



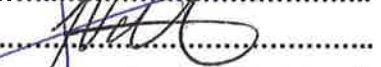

# **Tasman District Council**

# **Aerodromes Activity Management Plan**

**2012 - 2022**

**July 2012**

### Quality Assurance Statement

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**For full Quality Assurance Statement, Refer Appendix Z**

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## 1 KEY ISSUES FOR THE AERODROMES ACTIVITY

The most important issues relating to the aerodromes activity are shown below in Table 1-1.

**Table 1-1: Key Issues for the Aerodromes Activity**

Key Issue	Council Approach
Council's aerodromes are not self funding.	<p>The Motueka and Takaka aerodromes are relatively small operations and, therefore, do not benefit from economies of scale. It is difficult to manage the income and costs so that these activities do not require rating support.</p> <p>Council has considered options for reducing the general rate requirement for the Motueka and Takaka aerodromes, and has reviewed the work programme and levels of service for the aerodromes. The objective is for these facilities to be operated without support from general rates over the medium term.</p> <p>Changes include:</p> <ul style="list-style-type: none"> <li>• Increasing income from the aerodromes</li> <li>• Delaying a number of capital programmes including electricity and wastewater reticulation from the Motueka Aerodrome Activity Management Plan.</li> <li>• Consideration, if necessary, of lower levels of service.</li> </ul>
The users expectations for the Takaka aerodrome are unaffordable	Review funding option and income to determine if it is commercially viable to upgrade the Takaka aerodrome cross-runway. Consider, if necessary, of lower levels of service.

## 2 ACTIVITY DESCRIPTION

### 2.1 What We Do

The aerodromes activity encompasses the provision and maintenance of two aerodromes at Motueka and Takaka.

A complete description of the assets included in the aerodromes activity is in Appendix B.

### 2.2 Why We Do It

Aerodromes have a public value, Council's ownership and management ensures the assets are retained for the community.

### 3 COMMUNITY OUTCOMES AND OUR GOAL

The community outcomes that the aerodromes activity contributes to most are shown in Table 3-1.

**Table 3-1: Community Outcomes**

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique natural environment healthy and protected.	All aerodromes can be managed so the impacts of any effects do not affect the health and cleanliness of the receiving environment.
Our urban and rural environments are pleasant, safe and sustainably managed.	The aerodromes activity ensures our built urban environments are functional, pleasant and safe by ensuring the aerodromes are operated without causing public health hazards and by providing attractive recreational and commercial facilities.
Our infrastructure is safe, efficient and sustainably managed.	The aerodromes provide commercial and recreational facilities to meet the community needs at an affordable level and are available to the whole community. The facilities are also sustainably managed.

#### 3.1 Our Goal

We aim to provide the level of service that the customer wants and is prepared to pay for and in a manner that minimises conflict with the community.

## **4 OPERATIONS, MAINTENANCE AND RENEWALS STRATEGY**

### **4.1 Operations and Maintenance**

Council's strategy is to maintain the aerodromes and associated runways and navigational aids, as well as any Council owned buildings suitable for lease income, so that the aerodromes provide an aviation facility suitable for the recreational and commercial users at the least long term cost to Council. Council expects Motueka Aerodrome to work towards being able to operate without a rates contribution.

For Motueka, the grass runways, taxiways, inspections and vegetation control of all sealed runways and grass environments are managed through a competitively tendered three year maintenance contract. A new contract was awarded to Sicon Contracting Ltd commencing 1 September 2011. All other reported minor maintenance of sealed runways and carpark areas is undertaken as required by selected contractors.

For Takaka, the local committee instruct selected contractors to undertake the work on an as required basis within the limits of their delegated authority.

Operation and maintenance is discussed in detail in Appendix E.

### **4.2 Renewals**

Renewal expenditure is major work that does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original capacity. Work over and above restoring an asset to original capacity is new works expenditure.

Assets are considered for renewal as they near the end of their effective working life, or where the cost of maintenance becomes uneconomical and when the risk of failure of critical assets is sufficiently high.

The renewal programme has been developed by the following.

- Taking the asset age and remaining life predictions from the valuation database, calculating when the remaining life expires, field validation of the current condition, and converting that into a programme of replacements based on current unit rates.
- Reviewing and justifying the renewals forecasts using the accumulated knowledge and experience of asset operations and asset management staff.

