



**Annual Report for the period  
1 July 2022 - 30 June 2023**

## 1. Introduction

This report is for Quarter 4 (1 April 2023 to 30 June 2023) of Financial Year 2022-2023. The report is presented by Papa Rererangi i Puketapu Ltd (PRIP) in accordance with the requirements of Sections 64 and 65 of the Local Government Act 2002 referencing the company's Statement of Intent and PRIP's monitoring and reporting requirements.

## 2. Purpose and Objectives

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

PRIP's primary objectives are to:

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

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

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

## 3. Shareholder Relationship and Agreements

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

- Service Level Agreement
- Loan Facility Agreement
- General Security Deed
- Intergroup Asset Transfer
- Deed of Lease of Airport Land

## **4. Board Chair and Chief Executive's Report**

### **Summary**

The final quarter of Financial Year 2022-2023 saw a continuation of the post COVID-19 recovery. Airline passenger numbers were back to pre-pandemic levels, excluding JetStar who exited the New Plymouth Market in 2019, and all other financial metrics exceeded forecast.

This has enabled PRIP to restart the capital programme which had been paused while the organisation managed its way through the past three years. A number of capital works are currently in the planning phase with FY2024 shaping up as a busy year.

PRIP is also in the process of evaluating revenue generating opportunities. A proposed solar farm on the ex-Western property is currently in the feasibility stage and PRIP is encouraged by this opportunity.

PRIP's relationship with Puketapu Hapū continues to build with regular meetings and collaboration regarding future master planning now taking place.

