



What we do

Rotorua District Council owns the assets at Rotorua International Airport and leases them to an operating company, Rotorua Regional Airport limited (RRAL) – a council controlled trading organisation, in accordance with the Local Government Act 2002.

This activity plan is focussed on optimal management of the assets for the overall benefit of the community through their utilisation by the operating company.

Why we do it

To develop and maintain a domestic and international airport servicing the needs of Rotorua and wider Bay of Plenty residents, with operational capability for direct access to/from key New Zealand and Australian cities.


Major projects

Over the course of the Long-term Plan a number of projects will be undertaken to change levels of service, catch up on deferred works or to provide for additional growth or demands. These projects include:

What is planned?	Why?	Background	Costs	Other options considered
Blast fence design, supervision & construction	Reduce adverse effects of jet blast.	Northern starter extension built 2006 places jets near airport northern boundary.	To be built when required by airport operations. \$267,000.	<ul style="list-style-type: none"> Control adverse effects through management of airport operations.
Property - Purchases –	Airport Designation Condition	District Plan change in 2007 to facilitate runway extension.	Offers made when noise criteria outlined in district plan are met. Contingent on offer being accepted by owners.	Nil
Property - noise	Airport Designation Condition	District Plan change in 2007 to facilitate runway extension.	Offer made when noise criteria outlined in District Plan are met. Contingent on offer been accepted by owners. Estimated \$150,000 per annum.	Nil
Noise mitigation 830-877	Airport Designation Condition	District Plan change in 2007 to facilitate runway extension.	Contingent on offer being accepted by owners. Estimated \$75,000 per annum to 2016, estimated \$100,000 per annum 2017 onwards.	Nil
Southern Extension – trees obstacle limitation surface	Airport Designation	District Plan change in 2007 to facilitate runway extension.	Surveyed every 5 years and any infringing objects removed. Estimated \$50,000 every 5 years.	Nil
Wetlands mitigation	Airport Designation Condition	District Plan change in 2007 to facilitate runway extension.	\$420,000 2013-2016	Nil

Measuring our achievements

Council will measure its achievements towards the objectives by monitoring the following set of performance measures and targets:

Community outcome	How council contributes	Level of service (What we will do)	Performance measure	Performance targets					
				Current performance 2010/11	Data source	2012/13	2013/14	2014/15	2016 to 2022
 Excellent Facilities and Services	<ul style="list-style-type: none"> By contributing to an integrated transport system and a modern, safe airport for the region. 	Provide reliable infrastructure to enable local and trans-Tasman airlinks to and from Rotorua	No airport closures or flight delays caused by the failure of the airport infrastructure to meet industry safety and operational standards.	Achieved	Rotorua Regional Airport Ltd annual report	Achieved	Achieved	Achieved	Achieved
		Provide a safe airport	100% compliance with CAA regulations	100%	CAA report	100%	100%	100%	100%

Issues/Risks/Negative impacts

Potential negative effects associated with undertaking the activity are described below along with actions undertaken to mitigate the effect. Effects from the activity can influence the social, cultural, environmental and economic wellbeing of the community/district. The negative effect could be physical or a perception.

Issue/Risk/Negative impact	Action Plan
Destruction of wetland	Recreate a new wetland of equal size or restore a wetland of double the size.
Additional noise	Air noise contours and rules have been introduced to give certainty to development for both the airport and surrounding landowners.
Expectations not met – drain on council finances. The anticipated increase in landings and introduction of trans-Tasman flights does not meet expectations and the airport becomes a drain on council finances.	Promote / market Rotorua Airport to public on benefits of using Rotorua Airport as their departure point to Australia and the entry point for the Central North Island.

“Rotorua Airport – the new gateway to the central North Island”

Asset management

Key assets

The key assets associated with this activity are:

- Runway
- Buildings
- Land

Maintaining our assets

Airport landside assets are maintained by Council's maintenance contractors as per agreed specifications within service contracts. The performance of assets is regularly reviewed to

ensure that current levels of service/community expectations are still being met by the asset/s. Major works are competitively tendered out to specialised contractors ensuring that the final product is of a high standard and delivered at a competitive cost to Council.

Airport airside assets are maintained by specialised maintenance contractors under the supervision of aviation consultants. Council airside assets are maintained to comply with legislative and Civil Aviation Authority rules as a minimum and to provide the assets for the safe operation of the airport. The service is reviewed

every three years to ensure it is up to date, meeting current levels of service requirements as effectively and efficiently as practicable. Major works are competitively tendered out to specialised contractors ensuring that the final product is of a high standard and delivered at competitive cost to Council.

A separate asset management plan details the full lifecycle management of the asset/s.

Major changes planned for assets

Reason for change	What will be done?	Year 1 (\$000)	Year 2 (\$000)	Year 3 (\$000)	Year 4-10 (\$000)
Increase level of service/backlog	Blast fence development	-	-	267	-
	Property acquisition	225	233	454	3,830
	Landside and airside	291	179	120	2,863
	Tree removal	50	-	-	125
	Wetland mitigation due to extension of runway	100	103	107	110
Total		666	515	948	6,928

Activity assumptions used in providing this activity

This activity has been developed in line with Council's Significant Forecasting Assumptions.

DID YOU KNOW....

Air New Zealand provides services to and from Rotorua International Airport linking travellers directly to Auckland, Wellington, Christchurch and Sydney, Australia.

Rotorua Airport Infrastructure - Funding Impact Statement

	Annual Plan	Long-term Plan Budget >>									
	Budget 2011/12 (\$000)	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Sources of operating funding											
General Rates, uniform annual general charges, rates penalties	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	768	1,050	1,270	1,673	1,766	2,191	2,297	2,901	3,035	3,180	3,333
Total operating funding (A)	4,768	5,050	5,270	5,673	5,766	6,191	6,297	6,901	7,035	7,180	7,333
Applications of operating funding											
Payments to staff and suppliers	97	115	118	122	126	130	134	138	142	148	151
Finance costs	4,222	4,111	4,044	3,931	3,858	3,839	3,794	3,805	3,765	3,773	3,668
Internal charges and overheads applied	54	172	188	196	204	196	200	205	211	217	224
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	4,373	4,398	4,350	4,249	4,188	4,165	4,128	4,148	4,118	4,138	4,043
Surplus (deficit) of operating funding (A - B)	395	652	920	1,424	1,578	2,026	2,169	2,753	2,917	3,042	3,290
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	1	1	-	-	(1)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	-	-	-	-	-	1	-	-	-	-
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	793	375	336	827	579	570	530	548	568	590	681
- to replace existing assets	-	291	179	120	165	477	450	392	141	1,072	166
Increase (decrease) in reserves	(398)	(14)	405	477	834	979	1,190	1,814	2,208	1,380	2,442
Increase (decrease) in investments											
Total applications of capital funding (D)	395	652	920	1,424	1,578	2,026	2,170	2,754	2,917	3,042	3,289
Surplus (deficit) of capital funding (C - D)	(395)	(652)	(920)	(1,424)	(1,578)	(2,026)	(2,169)	(2,753)	(2,917)	(3,042)	(3,290)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0