The renewal programme is reviewed in detail during each Activity Management Plan (AMP) update (ie. three yearly), and every year the annual renewal programme is reviewed and planned with the input of the maintenance contractor and consultant.

The Council proposes to maintain the existing level of service provided to the aerodrome users and the lessees to meet at least the existing needs.

Resurfacing of car parks and runways will typically be undertaken by Council's resurfacing contractor who is engaged to undertake sealed road resurfacing throughout the district. Packaging the work in this way is an efficient way of engaging an experienced contractor at competitive rates. The resurfacing contractor is required to comply with the various NZ Transport Agency (NZTA) standards for chip sealing, asphaltic concrete and markings. The layout of markings will be in accordance with the Civil Aviation Authority (CAA) requirements.

Renewals are discussed in detail in Appendix I.

## **5 EFFECTS OF GROWTH, DEMAND AND SUSTAINABILITY**

### **5.1 Population Growth**

A comprehensive Growth Demand and Supply Model (GDSM or growth model) has been developed to provide predictive information for population growth and business growth, and from that, information about dwelling and building development across the district and demand for infrastructure services. The Growth Demand and Supply Model underpins the Council's long term planning through the Activity Management Plans, Long Term Plans (LTPs) and supporting policies (eg. Development Contributions Policy).

The 2011 Growth Demand and Supply Model is a third generation growth model with previous versions being completed in 2005 and 2008.

Population growth within the district does not have a direct effect on the aerodromes activity. Therefore the Growth Demand and Supply Model outputs are not directly relevant to this activity. However, population growth generally leads to intensification of the use of existing facilities for recreation and commercial development of the aerodromes. The potential effects of this on the aerodrome activities are:

- increased use of aerodrome facilities for recreation
- possible need for further development of ancillary infrastructure to serve new facilities.

It is anticipated that there is sufficient capacity within the existing aerodrome assets to cater for the population growth. There are no growth related projects included in the 20 year forecast.

### **5.2 Implications of Legislative Change**

Council strive to meet the Civil Aviation Authority standards when managing the aerodromes; however it is not a requirement of Council to do so as the aerodromes are not certified with the Civil Aviation Authority. The Civil Aviation Authority are considering changing both Motueka and Takaka to certified aerodromes, this will result in increased expenditure to ensure compliance with the Civil Aviation Authority regulations for certified aerodromes.

Changes to aerodrome activity policies may be driven from a number of directions. They could be internally driven – greater emphasis on the objective of self supporting, or externally eg changes driven by national organisations such as the Civil Aviation Authority.

Growth and demand for the aerodromes activity is discussed in detail in Appendix F.

### **5.3 Sustainability**

The Local Government Act 2002 requires local authorities to take a sustainable development approach while conducting its business, taking into account the social, economic and cultural well-being of people and communities, the need to maintain and enhance the quality of the environment and the reasonably foreseeable needs of future generations.

Sustainable development is a fundamental philosophy that is embraced in Council's Vision, Mission and Objectives, and that shapes the community outcomes. The levels of service and the performance measures that flow from these inherently incorporate the achievement of sustainable outcomes.

Many of the Council's cross-organisational initiatives are shaped around community well-being (economic, social, cultural and environmental) and take into consideration the well-being of future generations. This is demonstrated in:

- Council's Integrated Risk Management approach which analyses risks and particularly risk consequences in terms of community well-being
- Council's Growth Demand and Supply Model which seeks to forecast how and where urban growth should occur taking into account opportunities and risks associated with community well-being
- Council adopting a 20 year forecast in the Activity Management Plans to ensure the long term financial implications of decisions made now are considered.



At the activity level, a sustainable development approach is demonstrated by the following:

- ensuring minimal impact on the environment by the activity
- ensuring that the district's likely future aerodrome requirements are identified at an early stage and that they, and the financial risks and shocks, are competently managed over the long term without the Council having to resort to disruptive revenue or expenditure measures.

## 6 LEVEL OF SERVICE AND PERFORMANCE MEASURES

The following table summarises the levels of service and performance measures for the aerodromes activity. Development of the levels of service is discussed in detail in Appendix R. Shaded rows are the levels of service and performance measures to be included in the Long Term Plan.

