

rotorua regional airport activity plan

Why we do it

The council, representing the wider community, is taking a leadership role in developing the Rotorua Regional Airport to ensure direct access to and from Rotorua, and to serve the needs of the Rotorua and wider Bay of Plenty communities.

What we do




Rotorua District Council owns the assets at the Rotorua Regional 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.

Specific responsibilities are to:

- manage and maintain the infrastructure at the airport.
- plan, implement and manage the capital development programme.

Community outcomes

Community Outcome	How the Council contributes
 Safe & Caring	<ul style="list-style-type: none"> ■ By providing a safer option for those wanting to travel directly to or from Rotorua rather than having to travel between Rotorua and other cities, particularly Auckland, by road. ■ By ensuring that the infrastructural assets are designed, built and managed in accordance with the appropriate safety standards and legislation.
 Prosperity	<ul style="list-style-type: none"> ■ By providing direct air access to and from Rotorua, the council is directly supporting the growth, employment opportunities and economic development of the city, district and wider Bay of Plenty community.
 Facilities & Services	<ul style="list-style-type: none"> ■ By contributing to an integrated transport system and a modern, safe airport for the region. The airport asset is subject to an asset management plan to ensure it remains intact and serviceable for future generations.

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What does the council plan to do in the future

What is the Council currently doing?	What will we do in years 1 to 3?	What will we do in years 4 to 10?	How will we know if we achieve our objective? (key result areas)
The major focus is development of the airport to facilitate trans-Tasman flight operations. This involves runway lengthening and strengthening and overall development of facilities at the airport to support trans-Tasman operations.	The lengthening of the southern runway will include the destruction of a degraded wetland and an equivalent area of new wetland will be constructed.	Continue development of airport assets to meet actual and anticipated demand and the needs of the district.	<ul style="list-style-type: none"> ■ Regular Trans-Tasman flights ■ More internal flights ■ Increased passenger numbers ■ Increased prosperity of local economy
Air noise contours and rules have been introduced to give certainty to development to both the Airport and surrounding land owners.	The runway will be lengthened at both ends to create a 2km long runway and strengthened to handle increased loadings from larger trans-Tasman capable aircraft.		
The passenger terminal has been extended and upgraded to include secure lounges and facilities required to manage international air travel.			

Measuring our achievements

Level of Service	Performance measures	Current performance	Performance targets									
			09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19
The airport assets will be developed and managed in a safe manner and in compliance with the relevant legislation.	Number of airport closures or flight delays caused by the failure of the airport to meet industry safety and operational standards.	Nil	Nil									
The assets will be provided at reasonable cost.	% of programmed construction and maintenance work completed on time and within budget.	100%	100%									

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Negative effects

Negative effects	Mitigation options
The lengthening of the southern runway will include destruction of a degraded wetland.	An equivalent area of new wetland will be constructed. An allowance of \$1.2m has been made for this.
Additional noise from the operation of larger trans-Tasman jets and associated activities.	Air noise contours and rules have been introduced to give certainty to development for both the airport and surrounding landowners.
The anticipated increase in landings and introduction of Trans-Tasman flights does not meet expectations and the airport becomes a drain on council finances.	While there are no guarantees that an airline or airlines will commence trans-Tasman services, there is considerable confidence in the tourist industry that there is sufficient demand in Australia for such a service. The growth in Rotorua and the Bay of Plenty region, the general increase in air travel, the advantages of direct access to the region, along with investment in associated assets such as the Energy Events Centre should ensure the success of the airport development.

Funding considerations

Who benefits from the activity?

The community as a whole benefits from:

- A safe, efficient and accessible air service
- Increased employment opportunities
- Increased economic growth

Passengers, in particular, benefit from an efficient service. Visitors and tourists benefit from direct access to Rotorua and the surrounding region and attractions.

What is the period of benefit?

Benefits are ongoing as long as the airport continues to operate at its current location.

Who creates the need for the activity?

Users of air transport create the need for a safe and efficient infrastructure for supporting air transport. Rotorua is generally regarded as the premier tourist destination in the North Island and a significant sector of the community relies on and benefits from the provision of direct air services to Rotorua. Legislation requires that these services be provided safely and efficiently.

Funding Source

The airport activity is funded by users.



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Asset management

Key assets

- buildings
- land
- runway

Maintaining our assets

A specific renewal or replacement programme has been developed for the assets based on the factors which influence the remaining economic life of the asset. This methodology has been based on the database of asset information along with condition monitoring procedures and assessment of risk. A specific asset management plan has been developed for the airport and provides more detail around the maintenance of this asset.



