WAIROA DISTRICT COUNCIL

AIRPORT

ACTIVITY MANAGEMENT PLAN

2021-2031

WAIROA

DISTRICT COUNCIL

CONTENTS

EXECUTIVE SUMMARY

This Airport Activity Management Plan (AMP) acts as a route map for the future by providing the logic, reasoning and context behind how we propose to maintain, operate, renew and improve Wairoa's Airport

The airport activity includes:

- The maintenance of airport assets including the runway, taxiway and aprons, as well as Council-owned buildings and perimeter fencing
- Operation of the airport as the controlling authority in line with CAA guidelines.

STRATEGIC FOCUSES

We want to clearly show the value of any investment made in addressing our strategic airport problems and undertaking core business activities. Any investment needs to **achieve the desired outcomes and benefits for our customers and represent value for money**. It is also important that we show how we will meet regulatory requirements and environmental protection.

> **OUR VISION**
> Desirable Lifestyles, Thriving Economy, Treasured Environments, Connected Communities

OUR BIGGEST CHALLENGES & HOW WE PLAN TO RESPOND

Key problems identified for Wairoa's airport activity are:

Problem 1: Community Health & Well Being
Wairoa's isolated location and lack of specialist health services **results in** the need to access regional health services

Problem 2: Economic Development
Inadequate airport levels of service can **result in** disruption to economic development of the district

How We Plan to Respond

03   **Investment Objectives** we want to achieve
- Improve community health and wellbeing
- Support economic development
- Affordable level of service

02   **Strategic Responses** to Drive Change
- Targeted maintenance, renewals and upgrades
- Value for money solutions & smart procurement

WAIROA AT A GLANCE

Other 34.3%   Māori Descent 65.7%

8,670 population

130km of coastline

4,119km² Land area

$32,778 GDP per capita

$284 GDP (M)

$6.8M Asset Value

910 metres Sealed Runway + Taxiway & Aprons, Terminal Building, Edge Lighting

2,666 Recorded Landings (2019)

COMMUNITY   ENVIRONMENT   ECONOMY   AIRPORT ASSET

The table below provides a more detailed summary of our strategic responses and the benefits of investing in these areas.

Problem	Evidence	Investment Objective	Key Strategic Response	Benefits of Investing
Community Health and Well-Being Wairoa's isolated location and lack of specialist health services results in the need to access regional health services	**Connection to regional health services** The Wairoa Airport provides access for the air ambulance service operated by Skyline aviation. Regular charter flights to the Wairoa airport also bring medical specialist to the Wairoa Hospital. Skyline Aviation completed 339 landings at the Wairoa Airport in the 2019 calendar year, it is assumed the majority of these flights are medical flights. Air Napier also completed 205 landings at the Wairoa Airport, many of these flights would have delivered medical personnel to the Wairoa Hospital.	**Improve Community Health and Well Being**	**Targeted maintenance, renewals and upgrades** Council will continue to fund the airport activity to maintain an appropriate Level of Service will ensure air ambulance and other medical flight services can service the district. Maintenance, renewals and upgrades will be targeted to deliver on the investment objectives, strategic outcomes and to meet Levels of Service sustainably.	**Improved Community Health and Well Being** Ensures the best health and wellbeing outcomes for the community. **Improved network resilience** Provides an alternative access essential to the district in the event the vulnerable transport network is disrupted.
Economic Development Inadequate airport Levels of Service can result in disruption to economic development of the district	**Commercial Use** The Wairoa Airport is currently a base of operations for both Ashworth Helicopters and Farmers Air who provide important services to Wairoa's agricultural and horticultural sectors. The airport provides opportunities for charter flights and other commercial ventures to establish and operate. These enables access to and grows other areas of the local economy. However, the cost of maintaining and operating the airport is not fully supported by users. This means Wairoa ratepayers have to contribute to the financial viability of the service.	**Support Economic Development**	**Targeted maintenance, renewals and upgrades.** Council will continue to fund the airport activity to ensure community access to economic opportunities. Maintenance, renewals and upgrades will be targeted to deliver on the investment objectives, strategic outcomes and to meet Levels of Service sustainably.	**Economic development opportunities** The Wairoa economy is supported and opportunities for economic development are provided.

LEVELS OF SERVICE

Levels of Service statements describe how Council intends to deliver the airport activity to the customer. These are then linked to specific performance measures with targets enabling annual reporting to demonstrate achievement or otherwise.

Satisfaction with the airport service is currently assessed through community surveys. As many residents do not use the airport facilities, the usefulness of the results of this survey are limited. **Direct engagement with airport users and stakeholders is more appropriate to understand customer satisfaction with the airport activity.** An improvement item has been included for regular engagement to be completed and recorded with customers to understand issues and requirements (current and future) to inform decision making. Particular focus should be given to engagement with Hawke's Bay District Health Board and it's medical service providers. Gaps between the Levels of Service and customers should be identified and options to close the gaps considered.

A wider review of the Levels of Service for the airport activity can then be completed to ensure the Levels of Service and performance measures are appropriate and driving the best outcomes for the airport activity. This would then provide a key input into a review of the cost of service, to ensure these costs are allocated appropriately.

MANAGING RISK & RESILIENCE

Resilience has been identified as a significant challenge for Wairoa in the 2021-2051 Infrastructure Strategy with the following responses followed:

- Good asset management practices and robust renewals programmes based on the condition and the remaining life of infrastructure assets
- Identification of critical assets and management of these assets to ensure that they do not fail or to limit the effect of a failure
- Emergency Response and Business Continuity Plans to be in place for emergency events.

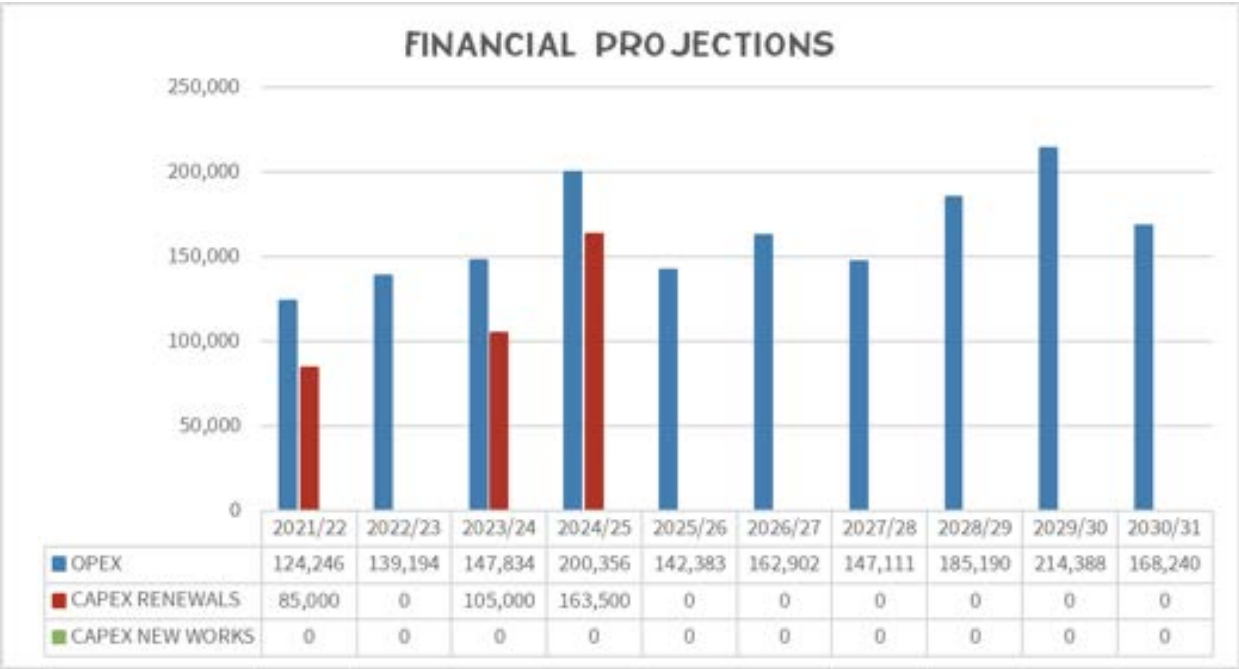Our specific actions to improve the resilience for the airport infrastructure assets to climate change include:
- To consider the impact on increased rainfall on the airport operation, particularly the potential flooding from the adjacent Wairoa river

WHAT WE ARE INVESTING IN

Our investment going forward will address the problems identified for Wairoa within the context of local, regional and national strategic drivers.

OUR PROPOSED INVESTMENT PROGRAMME OVER THE NEXT 10 YEARS

The total amount of expenditure for operations and maintenance and capital **over the next ten years is $1.99 million** as shown below. **Operational expenditure represents 82% of the ten year forecast total.** Capital expenditure includes renewal of the runway lighting minor renewals works for existing assets.

FINANCIAL PROJECTIONS

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
OPEX	124,246	139,194	147,834	200,356	142,383	162,902	147,111	185,190	214,388	168,240
CAPEX RENEWALS	85,000	0	105,000	163,500	0	0	0	0	0	0
CAPEX NEW WORKS	0	0	0	0	0	0	0	0	0	0

KEY PROJECTS

Key capital projects for the next 10 years are detailed below.

Project	Description	Timing	Estimated Cost
Renewals			
Runway lighting renewal	Replacement of runway lighting.	2021/22 & 2023/24	$155,000
Building Renewals	Install of double glazing.	2021/22	$35,000
Taxiway & Apron Resurfacing	Resealing surfaced areas outside the main runway.	2022/23	$163,500

FUNDING SOURCES

Wairoa's airport services are currently funded through a combination of user charges and land rental and rates. As user charges and land rent do not cover the full operational costs of the activity, and due to the strategic importance of the airport to the community, Council have elected to fund the shortfall using rates income.

IMPACT OF BUDGET LIMITATIONS

The implications of meeting budget limitations, including justification for the expenditure forecast and consequences if the budget is reduced, are summarised below.

Expenditure Programme	Justification	Consequences if Budget Reduced
Opex	To meet Levels of Service for public safety.	Failure to provide required Level of Service and deliver benefits to Wairoa Community.
	Adequate reactive maintenance to keep assets functioning.	Asset deterioration and costly repairs required.
Capital Renewals	Adequate renewals to optimise life of assets.	Asset deterioration and failure. Failure to provide required Level of Service and deliver benefits to Wairoa Community.
Capital New Works	Capital and upgrade works required to increase runway length.	Failure to provide required Level of Service and deliver benefits to Wairoa Community. Inability to meet future demand and requirements.

PLAN IMPROVEMENT

Improvement opportunities have been identified throughout the development of this AMP. The main improvement projects to be achieved in the next three years due to their priority and importance for achieving core asset management for the airport activity are shown in the table below.

Improvement Area	Description	Action	Indicative Timeline
Strategic Planning / Future Demand	Engagement with Key Users	Regular engagement should be completed and recorded with customers to understand issues and requirements (current and future) to inform decision making. Particular focus should be given to engagement with HBDHB and it's medical service providers. Gaps between the Levels of Service and customers should be identified and options to close the gaps considered.	Ongoing
Levels of Service	Review Levels of Service	A review of the Levels of Service for the airport activity should be completed to ensure the Levels of Service and performance measures are appropriate and driving the best outcomes for the assets and activity.	2022/23
Asset Performance	Asset Condition Assessments	A condition assessment programme should be developed and implemented. Condition should be recorded in the asset database, and be used to inform and update the forward works programme.	2021/22
	Pilot Activated Lighting Review	Further review of Pilot-Activated-Lighting (PAL) system to ensure Council has full understanding of operational capabilities and can communicate these to users.	2021/22
Risk Management	Risk Register Review	There is a need for full review of the Airport Risk Register to ensure risk issues have been adequately identified and ensure that current high risks are still relevant.	2021/22
Life Cycle Management	Asset Data Collection & Storage	A formal asset register should be developed and incorporated in to Council's property asset data system, AssetFinda.	2021/22
	Asset Valuation	A formal asset valuation was last undertaken in 2012. A formal asset valuation should be undertaken prior to development of the next AMP.	By 2023/24
	Maintenance & Operations Programming	Proactive process to be developed for regularly programming maintenance including maintenance of buildings, fences, grassed areas, navigation equipment, the runway and apron area, and drainage maintenance.	2021/22
	Lifecycle Management Processes	No formal processes for lifecycle management planning and reporting. Full review of lifecycle management processes to be completed and documented to ensure more proactive management of assets.	2022/23

LIMITATIONS & ASSUMPTIONS

Key areas of uncertainty and assumptions made as part of this planning process and their likely consequence or impact are included below.

Limitation/ Assumption	Description	Consequence/Impact	Risk Level	Uncertainty Level
Community Ability to Pay	Current predictions of a static (or decreasing) population base and socio-economic demographics mean makes it difficult to provide sustainable services that the community can afford. Ongoing COVID-19 impacts may also result in further impacts on the local economy, including possible income reduction.	Programmed works are not affordable in the long term for rate payers.	High	Medium
Compliance	It has been assumed that Civil Aviation compliance requirements will not change in the next ten years.	Changes to Civil Aviation requirements, specifically resulting in the requirement for an increased Level of Service will further impact the communities ability to pay for the service.	High	Medium

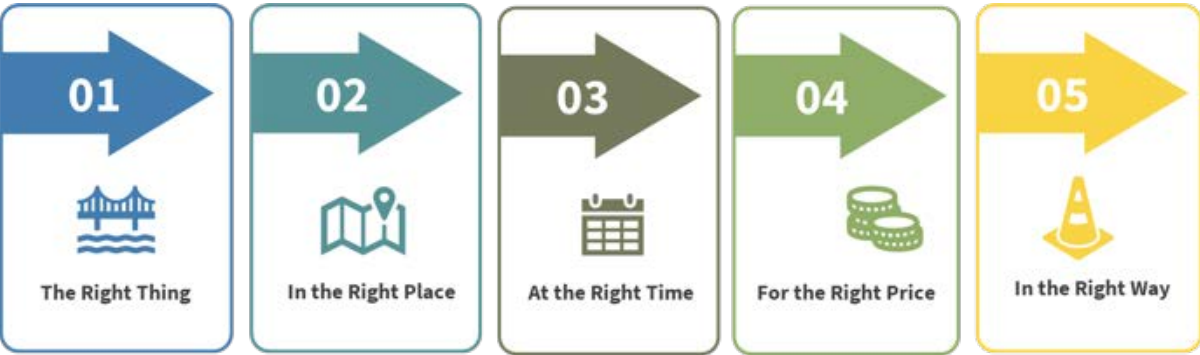| Limitation/ Assumption	Description	Consequence/Impact	Risk Level	Uncertainty Level
Utilisation Data	Key utilisation data such as landings are recorded, however future demand for utilisation is largely unknown.	The Level of Service may not be appropriate for future demand. This is particularly important for Hawke's Bay District Health Board, who provides a key link to regional health services.	Medium	Medium
Climate Change	Climate change makes our weather more extreme and unpredictable leading to flooding and rising sea levels. Although we understand that change is occurring, it is unknown how fast change will occur or the full extent to which consequences will happen in future.	Increased rainfall intensity and the proximity of the airport to the Wairoa Airport could impact our airport asset and cause a potential loss of service.	Medium	High
Asset Data & Condition Accuracy	Asset renewal and maintenance forecasts are based on the condition and the remaining life of infrastructure assets from simple inspections. Appropriate asset data collection and condition assessment procedures need to be developed to provide greater certainty for renewal and maintenance forecasts.	The accuracy of asset data has a direct impact on the accuracy of renewals and maintenance forecasts.	Low	Medium
Physical Works Costs	Project estimates of cost and timing are based on the best available scope, asset and market information available at the time of planning. Operations and maintenance costs are based on tender prices with provision for cost fluctuations included.	Over or under estimation and possibly not completed the full programme of work, where costs are higher than estimated.	Low	Low

1. INTRODUCTION

1.1 PURPOSE OF THIS PLAN

This Airport Activity Management Plan (AMP) acts as a route map for the future, by providing the logic, reasoning and context behind how we propose to maintain, operate, renew and improve Wairoa's Airport. It informs the development of Wairoa District Council's (Council's) 2021-31 Long Term Plan (LTP).

A key driver for the airport activity is compliance with regulatory requirements, so this is core to the development of this plan. However, we also to clearly show the value of any investment made

in addressing our strategic airport problems and undertaking core business activities. Any investment needs to achieve the desired outcomes and benefits for our customers and represent **value for money.**

This AMP seeks to demonstrate that the proposed programme presents **value for money** by doing:

| 01 The Right Thing | 02 In the Right Place | 03 At the Right Time | 04 For the Right Price | 05 In the Right Way |

1.2 SCOPE OF THIS PLAN

1.2.1 OVERVIEW OF SERVICES

The primary purpose of the Airport Activity is to support the following key functions and services:

- The maintenance of airport assets including the runway, taxiway and aprons, as well as Council-owned buildings and perimeter fencing
- Operation of the airport as the controlling authority in line with CAA guidelines.

1.2.2 PLAN STRUCTURE

To achieve the above purposes, this AMP is structured to provide a 'top down' approach to managing the airport activities. This means we link to key Strategic Drivers, at the start of the plan, to inform the direction for the plan. The plan is divided up into the following sections.

| Section 2 | Section 3 | Section 4&5 | Section 6&7 | Section 8 | Section 9 |

1.3 RELATIONSHIP WITH OTHER COUNCIL PLANS

The Activity Management Plan (AMP) is a tactical plan that gives effect to a range of other strategic and tactical planning documents including Council's strategic direction and Long Term Plan (LTP).