**Table 6-1: Levels of Service**

ID	Levels of Service (we provide)	Performance Measure (We will know we are meeting the level of service if...)	Current Performance (as at end Yr 2 2010/11)	Future Performance			Future Performance (targets) in Years 4 - 10
				Year 1	Year 2	Year 3	
<b>Community Outcome: Our urban and rural environments are pleasant, safe and sustainably managed.</b>							
1	<b>Our aerodromes are operated in a safe manner.</b>	Our aerodromes are managed in accordance with CAA requirements. As measured through a CAA audit.	<b>Actual = 100%</b>	100%	100%	100%	100%
2		The glide path for planes is free of obstructions, as determined by CAA.	<b>Actual = 100%</b>	0 non - compliances	0 non - compliances	0 non - compliances	0 non - compliances
<b>Community Outcome: Our infrastructure is safe, efficient and sustainably managed.</b>							
3	<b>Faults in the aerodromes system are responded to and fixed promptly.</b>	We respond to Customer Service Requests on our aerodromes within the timeframes we have agreed with our suppliers and operators, and within the available funding.	<b>Actual = 100%</b>	100%	100%	100%	100%

## 7 CHANGES MADE TO ACTIVITY OR SERVICE

Table 7-1 summarises the key changes for the management of the aerodromes activity since the 2009 AMP.

**Table 7-1: Key Changes**

Key Change	Reason for Change
Motueka and Takaka aerodromes are managed by the Manager Property Services with the support of Council's engineering staff.	Council has adopted a management approach that is consistent for both aerodromes.
Development of Emergency Plan, Management Plan, and Development Plan for Motueka aerodrome.	Development of these plans is fundamental to the operation and management of the aerodrome.
Planned development of a management strategy and associated plans for Takaka aerodrome.	Development of the strategy and plans will be fundamental to the operation and management of the aerodrome.
The Enterprise Sub Committee has been dissolved and the aerodromes activity now reports to Council's Corporate Services.	Council considers that the activity is better managed and results in a better decision making process by allowing direct reporting to Corporate Services.

## 8 KEY PROJECTS

Table 8-1: Significant Projects Table 8-1 details the key capital and renewal work programmed for years 2012 to 2022.

**Table 8-1: Significant Projects**

Project Name	Description	Year 1 (\$)	Year 2 (\$)	Year 3 (\$)	Year 4 to 10 (\$)	Project Driver <sup>1</sup>
Takaka Sealed Runway Reseal	Runway resurfacing and remarking.	0	0	0	75,000	R
Motueka Grass Runway Rehab	Grass runway rehabilitation (smoothing).	0	0	30,000	0	R
Motueka New Carpark Construction	Construction of a new carpark off Marchwood Park Road.	0	0	0	40,000	LoS
Motueka Power and Data Reticulation	Installation of new power and data services.	0	0	0	90,000	LoS
Motueka Pressure Wastewater System	Design and installation of a new wastewater system.	0	0	0	110,000	LoS

Note:

1. See Appendix F for a full detailed list of new capital works projects driven by renewals and/or an increase in level of service.
2. See Appendix I for a full detailed list of renewal projects.

<sup>1</sup> LoS = Levels of Service, R = Renewal

## 9 MANAGEMENT OF THE ACTIVITY

### 9.1 Management

The aerodromes are managed by Tasman District Council through Council staff and Council agents as required, (with input from user groups).

The reports and recommendations to Council are made through the Corporate Services Committee. These include but are not restricted to:

- operations and maintenance works
- hours of operation
- types of uses
- occupancy
- landing fees and other charges.

The Manager Property Services is the executive officer for the Motueka aerodrome and is delegated the responsibility for its administration. For Takaka the day to day administration is managed through the secretary for the local management committee.

The Council may, at its discretion, delegate some of its authority to a management committee.

At Takaka, the local management committee consists of a Councillor, one member of the Community Board, and three to four members elected at the annual public meetings.

The Motueka Aerodrome Management Plan is currently under review. This document covers the day to day management of the aerodrome, the activities carried out thereon and the relationship between users and aerodrome management. The Motueka Aerodrome Operations and Safety Committee oversees operational and safety requirements as well as best practice on the aerodrome and this committee is comprised of aerodrome users and the Manager Property Services.

Council will use a number of measures to assist in the management of demand for aerodromes including:

- supporting commercial business growth within the aerodromes
- landing fees.

### 9.2 Significant Effects

The significant negative and significant positive effects are listed below in Table 9-1 and Table 9-2 respectively.

