

AUDIT AND RISK COMMITTEE

File Reference: ECM 7374432
Meeting Date: Thursday 23 March 2017 at 2pm
Venue: Council Chamber
Members Present: Councillor Richard Handley (Chairperson); Mayor Neil Holdom, Councillors Richard Jordan, Roy Weaver and Ms Adrienne Young-Cooper

Non-members Present:

Councillors Colin Johnston, Alan Melody, Stacey Hitchcock, John McLeod, Harry Duynhoven and Mike Merrick (from 2.40pm).

Peter Seed (AirBiz)

Staff in Attendance:

Barbara McKerrow, Alan Bird, Gaye Batty, Jan Holdt, Phil Armstrong, Rowan Betts, Peter Handcock, Wayne Wootton and Richard Buttimore

ITEMS FOR FINAL DETERMINATION BY THE COUNCIL

1. New Plymouth Airport Terminal Redevelopment – Unique Design

ECM7352875

The matter for consideration by the Council is to seek budget approval to proceed with the detailed design and construction of a new unique terminal at New Plymouth Airport.

Audit and Risk Committee Recommendation:

Cr Handley)

Ms Young-Cooper)

That having considered all matters raised in the report:

- a) Notes that on 27 September 2016 an update report was tabled supporting the project team to proceed and complete an in-depth cost estimation and finalisation of a Business Case for the redevelopment of a new unique terminal at New Plymouth Airport integrating local cultural narrative and to bring back to Council for final project approval.
- b) Notes that the Airport's two substantial customers, Air New Zealand and Jetstar, have both been consulted on the redevelopment project and have agreed in principle to fund the aeronautical portion of the build costs (based on a functional build only) through the landing charges on an on-going basis from when the new terminal is operational.

- c) Notes Puketapu Hapū have been involved through the project conceptual stage, integrating cultural narrative through the terminal design.
- d) Notes that the cost of the unique element of the build will have to be funded from other Airport revenue streams.
- e) Notes that new lease discussions are underway with the commercial airlines, the incumbent food and beverage operator and other terminal tenants.
- f) Notes that the business case is based on a set of fully disclosed assumptions and a capital cost of between \$21.7m and \$28.7m.
- g) Notes the Audit and Risk Committee has received the business case and on the basis of expert advice and is satisfied that project and business risks have been satisfied, and that the costs and revenues are reasonable that support the investment business case.

Carried

The Audit and Risk Committee meeting closed at 3.24pm.