This plan should be read in conjunction with Council's other key planning documents, including the "Introduction to Asset Management Plans". The diagram below shows "line of sight" between Council's objectives and our Activity Management Planning through Council's various strategic and planning documents.
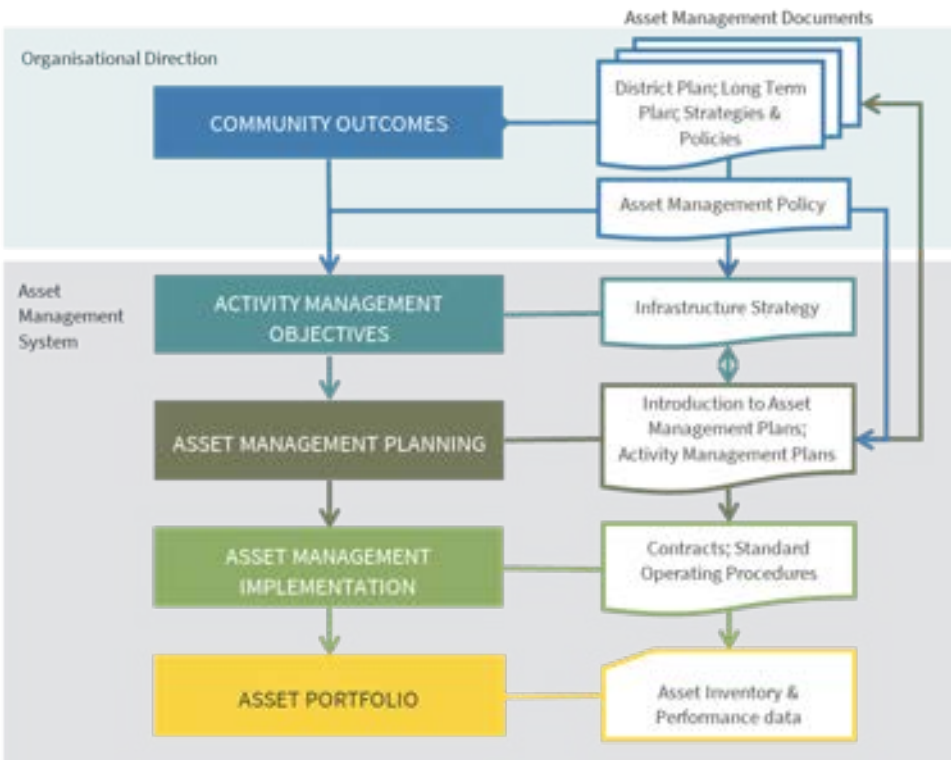
This AMP demonstrates how Council's goals and strategic targets will be achieved through effective sustainable management of airport assets. This AMP covers a period of ten years between 1 July 2021 and 30 June 2031. The AMP is updated every three years, unless there are significant changes to activities, programmes and expenditure.

This plan has been written to provide the information required for good asset management planning as set out in:

- LGA 2002 Schedule 10 and amendments

- Office of the Auditor General criteria for AMPs, 2006
- International Infrastructure Management Manual (IIMM) 2015, published by New Zealand Asset Management Support (NAMS).

1.4 LIMITATIONS & ASSUMPTIONS

Key areas of uncertainty and assumptions made as part of this planning process and their likely consequence or impact are included below.

Limitation/ Assumption	Description	Consequence/Impact	Risk Level	Uncertainty Level
Community ability to pay	Current predictions of a static (or decreasing) population base and socio-economic demographics mean makes it difficult to provide sustainable services that the community can afford. Ongoing COVID-19 impacts may also result in further impacts on the local economy, including possible income reduction.	Programmed works are not affordable in the long term for rate payers.	High	Medium

Limitation/ Assumption	Description	Consequence/Impact	Risk Level	Uncertainty Level
Compliance	It has been assumed that Civil Aviation compliance requirements will not change in the next ten years.	Changes to Civil Aviation requirements, specifically resulting in the requirement for an increased Level of Service will further impact the communities ability to pay for the service.	High	Medium
Utilisation Data	Key utilisation data such as landings are recorded, however future demand for utilisation is largely unknown.	The Level of Service may not be appropriate for future demand. This is particularly important for Hawke's Bay District Health Board's, who provide a key link to regional health services.	Medium	Medium
Climate Change	Climate change makes our weather more extreme and unpredictable leading to flooding and rising sea levels. Although we understand that change is occurring, it is unknown how fast change will occur or the full extent to which consequences will happen in future.	Increased rainfall intensity and the proximity of the airport to the Wairoa airport could impact our airport asset and cause a potential loss of service.	Medium	High
Asset Data & Condition Accuracy	Asset renewal and maintenance forecasts are based on the condition and the remaining life of infrastructure assets from simple inspections. Appropriate asset data collection and condition assessment procedures need to be developed to provide greater certainty for renewal and maintenance forecasts.	The accuracy of asset data has a direct impact on the accuracy of renewals and maintenance forecasts.	Low	Medium
Physical Works Costs	Project estimates of cost and timing are based on the best available scope, asset and market information available at the time of planning. Operations and maintenance costs are based on tender prices with provision for cost fluctuations included.	Over or under estimation and possibly not completed the full programme of work, where costs are higher than estimated.	Low	Low

2.   THE STRATEGIC CONTEXT

2.1   NATIONAL CONTEXT

The primary national objectives relevant to the airport activity are the legislative requirements for airport owners to ensure aviation safety. The Civil Aviation Authority (CAA) of New Zealand, an authority of the Ministry of Transport, is responsible for establishing safety and security standards and legislation in New Zealand. The CAA is also responsible for monitoring and enforcing these standards and legislation.

The table below details a summary of relevant legislative requirements that affect the airport activity.

Act	Description
Airport Authorities Act 1966	This Act describes the powers of the Crown and the roles and responsibilities of airport companies.
Civil Aviation Act 1990	This Act establishes rules of operation and divisions of responsibility within the New Zealand civil aviation system in order to promote aviation safety. Safety inspections are undertaken by the Civil Aviation Authority, pursuant to Section 15 of the Civil Aviation Act 1990, and in accordance with the Civil Aviation Authority's ongoing safety monitoring programme. The object of the inspection is to assess the Council's safety performance, and to determine the level of compliance with civil aviation legislation.

2.2   REGIONAL CONTEXT

OUR REGION AT A GLANCE

The Wairoa Airport does not currently service regular commercial domestic flights. The Napier and Gisborne Airports, 1.5 hours North and South of Wairoa respectively, are serviced by regular Air New Zealand flights from other centres. It is important to note, when considering the distance of the Wairoa and Gisborne airports from Mahia, Gisborne is only 30 minutes further. As the time difference is negligible, RocketLab personnel are preferring to travel via the Gisborne Airport, as opposed to chartering a flight to the Wairoa Airport.

The Wairoa Airport provides an important medical link for the community. Medical specialists are regularly flown to the Wairoa Hospital via the airport to provide specialist services. Air ambulance operations also utilise the airport to transfer patients to the Hawke's Bay Regional Hospital in Hastings and other main centre hospitals.

The main access to Wairoa is State Highway 2 from Napier in the South and Gisborne in the North. State Highway 38 provides an alternative route from Rotorua. These routes are very susceptible to damage in emergency events, particularly heavy rainfall and flooding. It is possible that in large storm events, all land transport links to Wairoa could be closed. In this case, the airport provides a critical link to the Wairoa District for emergency and other essential services until land transport links can be re-opened.

2.3 WAIROA LOCAL CONTEXT

Council's mission defines who we are, what we are trying to achieve and who our intended customers are in a single succinct statement.

OUR MISSION
To lead and support the Wairoa community through decision-making that promotes the social, economic, environmental and cultural well-being of the District now and in the future.

Council's vision defines our aspirations for Wairoa's future. It helps us to focus on what matters the most for our community.

OUR VISION
Desirable Lifestyles, Thriving Economy, Treasured Environments, Connected Communities

An activity goal for the Airport activity has been set as follows:

AIRPORT
To provide a safe and cost-effective facility to meet current needs.

The vision is supported by the following principles:

- Prudent financial management provides for maintaining Levels of Service for current and future generations
- Proactive provision and management of critical assets
- Integrated provision of infrastructure
- Making the best use of our existing investment
- Robust asset management practices
- Partnership with Māori.

PARTNERSHIP WITH MĀORI

Council acknowledges the inclusion and importance of mātauranga Māori in its infrastructure design and implementation processes.

Council is committed to exercising due diligence in this area in order to achieve the best outcome for the community and the environment.

Council is committed to meaningful engagement with Māori on issues that are pertinent to all parties and working together to agree on the best pathway forward for the community and the environment.

2.3.1 CONTRIBUTION TO THE COMMUNITY OUTCOMES

Sitting beneath this vision is a statement outlining the expected Strategic Result for each activity. The vision is supported by **four Council Outcomes.**

COMMUNITY OUTCOMES		
Cultural Wellbeing *Valued and cherished community*		**Social Wellbeing** *Safe, supported and well-led community*
Economic Wellbeing *Strong and prosperous economy*		**Environmental Wellbeing** *Protected and healthy environment*

From these community outcomes, activity specific objectives and Level of Service statements are derived. Associated performance measures and targets allow for a monitored achievement of Council's contribution towards those community outcomes.

The Airport contribution to the Community Outcomes are shown below.

Community Wellbeing	Community Outcomes	Water Contribution
Oranga **Social**	Safe, supported and well-led community.	The airport provides access to the district in the event of other access routes being closed. The airport is utilised by the air ambulance to provide quick transfer to main or specialist health centres, improving health and wellbeing outcomes for the community.
Ōhanga **Economic**	Strong and prosperous economy.	The airport provides a base for commercial operators who service the horticultural and agricultural sectors. The airport provides access for tourism and tourist operators.

2.3.2 INFRASTRUCTURE CONTEXT

The Wairoa Airport has been identified as a critical asset for lifeline for emergency services and supporting the horticultural and agricultural sectors. However, it is costly to own.

While the likelihood of the airport becoming a commercial airport is remote, there are opportunities from Rocket Lab and other private operators to increase tourism opportunities and the use of the facilities. This could help to improve its financial performance.

OUR PEOPLE

Wairoa is home to **8,670 people** (estimate as at 30 June 2020) and has the highest proportion of Māori of any local authority area in the country, with approximately **65.7% of the district's people being of Māori descent.** This is significantly higher than New Zealand average Māori population of 16.5%.

Statistics New Zealand predict that the population of the district will increase to 9,130 in 2051 (under the medium growth projection).

OUR COMMUNITIES

While Wairoa township is the primary service area for the district there are a large number of other smaller rural communities throughout the districts and include Frasertown, Tuai, Mahia, Raupunga, Nūhaka, Maungataniwha, Ruakituri, Mōrere and Whakaki.

It is expected that growth, if any, will occur in Mahia, as that is a desirable location for holiday homes and more people are retiring and returning to the area. It is relatively affordable for coastal property.

OUR CULTURE

Wairoa has a rich cultural heritage which is an integral part of the Wairoa community today. 20% of the population speak Te Reo Māori. Māori communities and Marae are located throughout the district, and many of these communities are in isolated parts of the district, with limited access opportunities.

The tangata whenua of Wairoa and their culture and traditions have special relationships with their ancestral lands, water, sites, waahi tapu and other taonga. Some activities and developments can have significant adverse effects on these relationships. Council plays an integral part in promoting and encouraging Māori culture and values and ensuring this remains central to key decision making, including within the airport activity.

The Māori Standing Committee acts as a check and balance on Council processes, especially on those matters requiring a Māori perspective. Recommendations from the Māori Standing Committee will be communicated through the Chair and will be given due consideration by the Council when making decisions that directly impact on Māori and on all matters that require the perspective of Māori.

OUR GEOGRAPHY

Area: 4,118 square kilometres, with approximately 130 kilometres of coastline.

Topography: The majority of the district is hill country merging with mountains in the west, often dissected with gorges. Areas of coastal and river flats of versatile soils give greater variety to the landscape.

Rivers: The rivers within the Wairoa district are treasured by tangata whenua and our communities as sources that nourish and sustain us. They hold large cultural significance to the local Ngāti Kahungunu Iwi as places for many cultural practices such as ceremony and kai gathering.

OUR CLIMATE

Wairoa district receives the highest levels of rainfall out of the territorial authorities in the region. Over the next 30 years Council expects to see an increase in the frequency and intensity of storm events and droughts. Flooding continues to be a major hazard in Wairoa with many lowland areas, including the Wairoa township, at risk.

Climate change is already potentially irreversibly affecting our natural systems, and we can expect more severe effects on our transport network as the change continues.

OUR ECONOMY

Economic Development is viewed as a vital element in keeping the Wairoa District alive and thriving, both now and into the future. The economy of Wairoa is based on the rural sector. Approximately 60% of the total land is in productive use, of which some 48% is in pasture. Sheep/beef farming and related processing, and forestry are the leading rural production industries in Wairoa district.

2.3.3 OUR TEAM

Our Community Assets & Services Team delivers core services, including airport services, to our community. The management of the airport service is shared between the Transport Asset Manager and the Property Manager. Landside (e.g. buildings, property etc) management is the responsibility of the Property Manager. Airside (e.g. runway, lighting etc) management is the responsibility of the Transport Asset Manager. These managers' report to the Group Manager, Community Assets & Services who is part of the Senior Leadership Team.

Our team provides management and engineering services to deliver all asset-based activities. We are supported by professional services providers who provide planning, technical design and asset management support. The physical works required to deliver the services and assets are completed through various short and long term physical works contracts.

WAIROA DISTRICT COUNCIL - ORGANISATIONAL CHART
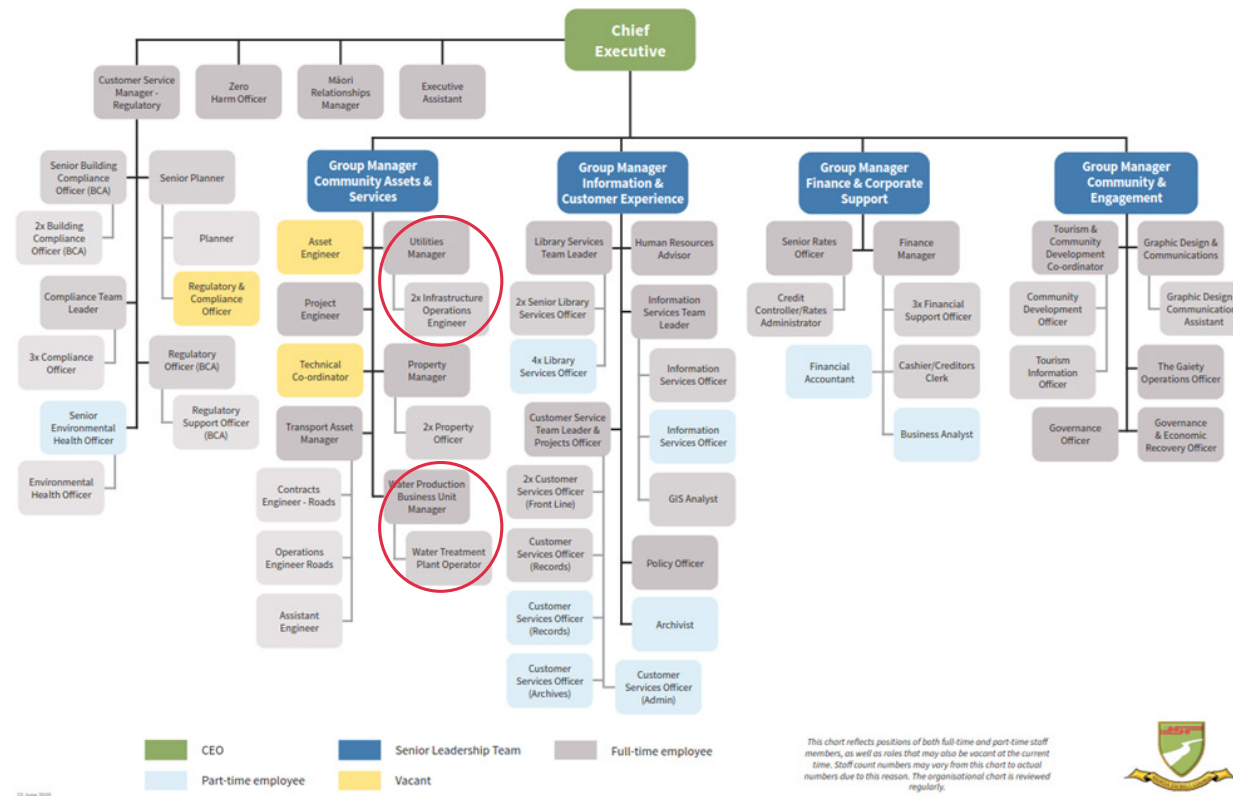
2.3.4 OUR CUSTOMERS AND STAKEHOLDERS

Our **key partners** are those groups or organisations that we are aligned with as owners of the airport issues in our region and district.

Our **stakeholders** are those groups or individuals who can help us to focus our strategic planning on the right things. They have information and knowledge to help us make better decisions. They may not use the schemes directly, but they have an interest in how they are operated and managed.

Our **customers** are people who use our airport services.

In terms of setting the strategic context and direction for the AMP our key partners and stakeholders and their reason for involvement are shown in the tables below.

OUR KEY PARTNERS

Understanding the customer and stakeholder gives an understanding of how the service is provided. The table below shows the key customers and main stakeholders involved with Council's Airport activities and their specific areas of interest.

Partners	Knowledge/Involvement
Government Agencies (Ministry of Health, Ministry for the Environment)	Set policy, legislation and regulations, which Wairoa District Council must comply with. This provides a key input into the Levels of Service provided.