**Table 9-1: Significant Negative Effects**

Effect	Council's Mitigation Measure
Noise from aircraft within the aerodromes and flying overhead of residential areas. This has social effects with associated frustration caused by excessive noise.	Council restricts the hours of operation to daylight hours only and enforces noise restrictions. The aerodrome has been in its current location for many years.
Noise from drag cars (Motueka only).	Council restricts the hours of operation and the number of events per year.
Building height restrictions to protect flight paths.	This has very low impact, therefore Council accepts this issue.
Increase traffic movements from both the commercial businesses and drag racing events (Motueka only).	Council restricts the hours of operation, and number of events per year for drag racing.
Aerodrome buildings are out of character with the nearby residential area.	Council sets criteria for exterior finishing and maximum heights.

**Table 9-2: Significant Positive Effects**

Effect	Description
Economic development.	Provision and maintenance of aerodromes allows for the development of commercial businesses, therefore contributing to economic growth and prosperity.
Community value.	The provision and maintenance of the aerodromes is of community value as it contributes to tourism, recreation, education and business within the communities.
Environmental sustainability.	Council aims to achieve environmental sustainability whilst managing the aerodromes activity.
Economic efficiency.	Council's management of the aerodromes activity using best practice and competitive tendering aims to provide the economic efficiency (ie. best value for money) for the ratepayers.

### 9.3 Assumptions

Council has made a number of assumptions in preparing the AMP. These are discussed in detail in Appendix Q. Table 9-3 lists the most significant assumptions and briefly outlines the impact of the assumption.

**Table 9-3: Significant Assumptions**

Assumption Type	Assumption	Discussion
Financial assumptions.	That all expenditure has been stated in 1 July 2011 dollar values and no allowance has been made for inflation.	The LTP will incorporate inflation factors. This could have a significant impact on the affordability of the plans if inflation is higher than allowed for, but Council is using the best information practically available from Business and Economic Research Limited (BERL).
Asset data knowledge.	That Council has sufficient knowledge of the assets and their condition so that the planned renewal work will allow Council to meet its levels of service.	There are several areas where Council needs to improve its knowledge and assessments but there is a low risk that the improved knowledge will cause a significant change to the level of expenditure required.
Timing of capital projects.	That capital projects will be undertaken when planned.	The risk of the timing of projects changing is high due to factors like, resource consents and funding. Council tries to mitigate this issue by undertaking the consultation, investigation and design phases sufficiently in advance of the construction phase. If delays are to occur, it could have significant effects on the level of service.
Funding sources.	That the aerodromes will become self funding.	Council expects the aerodromes will become self funding and that no funding will be sought from general rates. This will require Council to move towards a closed accounting structure which it does not operate for this activity at present.

Assumption Type	Assumption	Discussion
Funding of capital projects	That the projects identified will receive funding.	The risk of Council not funding capital projects is moderate due to community and user affordability issues. If funding is not secured, it may have moderate effect on the levels of service as projects may be deferred. The risk is managed by consulting with the affected community/users and appropriate distribution of fees.
Accuracy of capital project cost estimates	That the capital project cost estimates are sufficiently accurate enough to determine the required funding level.	The risk of large under estimation is low; however the significance is moderate as Council may not be able to afford the true cost of the projects. Council tries to reduce the risk by including a standard contingency based on the projects lifecycle.
Changes in legislation and policy	That there will be no significant changes in legislation or policy.	The risk of major change is moderate due to the changing nature of the government and politics. If major changes occur it is likely to have an impact on the required expenditure. Council has not mitigated the effect of this.

The major capital projects and their potential uncertainties are listed in Appendix Q.

#### 9.4 Risk Management

Council's risk management approach is described in detail in Appendix Q.

This approach includes risk management at an organisational level (Level 1). The treatment measures and outcomes of the organisational level risk management are included within the Long Term Plan.

The asset group level (Level 2) risk assessment was carried out at the same time as the Level 1 assessment due to the small number of assets managed within the activity.

Council has also identified and assessed critical assets (Level 3), the physical risks to these assets and the measures in place to address the risks to the asset. There are no specific risk management related projects required for the aerodromes activity.

