

Annual Report

FY2024



Papa Rererangi i Puketapu Ltd
New Plymouth Airport



1. Introduction

This report is for financial year 2024. The report is presented by Papa Rererangi i Puketapu Ltd (PRIP) in accordance with the requirements of Sections 64 and 65 of the Local Government Act 2002 referencing the company's Statement of Intent and PRIP's monitoring and reporting requirements.

2. Purpose and Objectives

PRIP was established in July 2017 and is 100% owned by New Plymouth District Council (NPDC). The company operates as a Council Controlled Trading Organisation (CCTO) through an independent skills-based Board of Directors and employs its own Chief Executive and staff. PRIP operates under a Statement of Intent (SOI) agreed to by its Directors and consistent with a Statement of Expectations issued by NPDC.

PRIP's primary objectives are to:

- Operate the Airport in full compliance with the regulations set down by the New Zealand Civil Aviation Authority and in a safe manner
- Ensure that the business is run on a sustainable and commercial basis
- Optimise the use of its assets; and
- Generate a reasonable rate of return on investment

The Airport is viewed as an essential infrastructure asset for New Plymouth and has a key role to play in the economic performance, growth and development of the Taranaki region. As part of this, PRIP will work collaboratively with the airlines, NPDC, Venture Taranaki, the Chamber of Commerce, Iwi and other local key stakeholders to work towards the region's common strategic goals.

The Aerodrome certification, operation and use are governed by the New Zealand Civil Aviation Authority (CAA) and NPDC is currently the Aerodrome Operator Certificate (AOC) holder. Under an agreement with the CAA, PRIP manages the Airport on behalf of NPDC as if it was the holder of the Aerodrome Operator Certificate holder in its own right.



3. Shareholder Relationship and Agreements

There are various agreements that have been established between the Council and PRIP for the ongoing operation of the Airport namely:

- 3.1. Service Level Agreement
- 3.2. Loan Facility Agreement
- 3.3. General Security Deed
- 3.4. Intergroup Asset Transfer
- 3.5. Deed of Lease of Airport Land

4. Board Chair and Chief Executive's Report

FY2024, saw PRIP face several challenges, most notably the impact of broader economic conditions on passenger numbers, which fell below expectations. By the end of the financial year, the airport had handled 399k passengers, down slightly on the previous years total of 402k.

Despite these setbacks, several positive developments unfolded during the year, reflecting PRIP's focus on growth and infrastructure improvements. Notably, PRIP secured final approval for a solar farm project, with construction scheduled to begin in August 2024. In addition, the airport is expecting the delivery of a new Rosenbauer Panther fire truck, which will significantly enhance the airport's rescue fire team's capabilities.

In terms of infrastructure, the runway resurfacing project made significant progress, reaching 90% completion by April 2024. This project is essential for future-proofing the runway for the next 12 years, ensuring compliance with the latest aviation standards. Furthermore, the New Zealand Civil Aviation Authority (CAA) conducted a successful renewal audit of the Aerodrome Operating Certificate (AOC), re-issuing the certificate at the end of April, which demonstrates PRIP's continued commitment to meeting all regulatory requirements.

Financially, year-to-date revenue was 8.75% under budget, reflecting lower passenger numbers, while operating costs exceeded budget by 12.2%. In response, PRIP conducted a comprehensive review of its financial budget for FY2025, highlighting the need for a clear financial focus in managing both expected increases in revenue and the rising costs associated with ongoing capital projects.

Despite these financial challenges, significant progress was made on several capital projects. The first stage of the outer perimeter security fence upgrade was completed, further enhancing the airport's safety measures. In addition to the solar farm project, the wastewater project is nearing completion, and the major runway upgrade was successfully finished, ensuring the airport's infrastructure is well-prepared for future growth

Looking forward, PRIP anticipates the need to address potential challenges related to nearby residential developments. The increasing focus on residential development and land supply in the New Plymouth district may necessitate further assessment of a future runway realignment. While the 2023 Airport Masterplan offers protections against residential growth near the airport, PRIP acknowledges that future statutory processes might challenge the need for a realigned runway. Strategic planning will be essential in safeguarding the airport's long-term interests in the face of potential land rezoning.