Māori stakeholders

Stakeholder groups	Full list of stakeholders
	Council acknowledges the inclusion and importance of mātauranga Māori in its infrastructure design and implementation processes. Council is committed to meaningful engagement with Māori on issues that are pertinent to all parties and working together to agree on the best pathway forward for the community and the environment.
Iwi	Ngāti Kahungunu Ngāti Pāhauwera Ngāi Tūhoe Ngāti Ruapani Ngāti Rakaipaaka Rongomaiwahine
Post-Treaty Settlement Governance Entities (PSGE) – Treaty Partners	Ngāti Pāhauwera Development Trust Tu Uru Taumatua (Tūhoe) Tātau Tātau o Te Wairoa Trust (including Tripartite Agreement and Matangirau Reserve Board)
Mandated Iwi Authority (Resource Management Act 1991)	Ngāti Pāhauwera Development Trust Tātau Tātau o Te Wairoa Trust Te Rākatō Marae Te Iwi o Rakaipaaka Incorporated/ Trust Ngāti Kahungunu Iwi Incorporation (NKII) Te Uru Taumatua (Ngāi Tūhoe) Rongomaiwahine Iwi Trust (to be confirmed by TPK)
Mandated Iwi Organisation (Māori Fisheries Act 2004)	Ngāti Kahungunu Iwi Incorporation (NKII) Te Uru Taumatua (Ngāi Tūhoe)

Stakeholder groups	Full list of stakeholders
Māori Boards / Māori Committees / Tribal Authority	Wairoa Waikaremoana Māori Trust Board Waikaremoana tribal Authority – representing interests for Ngāi Tūhoe Ngāti Kahungunu (Wairoa Taiwhenua) Incorporated – representing the interests of NKII Ngāti Ruapani ki Waikaremoana – representing the interests of Ngāti Ruapani (Treaty Claim) Kahungunu Executive (Māori health and social services) Te Whare Māire o Tapuwae (Whānau Ora) Māhia Māori Committee (Rongomaiwahine) Rongomaiwahine Iwi Trust – representing the commercial interests of Rongomaiwahine Whakaki Lakes Trust Whakaki Lands Trust
Māori Land Blocks	Including Māori trusts, whanau trust (including Ahu Whenua Trusts), farm blocks (stations, etc.).
Marae	Wairoa District Council Māori Standing Committee (representing all 39-operational marae) Ngāti Kaungunu (Wairoa Taiwhenua) Incorporated Kahungunu Executive (Māori Executive Committee) Wairoa Waikaremoana Māori Trust Board Māhia Māori Committee (Representing all marae in Rongomaiwahine) All marae within the Wairoa district
Māori Community at Large	

Other stakeholders

Stakeholders	Knowledge/Involvement
External Stakeholders	
Hawke's Bay District Health Board	Utilise the airport for transfer of specialist medical personnel, and for air ambulance services via Skyline Aviation and other providers.
Airways Corporation	Provide air traffic control services. Also provide specialist technical advice and services for airport operations.
Civil Aviation Authority (CAA)	Regulatory authority. Interested in compliance with legislation.
Z Aviation Fuel	Fuel supply for airport operations.
Adjacent Landowners	Interested in impact of airport on operations, any potential changes.
Adjacent Lessee's	Interested in impact of airport on operations and any potential changes.

Stakeholders	Knowledge/Involvement
Internal Stakeholders	
Mayor and Councillors	Strategic outcomes Rates impact Customer satisfaction
Community Boards	Interested in specific projects in their area, Levels of Service, and rates impact, and working with community groups.
Hired contractors	Interested in maintaining profitability health and safety of staff and other workers.

Our customers

Customers	Area of Interest	No. Landings (2019
Regular Users		
Farmers Air Ltd	Use airport as a base for operations. Own a hangar onsite. Interested in safe & reliable access to airport at all times.	846
Skyline Aviation	Operate air ambulance and transport medical doctors and specialists to the Wairoa hospital. Interested in safe & reliable access to airport at all times.	339
Air Napier Ltd	Operate multiple daily charter flights. Interested in safe & reliable access to airport at all times.	205
Air Hawke's Bay Limited	Airport used for flight training. Interested in safe and reliable access to airport.	201
Less Frequent Users		
Wairoa Aviation Ltd	Use airport as a base for operations. Own a hangar onsite. Interested in safe & reliable access to airport.	423
Charteris Choppers	Use airport as a base for operations. Interested in safe & reliable access to airport.	
Wairoa Aero Club Inc.	Aero Club currently not operational.	N/A
Other Airport Users	Other airport users. Occasional commercial and recreational users.	652
Radio Te Wairoa	Currently operating out of Council terminal building. Interested in access to and condition of buildings.	N/A
The Community - Citizens and Ratepayers	Generally, not direct airport users. Interested in rates impact of airport operations, and ensuring access to health services.	N/A

Council strategies, plans	Linkages to Airport
Long Term Plan (LTP)	The LTP is the key planning document for Council and describes how Council will fulfil its responsibilities under the Local Government Act (LGA) 2002 to promote the well-being of the district and enable democratic decision making. The LTP outlines the Community Outcomes and land transport **Level of Service (including associated customer performance measures)** the Council seeks to achieve, which this AMP links back to. The LTP is to be adopted by June 2021 with reviews triennially. The LTP outlines the Community Outcomes and Airport Levels of Service the Council seeks to achieve, which this AMP links back to.
Infrastructure Strategy 2021-2051	The 2021-2051 Infrastructure Strategy provides guidance on key district infrastructure issues that need to be at the forefront of infrastructure planning and decision-making. They are: • Legislative and policy change • Land use change • Affordability • Economic development • Climate change • Servicing Mahia • Resilience
Wairoa Airport Master Plan	The Wairoa Airport Master Plan was prepared in 2017 to ensure the most effective and efficient development of the airport's land holdings and infrastructure over time. The plan was primarily prepared in response to a potential increase in demand for airport services due to the arrival of RocketLab in the region. While the anticipated demand from RocketLab has not eventuated, the Master Plan still provides valuable guidance in the operation, maintenance and upgrade of the airport facilities.
A Wairoa Journey Together: Covid-19 Economic Recovery	Tātau Tātau o Te Wairoa, Ngāti Pāhauwera Development Trust and Wairoa District Council have come together to develop a community driven, aligned, focused, and coordinated socio-economic response to COVID-19 supporting the Wairoa region, its communities, and peoples.
Procurement Strategy 2020	Outlines procurement objectives and legislative requirements to ensure value for money, transparency and fairness, accountability and integrity, and sustainability.
Long Term District Planning, Demographic and Economic Growth Directions, 2018-2048	This report completed by Economic Solutions Ltd was developed in December 2017 and provides key insights into economic development and growth over the 2018-2028 LTP period, and beyond. It provides context and direction for potential future Wairoa district transport impacts. This response focuses on immediate actions, employment, short and long term projects, that address the current response and align with the aims of Wairoa.
Economic Development Strategy	This document provides key strategy for economic development in the district. It outlines Wairoa's current and future economic prospects and goals for further economic development and population growth.
Māori Policy 2012	This policy provides a foundation for establishing processes that provide for tangata whenua to contribute to Council's decision-making responsibilities: • Establish a relationship between Wairoa District Council and tangata whenua to achieve mutually beneficial outcomes for the community of Wairoa • Set up processes and procedures that facilitate effective communication between Wairoa District Council and Tangata Whenua o te Wairoa • Enable a Māori world view to be incorporated into local government decision making, policies and procedures • Improve the degree to which Māori participate in Council/community consultation.
District Plan	The Plan sets out the framework for the sustainable management of natural and physical resources in the Wairoa District. It gives key guidance on land use, changes and effects, as well as natural resource management impacting on land transport considerations.

Council strategies, plans	Linkages to Airport
Annual Plan	The Annual Plan provides details on the current year's financial predictions and budgets, in accordance with the current LTP. It primarily describes the projects for a single year, however, it may give some indication of projects for subsequent years.
Annual Report	The Annual Report details achievements against performance measures and targets set in the Annual Plan.

2.4 STRATEGIC ASSESSMENT

This section outlines the need for investment. It defines the key issues and challenges facing our district, the evidence base for these issues and the benefits of investing to address them.

2.4.1 KEY ISSUES & CHALLENGES

The key problems Wairoa is facing are:
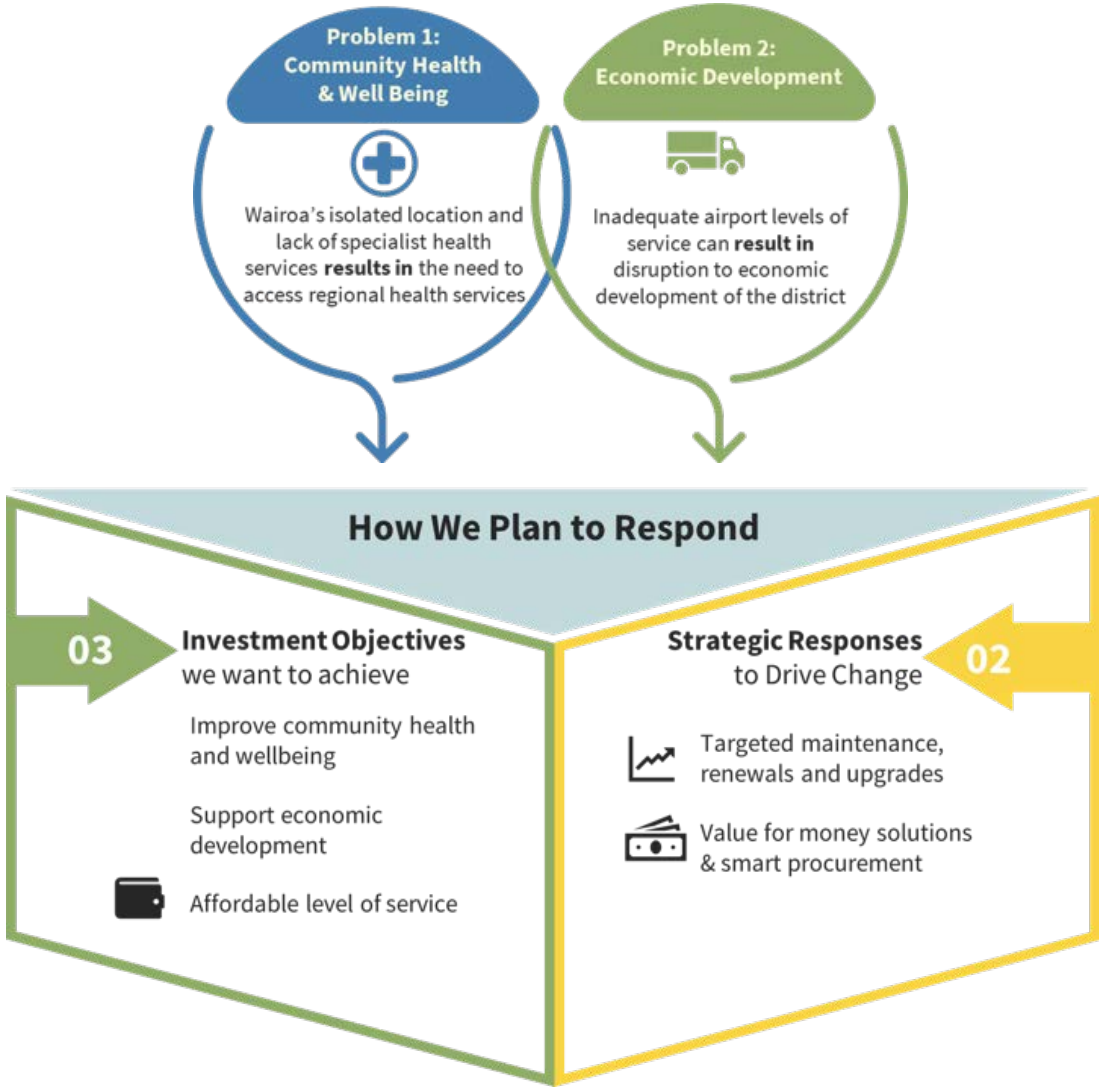
The table below provides a more detailed summary of the key evidence supporting our problem statements, investment objectives, strategic responses, the benefits of investing in these areas and how this investment aligns back to our Community Outcomes.

Problem	Evidence	Investment Objective		Key Strategic Responses	Benefits of Investing	Link to Community Outcomes
Community Health and Well-Being Wairoa's isolated location and lack of specialist health services results in the need to access regional health services.	**Connection to regional health services** The Wairoa Airport has been identified as a critical asset for lifeline for emergency services. The Wairoa Airport provides access for the air ambulance service operated by Skyline aviation. Regular charter flights to the Wairoa airport also bring medical specialist to the Wairoa Hospital. Skyline Aviation completed 339 landings at the Wairoa Airport in the 2019 calendar year, it is assumed the majority of these flights are medical flights. Air Napier also completed 205 landings at the Wairoa Airport, many of these flights would have delivered medical personnel to the Wairoa Hospital.	**Improve Community Health and Well Being**		**Targeted Maintenance, Renewals and Upgrades** Council will continue to fund the airport activity to maintain an appropriate Level of Service will ensure air ambulance and other medical flight services can service the district. Maintenance, renewals and upgrades will be targeted to deliver on the investment objectives, strategic outcomes and to meet Levels of Service sustainably.	**Improved Community Health and Well Being** Ensures the best health and wellbeing outcomes for the community. **Improved network resilience** Provides an alternative access essential to the district in the event the vulnerable transport network is disrupted.	**Safe, Supported and well-led Community**
Economic Development Inadequate airport Levels of Service can result in disruption to economic development of the district.	**Commercial Use** The Wairoa Airport is currently a base of operations for both Ashworth Helicopters and Farmers Air who provide important services to Wairoa's agricultural and horticultural sectors. While the likelihood of the airport becoming a commercial airport is remote, there are opportunities from Rocket Lab and other private operators to increase tourism opportunities and the use of the facilities. This will help to improve its financial performance. However, it is costly to own. The cost of maintaining and operating the airport is not fully supported by users. This means Wairoa ratepayers have to contribute to the financial viability of the service.	**Support Economic Development** **Affordable Level of Service**		**Targeted Maintenance, Renewals and Upgrades** Council will continue to fund the airport activity to ensure community access to economic opportunities. Maintenance, renewals and upgrades will be targeted to deliver on the investment objectives, strategic outcomes and to meet Levels of Service sustainably. **Value for Money Solutions and Smart Procurement** Ensure smart procurement practices are followed to deliver value for money. Ensure the solutions adopted are appropriate to meet the agreed Levels of Service.	**Economic development opportunities** The Wairoa economy is supported and opportunities for economic development are provided.	**Strong and Prosperous Economy**

3. DEFINING LEVELS OF SERVICE

3.1 OVERVIEW

Council aims to manage the Airport Activity to deliver the Levels of Service (LOS) in a sustainable and safe manner over the long term. This section defines the LOS or the qualities of the service that Council intends to deliver and the measures used to monitor this. The adopted LOS supports Council's strategic goals and is based on stakeholder requirements, user expectations, and statutory requirements.

3.2 LEGISLATIVE REQUIREMENTS

Legislation influences Level of Service (LOS) by effectively setting the minimum required LOS alongside other drivers such as customer requirements, industry codes of practice and standards, and the desire to achieve best practice.

A community and Council cannot agree to a LOS that does not meet minimum legislative standards, even if they would prefer to do so to reduce costs. As new legislation is created it establishes benchmarks and Council is required to meet certain thresholds. These usually have an associated cost and may increase the cost to deliver the service.

The table below details a summary of relevant legislative requirements that affect the airport activity.

Act	Description
Airport Authorities Act 1966	This Act describes the powers of the Crown and the roles and responsibilities of airport companies.
Civil Aviation Act 1990	This Act establishes rules of operation and divisions of responsibility within the New Zealand civil aviation system in order to promote aviation safety. Safety inspections are undertaken by the Civil Aviation Authority, pursuant to Section 15 of the Civil Aviation Act 1990, and in accordance with the Civil Aviation Authority's ongoing safety monitoring programme. The object of the inspection is to assess the Council's safety performance, and to determine the level of compliance with civil aviation legislation.

3.3 UNDERSTANDING OUR CUSTOMERS' NEEDS

Community and customer expectations are very important in determining future Levels of Service and in assessing how well Council is performing against current Levels of Service.

3.3.1 COMMUNITY ENGAGEMENT

Under the Local Government Act 2002, Council is required to consult with the community and stakeholders to identify the outcomes (goals for the present and future economic, social, cultural and environmental well-being of the district) that the community wishes to have now and into the future. The LGA Amendment Act 2014 makes no reference to community outcomes, and so these are no longer a legislative requirement. However, Council has confirmed that the community outcomes remain relevant in the delivery of core services to the community.

Various legislation (e.g. Resource Management Act and the LGA 2002) require Council to consult with tangata whenua and take into account the principles of the Treaty of Waitangi in the management of infrastructural assets. This is particularly relevant for Wairoa District where 65.7% of the population is of Māori descent.

LONG TERM PLAN

The Long Term Plan (LTP) places significant emphasis on the need to consult with the community and other stakeholders.

The intended process is to gather expectations of all stakeholders and then to communicate back on the cost of meeting these expectations. Through this process, an indicative understanding of customer focus can be achieved. This will help in developing future LOS.

To better understand the cost of service versus service expectations we also complete:

* Customer satisfaction surveys annually
* Workshops/meetings on more specific aspects of service (i.e. a specific project) to better understand customer needs and wants
* Analysis of service costs against specific service expectations of community and other stakeholders and then feed this information back
* Undertake a detailed analysis of research and customer expectations to better define the links between customer and technical LOS.

CUSTOMER SERVICE REQUEST (CSR) SYSTEM

Council maintains a Customer Service Request System to allow customer comments and feedback to be recorded and managed. These results give Council some direction for prioritisation and targeted activities to undertake in their endeavour to improve public satisfaction and deliver an acceptable Level of Service. Only three CSR's have been received for the airport in the last three years, primarily relating to airport fees. This reflects the low general usage and interest in the airport by the community.

ANNUAL COMMUNITY SURVEY

CommunitrakTM is a survey undertaken by the National Research Bureau (NRB). Council has a long history of using this annual survey to assist in the assessment of customer satisfaction and more importantly to monitor trends over time.

3.3.2 CUSTOMER SATISFACTION

The latest NRB Communitrak survey was completed in August 2020.

Although data shows only 42% of residents are satisfied with the airport (49% on 2019), performance reporting excludes 'Don't Know' respondents for Airport survey results. Only 2% of those who did indicate a response are not very satisfied. Reported satisfaction levels for 2020 are therefore approximately 95% satisfied or very satisfied.

The main reasons residents are very satisfied with the airport are:

* vital service/used by hospital, mentioned by 5% of all residents
* no problems/never hear of problems/well run, 2%
* okay/does its job, 2%.