#### 9.5 Improvement Plan

This Activity Management Plan document was subject to a peer review in its Draft format by Waugh Infrastructure Management Ltd in October 2011. The document was reviewed for compliance with the requirements of the LGA 2002. The findings and suggestions were assessed and prioritised by the asset management team and either implemented for the final version of the document or added to the Improvement Plan.

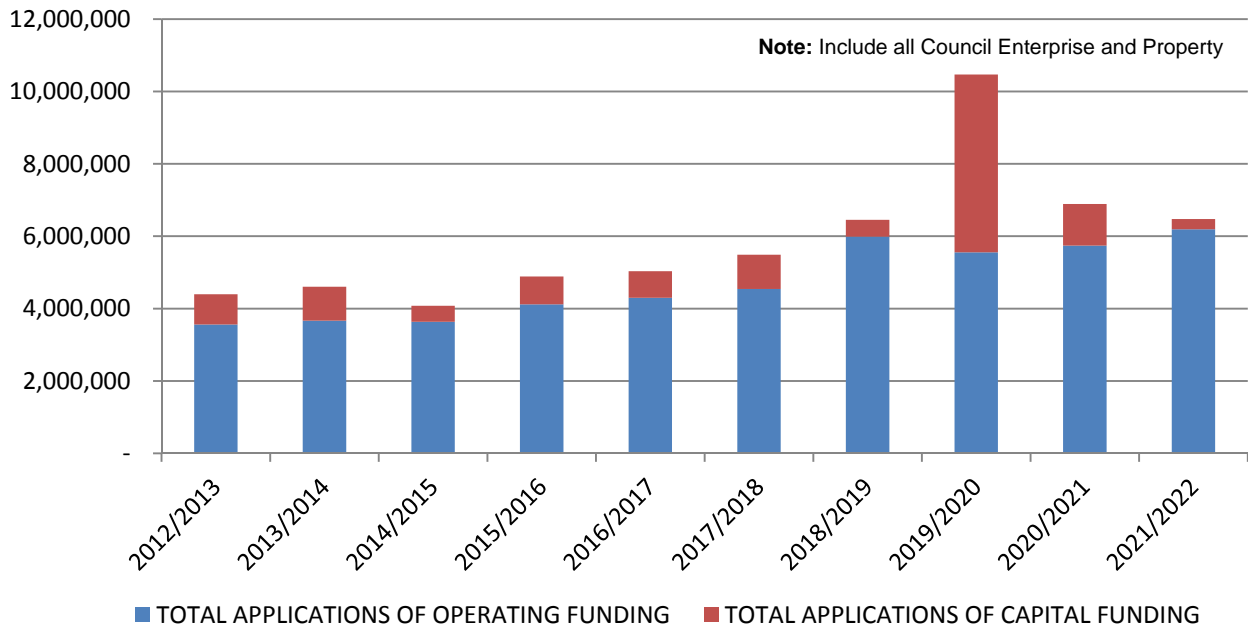
Development of the improvement plan is discussed in Appendix V. It includes a table (Table V-3) of planned improvements that are still to be implemented and information on how they have been budgeted. It is a snapshot of the improvement plan as at February 2012 and includes. It is intended that the Improvement Plan is continually updated and monitored as a live document.

Version 4 of this document and the Improvement Plan was then reviewed a final time by Waugh Infrastructure Management Ltd in May 2012. The report produced has been included in Appendix V along with key improvements that have been achieved since the 2009 AMP.

