

Ashburton Airport Authority Subcommittee

AGENDA

Notice of Meeting:

A meeting of the Ashburton Airport Authority Subcommittee will be held on:

Date: Wednesday 13 October 2021
Time: 9.00am
Venue: Council Chamber
137 Havelock Street, Ashburton

Membership

Chairperson Leen Braam
Members Rodger Letham
Lynette Lovett

7 October 2021

AGENDA

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2 Notification of Extraordinary Business

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Business transacted with the public excluded

7 Minutes – 30/06/21 PE 1
Section 7(2)(h) Commercial activities

4. Airport Authority Subcommittee – 30/06/21

Minutes of the Ashburton Airport Authority Subcommittee meeting held on Wednesday 30 June 2021, commencing at 9am, in the Council Chamber, 137 Havelock Street, Ashburton.

Present

Mayor Neil Brown and Councillors Leen Braam (Chair), Rodger Letham and Lynette Lovett.

Also present

Councillors Angus McKay and Diane Rawlinson.

In attendance

Paul Brake (GM Business Support), Colin Windleborn (Commercial Manager), Zane Adam (Property Officer) and Phillipa Clark (Governance Team Leader).

1 Apologies

Nil.

2 Conflict of Interest

Nil.

3 Notification of Extraordinary Business

Nil.

4 Confirmation of Minutes

That the minutes of the Ashburton Airport Authority Subcommittee meeting, held on 10 May 2021, be taken as read and confirmed.

Lovett/Letham

Carried

Business transacted with the public excluded – 9.01am

That the public be excluded from the following parts of the proceedings of this meeting, namely – 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:

Item No	General subject of each matter to be considered:	In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:	
5	Skydiving activity	Section 7(2)(h)	Commercial activities

Lovett/Letham

Carried

The Subcommittee resumed in open meeting and concluded at 9.34am.

5. *Ashburton Airport activity update*

Author	<i>Zane Adam, Property Officer</i>
Activity manager	<i>Colin Windleborn, Commercial Manager</i>
General manager	<i>Paul Brake, Group Manager</i>

Summary

- The purpose of this report is to provide an update on activities at the Ashburton Airport in the August 2021 period.
- This report will also provide a brief update on a recent development plan meeting that took place between ADC officers and representatives of the Airport User Group.

Recommendation

1. **That** the Ashburton Airport Authority Subcommittee receives the report.



Background

1. Winter is generally a quiet time at the airport with much less flying being conducted due to unfavourable weather conditions. The winter period has, however, seen some notable activities happening behind the scenes which are contained within this report.

Current

Small Airports Zoom Meeting

2. The effects of Covid -19 on the aviation sector dominated proceedings with airport officials exchanging ideas about continuing to operate in these challenging times. One noticeable inclusion is the proposal to establish a network of airport safety officers whose primary role is taking a leading role in ensuring airports remain health and safety focused.

Structure / Development Plan

3. Some significant work has been conducted in recent weeks in regards to the Ashburton Airport Development Plan. After receiving feedback from airport users saying they wished to be involved in any future development planning of the airport, the following has been conducted.
 - The Development Plan will be conducted in-house with ADC officers and airport users working closely together and exchanging ideas, rather than using consultants.
 - The first meeting has been conducted with important progress being made towards the future strategic direction of the airport and the appropriate land being set aside to enable future growth and development to occur.
 - The realisation that within the Development Plan lays the opportunity for Ashburton Airport to become a revenue neutral or profit generating entity.
4. Key progress items noted during the meeting were as follows:
 - Users believe the future of Ashburton Airport lies in its ability to develop its existing capabilities as a high quality training destination for private and commercial pilots and its ability to develop into one of New Zealand's best recreational flying destinations.
5. The progress the Ashburton Aviation museum is making with its expansion plans.
 - Location of a future airport entry road in order to facilitate museum expansion.
 - Identification of a commercial hangar precinct complete with services along Seafield Road.

- Identification of a future recreational hangar precinct and services that will enable the construction of a further eight aircraft hangars housing an additional 32 aircraft.
- The identification of the potential to position a row of leasehold hangar home sites along Morris Road that will be serviced with electricity, water and fibre. This would require a Plan change. The sale of such leasehold sites would have the ability to raise significant funds to be held in an airport infrastructure fund.
- The current intensification work underway in the existing hangar precinct which will result in four additional hangars housing an additional 10+ aircraft.

Building work

6. There are currently two hangars under construction of 345m² each. Progress has been slow with owners citing difficulties at being able to get contractors on site. Two other hangars are in the final stage of the consenting process with construction.



Monitoring

7. It is apparent that a number of airport users are flouting ADC's airport landing fee charges. Council officers, in association with the Ashburton Aviation Museum, have almost completed a home built radio monitoring device which will record users' aircraft serial numbers when using the airport. This information is then able to be used for invoicing purposes. The Aviation Museum have offered to provide the necessary transcribing service at a lesser rate than other operators. It is hoped that this partnership may financially benefit both parties.