As many residents do not use the airport facilities, the usefulness of the results of this survey are limited. 56% of respondents responded don't know when questioned on their satisfaction with airport activities. **Direct engagement with airport users and stakeholders is more appropriate to understand customer satisfaction with the airport activity.**
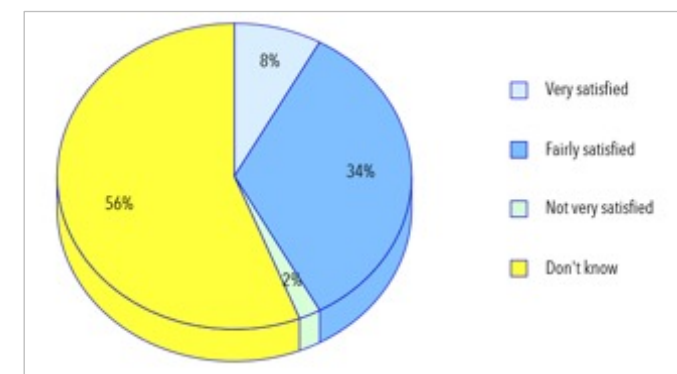
IMPROVEMENT ITEM – Regular engagement should be completed and recorded with customers to understand issues and requirements (current and future) to inform decision making. Particular focus should be given to engagement with HBDHB it's medical service providers. Gaps between the Levels of Service and customers should be identified and options to close the gaps considered. The purpose of each landing should be recorded in the landing register to better understand airport usage.

3.4 LEVELS OF SERVICE OVERVIEW

Levels of Service statements describe how Council intends to deliver the airport activity to the customer. Levels of Service are used to:

* Inform customers of the existing and alternate types and levels of service
* Enable customers to assess suitability and affordability of the services offered

* Develop asset management strategies to deliver the required Level of Service
* Measure performance against defined targets
* Identify costs and benefits of the services provided.

The key drivers of the Levels of Service are:

* Community expectations are established through both formal and informal research with stakeholders and users of each activity. These are covered in detail in section above
* Community Outcomes as outlined in the Strategic Context Section
* Statutory requirements determine the minimum levels of service for airport activities. These are covered in detail in the Legislative Requirements Section.

The Council ensures that Levels of Service are customer focused, technically meaningful and address the issues that are important to the community. There are two types of Level of Service performance measures used by Council:

* **Customer Measure**: How the customer receives or experiences the service, e.g. "% customers satisfied with the reliability of airport services". Key customer performance measures linking Community Outcomes to the planned Levels of Service
* **Technical Measure:** What the organisation does, e.g. "the number of disruptions to the airport service".

3.5 LEVELS OF SERVICE REVIEW

The Levels of Service included in past AMPs, and associated performance measures, have not provided clear direction for investment in the airport service, as they were focussed on completing planned activities and community feedback.

IMPROVEMENT ITEM – A review of the Levels of Service for the airport activity should be completed to ensure the Levels of Service and performance measures are appropriate and driving the best outcomes for the airport activity. This would then provide a key input into a review of the cost of service, to ensure these costs are allocated appropriately.

Potential future Levels of Service should focus on key areas of service use, which is primarily health care and economic activity. Potential future Levels of Service are included below.

| Community Outcome	Customer Outcome	Customer Level of Service	Performance Measure	Measure Type	Target 2021-24
Safe, Supported & Well-led Community	Availability / Accessibility	Airport service supports health care by providing patient transport.	Number of times when the airport is closed (not available to be used), per year.	Customer	0
Strong and Prosperous Economy	Availability / Accessibility	Airport service is available for industry use.	Number of times when the airport is closed (not available to be used), per year.	Customer	0

4. DRIVERS FOR CHANGE

4.1 POPULATION & DEMOGRAPHIC CHANGE

The airport services provided are directly influenced by the number of customers accessing these services.

The current estimated population for the Wairoa District is 8,960 people (estimate as at 30 June 2020). Statistics New Zealand have provided various prediction scenarios through to 2043, based off 2013 census data. These show general population decline. However, recent population data shows growth for Wairoa. It is expected that Wairoa's population will remain relatively static over the duration of this plan.

It is expected that growth, if any, will occur in Mahia, as that is a desirable location for holiday homes and more people are retiring and returning to the area. It is relatively affordable for coastal property.

An assessment of the change in demographics of the population will also need consideration. **Statistics suggest that by 2028, 1 in 5 Wairoa residents will be over the age of 65.** As the workforce declines and people move to retirement incomes, the ability to fund cost increases can reduce.
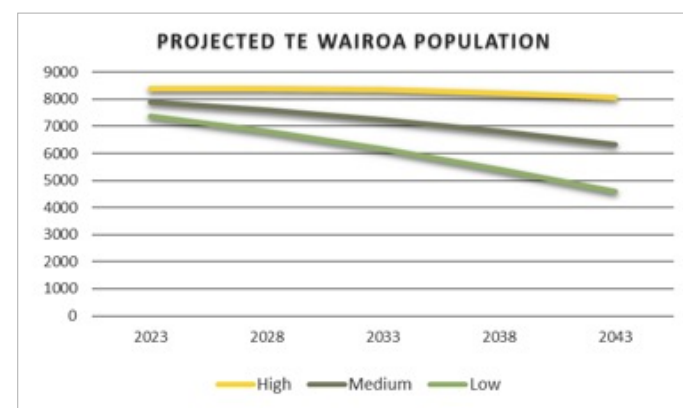
4.1.1 AFFORDABILITY

Population and socio-economic depravity indicators have a significant impact on affordability of the airport activity, with limited ability for the ratepayers to finance any increases in airport maintenance and renewals costs. Economic Solutions Ltd's 2017 Report outlines *"In terms of the ability of district residents to meet Wairoa District Council rating requirements, it is noted that the current*

level of average residential rates ($2,500-$3,000 as advised by Council staff) represents approximately 6-7% of estimated annual median household income in the district at the present time. This compares to approximately 3-4% at the national level."

With a small rating base and higher ability to pay challenges, Council needs to think more broadly about how to fund its infrastructure programme. This will therefore challenge Council to look for alternative funding sources.

Council also needs to make sure its infrastructure is well maintained to avoid future unexpected costs for repair or replacement, and to prevent unexpected disruption of services to the community.

WAIROA COMMUNITY ABILITY TO PAY

Wairoa's low population base and median household income significantly impacts on the community's ability to pay for transport services. Wairoa is also has high unemployment and is the most deprived part of the Hawke's Bay region, with most of the district being Decile 9-10.
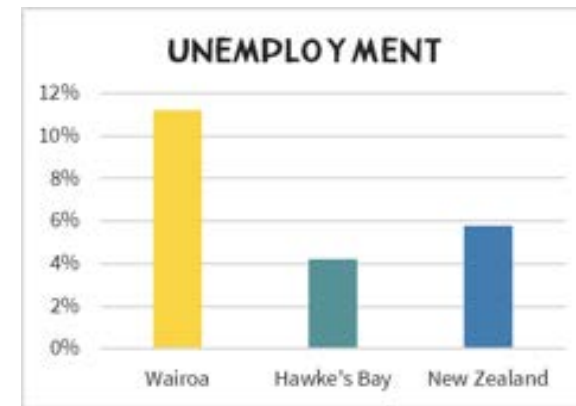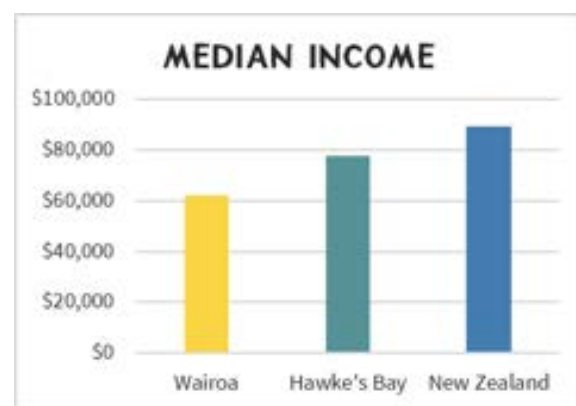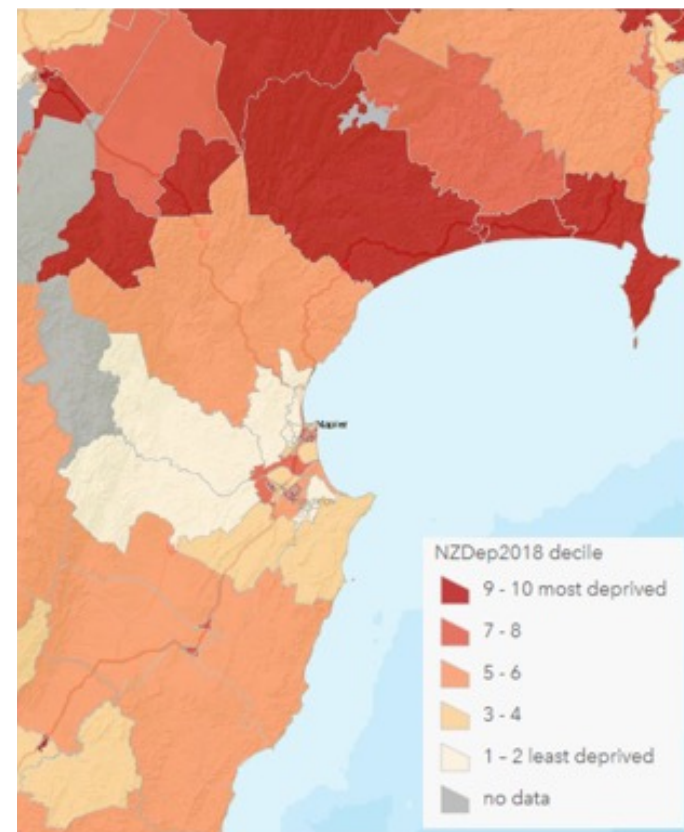
4.2 AIRPORT LANDINGS

The graph below shows the number of recorded landings at the Wairoa Airport from 2017-2020. An increasing trend is shown, suggesting increasing demand for airport services.

4.2.1 AIR AMBULANCE SERVICES

Skyline Aviation currently operate an air ambulance service based in Napier for Hawke's Bay in conjunction with the Hawke's Bay District Health Board. One of the air ambulance aircraft utilised by **Skyline is a Cessna Mustang Jet which has the potential to service Wairoa if there are navigational upgrades and a runway extension at the airport**. Although flight times from Napier to Wairoa in the Mustang jet will be only marginally quicker than a turbo prop, significant life saving time advantages could come when patients from Wairoa with life threating conditions need to be flown directly to a tertiary hospital.

Skyline Aviation made 339 landings in the 2019 calendar year, the majority of which can be assumed to be air ambulance or medical related flights.

4.3 CLIMATE CHANGE

Climate change is a gradual process, and its impacts for the district are difficult to determine due to the range of plausible emission scenarios, and uncertainty in region specific results.

Wairoa District Council commissioned a study in 2017 on the effects of climate change impacts on Wairoa[1]. The objectives of the report were to provide an overview of climate change prediction on a regional scale for Wairoa and to look at the potential impact on the district and how to mitigate this.

The Implications of Future Climate Change on the Wairoa District, J. Oram, Jan 2017

Potential impacts that Wairoa could expect include:

- Increased coastal inundation and erosion
- Inland flooding from the Wairoa River
- Longer growing seasons for the agriculture sector – short to medium term
- Negative impacts of drought over the longer term
- Increased likelihood of wildfire.

These changes in the climate could affect the airport services in various ways such as:

- Changes in demand due to changes in agricultural and horticultural practices
- Increased risk of wild fire that could threaten the airport facilities
- Higher intensity extreme rainfall events may lead to increased likelihood of flooding
- Increased importance of the airport as an alternative access to the district as a result of vulnerabilities in land transport links.
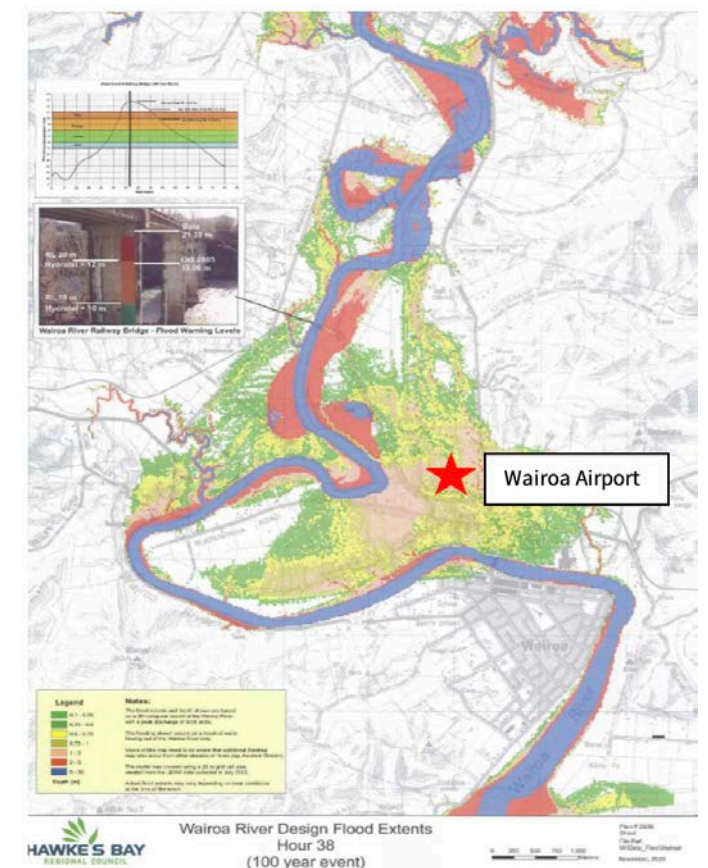
4.4 LAND USE CHANGE

Land use change, particularly in rural areas, can result in changes to airport services patterns and demand. Increased establishment, or intensification of agricultural and horticultural activities could result in increased demand for airport services.

4.5 ECONOMIC DEVELOPMENT

Economic Development is viewed as a vital element in keeping the Wairoa District alive and thriving, both now and into the future. The economy of Wairoa is based on the rural sector. Approximately 60% of the total land is in productive use, of which some 48% is in

pasture. Sheep/beef farming and related processing, and forestry are the leading rural production industries in Wairoa district.

Council has embarked on an ambitious programme of attracting new businesses to the district and further developing our district's strength in land-based industries. An increased emphasis by the Wairoa District Council on economic development, particularly aimed at encouragement of diversification of agribusiness, ecotourism, digital creative industry attraction, and attraction of new and returning residents, has led to an increasingly positive community view of the district's future.

Tourism is an area of focus, in particular the potential tourism related to Rocketlab. This has the potential to attract a significant number of visitors to the Mahia area and infrastructure must be in place to support this.

4.5.1 ROCKETLAB

The establishment of a launch site on the Mahia Peninsula by Rocket Lab, a US corporation with a New Zealand subsidiary, has opened up the opportunity for rocket tourism in the Wairoa District. It is believed a well-developed tourism offering will significantly benefit the Wairoa District through growth in employment and investment, improvement to the general economy and, as a consequence, enhanced social outcomes to an area of regional New Zealand which requires a boost in terms of economic and social wellbeing.

Findings from BERL's 2016 Wairoa Population Estimates state that *"if the NZ rocket company, Rocket Lab, fulfils its potential and realises its ambition to grow to one launch a week, it will have a significant impact on the local economy and, hence, the District's population. This level of activity would require a considerable input of services to the launch site, as well stimulating growth in the number of visitors wishing to witness launches. Rocket Lab provides an exciting opportunity to grow and diversify Wairoa's economy."*

The recent stakeholder engagement exercise has shown that the provision of an aviation gas supply at the airport could result in an increase in light aircraft visitors.

As part of the Wairoa Airport Plan, a feasibility study was conducted for a possible business park at the airport. Should demand indicate that a business park is viable, this plan can provide a base for its development.

4.5.2 POST COVID-19 RECOVERY

Wairoa has put considerable effort into proactively responding to COVID-19 through strategic planning. **A Wairoa Journey Together: Covid-19 Economic Recovery** outlines the key impacts of COVID-19.
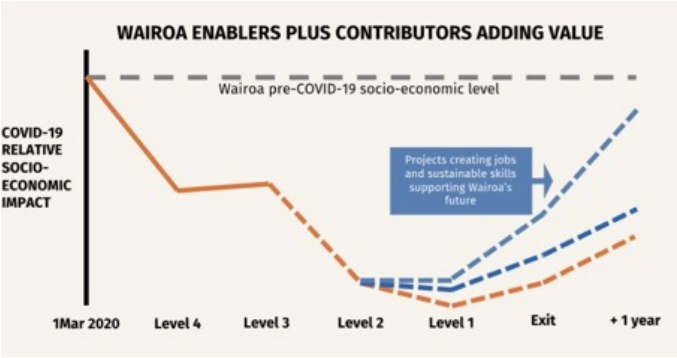
Most businesses halted during Level 4 and Level 3 because they were unable to operate from their home due to the nature of their

business, the lack of connectivity and/or no online marketplace presence. Infrastructure, forestry, and other industries that provide employment to Wairoa people were halted. Although there was a large uptake by businesses of the wage subsidy programme and other government assistance, job losses occurred. A survey of a sample of local businesses during Level 4, identified approximately 17% expected to cut jobs. This aligns with MSD's information noting an increase in job seeker support.

Wairoa District Council have developed key recovery projects, including the following project related to the airport activity:

Project	Description	Reasons for Completion
Airport Extension	This project involves the extension of the runway by 300m.	• Currently the length of the Wairoa Airport Runway does not accommodate the new Skyline Jet Air Ambulance, which will improve access to the community to specialist emergency services. • This extension also improves the accessibility of the airport to commercial operators, allowing them to capitalise on the opportunities created, and supporting economic development initiatives in the Wairoa District.