PRIP continues to emphasize sustainability and strengthening relationships with stakeholders. Efforts to build strong connections with the Puketapu Hapu are ongoing, acknowledging the importance of engaging with local iwi and hapū on matters that could impact their communities. Furthermore, PRIP collaborates with organizations such as Venture Taranaki Trust and the Chamber of Commerce to promote tourism and economic development in the region, which remains central to PRIP's long-term vision for growth and success.

4.1 Operational Report

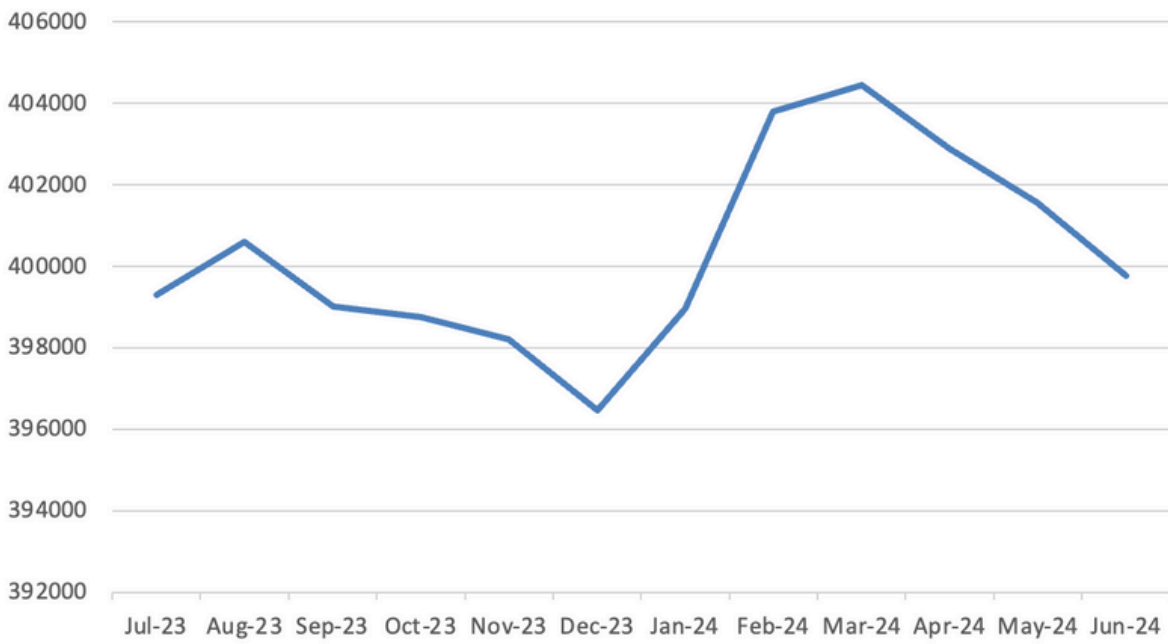
Passenger Numbers

Passenger numbers were below forecast for the past three months of this quarter ending at 399753 for the year and are approximately 8% below forecast and in line with previous year's total. With the pandemic now in the past, the lingering effects of a struggling economy combined with increased fares have resulted in a stagnation of passenger numbers.