## 10 SUMMARY OF COST FOR ACTIVITY

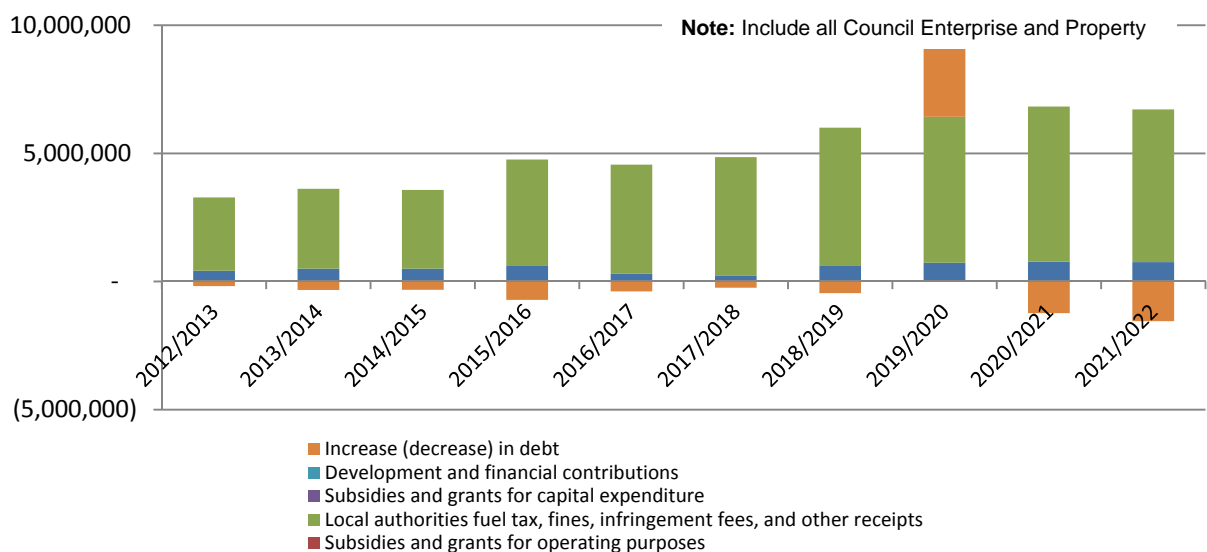
The following figures have been generated from the Funding Impact Statement held in Appendix L and the Public Debt and Loan Servicing Cost information in Appendix K. Further detail is held in Appendix E, F and I for operation and maintenance, new capital and renewal costs respectively. All the following graphs include inflation.

For ease of reporting, Council have combined Council Enterprises (which includes Aerodromes) and Properties as one report group in the Funding Impact Statement and will therefore also be included in some of the following graphs.



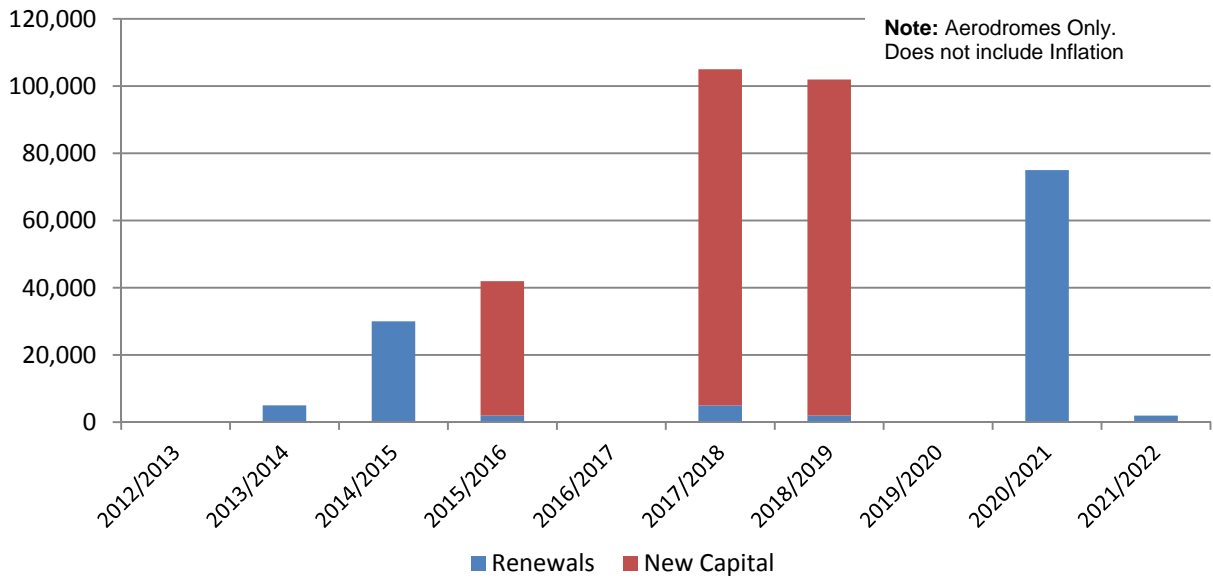
**Figure 10-1: Total Expenditure**

- Operating expenditure increases from \$3.5 million to \$6.1 million over the next 10 year period. This is due to inflation.
- This Figure shows the Total Expenditure for all the Council Enterprise and Property group. Figure 10-3 shows the forecast expenditure for Aerodromes only.