4.6 DEMAND MANAGEMENT

Key demand management focuses include:

Demand Issue	Demand Impact	Specific LOS Issues	Demand Management Initiative
Population & Demographic Change	Low	As the workforce declines and people move to retirement incomes, the ability to fund Level of Service cost increases will reduce.	Identify alternative funding sources available to enable Council to maintain current Levels of Service delivery without any impacts on ratepayers. Identify where a change in Levels of Service, to mitigate cost escalations, will not have a significant impact on residents and businesses. Set priorities based on alignment with our vision, community feedback and economic development aspirations.
Air Ambulance Access	Medium	The current airport runway length is insufficient for the new Skyline Aviation Jet Air Ambulance. This jet offers considerable health and wellbeing benefits to patients.	Designs have been completed for the runway extension. Wairoa District Council are investigating alternative funding sources.
Climate Change	Low	Varied Levels of Service impacts may occur, but it is likely that increased pressure will be put on some assets.	Council's response to climate change will help it to identify key assets at risk, ensure it recognises climate change and its impacts in its asset and financial modelling, and prioritise funding for resilience. It will ensure that Council identifies the critical components of its infrastructure networks and prioritise renewals so that the network can continue to operate.
Land Use Change	Low	Change in rural agricultural and horticultural activities could increase demand for airport services.	Development policies to ensure that any changes to land use are identified and the impacts on Council's infrastructure understood.
Economic Development	Medium	The establishment and continued growth of RocketLab activities has the potential to result in increased Level of Service requirements to support RocketLab activities.	Develop a consultation and engagement plan for key users of the airport services, particularly commercial operators and RocketLab.
	Medium	COVID-19 is putting a strain on local businesses and employment, so council is proposing support the local economy through Level of Service related projects.	Complete identified projects through the COVID-19 Recovery Strategy.

5. RISK AND RESILIENCE

5.1 RISK MANAGEMENT POLICY

Risk Management continues to be an area of learning and growth for Council. We are focussed on developing a consistent organisational approach to risk management.

Council's updated Risk Management Policy was adopted in December 2017. This is a Council-wide policy overseen by the Chief Executive Officer. Staff, contractors, and elected members have a shared role to play in the identification, reporting and management of risk through risk management processes being integrated with planning processes and embedded in management activities.

Since this time, Council has commissioned a Risk Management Framework Review by independent consultants in March 2018, which introduced a number of improvement recommendations for future implementation. Then in early 2020, we commissioned WSP to further review our risk management processes and develop a practical Risk Management Strategy to align risk management across the Community Assets and Services Group. A key component of the Risk Management Strategy is the provision of a process for identifying critical assets.

This section of the AMP highlights key Risk Management outcomes incorporated into the future planning included in this AMP.

5.2 CRITICAL ASSETS

Asset Criticality is the consequence arising from the sudden and total loss of an asset. The principal objective is to prevent the deterioration of critical assets to "very poor" condition where major and urgent replacement is required, to allow for service continuity and minimise disruption costs. To assess the criticality of an asset the following three factors are considered:

- **Service Importance**: The importance of core asset groups providing the service to the community. This answers the question: What is the effect on the community of losing service provision?
- **Functionality**: Reflects how important the specific asset is to the functionality of the core asset groups providing the service. It answers the question: What is the impact on the service if the asset fails?
- **Down-time**: Duration that the asset will be "down", until return of the asset to full capacity, if it fails. It answers the question: How quickly can the asset be repaired/replaced?

Service Importance has a 1 to 5 scale where 1 is of Low Importance and 5 is Extremely Important. Using this assessment process from our Risk Management Strategy, the Service Importance of core asset groups within the airport activity have been determined as follows:

Core Asset Group Delivering Key Services	Importance to Service Provision
Sealed Runway	4 – Highly Important
Navigation Aids & Runway Lighting	3 - Important
Operational Airstrip	3 - Important
Terminal Building	2 - Moderately important

For the airport activity, the most critical assets are included below.

Critical Asset	Consequence of Failure	Current Response/Contingency Plan
Sealed Runway	Loss of the sealed runway would effectively result in closure of the airport to planes. Air ambulance flights would no longer be able to operate.	Managed through AMP renewals planning and ad hoc maintenance

5.3 KEY RISKS

A Risk Register and Treatment Plan has been developed with risks monitored and reported in accordance with Council's Risk Policy.

Council have reviewed and updated the previous risk register for the airport activity. The current risk register (developed in 2018) is included in Appendix 1.

Through the development of the risk register, Council's top risks for the Airport activity have been identified below.

Risk	Cause	Risk Assessment	Mitigation Strategies
Emergency Planning is insufficient to allow Airport Operation during an Emergency	Inadequate emergency planning and risk/critical asset identification. Inadequate contingency planning.	High	Develop contingency plans due to possibility that an earthquake event will also affect other modes of transport into the area.
Council does not meet its Requirements under Relevant Legislation, Regulations Consent Conditions and Bylaws	Inadequate maintenance and renewals fails to address deterioration of infrastructure resulting in unsafe facilities / conditions. Insufficient knowledge of legislation (outside of consent conditions) that relates to the activity (OSH etc) or failure to monitor for change. Failure to identify changes required by changing Council bylaws. Insufficient funding for monitoring activities. Lack of technical expertise to provide planning/design resulting in absence of or inappropriate planning / design knowledge to verify compliance.	High	Implement condition assessment programme. Engage regularly with CAA, Airways and other specialists to ensure compliance. Ensure engagement with other council processes. Allocate sufficient funding in budgets Engage with consultants to support in-house resourcing.
Airport Users are not Satisfied with the Overall Level of Service Provided	Insufficient knowledge of airport users desires resulting in inappropriate targets. Insufficient knowledge of what services are currently being delivered to airport users. Insufficient knowledge of what the airport users can/will pay for desired service.	High	Develop consultation process/plan.

5.3.1 RISK REGISTER

As a result of this Risk Management Strategy, we are currently completing a full review of our Risk Register. In the interim, our previously identified high risks have been included. At this point investment has been primarily been prioritised through our understanding of our critical assets and their condition / performance.

IMPROVEMENT ITEM – There is a need for full review of the Airport Risk Register to ensure risk issues have been adequately identified and ensure that current high risks are still relevant.

5.4 RESILIENCE

Resilience has been identified as a Significant Challenge for Wairoa in the 2021-2051 Infrastructure Strategy with the following responses followed:

- Good asset management practices and robust renewals programmes based on the condition and the remaining life of infrastructure assets
- Identification of critical assets and management of these assets to ensure that they do not fail or to limit the effect of a failure
- Emergency Response and Business Continuity Plans to be in place for emergency events.

5.4.1 EMERGENCY RESPONSE PLANS

IMPROVEMENT ITEM - To improve the resilience Level of Service delivery, Emergency Response Plans need to be developed. The plan will cover the effects of moderate and significant events on vulnerable and critical assets.

5.4.2 NATURAL DISASTERS & BUSINESS CONTINUITY

We assume that in the event of a significant disaster, natural or man-made, Council can continue to provide sufficient services to the community. We have assumed we could extend our external borrowing to fund the clean-up and ongoing capital work to rebuild any damaged assets, for which we don't fully insure.

Alongside the Council, Central Government also has a role in disaster recovery and restoration works after natural disasters happen.

Other than increased insurance costs, there is no further allowance in this plan for funding the repair of infrastructure damaged by any future natural disasters.

BUSINESS CONTINUITY PLANS

Business Continuity Plans (BCP) are developed to coordinate efforts for keeping Council business operating through high risk events such as pandemics, staff death and terrorism, as well as if a place of business, such as the main office building, are affected by adverse physical conditions. Events may include earthquakes, storm,

unhealthy building (i.e. asbestos), fire, crime, prolonged IT outage, or the death of a key role.

Council has an existing BCP (2001) for response processes to be implemented for any major interruption to business operations and service delivery. It is recognised that it needs updating to better reflect latest industry practices. Furthermore, the loss of function of the Airport has been identified as a moderate level risk and planning for this event should be included in an update of Council's BCP.

5.4.3 CLIMATE CHANGE & RESILIENCE

Our specific actions to improve the resilience for the airport infrastructure assets to climate change include:

- To consider the impact on increased rainfall on the airport operation, particularly the potential flooding from the adjacent Wairoa River.

6.1 INTRODUCTION

Wairoa Airport provides a service for light aircraft and is used mainly for charter, agricultural and health transport operations. The airport is located at the end of Airport Road, northwest of Wairoa Township. Council is the controlling authority of the airport and manages and funds the facilities to ensure that an operational airport remains within the Wairoa District in order to serve the district's needs.

Council owns the following:

- The area of land that the Wairoa Airport is situated on
- The waiting lounge/Aero Club Rooms building
- The rural land blocks immediately surrounding the airport.

6.2 ASSETS DESCRIPTION

6.2.1 ASSET DATA QUALITY

Council does not hold a specific asset inventory for the airport's assets. Asset information is generally taken from the fixed asset register (spreadsheet format) and historical information such as maintenance and renewals records.

Although the asset information given is limited, it is deemed to be fairly accurate and to a suitable level of detail for this asset with limited and non-complex assets, and is adequate to enable forward planning to be effectively implemented to replace and repair assets at the most appropriate time.

IMPROVEMENT ITEM – A formal asset register should be developed and incorporated in to Council's property asset data system, AssetFinda.

6.2.2 AIRPORT LAYOUT

The figure below provides a layout of the Wairoa Airport.
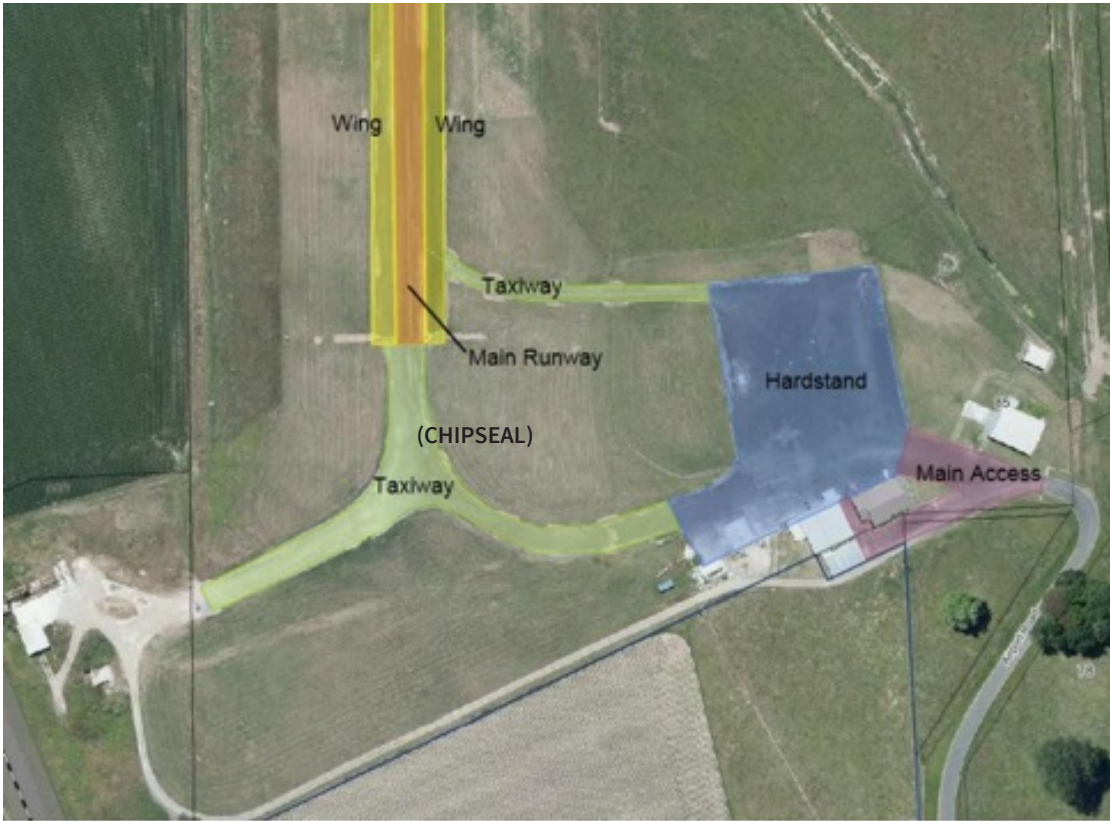
The table below provides a general list of the airport's assets.

Asset	Asset Description
Operational Airstrip	Grass strip of 1371m in total length, including: • Apron/sealed area adjacent to the airport building and fuel service • Taxiway/running areas linking the sealed areas with the runway.
Sealed Runway	All-weather chip sealed strip of 910m in length which can accommodate a wingspan of up to 30 metres
Runway Lighting	Edge lighting extending along either side of the runway.
AIMM System	'Aircraft Movement Monitoring' for reporting aircraft movements at an Airport 24/7/365 using Voice and/or ADSB.
Terminal Building	Includes: • Waiting lounge/terminal • Kitchen • Radio Te Wairoa • Toilets. Radio Te Wairoa, a local radio station, is the main user of this building. The lounge has recently found use as a meeting room or venue for multiple events. The toilets, located at one end of the terminal building, are used by all operators and users of the airport, as it is the only facility available.
Other	Windsocks Boundary fencing (generally post and wire except at entrance where short length of post and rail with a gate).

6.2.3 NON-COUNCIL OWNED ASSETS

There are a number of assets located on the airport land that are not owned by Council.

Asset	Asset Description	Ownership
Farmers Air Hangar		Owned/Leased by Farmers Air
Cookson's/Ashworth Helicopters Hangar		Owned by Ashworth Helicopters
Aviation Bowser		Owned by Z Energy
Weather Station		Owned by MetService
Fertiliser Bins		Owned by Farmers Air Ltd

Formal agreements have been put in place for each of the facilities leased at the airport including land.

6.2.4 SURROUNDING RURAL LAND

The surrounding rural land of the airport is leased by the Council to various local groups and individuals who make use of it for farming and horticultural purposes. These include:

• Taylors Farms Ltd
• David Hayward, Katherine Standring & Michael Thomas
• The Wairoa Racing Club Incorporated
• Rosemary & Richard Clark
• Felix Halkett.

6.3 CRITICAL ASSETS

The critical asset at the airport is the sealed runway. A failure resulting in closure of the runway will limit the ability of certain aircraft to land. Of particular importance is the use of the airport by emergency aircraft, although there are helicopter pads at the Wairoa Hospital and Memorial Park.

6.4 ASSET VALUATION

The last formal valuation was undertaken in 2012 and requires updating. A preliminary valuation has been completed for the purposes of this AMP, using rough order replacement costs, however a detailed valuation should be undertaken prior to the next AMP. As such, the following limitations apply:

• The figures include the 'reinstatement value' for buildings, replacing like-for-like
• Buildings were not broken down into components as they are generally of a relatively simple construction form and do not involve significant mechanical plant or ancillary services
• Land values are based on the Wairoa District Council 2020 rating database land values
• Sealed runway based on full replacement cost at 2020 market rates
• New assets are valued at purchase value and are depreciated every year on a straight-line basis. The valuation figures given do not provide for depreciation.

Asset Group	Asset	Quantity	Indicative Value (2020)
	Terminal Building	280 m²	$600,000
	Sealed Runway	27,420 m²	$1,980,000
	Other Sealed Areas	19,268 m²	$1,400,000
Capital Value (Assets)	AIMM System		$15,000
	Edge Lighting		$350,000
	Markings		$20,000
	Fencing	3,800m	$60,000
	Windsock	1 No.	$15,000
Land		86 hectares	$2,410,000
The total value of the Wairoa Airport assets (land and capital value) is $6,850,000			

IMPROVEMENT ITEM – A formal asset valuation was last undertaken in 2012. A formal asset valuation should be undertaken prior to development of the next AMP.

6.5   ASSET CONDITION & REMAINING LIFE

Condition assessments are based on visual assessments and age of assets only. The visual condition rating used the IIMM Framework as shown in the table below.

Condition Rating Gradings

Condition Rating	Description	Intervention
1	Very Good Condition	None required
2	Good Condition	Minor defects only, programme proactive maintenance or monitor
3	Fair or Average Condition	Some defects, maintenance required to return to accepted Level of Service
4	Poor Condition	Substantial defects, consider renewal
5	Very Poor Condition	Approaching unserviceable, consider disposal or replacement

*condition definitions (IIMM 2015)

Below is a general outline of the existing condition of assets.

Asset	Condition	Condition Rating
Land	Grassed and other vegetated areas are generally well maintained on a routine basis by contractors and the Levels of Service required are set by Council.	2- Good
Sealed Runway	The runway was resurfaced in 2019 with two coat Grade 4/6 chipseal, followed by a Grade 8 polymer modified grit seal. Therefore, it is in very good condition. Resurfacing of the runway is not expected in the next 10 year period.	1 - Vergy good
Other Sealed Areas	Aprons, running areas and taxiways to the runway are showing signs of deterioration (scabbing seal) and require resurfacing within the 2021-2024 period. The entranceway and carpark were resurfaced in 2019 with a Grade 8 polymer modified grit seal.	3 - Average
Buildings	Based on a visual assessment only, the terminal building is deemed to have a remaining life of more than 10 years and to be adequate for its current and likely future usage.	3 - Average
Edge Lighting	There has been an issue with Pilot-Activated-Lighting (PAL), not activating in poor weather. The system has been checked by electricians, and a ground test completed, which showed no issues. Pilot end issues may be due to atmospheric conditions that mean pilots couldn't activate it.	2 - Good
Runway & Taxi Markings		3 - Average
Fencing	Boundary fencing is typically post and wire with post and rail at the entranceway.	Varies 1 – Very good to 5 – Very Poor
Windsock	The windsocks are currently in good working condition.	2 - Good

IMPROVEMENT ITEM – A condition assessment programme should be developed and implemented. Condition should be recorded in the asset database, and be used to inform and update the forward works programme.

IMPROVEMENT ITEM – Further review of Pilot-Activated-Lighting (PAL) system to ensure Council has full understanding of operational capabilities and can communicate these to users.

6.6   ASSET UTILISATION & CAPACITY

Asset	Utilisation & Capacity
Sealed Runway	Although a costly asset, it is well used by private and commercial organisations including health professionals serving the community. In order to meet current and predicted future demand, the runway will need extended.
Other Sealed Areas	In order to meet the present and predicted future demand for at least the next 10 years, it is recommended that the apron and taxiways be resurfaced.
Buildings	The existing facilities are adequate to meet the present and predicted future demand for at least the next 10 years.
Edge Lighting	Adequate for current runway extent.
Runway & Taxi Markings	Adequate for current runway extent. Need to be improved to meet future demand.