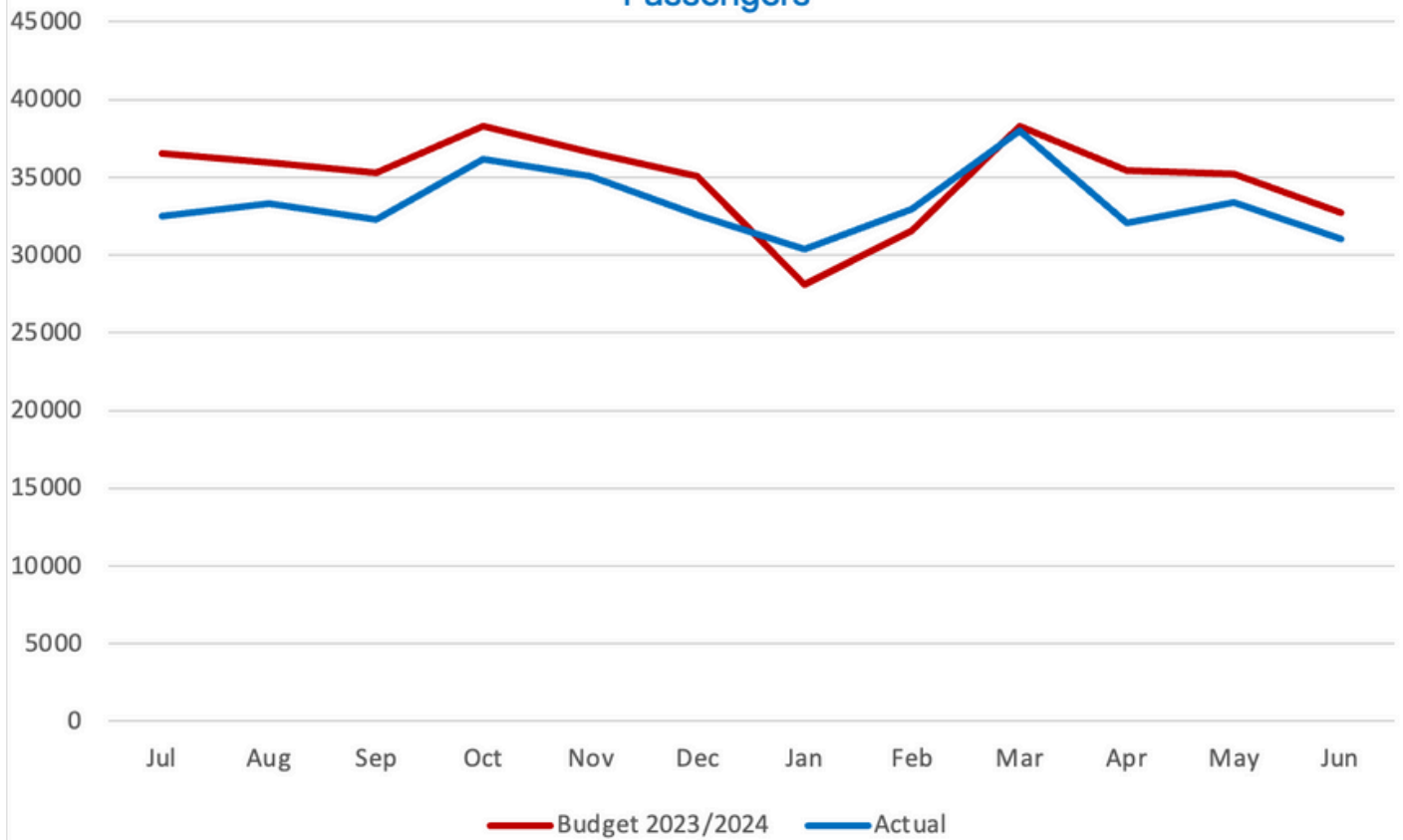
Lower passenger numbers have impacted projected forecasts which has flowed through projected budget which has now been revised for the next financial year. Air New Zealand are also encountering some reliability and scheduling issues with their aircraft fleet which could impact further flight schedules.