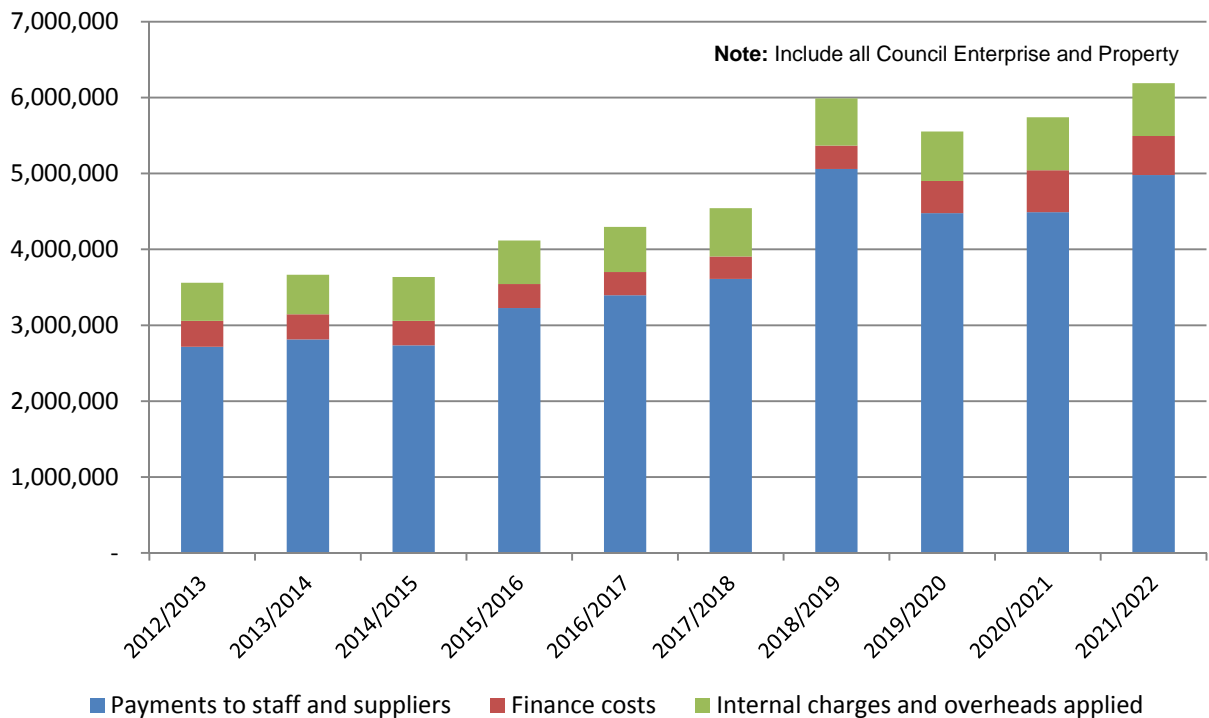
**Figure 10-2: Total Income**

- The income proposed for the next 10 years corresponds with the proposed expenditure in Figure 10-1.