6.7   ASSET PERFORMANCE

Performance of the asset relates to its capability to meet defined service criteria.

Asset	Utilisation & Capacity
Sealed Runway	The length of the sealed strip constrains its use to aircraft in the category of 5700kg MTOW or less. Normally this means that the largest aircraft to use the airport would be light twin-engine aircraft that carry up to 10 or 12 passengers. The runway is currently not long enough to accommodate the Skyline Jet Air Ambulance, which would allow direct transfer of patients to specialist hospitals including Starship, National Burn Centre and Burwood Spinal Unit.
Runway & Taxi Markings	Marking types/layout need to be changed to meet CAA requirements.
Fencing	In recent years there have been multiple instances of stock incursions on the runway. Need to be renewed to ensure they are stock proof for the safety of air traffic. Fences will need to be offset to accommodate longer runway.

7. LIFECYCLE MANAGEMENT

7.1 INTRODUCTION

Affordability is a key issue for Wairoa District, **so achieving value for money is critical**. Population and socio-economic depravity indicators have a significant impact on affordability of the airport activity, with limited ability for the ratepayers to finance any increases in maintenance and renewals costs.

A key affordability driver is ensuring asset integrity – **through a whole-of-life approach**, implementing good asset management planning including lifecycle management planning and modelling.

In the context of this plan, the lifecycle of an asset is "understanding the rate of change." The primary objective is to know when to maintain OR renew OR improve (upgrade through capital works) an asset or its component.

This section of the AMP outlines:

• Operation and maintenance plans

• Planning for renewal of assets

• Upgrade and creation of assets for activities and services delivered to the community

• Disposal.

It describes Council's practices that are delivering current Levels of Service, and explores opportunities to enhance the asset lifecycles through condition monitoring.

One of the keys to good lifecycle management is **better data (confidence) and better interpretation of that data to enable more informed decisions**. This enables us to 'get the best out of our infrastructure' and is of particular importance for mature and critical assets.

It is also critical that management and funding of established assets and capital development **meets all resource consent and safety requirements** in order to ensure that airport services remain viable within the Wairoa District to serve the needs of this District.

A programme for maintenance, renewals and capital works was prepared in response to stakeholder feedback, and visual inspections by Opus International Consultants (now WSP) as part of the development of the Wairoa Airport Plan in 2017, and has been updated as part of this AMP based on a visual inspection

and feedback from Council staff. A copy of the plan is attached in Appendix 3.

7.2 OPERATIONS & MAINTENANCE PLAN

Maintenance strategies cover the practices that we employ to operate and maintain the airport assets to achieve the optimum use of the asset, and at the agreed service levels. Council keeps the airport assets suitable, accessible, safe and well maintained by carrying out planned, cyclic and responsive maintenance.

Maintenance of an asset does not increase the asset's service potential or keep it in its original condition. It slows down deterioration and delays when rehabilitation or replacement is needed. It is a way of ensuring that an asset continues to deliver the required Level of Service.

Operations and maintenance for the Airport Activity comprise the following:

O&M Type	Description
Operations	Operations are the day-to-day activities completed to provide the service, including operating the edge lighting.
Routine Maintenance	Regular ongoing day-to-day work that is necessary to keep assets at their required standards. Routine maintenance includes activities such as mowing of grassed areas and cleaning of the toilets and terminal building.
Reactive Maintenance	Maintenance that is completed as a result of asset failure or deterioration, such as minor repair of damaged assets/facilities.
Planned Maintenance	Maintenance that is completed proactively to ensure an asset does not fail, such as annual activities.

7.2.1 SERVICE DELIVERY ARRANGEMENTS

Routine maintenance is undertaken by a private contractor, generally on a 3-year contract. Levels of service are set by Council and the contracts managed by Council.

Reactive maintenance is also undertaken by private contractors, generally one of the Councils road network maintenance Contractors, with the contractor most appropriate to the required works employed as required.

Existing contracts in place are detailed below.

Contract	Contractor	Asset Group	Start Date/Tenure	Scop
Contract 19/01 Maint & Ops of Mahia Reserves	WM & JM Halkett Partnership	Airport	Commenced 1 Apr 2020, Tenure 3+1+1	Mowing and vegetation
Contract 18/01 Sealed Road Network Maintenance	Fulton Hogan	Sealed Runway & Taxiways	Commenced 1 October 2018 Tenure 3+1+1	Pavement maintenance and reseals

7.2.2 OPERATIONS & MAINTENANCE ACTIVITIES

Asset	Operations & Maintenance Activities	Responsibility
Sealed Runway	A reactive maintenance regime, generally based on observation by Council staff, contractors or airport users.	Council assigns work to contractor as required.
Other Sealed Areas	A reactive maintenance regime, generally based on observation by Council staff, contractors or airport users. Sealed taxiway areas and aprons require treatment to minimise the chip loss (scabbing) that effects plane propellers etc.	Council assigns work to contractor as required.
Buildings	The terminal building is cleaned on a routine basis but more significant maintenance/repairs are carried out on an as-needed basis, following visible signs of a problem. This is adequate to ensure that user groups are generally satisfied with current Levels of Service and the performance of the facilities.	Council assigns work to contractor as required.
Edge Lighting	Inspection of the runway is carried out on a regular basis and maintenance undertaken as required. Lighting outages are reported to the Transport Asset Manager, who is then responsible for originating a notice to all airmen to curtail aircraft operations at night, and advising the approved electrical contractor of the need to take restorative action.	Council assigns work to contractor as required.
Runway & Taxi Markings	A reactive maintenance regime, generally based on observation by Council staff, contractors or airport users.	Council assigns work to contractor as required.
Fencing	A reactive maintenance regime, generally based on observation by Council staff, contractors or airport users.	Council assigns work to contractor as required.
Windsock	Windsocks are replaced as required, generally following notification from users that they are damaged.	Council assigns work to contractor as required.
Drainage	A reactive maintenance regime, generally based on observation by Council staff, contractors or airport users.	Council assigns work to contractor as required.

IMPROVEMENT ITEM – Proactive process to be developed for regularly programming maintenance including maintenance of buildings, fences, grassed areas, navigation equipment, the runway and apron area, and drainage maintenance.

7.3 RENEWALS PLAN

Renewals are generally defined as major work which restores, rehabilitates, replaces or renews an existing asset to its original condition/function. The purpose of the renewal strategy is to maintain the Levels of Service by identifying the most cost-effective time to renew the asset.

Upgrades or renewals are normally undertaken on an 'as needed' basis.

Typical works include:

- Runway and other sealed areas upgrading repairs
- Edge lighting repairs
- Building repairs
- Fencing remedial works.

7.3.1 RENEWALS ANALYSIS APPROACH

Where existing assets are replaced, they are generally replaced with 'like' facilities and it is anticipated that this will remain as the approach to renewals for the foreseeable future.

✅ High   🟠 Medium   ⛔ Low

Activity	Renewal Requirements	10-yr Cost	Strategic Alignment	Service Delivery	Risk & Criticality	Financial Impact	Priority
Runway Lighting		$155,000	🟠	🟠	🟠	🟠	Medium
Taxiway & Apron Resurfacing	Reseals every 10-12 years	$163,500	🟠	🟠	🟠	🟠	Medium
Building Renewals	Double glazing windows	$35,000	⛔	⛔	⛔	🟠	Low

7.4 CAPITAL / UPGRADE PLAN

New works are those works that create a new asset that did not previously exist, or works that upgrade or improve an existing asset beyond its existing capacity. Council will continue to invest in airport infrastructure with the main drivers being:

- To meet the demands of growth
- To meet the Levels of Service
- To meet legislative compliance and reduce the exposure to risk.

Designs for a 300m runway extension have been completed to accommodate the new Skyline Aviation Jet Air Ambulance. However, the extension is not affordable to Council, so has not been shown in the capital expenditure plan. Council will seek alternative funding sources for the project to reduce the burden on the Wairoa Community.

The following process is typically used in evaluating renewal works:

- A visual condition assessment of all assets is completed
- A schedule of replacement/remedial works required in the next ten years based on the above condition assessment is drawn up
- The required works are prioritised based on asset condition as well as safety and security considerations
- Rough costs are then assigned to each project
- Works are allocated to each of the next ten years, based on the highest priority first, to give an even spread of expenditure.

7.3.2 RENEWALS PROGRAMME

Council's assets are replaced when they are no longer economic to maintain or are incapable of delivering the required Level of Service. The current renewal programme is based on limited condition information and visual assessment.

There are $353,000 renewals planned for airport renewals over the next ten years. This consists of the following programmes. Each renewal project or programme has been prioritised using our investment decision making criteria described in Section 9.2.1. Each investment criteria is assigned one of the following ratings.

7.5 DISPOSAL PLAN

Disposal is any activity associated with disposal of a decommissioned asset, including sale, demolition or relocation. Asset disposal requires making the site safe, removing surplus structures, and covering the costs of any environmental remediation. These costs are generally included as part of the capital project.

A workshop has been held with Council to review a Business Case Approach to disposals. This will provide a strategic view for all property assets, that uses an intergenerational lens for any property disposal. Airport land will be considered and reviewed accordingly.

IMPROVEMENT ITEM – Complete a review of disposals for open spaces to avoid wasted expenditure on asset that are no longer needed within the community.

8.1 INTRODUCTION

This section contains the financial requirements resulting from all the information presented in previous sections. It defines the different cost areas (maintenance/operations, renewals and capital/new works) and details the expected expenditure against each.

8.2 FINANCIAL PROJECTIONS

8.2.1 EXPENDITURE CATEGORIES

Expenditure types are defined and reported as follows:

Expenditure Type	Description
Opex	Operating expenditure is used to fund the ongoing day to day activities and services of the Council. It is expensed (not capitalised) work that continues the provision of services provided by assets. Operational activities include repairs and maintenance, security, utility costs (e.g. rates and power).
Capital Renewals	Capital Renewals expenditure increases the life of an existing asset with no increase in service level. It replaces existing deteriorated assets or components of assets to restore their remaining life and service potential.

Expenditure Type	Description
Capital New Works	Council has two categories of Capital New Works expenditure spread across its activities: • **Level of service** – Defined as capital expenditure that increases the service level delivered by the asset • **Growth** – Defined as capital expenditure that is required to provide additional capacity in whole or part under Council's Development Contributions Policy necessary to accommodate growth. It is the capitalised works that add new or enlarged existing assets to increase the capacity to cater for further growth in demand.

8.2.2 10-YEAR FORECAST SUMMARY

The total amount of expenditure for operations and maintenance and capital over the next ten years is $1.99 million as shown below. Operational expenditure represents 82% of the ten-year forecast total. Capital expenditure includes renewal of the runway lighting minor renewals works for existing assets.

FINANCIAL PROJECTIONS

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
OPEX	124,246	139,194	147,834	200,356	142,383	162,902	147,111	185,190	214,388	168,240
CAPEX RENEWALS	85,000	0	105,000	163,500	0	0	0	0	0	0
CAPEX NEW WORKS	0	0	0	0	0	0	0	0	0	0
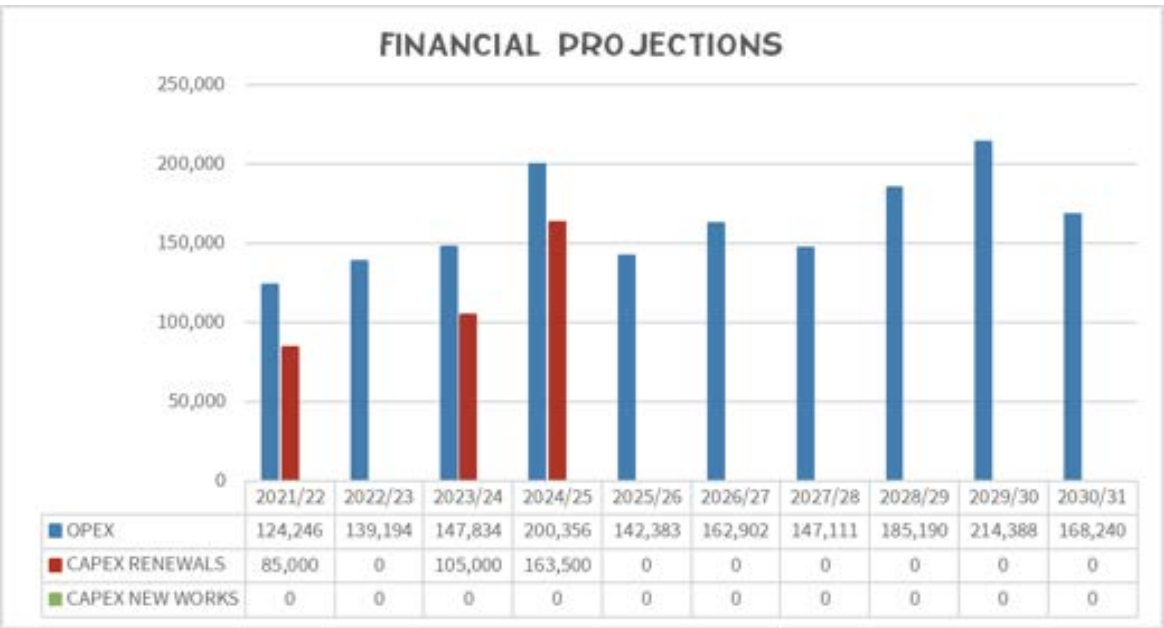
Below is the 10 year forecast for all airport expenditure including maintenance/operations, renewals and capital works.

District Wide for Activity	YR 1 2021/22	YR 2 2022/23	YR 3 2023/24	YR 4 2024/25	YR 5 2025/26		YR 6 2026/27	YR 7 2027/28	YR 8 2028/29	YR 9 2029/30	YR 10 2030/31	Total 10 Years
OPEX	124,246	139,194	147,834	200,356	142,383		162,902	147,111	185,190	214,388	168,240	**1,631,844**
CAPEX RENEWALS	85,000	0	105,000	163,500	0		0	0	0	0	0	**353,500**
CAPEX NEW WORKS	0	0	0	0	0		0	0	0	0	0	**0**
TOTAL	**209,246**	**139,194**	**252,834**	**363,856**	**142,383**		**162,902**	**147,111**	**185,190**	**214,388**	**168,240**	**1,985,344**

8.2.3 OPERATIONAL EXPENDITURE SUMMARY

The recommended ten-year operational expenditure forecast is shown in the table below with $895,400 forecast over the next ten years.

SUMMARY OF PLANNED OPERATIONAL EXPENDITURE

O&M Expenditure Forecast	YR 1 2021/22	YR 2 2022/23	YR 3 2023/24	YR 4 2024/25	YR 5 2025/26		YR 6 2026/27	YR 7 2027/28	YR 8 2028/29	YR 9 2029/30	YR 10 2030/31	Total 10 Years
WA1035. GENERAL EXPENSES	1,000	1,029	1,054	1,079	1,105		1,130	1,156	1,183	1,210	1,236	**11,182**
WA1535. INSURANCE	4,020	4,137	4,237	4,338	4,442		4,543	4,647	4,756	4,864	4,969	**44,952**
WA1560. Valuation	0	0	5,270	0	0		5,650	0	0	6,050	0	**16,970**
WA2015. CLEANING	7,000	7,203	8,854	9,064	9,282		9,492	9,710	9,937	10,164	10,382	**91,088**
WA2025. CONSULTANCY	10,000	20,580	10,540	21,580	11,050		22,600	11,560	23,660	12,100	24,720	**168,390**
WA20261. ASSET MANAGEMENT	11,000	6,174	11,594	3,237	1,105		1,130	1,156	1,183	1,210	1,236	**39,025**
WA20271. Flight Tracking & Reporting	9,600	9,878	10,118	10,358	10,608		10,848	11,098	11,357	11,616	11,866	**107,347**
WA20272. Flight Approach Design	5,000	5,145	5,270	53,950	5,525		5,650	5,780	5,915	60,500	6,180	**158,915**
WA2035. ELECTRICITY	4,000	4,116	4,216	4,316	4,420		4,520	4,624	4,732	4,840	4,944	**44,728**
WA2040. MAINTENANCE: BUILDINGS	5,000	5,145	5,270	5,395	5,525		5,650	5,780	29,575	6,050	6,180	**79,570**
WA20401. MAINTENANCE: FENCING	5,000	5,145	5,270	5,395	5,525		5,650	5,780	5,915	6,050	6,180	**55,910**
WA20402. MAINTENANCE: GRASSED AREAS	10,000	10,290	12,648	12,948	13,260		13,560	13,872	14,196	14,520	14,832	**130,126**
WA20404. MAINTENANCE: RUNWAY & APRON	20,000	20,580	21,080	21,580	22,100		22,600	23,120	23,660	24,200	24,720	**223,640**
TOTAL	**91,620**	**99,422**	**105,421**	**153,240**	**93,947**		**113,023**	**98,283**	**136,069**	**163,374**	**117,445**	**1,171,843**

Indirect Asset Costs	YR 1 2021/22	YR 2 2022/23	YR 3 2023/24	YR 4 2024/25	YR 5 2025/26		YR 6 2026/27	YR 7 2027/28	YR 8 2028/29	YR 9 2029/30	YR 10 2030/31	Total 10 Years
WA39051. CORPORATE OVERHEADS	15,157	15,567	16,829	16,595	17,294		18,280	18,409	18,383	19,197	19,231	**174,941**
WA39052. ENGINEERING OVERHEADS	2,762	9,135	10,147	10,166	10,765		11,207	10,000	10,291	11,336	11,064	**96,874**
WA2030. Depreciation Buildings	14,537	14,940	15,303	15,664	16,032		16,394	16,769	17,144	17,524	17,892	**162,199**
WA20301. Depreciation Runway	128	131	134	137	141		144	147	150	153	156	**1,421**
WA20302. Depreciation Equipment	41	0	0	0	0		0	0	0	0	0	**41**
WA1540. Internal Interest New Capital Works	0	0	0	4,555	4,204		3,854	3,504	3,153	2,803	2,453	**24,525**
TOTAL	**32,625**	**39,772**	**42,413**	**47,117**	**48,436**		**49,879**	**48,828**	**49,121**	**51,013**	**50,795**	**460,001**
TOTAL	**124,246**	**139,194**	**147,834**	**200,356**	**142,383**		**162,902**	**147,111**	**185,190**	**214,388**	**168,240**	**1,631,844**

8.2.4 CAPITAL EXPENDITURE SUMMARY

There is a total of $353,500 for capital expenditure for the next ten years as shown in the table below. Capital renewal expenditure is for the airport lighting renewal, taxiway and apron resurfacing and building renewals. No new works are currently programmed. A design for extension of the runway has been completed, but will only be completed if external funding can be obtained.