Total Passengers - 12 Month Rolling Total



Financial Year - 2023/2024 Passengers





Arrivals | Taunga mai

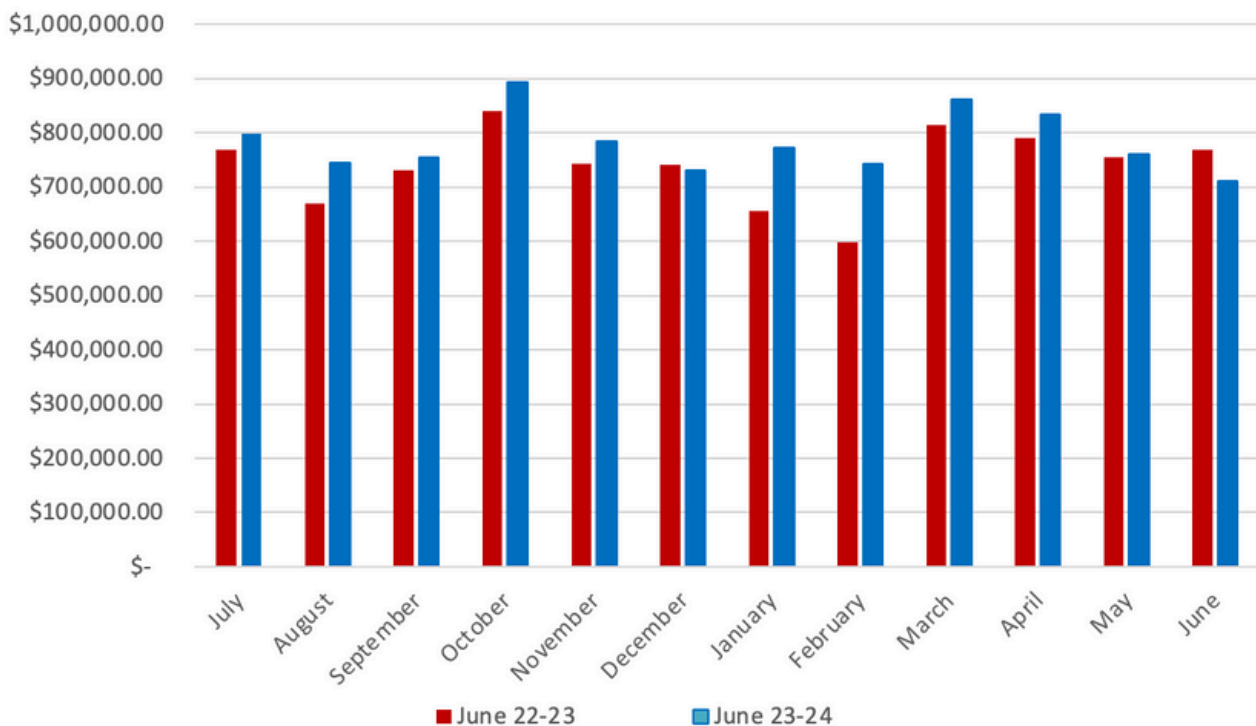
4.2 Financial Summary

End of Financial Year 2024 saw year to date revenue 8.75% under budget which is reflective of the lower than forecast passenger numbers. Operating costs were 12.2 % over budget.

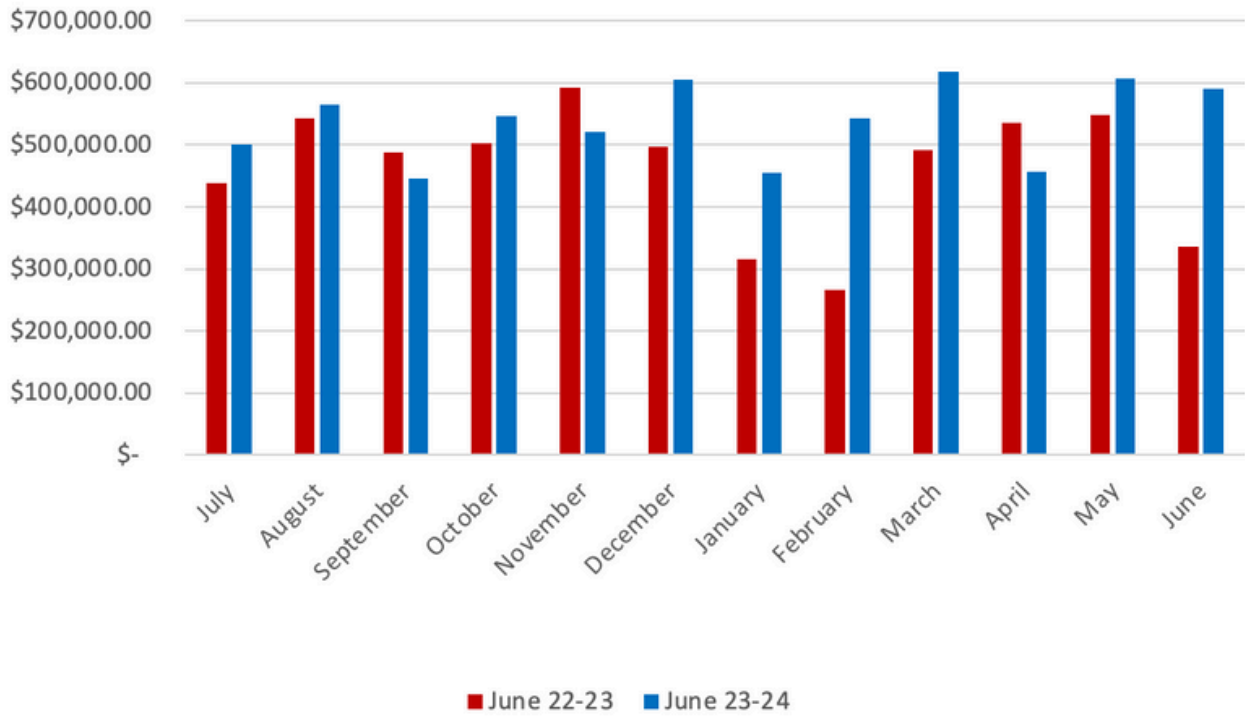
PRIP completed an extensive review of its financial year 2024-2025 financial budget. With increased revenue and expenses forecasted, clear financial focus is required in the current economic climate.