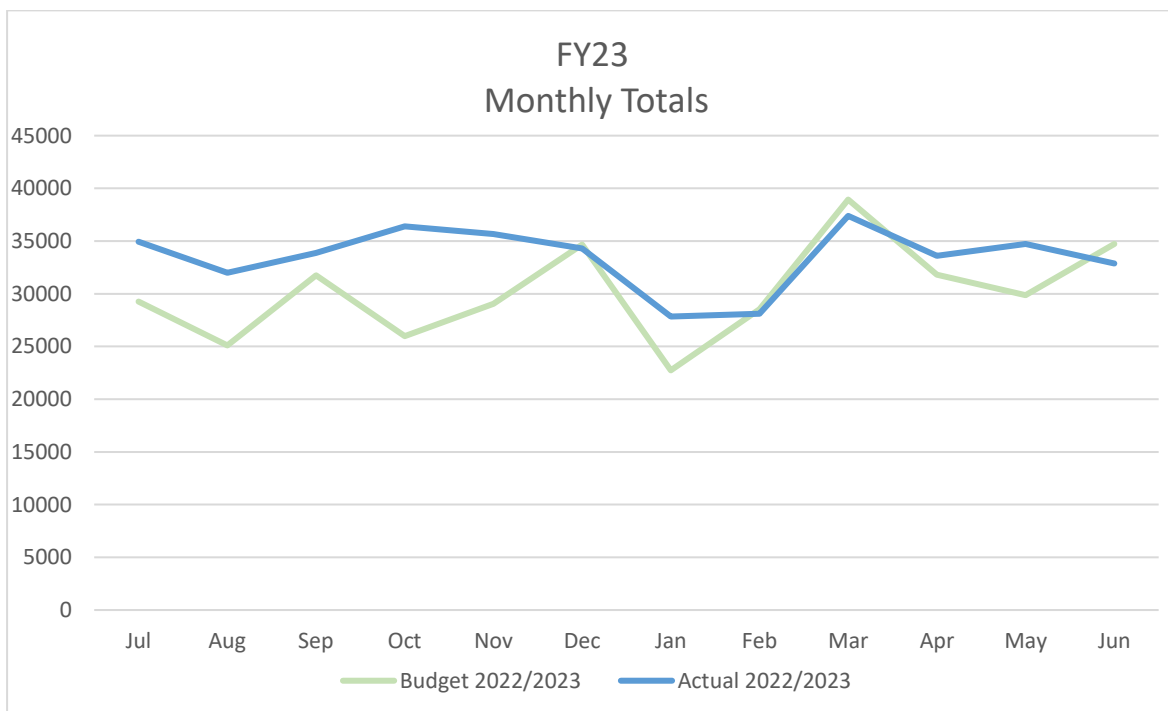
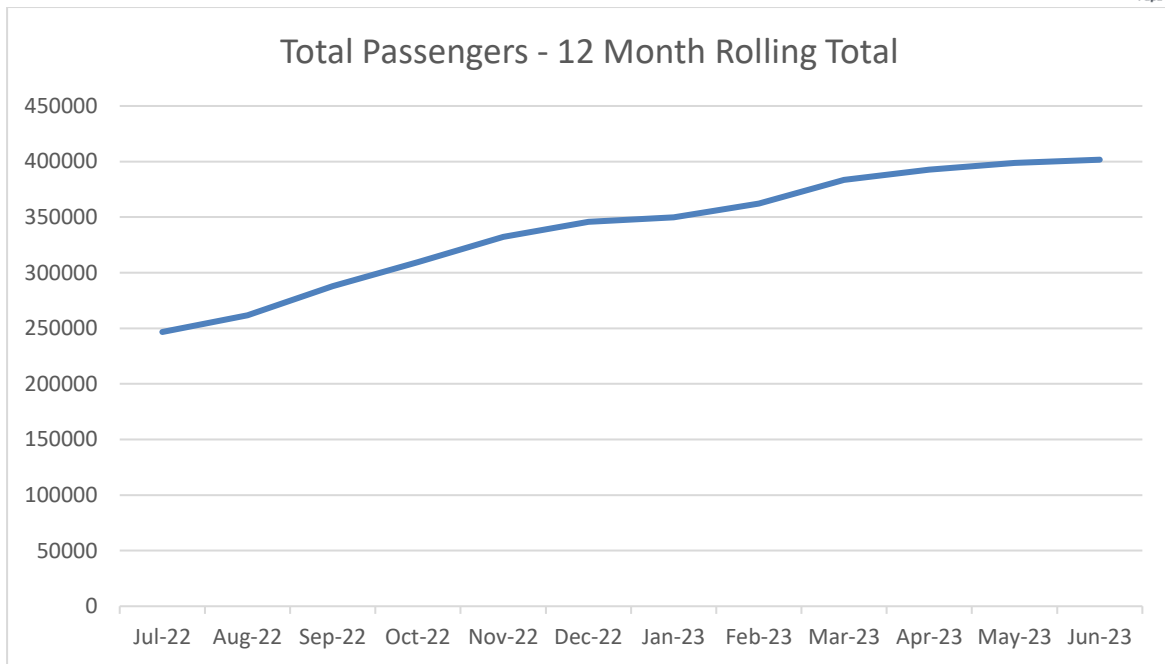
In April 2023, Elected Members adopted Council Officers' recommendation to reappoint Philip Cory-Wright and Chris Myers for a further term of 3 years until 30 June 2027. The other PRIP Directors, Rachel Farrant and Shelley Kopu were reappointed in December 2021 with terms expiring in December 2024.

## **5. Operational Report**

### **Passenger Numbers**

Airline passenger numbers finished the financial year at 401,686. This was 10% above the original forecast and a very pleasing result. The passenger recovery has happened more quickly than anticipated and this has helped to drive a strong financial result.