SUMMARY OF PLANNED CAPITAL EXPENDITURE

Capital Expenditure Forecast	YR 1 2021/22	YR 2 2022/23	YR 3 2023/24	YR 4 2024/25	YR 5 2025/26		YR 6 2026/27	YR 7 2027/28	YR 8 2028/29	YR 9 2029/30	YR 10 2030/31	Total 10 Years
Renewals												
WA4001. RUNWAY LIGHTS/CABLING REPAIRS	50,000	0	105,000	0	0		0	0	0	0	0	**155,000**
WA4006. Building Renewals	35,000	0	0	0	0		0	0	0	0	0	**35,000**
WA40081. Re-Surfacing Aprons	0	0	0	163,500	0		0	0	0	0	0	**163,500**
TOTAL	**85,000**	**0**	**105,000**	**163,500**	**0**		**0**	**0**	**0**	**0**	**0**	**353,500**

8.3 REVENUE SUMMARY

The revenue forecast for the next ten years as shown in the table below. Wairoa's Airport services operational costs are currently funded through a combination of user charges, rates, and investment income, as user charges do not cover the full operational costs of the activity. Capital costs are primarily funded through reserves and loans.

SUMMARY OF REVENUE FORECAST

Revenue Forecast	YR 1 2021/22	YR 2 2022/23	YR 3 2023/24	YR 4 2024/25	YR 5 2025/26		YR 6 2026/27	YR 7 2027/28	YR 8 2028/29	YR 9 2029/30	YR 10 2030/31	Total 10 Years
Rates												
Rates	92,432	106,100	103,035	154,134	106,365		125,442	108,159	144,694	172,339	124,671	**1,237,371**
Investment & Other												
WA0010. Interest on Airport Runway Reserve	313	681	1,058	1,444	1,839		2,243	2,657	3,080	3,512	3,954	**20,781**
Fees & Charges												
WA0002. FEES LANDING CHARGES	18,000	18,522	18,972	19,422	19,890		20,340	20,808	21,294	21,780	22,248	**201,276**
WA00061. RENT FARMLAND	13,000	13,377	24,242	24,817	25,415		25,990	26,588	27,209	27,830	28,428	**236,896**
WA0008. AIRPORT SUNDRY INCOME	500	515	527	540	553		565	578	592	605	618	**5,591**
Reserves												
Reserves	85,000	0	105,000	0	0		0	0	0	0	0	**190,000**
Loans												
Loan	0	0	0	163,500	0		0	0	0	0	0	**163,500**
TOTAL	**209,245**	**139,195**	**252,834**	**363,857**	**154,062**		**174,580**	**158,790**	**196,869**	**226,066**	**179,919**	**2,055,415**

8.3.1 IMPLICATIONS OF MEETING BUDGET LIMITATIONS

The implications of meeting budget limitations, including justification for the expenditure forecast and consequences if the budget is reduced, are summarised below.

Expenditure Programme	Justification	Consequences if Budget Reduced
Opex	To meet Levels of Service for public safety .	Failure to provide required Level of Service and deliver benefits to Wairoa Community.
	Adequate reactive maintenance to keep assets functioning.	Asset deterioration and costly repairs required.
Capital Renewals	Adequate renewals to optimise life of assets.	Asset deterioration and failure. Failure to provide required Level of Service and deliver benefits to Wairoa Community.
Capital New Works	Capital and upgrade works required to increase runway length.	Failure to provide required level of service and deliver benefits to Wairoa Community. Inability to meet future demand and requirements.

8.4 FUNDING STRATEGIES & POLICIES

The Council airport activity will be funded in accordance with the financial policies of Council as indicated below. Council has accepted that, while the airport facility is currently a financial burden, it will be retained. Alternative funding sources will be investigated for major capital and renewals works to ensure affordability of the service to

Programme	Funding Mechanism
Opex	Funded through general rates, income received from user charges and land lease.
Capital Renewals	Provided by rates and depreciation reserves.
Capital New Works	Funded by loans or external sources.

the community.
Assets are depreciated on a straight-line basis at rates estimated to write-off cost over the expected useful economic life.

8.4.1 PUBLIC BENEFIT VERSUS PRIVATE BENEFIT

Council's Revenue and Financing Policy has determined that 60% of airport costs relate to public benefit and 40% to private benefit.

The public benefit portion (60%) is funded via the general rate and includes contingent capability, long term transport options, public access and options, and emergency medical.

The private benefit portion (40%) has been funded via Council's fees and charges schedule (i.e. user charges) which sets out the fees and charges applicable to each asset that attracts them. This includes commercial opportunities in private flying, general airport users and commercial operation.

8.4.2 COMMUNITIES´ ABILITY TO PAY

The high deprivation index in some areas of the district highlights the potential for these communities to have difficulty in paying for publicly provided systems, both in terms of capital/renewal works and maintaining existing facilities to their intended standards.

If the community gets to the point where it cannot fund airport maintenance, the issue is probably one of greater importance than just this activity. There will be options for Council in terms of reducing some Levels of Service if the need arises. By way of example, the lighting system could be decommissioned and only daytime landing allowed, or, in the worst-case scenario, consideration would need to be given to closing the facility.

8.5 ASSUMPTIONS & CONFIDENCE LEVELS

8.5.1 FINANCIAL ASSUMPTIONS

The following key assumptions have been made when developing the financial forecasts:

- Estimated inflation rates have not been included in the financial data. Costs are based on current day rates
- Growth, as predicted by Council, is based upon Census 2018 findings
- Renewals and capital development assumptions have been made based on the best information currently available and may change as knowledge of the assets improves
- The activity will yield, on average, the income assumed in the financial summary
- Maintenance will be funded predominantly from general rates with the shortfall being made up from user charges
- Asset renewals will be funded from depreciation funds
- The condition of some of the assets is not well documented. Visual assessments and local knowledge has been used to date.

8.5.2 CONFIDENCE IN FINANCIAL FORECAST

Considering the assumptions made in deriving the future financial needs of the service and asset needs and the historical levels of expenditure for the activity, the reliability of the financial forecast to deliver the current Level of Service is assessed as follows.

Information Type	Degree of Confidence	Comments
Expenditure Projections	Medium	The operational projections are largely based on historical operational budgets. Renewals projections are based on limited asset age and condition data and are not considered as robust as operational expenditure costs. They do give an indication of the timing and magnitude of cost.
Asset Values	Low	Asset values are based on rough order replacement costs. A formal asset valuation was last undertaken in 2012. It has been identified that as an improvement project to revalue the airport assets.
Depreciation	Low	The assessment of useful lives and the calculation of depreciation expense are undertaken with the asset valuation.
Funding Sources	Medium	Most capital renewal expenditure will be funded by depreciation reserves. Opex is funded by rates and user charges. The funding model may change as noted above.

9. PLAN MONITORING AND IMPROVEMENT

9.1 OVERVIEW

9.1.1 ASSET MANAGEMENT PRINCIPLES

As outlined in our Council '**Introduction to Asset Management Plans'**, key principles of infrastructure asset management practice that we are guided by are:

- Providing a defined Level of Service and monitoring performance
- Managing the impact of demand changes (growth as well as decline) through demand management, infrastructure investment and other strategies
- Taking a lifecycle approach to development cost-effective management strategies for the long term that meet that defined Level of Service
- Identifying, assessing and appropriately controlling risks
- Having a long term financial plan which identifies required expenditure and how it will be funded.

Our Asset Management Policy outlines that **a 'Core' level of asset management advancement is required for the airport activity**.

The airport activity also shows a 'Developing' level of maturity in most area, and 'financial capacity rates highest. 'Monitoring sustainability' has the lowest level of maturity, indicating a need for more focus on long term service delivery.
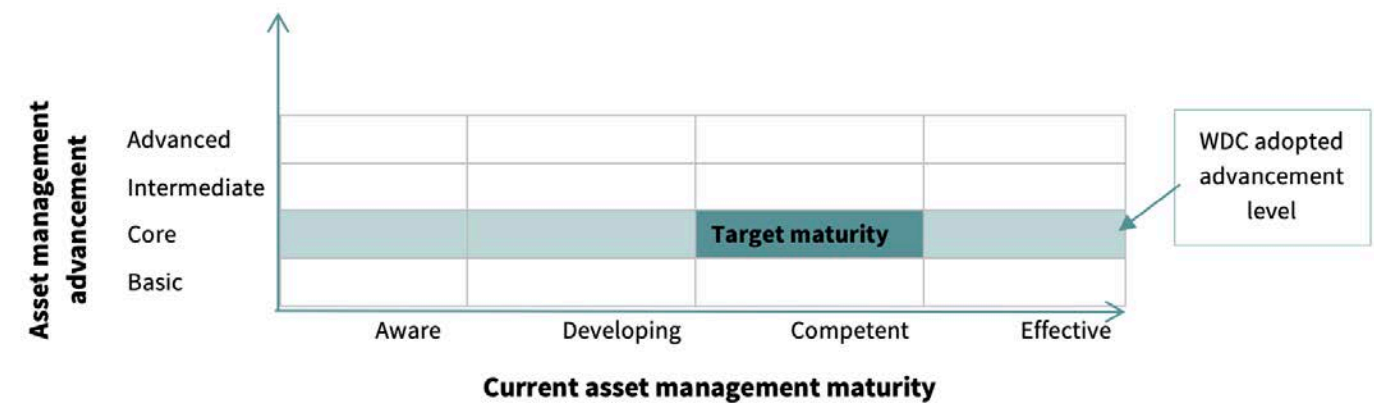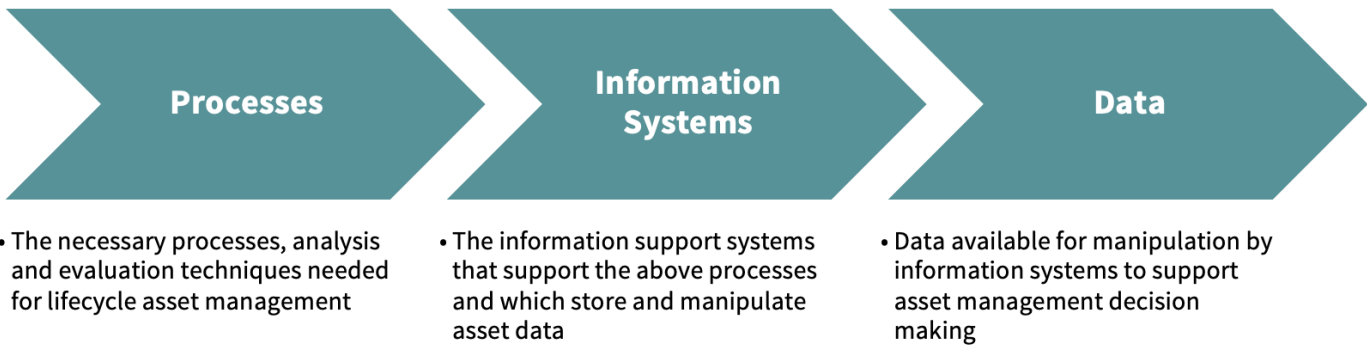

This approach is consistent with the guidance provided in the International Infrastructure Management Manual (IIMM, 2015).

Core maturity represents custodial responsibilities identified in the National Asset Management Framework and the IIMM and comprises minimum requirements on:

- Record and report on the state of all assets to the community
- Meet current statutory reporting requirements
- To enable Council through information to understand the cumulating impact of decisions
- Ensure community safety.

9.1.2 ASSET MANAGEMENT MATURITY

In early 2020, we commissioned WSP to complete a review of our asset management maturity to assess how well we are delivering on our asset management policy, to achieve a 'Core' level of asset management practice. Our aim is to become 'Competent' within our adopted level of advancement as shown below.

Key areas identified for improvement have been included in our Improvement Plan.

DESIRED LEVEL OF ASSET MANAGEMENT PRACTICES

Asset management processes need to be fit for purpose. For most aspects of the airport Activity, Core level asset management is appropriate.

9.2 ASSET MANAGEMENT PRACTICES

This section discusses the status of Council's current Asset Management practices and identifies practices the organisation wishes to use. The key Asset Management practices can be grouped into three broad areas.

- The necessary processes, analysis and evaluation techniques needed for lifecycle asset management
- The information support systems that support the above processes and which store and manipulate asset data
- Data available for manipulation by information systems to support asset management decision making

9.2.1 PROCESSES

INVESTMENT DECISION MAKING

In early 2020, we commissioned WSP to complete a review of our investment decision making processes. As part of this review a new Investment Decision Making Process has been developed for use across all Service Areas. This process includes the use of specific project 'criteria' to evaluate the relative priority of capital renewals and improvement projects. This is a form of Multi-Criteria Analysis. These criteria are meant to consistently score projects across all the things that are important to Wairoa District Council. This aids decision makers to prioritise projects for both the medium and short term.

The following four criteria have been identified for prioritising renewals and capital improvement projects:

1. **Strategic Alignment** – How strongly does this project align with Wairoa District Council's vision, community outcomes and/or strategic goals (where applicable)?

2. **Service Delivery** – How important is this project in contributing to the delivery of Wairoa District Council's core activities and services? Will it contribute to service reliability and meeting customer service level expectations?

3. **Risk & Criticality** – What is the risk to safety and service reliability if the project is not done?

4. **Financial Impact** – What is the return on investment or financial benefit? Does the project provide value for money?

Below are the factors considered for each of the four-investment decision making criteria.

Asset Group	High ✅	Medium 🟠	Low ⛔
Strategic Alignment	Strongly contributes to applicable national drivers AND community outcomes.	Some contribution with applicable national drivers AND community outcomes.	Limited contribution to national drivers OR community outcome.
Service Delivery	Will result in significant improvement in service delivery factors.	Will result in moderate improvement in service delivery factors.	Will result in minimal improvement in service delivery factors.
Risk & Criticality	Extremely/Highly critical asset in very poor/poor condition OR risk level significantly decreased.	Critical asset in poor condition OR risk level somewhat decreased.	Moderate/low critical asset in very good / good condition OR risk level remains the same or increases .
Financial Benefit	High financial benefit (e.g. High NPV for renewals). Lowest lifecycle cost option.	Moderate financial benefit when whole of life costs are considered (e.g. positive NPV for renewals).	Limited financial benefit when whole of life costs are considered (e.g. neutral NPV for renewals).

Lifecycle Management Planning & Reporting

Process	Description
Compliance Monitoring	Inspections Data collection Reporting to CAA
Operational Programming	Responding to complaints / faults – timeframes, recording details of what was done, etc. Day to day inspections Airport operations – lighting, communications, etc.
Maintenance Planning	Routine Maintenance Planning
Forward Work Programmes	Renewals planning

IMPROVEMENT ITEM – No formal processes for lifecycle management planning and reporting. Full review of lifecycle management processes to be completed and documented to ensure more proactive management of assets.

Financial Process

Process	Description
Procurement	O&M maintenance contracts. Procurement for renewals works.
Maintenance Cost Recording	Maintenance costs are currently recorded in the financial system, but are not recorded at an asset level.
Asset Valuations	Asset valuation provides the critical link between asset management and financial management. An improvement item has been included to update the asset valuation for the airport.

IMPROVEMENT ITEM: Formal asset valuation to be completed to understand financial risk and potential renewals requirements in future.

Standards & Guidelines

Work Component	Standards & Guidelines
Design	Compliance with all relevant technical standards.
Maintenance & Operations	Compliance with Council's maintenance specifications.
Materials	Selection of materials to comply with industry best practice as well as all relevant standards, contract specifications and policies.

9.2.2 INFORMATION SYSTEMS

A summary of Council's existing asset management systems and processes are shown below.

System	Description
Financial Information System	NCS is the software used as the Financial Information Systems. Long term financial decisions are based on the development of 10 year plans as part of the LTP process. These 10 year plans are updated every three years on a cycle linked to the development of this AMP.
Capital Works Programming	Estimates of project costs, timing, asset capacity and funding sources are developed using Microsoft Excel by the Property Manager with assistance from consultants and the maintenance contractor. These programmes are managed and updated by the Property Manager.
Customer Service Request (CSR) System	CSRs are raised by the public or internal departments within Council. They are forwarded onto the appropriate personnel, either Council staff or direct to the operations and maintenance contractor with the relevant response times.
Asset Risk Register	As part of the risk management framework, the asset risk register compiles specific risks and consequences to airport assets. Mitigation and intervention measures align to the asset lifecycle process and are included within future planning.

9.2.3 DATA

Types of data and information held by Council and details of existing data sets are included below. Legend indicates completeness of data set as follows:

■ No existing data set   ■ Partial data set   ■ Full data set

Type of Asset Information	Description	Existing Data Sets	Data Collection Approach
Inventory	The various attributes of the assets e.g. location, classification, asset ID number, size (width, thickness, length, etc.), type, material, date of construction, and date of major renewal or upgrades.	RAMM / AssetFinda	A formal asset inventory does not exist for the airport. Development of an asset inventory is an improvement item of this AMP.
Condition	The condition rating of each asset. This also includes the date when the condition rating was measured. The results from the various inspections that are undertaken, including what was inspected and the methodology used during inspection.	RAMM	A formal asset condition inventory does not exist for the airport. Development of an asset condition inventory is an improvement item of this AMP.
Operations & Maintenance	Information on the activities completed to ensure assets are functioning correctly, including inspections, date and type of maintenance work completed, works order prioritization and management.	No formal records	Data collected through service requests and inspections by Operations & Maintenance staff.
Utilisation	Ratio of the time a service (system or component) is functional to the total time; service capacity versus utilisation requirements.	Spreadsheet	Some information on number of landings.
Lifecycle Planning	Information on asset lifecycle processes including acquisition, commissioning and handover, renewal interventions for assets (e.g. replacement), and disposal.	AMP	A basic lifecycle plan has been developed for this AMP. However, this is not based on good information.