Major changes planned for assets

Reason for change	What will be done?	Year 1 (\$000s)	Year 2 (\$000s)	Year 3 (\$000s)	Year 4 - 10 (\$000s)
Renewals and replacements	Airport Infrastructure Buildings, roading, runway, aprons	87	90	93	749
Increased levels of service	Southern Extension Strengthening aprons Subtotal	2,500 100 2,600	- - -	- - -	- - -
Increased demand	Runway Extension Southern extension Wetland mitigation Noise mitigation Subtotal	2,000 1,176 1,245 4,421	- - 668 668	- - 530 530	- - 4,263 4,263
	Total	7,108	758	623	5,012

Runway Extension

Year 1 – Completion of physical works for runway southern extension; Rehabilitation of wetland on lake margin; Noise mitigation measures installed for affected buildings.

Year 2 – Noise mitigation measures for affected buildings.

Years 4-10 – Noise mitigation measures for affected buildings.

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Financial summary (plan 2009/10 and forecast 2010/11 to 2018/19)

Rotorua Regional Airport (\$000s)	Actual 2007/08	Annual Plan 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Operating Expenses												
Direct Costs	143	127	147	152	154	155	162	166	166	174	179	180
Financial Costs	1,747	3,064	2,522	3,106	3,049	2,541	2,330	2,251	2,162	2,065	1,963	1,856
Depreciation	865	1,304	1,060	1,074	1,079	1,098	1,072	1,078	1,071	1,096	1,101	1,120
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Costs	2,755	4,495	3,729	4,332	4,282	3,794	3,564	3,495	3,399	3,335	3,243	3,156
Revenue												
Capital Revenue	-	-	-	3,000	7,000	2,000	-	-	-	-	-	-
Fees and Charges	1,340	1,435	1,439	1,834	4,082	4,350	4,282	4,394	4,422	4,430	4,438	4,447
Investment Income	-	-	-	-	-	-	-	-	-	-	-	-
Subsidies and Grants	-	-	-	-	-	-	-	-	-	-	-	-
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	1,340	1,435	1,439	4,834	11,082	6,350	4,282	4,394	4,422	4,430	4,438	4,447
Internal Recoveries												
Internal Recoveries	-	-	-	-	-	-	-	-	-	-	-	-
Total Internal Recoveries	-	-	-	-	-	-	-	-	-	-	-	-
Net Cost of Service	1,415	3,060	2,290	(502)	(6,800)	(2,556)	(718)	(899)	(1,023)	(1,095)	(1,195)	(1,291)
Capital Costs												
Renewals	-	-	87	90	93	96	100	103	106	110	115	119
Growth	-	-	-	-	-	-	-	-	-	-	-	-
Backlog	-	-	-	-	-	-	-	-	-	-	-	-
Level of Service	-	-	7,021	668	530	548	568	590	611	629	648	669
Total Capital	3,187	22,872	7,108	758	623	644	668	693	717	739	763	788
Operational Funding												
Net Cost of Service	-	-	2,290	(502)	(6,800)	(2,556)	(718)	(899)	(1,023)	(1,095)	(1,195)	(1,291)
Plus Capital Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Less Depreciation	-	-	(1,060)	(1,074)	(1,079)	(1,098)	(1,072)	(1,078)	(1,071)	(1,096)	(1,101)	(1,120)
Add back Depreciation Funded by Rates	-	-	-	-	-	-	-	-	-	-	-	-
Self Funding/DC Reserve Movements	-	-	(1,230)	1,577	7,879	3,654	1,790	1,977	2,094	2,191	2,297	2,411
Operations Funded by General Rates	-	-	-	-	-	-	-	-	-	-	-	-
Capital Funding												
Funding from Depreciation (Rates)	-	-	-	-	-	-	-	-	-	-	-	-
Loans from/(to) Corporate Fund	-	-	-	-	-	-	-	-	-	-	-	-
Capital Grants / Share Issue	-	-	-	3,000	7,000	2,000	-	-	-	-	-	-
Development Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Reserves Net	-	-	7,108	(2,242)	(6,377)	(1,356)	668	693	717	739	763	788
Total Capital	3,187	22,872	7,108	758	623	644	668	693	717	739	763	788

Minor roundings may occur in above totals