Mid Canterbury Aero Club

8. MCAC recently had a significant change of committee membership and some long-standing members have been replaced. Meetings already conducted with new committee members have been positive and it is hoped there will continue to be a constructive and transparent relationship between ADC and MCAC. This will be necessary as some of the land earmarked for development is currently leased to MCAC for cropping purposes.
9. Of interest is the increasing pressure that the Canterbury Aero Club is under to relocate to an airfield away from a busy international airport. Initial conversations are underway with committee members from CAC to see what any potential relocation would look like and whether facilities at Ashburton Airport could be utilised in some way.



Pictured, two x Canterbury Aero Club planes which due to its proximity to Christchurch Airport make frequent use of Ashburton Airport facilities for the training of their pilots.

Ashburton Aviation Museum

21. Property Advisor Zane Adam attended the AGM of the Ashburton Aviation Museum recently. The committee are upbeat with the number of guests utilising the museum. Guest numbers continue to track upwards and a number of grants have been secured in order to assist with the cost of the Ashburton Aviation Museum extension onto land they have reserved some years ago. Despite having some 2670m² of museum space there are currently around nine aircraft that are currently in storage due to having insufficient room at the museum to display them.

22. The Ashburton Aviation Museum are in the initial stages of planning a “Period Military Display” activity to occur in the summer months in early 2022. This activity will involve wartime aircraft and vehicles and it is anticipated a large number of re-enactment enthusiasts will attend from all over NZ for the two-day event. Zane Adam is assisting with such matters as Health and Safety and traffic management plan coordination.



Rows of Aircraft parked at a recent Great Plains Fly – in event, Feb 2021 Ashburton Airport.



Some of the Museums Aircraft on Display during the Great Plains Fly- in event Feb 2021.

Leases

23. All new hangar constructions at the airport have new leases in place. Only one commercial lease still requires a rent review which is not due until next year but will go from \$2.00m² current to \$9.00m² (commercial rate) in line with the current Council policy of charging full market rent.

Sky Diving

24. Inflite Group are currently in consultation with ADC on the terms and conditions of the licence to occupy the parachute landing area (PLA). These discussions are ongoing, as is Inflite's requirement to produce a Memorandum of Understanding with ADC and the Airport User Group.

Wanaka Helicopters

25. Wanaka Helicopters decided to use Ashburton Airport for the purpose of night flying training permission during July. This resulted in several complaints being received due to three of their aircraft flying after 10pm above local residents. Wanaka Heli were sent a letter requesting that they ask for permission in future if they wished to use Ashburton Airport for training activities.

Financial implications

26. This is provided in a subsequent report.

6. Ashburton Airport financial position, August 2021

Author *Colin Windleborn; Commercial Manager*
Activity Manager *Paul Brake; Group Manager Business Support*

Summary

- The purpose of this report is to provide an update for the Ashburton Airport Authority Subcommittee on the financial position of Ashburton Airport as at August 2021.

Recommendation

- 1. That** the Ashburton Airport Authority Subcommittee receives the financial report.

Attachments

Appendix 1 Airport financials
Appendix 2 Airport fees

Background

The 2020-2021 Financial Year

1. The 2021 year showed an increase in rental fees due to rent reviews and renewed leases. This will continue as leases permit.
2. Income from landing fees was disappointing given the budgeted amount was significantly more than received.
3. Professional fees were not spent, as this was for the delivery of a Development Plan for the airport. This is being undertaken in the current year internally with some assistance. A request for a carry-over of a portion of the \$30,000 being sought.
4. The budget allocated for the monitoring was not spent as the system for this is being developed and is expected to be in place in the current financial year.
5. The asset carry-over was for the delivery of an airside toilet which has been included in the Mid Canterbury Aero Club building.
6. The loan to the Mid Canterbury Aero Club of \$150,000 has been paid to the Club.

The 2021-22 Financial Year

7. Monthly rental income is driven by new leases, reviews and renewals as and when their rents are invoiced.
8. We would expect landing fees for winter months to be lighter; however they are not reflective of the current usage with \$121 received in July and \$17 paid to date in August. We will be conducting an audit with a period of amnesty.
9. The current fee schedule does not attract a penalty and this as well as an investigation into further actions for Council is being looked at for non-payment of landing fees.
10. A system for monitoring flights at the airport is currently being developed and this will be reported on when available for review.
11. A programme for maintenance at the airport is also being developed to ensure that the site continues to be kept at the high standard it is.

Legal/policy implications

Long Term Plan

12. Fees and the budget were set by the Council for the 2021-22 financial year as part of the preparation of Council's Long Term Plan.

Financial implications

13. Not required as this is an update on last year's financials and looks at providing an update on this year's financial performance to date.

