</b>	<b>58,948</b>	<b>58,948</b>	<b>58,978</b>	<b>58,978</b>	<b>58,978</b>	<b>58,978</b>	<b>58,978</b>	<b>58,978</b>	<b>58,976</b>
<b>9,376</b>	<b>40,749</b>	<b>Total for Interest Paid</b>	<b>18,787</b>	<b>20,131</b>	<b>20,449</b>	<b>20,745</b>	<b>20,738</b>	<b>49,156</b>	<b>76,385</b>	<b>76,400</b>	<b>78,240</b>	<b>76,622</b>
<b>247,869</b>	<b>320,565</b>	<b>Total for Expenditure</b>	<b>371,745</b>	<b>348,099</b>	<b>348,425</b>	<b>350,295</b>	<b>350,302</b>	<b>378,730</b>	<b>405,967</b>	<b>405,988</b>	<b>407,823</b>	<b>406,201</b>
<b>46,476</b>	<b>86,565</b>	<b>Deficit (Surplus)</b>	<b>137,745</b>	<b>114,099</b>	<b>114,425</b>	<b>116,295</b>	<b>116,302</b>	<b>144,730</b>	<b>171,967</b>	<b>171,988</b>	<b>173,823</b>	<b>172,201</b>

**Statements of Intent:**

No Overheads and Depreciation

<b>Deficit (Surplus)</b>	<b>38,578</b>	<b>14,922</b>	<b>15,240</b>	<b>17,056</b>	<b>17,049</b>	<b>45,467</b>	<b>72,696</b>	<b>72,711</b>	<b>74,551</b>	<b>72,933</b>
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## OPERATIONAL EXPENDITURE WITH PROPOSED AMENDMENTS TO THE LTP FROM THE AIRPORT BOARD

Actuals \$ 2010/11	AP \$ 2011/12	Postcode & Description	LTP \$									
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Group: 70 Reportable Council-ctrl Orgnis</b>												
<b>Activity: 10</b>												
<b>Whakatane</b>												
<b>Airport</b>												
<b>Cost Centre: 10</b>												
<b>Whakatane</b>												
<b>Airport</b>												
		<b>Revenue</b>										
		<b>User Fees and</b>										
		<b>Charges</b>										
(95,126)	(120,000)	Landing Fees	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)
(88,684)	(97,000)	Rentals and Leases	(112,000)	(112,000)	(112,000)	(112,000)	(112,000)	(112,000)	(112,000)	(112,000)	(112,000)	(112,000)
<b>(183,810)</b>	<b>(217,000)</b>	<b>Total for User Fees and Charges</b>	<b>(202,000)</b>	<b>(202,000)</b>	<b>(202,000)</b>	<b>(202,000)</b>	<b>(202,000)</b>	<b>(202,000)</b>	<b>(202,000)</b>	<b>(202,000)</b>	<b>(202,000)</b>	<b>(202,000)</b>
		<b>Sundry Income</b>										
	-		(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
<b>(350)</b>		<b>Total for Revenue</b>	<b>(204,000)</b>	<b>(204,000)</b>	<b>(204,000)</b>	<b>(204,000)</b>	<b>(204,000)</b>	<b>(204,000)</b>	<b>(204,000)</b>	<b>(204,000)</b>	<b>(204,000)</b>	<b>(204,000)</b>
		<b>Expenditure</b>										
		<b>Direct Costs</b>										
10,222	8,000	3040 Audit Charges	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
6,839	13,000	3120 Consultants	53,170	28,170	28,170	28,170	28,170	28,170	28,170	28,170	28,170	28,170
29,696	33,000	3140 Contracts	102,600	102,600	102,600	102,600	102,600	102,600	102,600	102,600	102,600	102,600
-	-	3188 Directors Fees	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
9,404	8,000	3210 Electricity	21,200	21,200	21,200	21,200	21,200	21,200	21,200	21,200	21,200	21,200
-	500	3280 Fire Security	500	500	500	500	500	500	500	500	500	500
44	1,000	3320 General Expenses	2,880	2,880	2,880	3,200	3,200	3,200	3,200	3,200	3,200	3,200
4,231	4,600	3350 Insurances	5,195	5,195	5,195	5,195	5,195	5,195	5,195	5,195	5,195	5,195
-	1,200	3400 Legal Costs	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200