**Figure 10-3: Capital Expenditure**

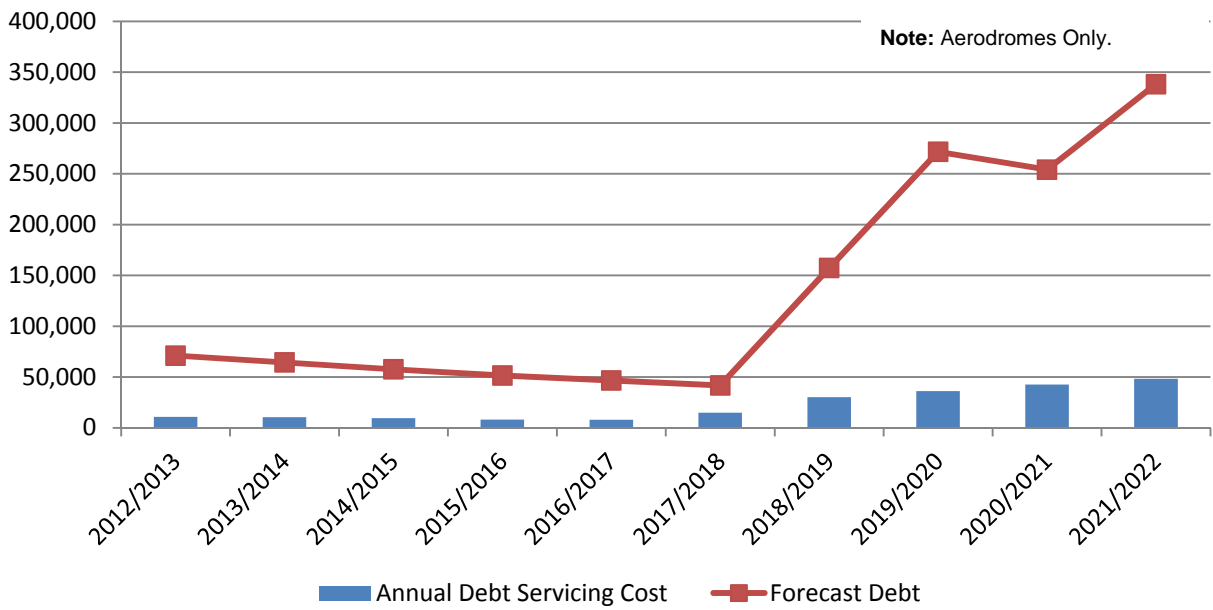
- The peaks in New Capital in 2016/17 and 2017/18 reflect the installation of data and power reticulation and a pressure wastewater system at Motueka aerodrome.



**Figure 10-4: Operating Expenditure**

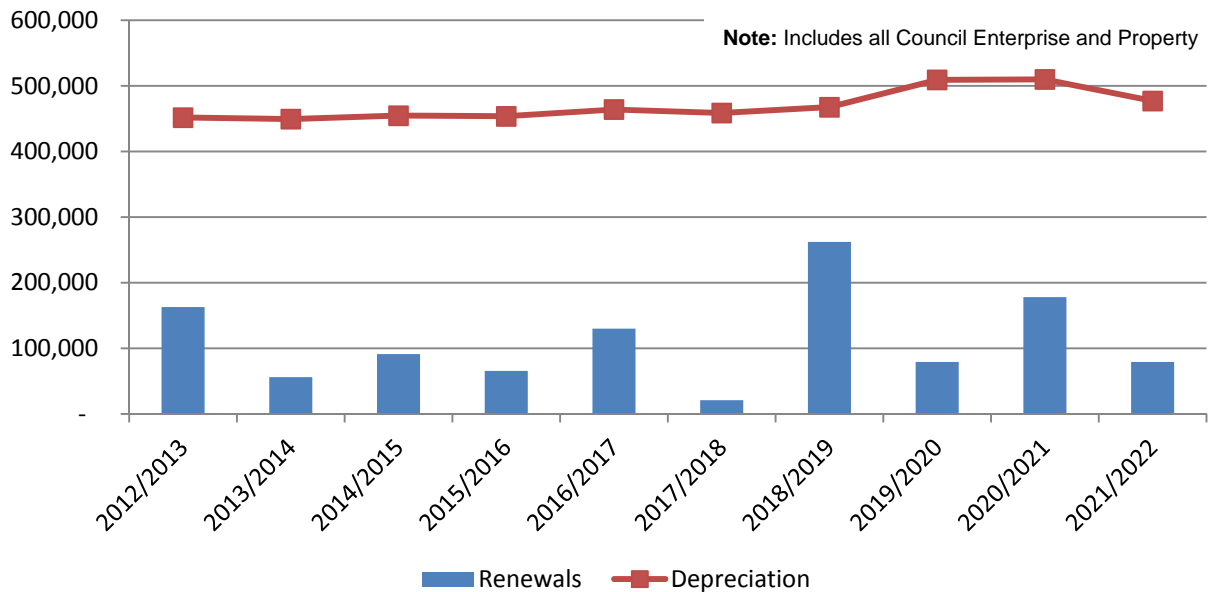
- Operating costs for both Motueka and Takaka aerodromes generally increase due to inflation.





**Figure 10-5: Debt**

- Council's debt associated with the Aerodromes activity is forecast to increase from \$74,000 to \$341,000 over the next 9 years. This will also increase the debt servicing costs as shown.



**Figure 10-6: Investment in Renewals**

- The investment in renewals appears to be adequate for the next 10 years. However, the above figure covers a relatively short time period when compared with the useful life span of the aerodromes assets. The investment in renewals will be further investigated when Council reviews its renewals strategy.