Significance and engagement assessment

14. Not required as this is an update to the Ashburton Airport Authority and is informative only.

Appendix 1 – Financials

Year ended 30 June 2021

Year ending 30 June
2022

Natural Account	Accum Actual	Accum Budget	Accum Var	Accum %Var	Accum Actual	Full year budget	Accum Var
Income							
10108 - Consulting	6,935	0	(6,935)	0	0	0	0
10114 - Fees	(270)	0	270	0	0	0	0
10123 - Leases	(2,008)	0	2,008	0	(2,256)	0	2,256
10124 - Levies	(171)	0	171	0	0	0	0
10127 - Licences	(705)	0	705	0	0	0	0
10133 - General Rates	(21,233)	(63,041)	(41,808)	(66)	(22,679)	(92,558)	(69,879)
10137 - Rental	(34,577)	(18,000)	16,577	92	(1,977)	(49,465)	(47,488)
10139 - Sales	(1,562)	0	1,562	0	0	0	0
10149 - Landing Fees	(1,548)	(14,000)	(12,452)	(89)	(187)	(10,000)	(9,813)
20102 - Treasury Intern	(241)	(208)	33	16	0	0	0
20105 - Interest Alloca	(57)	(57)	0	0	0	0	0
Loan repayment	0	0	0	0	(1,100)	0	1,100
20201 -Rates contribution	(41,808)	0	41,808		0	0	0
	(97,246)	(95,306)	1,941	2%	(28,199)	(152,023)	(123,824)
Expenditure							
30109 - Professional Fe	0	30,000	30,000	100	0	0	0
30111 - Occupational Sa	2,000	0	(2,000)	0	0	0	0
30314 - Insurance	1,337	0	(1,337)	0	1,750	1,239	(511)
30403 - Advertising	435	0	(435)	0	0	0	0
30505 - Purchases	245	0	(245)	0	299	0	(299)
30531 - Monitoring	0	10,000	10,000	100	0	12,000	12,000
30602 - Repairs & Maint	14,274	30,000	15,726	52	165	35,000	34,835
30604 - Rates	6,701	8,108	1,407	17	1,196	8,473	7,277
30606 - Security	0	0	0	0	0	2,000	2,000
30607 - Repairs & Maint	6,146	0	(6,146)	0	0	0	0
30608 - Repairs & Maint	12,528	15,000	2,472	16	2,200	15,000	12,800
30704 - Depreciation - 40112 - Property Recove	2,218	114	(2,104)	(1,846)	554	2,218	1,664
40125 - Treasury	8,599	0	(8,599)	0	3,196	74,076	70,880
40126 - Rates	630	1,018	388	38	84	1,582	1,498
40127 - Community Relat	345	349	4	1	93	435	342
	267	304	37	12	0	0	0

40128 - Business							
Suppor	135	167	32	19	0	0	0
40129 -							
Communication	248	246	(2)	(1)	0	0	0
Expenditure	56,108	95,306	39,198	70%	9,537	152,023	142,486
Surplus/(Deficit)	41,139	(0)	(41,139)				
Capital Expenditure							
51007 - Additions /							
Alt	0	0	0	0	0	0	0
51008 - Asset							
Carryover	22,000	28,000	6,000	21	0	0	0
Total Capital							
Expenditure	22,000	28,000	6,000	21%	0	0	0
Balance sheet							
balances					0		
80405 - Aero Club	150,000	0	#####	0			
	152,861	56,000	205,217	58			

Appendix 2

26.0 Ashburton Airport

		1 July 2020 - 30 June 2021	1 July 2021 - 30 June 2022
26.1	Landing fees		
	Casual fee – microlight (per landing)	New charge	\$8.00
	Casual fee – over 600kg or helicopter (per landing)	New charge	\$10.00
	Casual fee – over 1500kg (per landing)	New charge	\$15.00
	Annual fee	New charge	\$115.00

Ashburton Airport Authority Subcommittee

Terms of Reference

Purpose and Scope

To be a reference group for Council to share information, provide feedback, comment and suggestions on forward programmes, budget and other relevant information related to Ashburton Airport.

Membership

Membership of the Subcommittee comprises:

- Cr Leen Braam (Chair)
- Cr Rodger Letham
- Cr Lynette Lovett
- Mayor Neil Brown

Subcommittee meetings will be chaired by Cr Braam. The quorum is two members.

External Representatives

The Subcommittee may request representatives from other organisations to attend meetings, as required, to provide information. These representatives may not participate in voting on any matter requiring a vote at the meeting(s) they attend.

Stakeholders from the Ashburton Airport User Group will meet with the Airport Authority Subcommittee as required, but at a minimum tri-annually.

Meeting Frequency

The Subcommittee will meet as required but at a minimum, tri-annually.

Subcommittee members shall be given not less than 5 working days' notice of meetings.

Responsibilities

The Ashburton Airport Authority Subcommittee has responsibility for the following functions:

- Setting priorities of the work plan
- Approving a detailed work plan to derive expenditure estimates for the Long Term Plan
- Receiving Council officer reports on:
 - work programme progress
 - the level of expenditure against budget
 - health and safety regulation compliance
- Considering and making recommendations on the project plan and timetable.

- Receiving progress reports on projects, where appropriate, and reviewing significant issues and risks arising.
- To make recommendations to Council on matters which require a formal resolution from Council before they can be enacted.

The Airport Authority Subcommittee has delegated authority to undertake the administration of all statutory functions, powers and duties within its terms of reference, other than those specifically delegated to any other Subcommittee, Committee, or retained by Council.

Reporting

The Ashburton Airport Authority Subcommittee will report to Council.