-	6,000	3440 Maintenance and Repairs	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100
3,660	3,843	3680 Rates Paid	3,946	3,946	3,946	3,946	3,946	3,946	3,946	3,946	3,946	3,946
1,300	1,200	3900 Subscriptions	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
-	1,000	3960 Taxation Advice	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
		3980 Travel & Accomodation	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
		3880 Training & Professional Develo	3,800	3,800	3,800	5,000	5,000	5,000	5,000	5,000	5,000	5,000
		4000 Valuation Expenses	600	600	600	600	600	600	600	600	600	600
		4050 Water Purchases	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
504	500	3970 Telephones and Tolls	500	500	500	500	500	500	500	500	500	500
<b>146,743</b>	<b>189,743</b>	<b>Total for Direct Costs</b>	232,491	207,491	207,491	209,011	209,011	209,011	209,011	209,011	209,011	209,011
<b>30,697</b>	<b>33,020</b>	<b>Total for Depreciation</b>	40,219	40,229	40,237	40,261	40,275	40,285	40,293	40,299	40,294	40,292
<b>61,053</b>	<b>57,053</b>	<b>Total for Overheads</b>	58,948	58,948	58,948	58,978	58,978	58,978	58,978	58,978	58,978	58,976
<b>9,376</b>	<b>40,749</b>	<b>Total for Interest Paid</b>	18,787	20,131	20,449	20,745	20,738	49,156	76,385	76,400	78,240	76,622
<b>247,869</b>	<b>320,565</b>	<b>Total for Expenditure</b>	<b>350,445</b>	<b>326,799</b>	<b>327,125</b>	<b>328,995</b>	<b>329,002</b>	<b>357,430</b>	<b>384,667</b>	<b>384,688</b>	<b>386,523</b>	<b>384,901</b>
<b>46,476</b>	<b>86,565</b>	<b>Deficit (Surplus)</b>	<b>146,445</b>	<b>122,799</b>	<b>123,125</b>	<b>124,995</b>	<b>125,002</b>	<b>153,430</b>	<b>180,667</b>	<b>180,688</b>	<b>182,523</b>	<b>180,901</b>

**Statements of Intent:**

No Overheads and Depreciation

<b>Deficit (Surplus)</b>	47,278	23,622	23,940	25,756	25,749	54,167	81,396	81,411	83,251	81,633
Previous Deficit	38,578	14,922	15,240	17,056	17,049	45,467	72,696	72,711	74,551	72,933
Deficit Increase	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700



## Appendix III    A SWOT analysis completed by the Whakatāne Airport Board June 2011

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• local individuals who have aviation interest</li> <li>• favourable weather conditions</li> <li>• tourist opportunities (White Island)</li> <li>• minimal operating constraints (not built up area)</li> <li>• central location</li> <li>• recreational opportunities</li> </ul>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• skydiving</li> <li>• modellers</li> <li>• gliding</li> <li>• additional land purchase for expansion</li> <li>• additional commercial and industrial and recreational growth</li> <li>• additional hangar construction (feasibility study)</li> <li>• private sector developers</li> <li>• third tier passenger services</li> <li>• purchase Ministry of Transport share (could have different commercial partner)</li> <li>• airport parking</li> </ul> <p><b>Commercial opportunities</b></p> <ul style="list-style-type: none"> <li>• pilot training</li> <li>• residential air park (check District Plan provisions – get briefing from planners – Board input into District Plan over next 3 months)</li> <li>• aircraft servicing</li> <li>• Regional development initiatives e.g. aquaculture, SCA development, Ngāti Awa and other iwi once Treaty of Waitangi settlements completed</li> <li>• No restrictions on using terminal (can have more than one commercial operator flying into airport)</li> <li>• Recreational/community opportunities (Air Cadet scheme)</li> </ul>
<p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>• Revenue required</li> <li>• Suitable land</li> <li>• No Business Development manager to focus on growth and development</li> <li>• Reactive operational management</li> <li>• Demographics – lack of critical mass</li> <li>• Current economic conditions</li> <li>• Growth unlikely to be internally generated</li> <li>• Upgrading costs of aging infrastructure – runway and lighting etc</li> <li>• MOT as partner– not interested in being member of board</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Proximity of other airports with better facilities</li> <li>• Scheduled services from Rotorua and Tauranga seen as “better”</li> <li>• Consenting issues (Resource Management Act 1991)</li> <li>• Council does not support funding of airport from rates</li> <li>• Upgrading costs to meet national certification requirements</li> <li>• Increased security requirements</li> </ul>

# Appendix IV – Flow Diagram – Planning Process for Airport Development