	<u>Period Actual</u>	<u>Previous Year Actual</u>	<u>Full Year Budget</u>
Passenger Numbers	399,753	402,113	419,040
Operating Revenue	\$ 9,400,812	\$ 8,852,538	\$ 9,868,624
Operating Expenditure	\$ 4,328,807	\$ 3,955,737	\$ 3,725,836
Net Profit (Loss) Before Tax	\$ 2,149,610	\$ 2,266,000	\$ 2,263,000

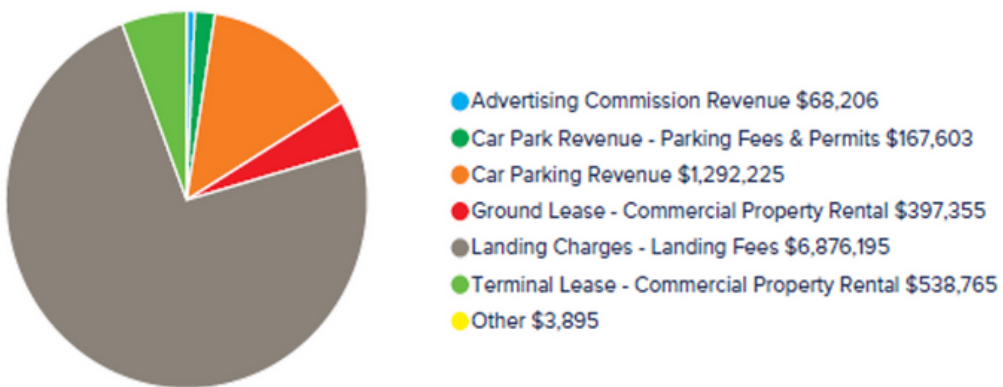
Monthly Revenue



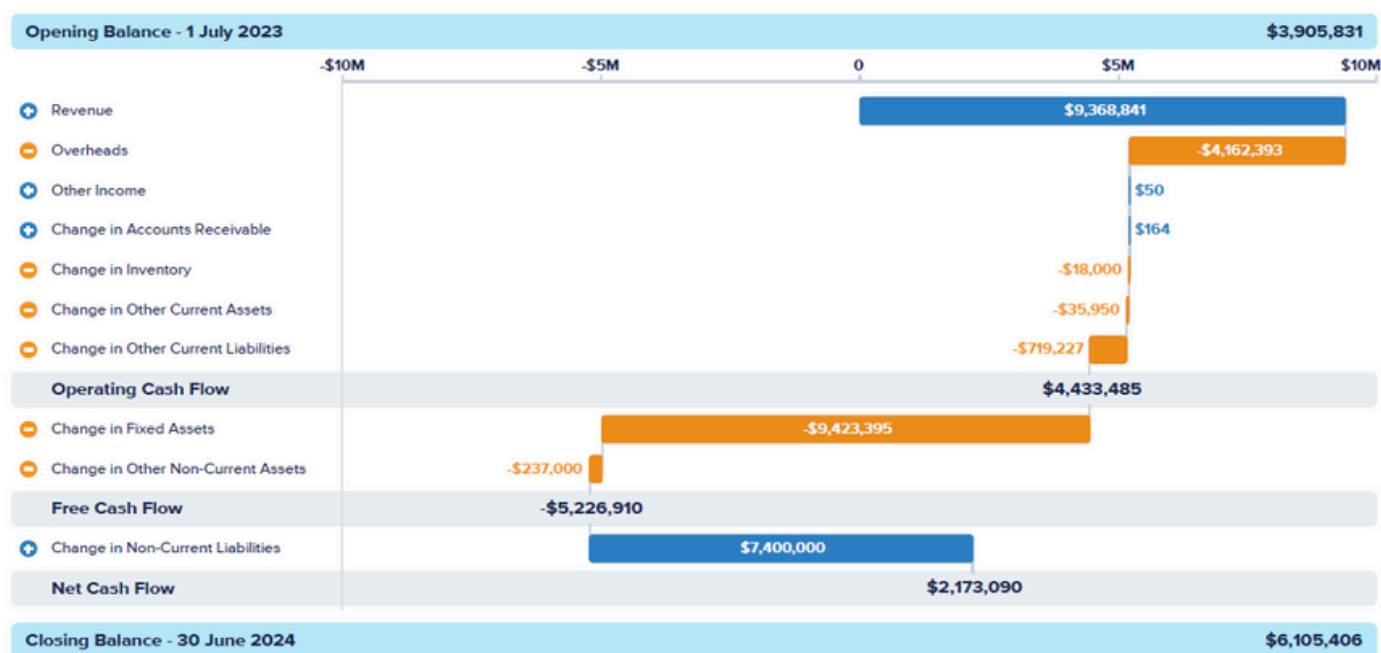
Monthly Opex



Top Revenue Contributors



Cash Movements Summary



4.3 Capital projects

New Plymouth Airport has several key capital projects underway, each carefully evaluated by PRIP management to ensure that resources are allocated efficiently and timelines are met. The prioritization of these projects reflects the airport's strategic focus on improving operational capacity, enhancing safety, and supporting long-term sustainability efforts.

The first stage of the **outer perimeter security fence upgrade** has been completed, which marks a significant enhancement to the airport's overall security infrastructure. Strengthening the perimeter is critical as the airport expands its services and ensures safety for both passengers and aircraft operations.

In terms of sustainability, the **solar farm project** is now approved and scheduled to start in Q1 fy2025. This project is a cornerstone of the airport's broader initiative to reduce its carbon footprint and generate renewable energy on-site. By moving forward with this project, the airport not only aligns itself with global sustainability goals but also positions itself as a leader in renewable energy within the region.

The **wastewater project** is another critical infrastructure undertaking. A preferred solution has been agreed upon, with the project set for completion by the third quarter of 2025. Upgrading the wastewater system is vital for maintaining environmental compliance and ensuring that the airport's infrastructure can support future growth.

The **runway resurfacing project** has been one of the largest capital undertakings, encompassing the main sealed runway, taxiway, and aircraft apron. The resurfacing, which includes an apron extension to accommodate up to four Air New Zealand turboprops simultaneously, has reached near completion. Additional work, such as the replacement of apron and taxiway edge lights, the installation of new hold point lights, and shoulder sealing, ensures that the runway meets modern standards. Minor elements of this project will be finalized once warmer weather allows for optimal conditions. This upgrade extends the life of the runway and ensures it remains operational for the foreseeable future, accommodating increased traffic and larger aircraft.