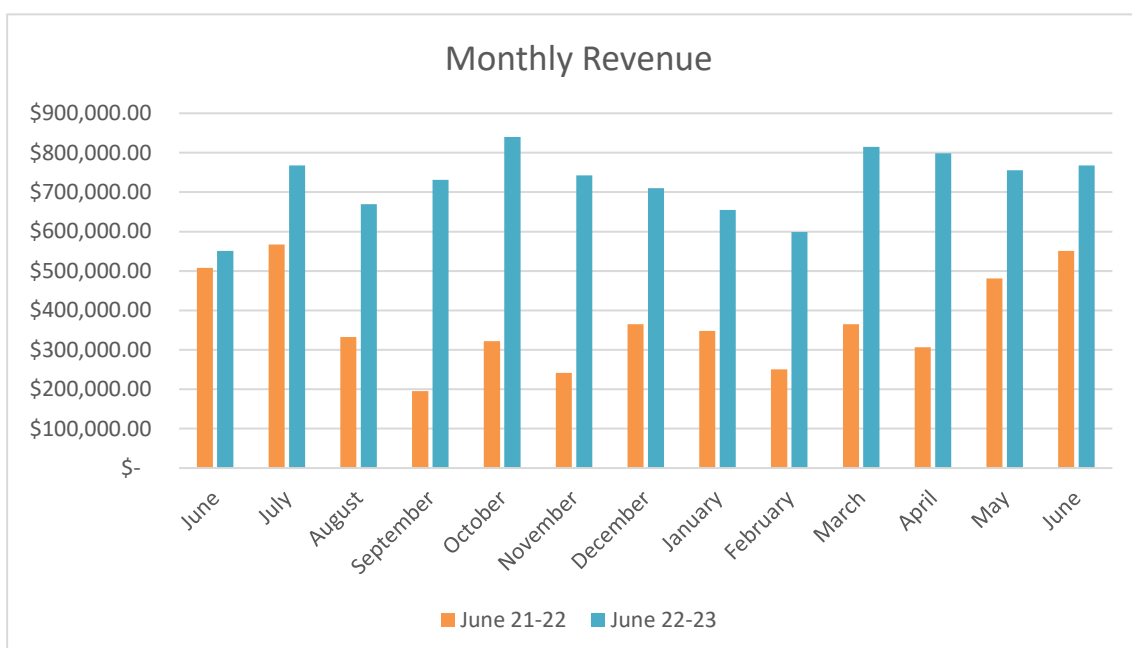
This growth is forecasted to continue, and with Air New Zealand recently announcing additional capacity, this is good news for the travelling community.