Type of Asset Information	Description	Existing Data Sets	Data Collection Approach
Financial	Information on costs related to build/ acquire, maintain and renew assets, e.g. design, labour, material, cost of managing contracts.	Financial system	Some historic information is available from works completion documentation.
	Asset valuation to establish current replacement and depreciated replacement costs.	AMP	An asset valuation was last undertaken in 2014, and has been escalated for this AMP.
Risk	Information on risk management related to existing assets, including data supporting risk identification, mitigation, mitigation costs.	Spreadsheet	A basic risk identification was completed as part of this AMP, however a full risk review should be completed.
Compliance	Information on how assets are meeting regulatory requirements. Tracking inspections, and certification for assets that require it.	Spreadsheet	Wairoa District Council report flight numbers to CAA.
Performance	Information on how assets are performing in terms of meeting defined Levels of Service and asset management objectives.	No formal records	Levels of service have been measured and reported.

9.3 IMPROVEMENT MONITORING

The AMP is a living document and needs to be kept current and relevant. It is recognised that prioritises will change which makes review activities even more important to ensure this plan is a live document. The following review activities will be undertaken.

Frequency	Review Task	Action	Document/Report	Audience
Three Yearly	AMP Development (including Peer Review)	Formally review to assess adequacy and effectiveness Formal adoption of the plan by Council	Airport Activity Management Plan	Property Manager, Transport Asset Manager, Community Services & Assets Manager, LTP team, Council and Audit New Zealand
Annually	AMP Improvement Plan Review (internal)	Tracking the progress of implementing the improvement programme	Internal report	Property Manager, Transport Asset Manager and Community Services & Assets Manager

9.4 IMPROVEMENT PLAN

A key feature in Council's Asset Management system is continuous improvement. This is essential to ensure the asset management system and services are effectively managed. Through the initiatives presented in this section, Council is committed to appropriate asset management practices. Council is committed to delivering the most appropriate Levels of Service balanced with affordability and good industry practice.

Details of future improvements required and a timeframe for these improvements is included in the table below. Implementation of this Improvement Plan will also provide a framework from which the AMP can be developed to meet all the requirements of a core asset management system.

Key improvement programmes and associated projects have been developed through a review of the gaps in developing this AMP and issues identified. The three year improvement programme is summarised below.
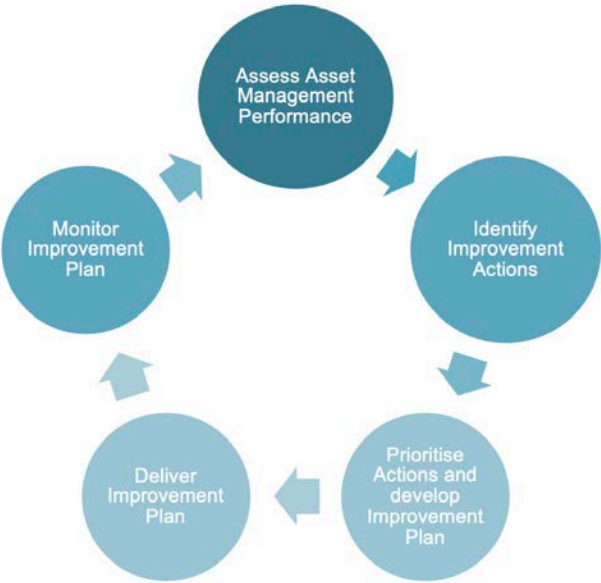
9.4.1 PLAN IMPROVEMENT AND MONITORING

The table below details the improvements for the airport activity identified through this AMP.

Improvement Area	Item No.	Description	Action	Resource	Indicative Timeline	Estimated Cost	Priority	Status
Strategic Planning / Future Demand	1	Engagement with Key Users	Regular engagement should be completed and recorded with customers to understand issues and requirements (current and future) to inform decision making. Particular focus should be given to engagement with HBDHB it's medical service providers. Gaps between the Levels of Service and customers should be identified and options to close the gaps considered. The purpose of each landing should be recorded in the landing register to better understand airport usage. Engage regularly with airport users, particularly medical service providers to better understand demand and the adequacy of the airport service.	Transport Manager / Property Manager	Ongoing		High	
Levels of Service	3	Review Levels of Service	A review of the Levels of Service for the airport activity should be completed to ensure the Levels of Service and performance measures are appropriate and driving the best outcomes for the assets and activity.	Transport Manager / Property Manager	2022/23		Medium	
Asset Performance	4	Asset Condition Assessments	A condition assessment programme should be developed and implemented. Condition should be recorded in the asset database, and be used to inform and update the forward works programme.	External consultant	2021/22	$5,000	High	
	5	Pilot Activated Lighting Review	Further review of Pilot-Activated-Lighting (PAL) system to ensure Council has full understanding of operational capabilities and can communicate these to users.	External consultant	2021/22	$5,000	High	
Risk Management	6	Risk Register Review	There is a need for full review of the Airport Risk Register to ensure risk issues have been adequately identified and ensure that current high risks are still relevant.	Transport Manager / Property Manager	2021/22		High	
Life Cycle Management	7	Asset Data Collection & Storage	A formal asset register should be developed and incorporated in to Council's property asset data system, AssetFinda.	Transport Manager / Property Manager	2021/22		High	
	8	Asset Valuation	A formal asset valuation was last undertaken in 2012. A formal asset valuation should be undertaken prior to development of the next AMP.	External consultant	By 2023/24	$10,000	Medium	

Improvement Area	Item No.	Description	Action	Resource	Indicative Timeline	Estimated Cost	Priority	Status
Life Cycle Management	9	Maintenance & Operations Programming	Proactive process to be developed for regularly programming maintenance including maintenance of buildings, fences, grassed areas, navigation equipment, the runway and apron area, and drainage maintenance.	Transport Manager / Property Manager	2021/22		High	
	10	Lifecycle Management Processes	No formal processes for lifecycle management planning and reporting. Full review of lifecycle management processes to be completed and documented to ensure more proactive management of assets.	External consultant	2022/23	$5,000	High	

This glossary is generally consistent with the International Infrastructure Management Manual's (2011) glossary which contains a larger range of items. The following terms and acronyms (in brackets) may be used in this asset management plan.

Activity	An activity is the work undertaken by Council to support and/or deliver services to the community. In the context of infrastructural assets, it is the work undertaken on an asset or group of assets to achieve a desired outcome.
Advanced Asset Management	Asset management, which employs predictive modelling, risk management and optimised renewal decision-making techniques to establish asset life cycle treatment, options and related long term cashflow predictions.
Annual Plan	The Annual Plan provides a statement of the direction of Wairoa District Council and ensures consistency and co-ordination in both making policies and decisions concerning the use of Wairoa District Council resources. It is a reference document for monitoring and measuring performance for the community as well as Council itself.
Asset	A physical component of a facility, or a collective or network of physical assets, which has value, enables services to be provided and has an economic life of greater than 12 months.
Asset Inventory/Register	A record of asset information considered worthy of separate identification including inventory, historical, condition, construction, technical and financial information.
Asset Management (AM)	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required Level of Service in the most cost-effective manner.
Asset Management Plan (AMP)	A plan developed for the management of one or more infrastructure assets that combines multi-disciplinary management techniques (including technical and financial) over the life cycle of the asset in the most cost-effective manner to provide a specified Level of Service. A significant component of the plan is a long term cash flow projection for the activities.
Asset Management System	A system (usually computerised) for collecting, analysing and reporting data on the utilisation, performance, life cycle management and funding of existing assets.
Asset Management Team	The co-ordinator or team appointed by an organisation to review and monitor the corporate asset management improvement programme and ensure the development of integrated asset management systems and plans consistent with organisational goals and objectives.
Capital Expenditure (CapEx)	Expenditure used to create new assets or to increase the capacity of existing assets beyond their original design capacity or service potential. CapEx increases the value of an asset. Expenditure falls into two main categories operational (or expensed) cost and CapEx.
Components	Specific parts of an asset having independent physical or functional identity and having specific attributes such as different life expectancy, maintenance regimes, risk or criticality.
Condition Monitoring	Continuous or periodic inspection, assessment, measurement and interpretation of resulting data, to indicate the condition of a specific component so as to determine the need for some preventive or remedial action.
Core Asset Management	Asset management which relies primarily on the use of an asset register, maintenance management systems, job/resource management, inventory control, condition assessment and defined Levels of Service, in order to establish alternative treatment options and long term cashflow predictions. Priorities are usually established on the basis of financial return gained by carrying out the work (rather than risk analysis and optimised renewal decision making).
Council	Wairoa District Council.
Critical Assets	Assets for which the financial, business or service level consequences of failure are sufficiently severe to justify proactive inspection and rehabilitation. Critical assets have a lower threshold for action than non-critical assets.
Depreciated Replacement Cost (DRC)	The replacement cost of an existing asset after deducting an allowance for wear or consumption to reflect the remaining economic life of the existing asset.

Depreciation	The wearing out, consumption or other loss of value of an asset whether arising from use, the passing of time or obsolescence through technological and market changes. It is accounted for by the allocation of the historical cost (or revalued amount) of the asset less its residual value over its useful life.
Disposal	Activities necessary to dispose of decommissioned assets.
Economic Life	The period from the acquisition of the asset to the time when the asset, while physically able to provide a service, ceases to be the lowest cost alternative to satisfy a particular Level of Service. The economic life is at the maximum when equal to the physical life, however, obsolescence will often ensure that the economic life is less than the physical life.
Facility	A complex comprising many assets (e.g. a hospital, wastewater treatment plant, recreation complex, etc.) which represents a single management unit for financial, operational, maintenance or other purposes.
IIMM	International Infrastructure Management Manual.
Level of Service (LOS)	The defined service quality for a particular activity (e.g. Wairoa Airport) or service area (e.g. playgrounds) against which service performance may be measured. LOS usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.
Life	A measure of the anticipated life of an asset or component, such as time, number of cycles, distance intervals etc.
Life Cycle	Life cycle has two meanings: a) The cycle of activities that an asset (or facility) goes through while it retains an identity as a particular asset i.e. from planning and design to decommissioning or disposal b) The period of time between a selected date and the last year over which the criteria (e.g. costs) relating to a decision or alternative under study will be assessed.
Life Cycle Cost	The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
Long Term Plan (LTP)	The LTP provides a formal and public statement of Council's intentions regarding the airport activity over a period of not less than 10 consecutive financial years and provides for more community vision for the district.
Maintenance	All actions necessary for retaining an asset as near as practicable to its original condition, but excluding rehabilitation or renewal.
Maintenance Standards	The standards set for the maintenance service, usually contained in preventive maintenance schedules and specifications, operation and maintenance manuals, codes of practice, estimating criteria, statutory regulations and mandatory requirements, in accordance with maintenance quality objectives.
National Asset Management Steering Group (NAMS)	A local government initiative, this group is responsible for the International Infrastructure Management Manual (IIMM), also known as the NAMS Manual.
New Work	Works that create new assets or increase the capacity of existing assets beyond their original design capacity or service potential. New work increases the value of the asset.
Objective	An objective is a general statement of intent relating to a specific output or activity. It is generally a longer term aim and is not necessarily an outcome that managers can control.
ODRC	Optimised depreciated replacement cost – the depreciated value of the optimised replacement cost – is used in determining optimised depreciated value.
ORC	Optimised replacement cost – the cost of replacing an existing asset with a more appropriate, less expensive alternative – is used in determining the replacement value.
Operation	The active process of utilising an asset that will consume resources such as manpower, energy, chemicals and materials. Operation costs are part of the life cycle costs of an asset.
Renewal	Works to upgrade, refurbish, rehabilitate or replace existing facilities with facilities of equivalent capacity or performance capability.
Repair	Action to restore an item to its previous condition after failure or damage.

Replacement	The complete replacement of an asset that has reached the end of its life, so as to provide a similar, or agreed alternative, Level of Service.
Risk Management	The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.
Strategic Plan	Strategic planning involves making decisions about the long term goals and strategies of an organisation. Strategic plans have a strong external focus, cover major portions of the organisation and identify major targets, actions and resource allocations relating to the long term survival, value and growth of the organisation.
Upgrading	The replacement of an asset or addition/replacement of an asset component, which materially improves the original service potential of the asset.
Valuation	Estimated asset value, which may depend on the purpose for which the valuation is required, i.e. replacement value for determining maintenance levels or market value for life cycle costing.

APPENDICES

APPENDIX 1: RISK REGISTER

Risk	Cause	Gross Risk Analysis				Mitigation Strategies	Status Update	Overall Residual Risk Analysis				How will risk and Control be Monitored			Date updated
		Likelihood	Impact/ Consequences	Gross Risk	Risk Assessment			Likelihood	Impact	Residual Risk	Risk Assessw	Department	Owner	Frequency of Review	
Service provision does not match airport users desired Level of Service and ability to pay.	Insufficient knowledge of airport users desires resulting in inappropriate targets.	3	2	6	M	Develop consultation process / plan.		1	11	2	L	Transport / Property	Transport Asset Manager & Property Asset Manager		
	Insufficient knowledge of what services are currently being delivered to the airport users.					Establish review process									
	Insufficient knowledge of what the airport users can/will pay for desired service.					Develop consultation process / plan.									
	No awareness of alternative funding mechanisms.					Resourcing Plan									
	Insufficient resources to 'hook in to' funding mechanisms (time, cost, expertise).					Resourcing Plan									
Council does not meet it's requirements under relevant legislation, regulations consent conditions and bylaws.	Inadequate maintenance and renewals fails to address deterioration of infrastructure resulting in unsafe facilities / conditions.	3	4	12	H	Implement condition assessment programme		2	4	8	H	Transport/ Property	Transport Asset Manager & Property Asset Manager		
	Insufficient knowledge of legislation (outside of consent conditions) that relates to the activity (OSH etc) or failure to monitor for change.					Engage regularly with CAA, Airways and other specialists to ensure compliance									
	Failure to identify changes required by changing Council bylaws.					Ensure engagement with other Council processes									
	Insufficient funding for monitoring activities.					Allocate sufficient funding in budgets									
	Lack of technical expertise to provide planning/design resulting in absence of or inappropriate planning/design knowledge to verify compliance.					Engage with consultants to support in-house resourcing									
	Lack of labour resource to implement required changes and/or maintain standard					Utilise Contractors and Consultants to support Council in-house team									
	Breakdown in communication between parties results in compliance failure.					Engage regularly with CAA, Airways and other specialists to ensure compliance									
Inadequate strategic programming of renewals and preventative maintenance fails to ensure long term sustainability of the assets.	Incorrect demand projections (increase).	3	2	6	M	Engage with airport users regularly. Monitor airport landing data for trends.		2	2	4	L	Transport / Property	Transport Asset Manager & Property Asset Manager		

Risk	Cause	Gross Risk Analysis				Mitigation Strategies	Status Update	Overall Residual Risk Analysis				How will risk and Control be Monitored			Date updated
		Likelihood	Impact/ Consequences	Gross Risk	Risk Assessment			Likelihood	Impact	Residual Risk	Risk Assessment	Department	Owner	Frequency of Review	
Inadequate strategic programming of renewals and preventative maintenance fails to ensure long term sustainability of the assets.	Incorrect demand projections (reduction).	3	2	6	M	Engage with airport users regularly. Monitor airport landing data for trends.		2	2	4	L	Transport / Property	Transport Asset Manager & Property Asset Manager		
	Asset inventory incomplete resulting in deterioration or loss of assets.					Establish plan for periodic review of inventory.									
	Absence of or inaccurate asset condition information resulting in inappropriate maintenance or renewal.					Establish plan for periodic condition assessment.									
	Absence of or inaccurate asset valuation information resulting in inappropriate depreciation values.					Establish plan for periodic valuation review.									
Preventative maintenance, renewals and other programmed and reactive works are not completed on time and within budget.	Insufficient funding available for completion of required activities resulting in escalated deterioration.	3	2	6	M	Ensure robust forecasting. Consider alternative funding sources.		2	2	4	L	Transport/ Property	Transport Asset Manager & Property Asset Manager		
	Lack of technical expertise to provide planning/design resulting in absence of or inappropriate planning/design.					Develop risk based (prioritised) asset management plan.									
	Lack of labour resource to implement required changes and/or maintain standard.					Utilise Contractors and Consultants to support Council in-house team.									
	Inadequate planning for the implementation of the annual program.					Early enagement with Contractors to progamme works.									
	Inadequate monitoring of staff, consultants, and contractors results maintenance and renewals not being completed.					Ensure appropriate monitoring. Engage consultants and contractors to support in-house team if required.									
Airport users are not satisfied with the overall Level of Service provided.	Insufficient knowledge of airport users desires resulting in inappropriate targets.	3	3	9	H	Develop consultation process / plan.		2	3	6	M	Transport/ Property	Transport Asset Manager & Property Asset Manager		
	Insufficient knowledge of what services are currently being delivered to airport users.					Establish review process.									
	Incomplete knowledge of the airport users' perception of delivered service.					Develop consultation process / plan.									
	Inadequate information supplied to airport users resulting in an inability to determine value.					Develop education plan i.e. Engineering Department Newsletter and local newspaper articles.									
Emergency planning is insufficient to allow airport operation during an emergency	Inadequate emergency planning and risk/critical asset identification. Inadequate contingency planning.	2	4	8	H	Develop contingency plans due to possibility that an earthquake event will also affect other modes of transport into the area.		2	3	6	M	Transport / Property	Transport Asset Manager & Property Asset Manager		

SEE THE WHOLE PICTURE

WAIROA DISTRICT COUNCIL