A key challenge on the horizon is the growing pressure of **residential development** near the airport, particularly around 'Area Q.' Residential rezoning near the airport poses a significant risk to its operations, as encroaching development could lead to noise complaints and operational restrictions. Through the New Plymouth District Plan process, the airport has secured some protections against such developments, but further assessment is necessary. The potential need for a **runway realignment** has been identified as a critical issue to address. While the 2023 Airport Masterplan provides a framework for safeguarding airport operations, the escalating interest in residential development may challenge the current provisions. A deeper evaluation of a runway realignment is recommended to ensure that future statutory processes consider the long-term operational needs of the airport.

These projects, collectively, are crucial for maintaining the airport's competitive edge and ensuring that it can adapt to future demands. Each one, whether focused on security, sustainability, or infrastructure, supports the overarching goal of reinforcing New Plymouth Airport's position as a vital regional transport hub.

5. Sustainability

American Carbon Accreditation (ACA) Level 2 certification

The American Carbon Accreditation comprises six levels: Mapping, Reduction, Optimization, Neutrality, Transformation and Transition.



5. Stakeholder relations

NPDC, as the 100% Shareholder, has nominated an advisor who attends the PRIP Board meetings as an observer.

PRIP management is also working in close collaboration with the Venture Taranaki Trust and the Chamber of Commerce to promote the district from tourism and economic development perspectives. PRIP is a Chamber of Commerce Regional Partner.

PRIP will continue to build upon the strong relationship with Puketapu Hapu that have developed over the past six years.

PRIP is aware of the potential that future decisions may impact on local Iwi and Hapu and is committed to an appropriate level of consultation at all times.



Philip Cory-Wright

Chair, Papa Rererangi i Puketapu

David Scott

Chief Executive Officer, Papa Rererangi i Puketapu