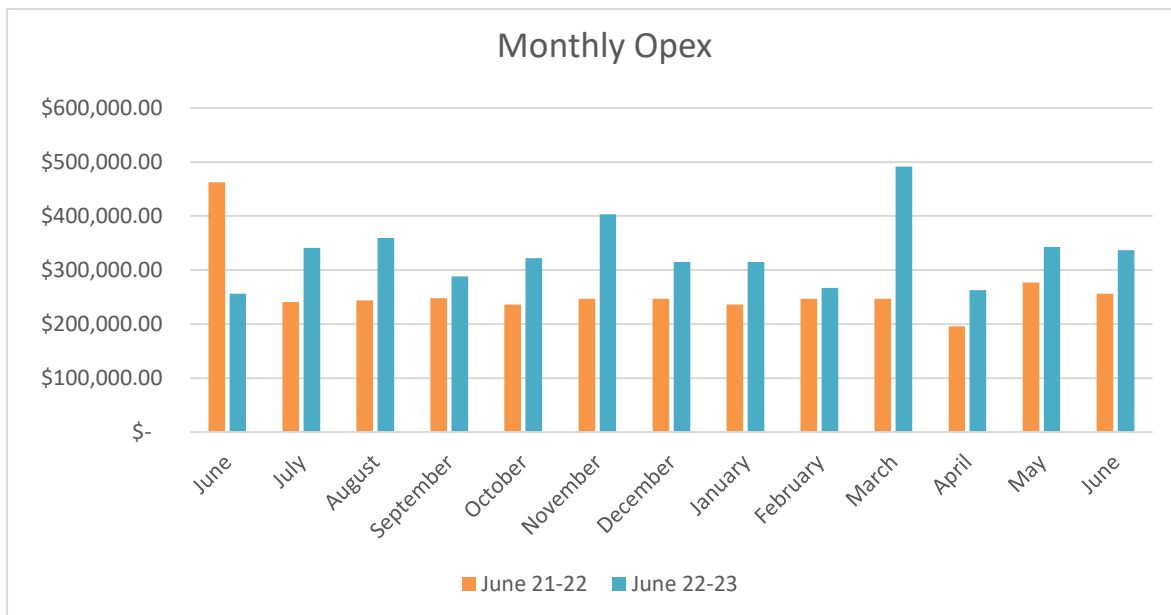


## 6. Financial Summary

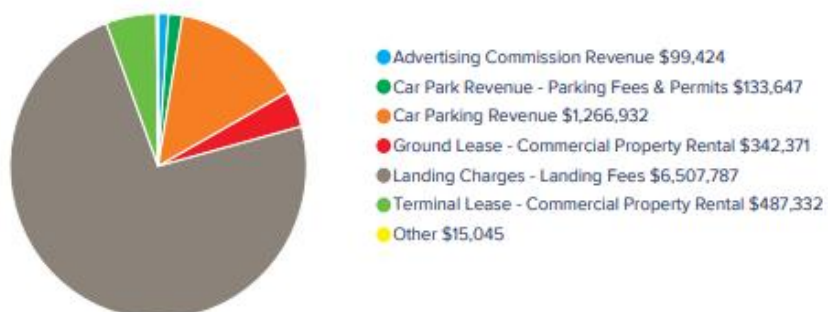
Strong passenger numbers aided the post COVID-19 recovery with PRIP posting a Net Profit before tax of \$2.241 million, well above budget. After three years of disruption, it is pleasing that all of the related businesses of car parking, tenants and cafés have benefited from the strong passenger volumes.

<u>Year End at 30th June 2023</u>			
	YTD Actual	YTD Budget	Previous YTD actual
Operating revenue	\$ 8,852,567	\$ 7,777,000	\$ 4,632,278
Operating expenditure	\$ 3,994,000	\$ 3,803,000	\$ 3,328,000
EBITDA	\$ 4,858,567	\$ 3,974,000	\$ 1,304,278
Depreciation & interest	\$ 2,592,667	\$ 2,451,000	\$ 2,303,000
Net profit (Loss) before tax	\$ 2,265,900	\$ 1,523,000	-\$ 998,722





#### TOP REVENUE CONTRIBUTORS



## 7. Capital projects

The return to profitability has enabled PRIP to restart its capital programme. Below is a summary of capital projects that are currently in the advanced planning stage or currently underway. The next 12 months shapes as a busy time with a number of projects due for completion. In addition PRIP continues to look for income diversification opportunities. In particular, the solar farm on the ex-Western property has progressed encouragingly. PRIP is committed to a thorough analysis of a solar farm and whether or not it will be a viable opportunity for New Plymouth Airport.

### a) Landside redevelopment.

PRIP is looking to redevelop its landside infrastructure and has issued an ROI to interested parties. The responses are currently being evaluated. These will address how future carparking and the coastal walkway can be integrated into the airport precinct.

### b) Ticketless Parking

A new ticketless parking system will be installed and commissioned in the first quarter of FY 2024.

### c) Solar opportunity

PRIP is in the final stages of a detailed feasibility study to evaluate a solar farm on the ex- Mary Western property adjacent to the airport. While there are still a number of steps to determine the overall viability of a solar farm, PRIP is confident a significant opportunity exists to provide renewable energy that will help the airport with its energy requirements moving forward. PRIP is anticipating being able to present a financial investment decision by the end of calendar year 2023 with construction starting towards the end of 2024.

### d) Runway Upgrade

The runway overlay project is in detailed design phase and a contract has been entered into. Works are scheduled for February-March 2024.

## 8. Sustainability

### American Carbon Accreditation (ACA) Level 2 certification

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

New Plymouth Airport has achieved the ACA Level 2 and is now looking at what is involved to achieve Level 3.



## 9. Stakeholder relations

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

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

PRIP will continue to build upon the strong relationship with Puketapu Hapu that have developed over the past six years and, in particular, during the Airport Terminal Redevelopment project.

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



