FINANCE AND PERFORMANCE COMMITTEE MEETING

18 March 2019

5  Deputation - Maruna Engu
   1. Deputation - M Engu

8  Palmerston North Airport Ltd - Draft Statement of Intent for 2019/20
ITEM 5 - ATTACHMENT 1

Sabahou Al-khayr
Good Morning
Al-salamu ‘Alaykum
Peace be with you
Muslim
Council Grant
$391,000

Council Grant

TAXPAYERS UNION
UNILATAL SOLUTION
Al-salamu 'Alaykum

Peace be with you

Muslim Community
Six Month and SOI Presentation

18 March 2019
F18/19 Highlights - Compliance

- Maintain a safe and secure operation
  - CAA Part 139 compliance maintained
  - $3.7m of infrastructure projects in progress or completed
    - Taxiway Bravo and Charlie
    - Airfreight apron reconstruction
    - Replacement Rescue Fire facility construction
F18/19 Highlights - Commercial

✈ Pax volumes reached 675,867
  ✓ Up 6.7% on prior twelve months
  ✓ Air NZ continued growth on AKL route

✈ Massey School of Aviation
  ✓ Stage 1 completed September 2018
  ✓ Construction of Stage II (Academic offices) commenced

✈ Ruapehu Business Park
  ✓ Subdivision planning commenced (Railway Road/ Airport Drive)
  ✓ Strong interest for motel / freight & logistics warehousing
F18/19 Highlights
- Customer Experience

→ Expansion of high demand Long Stay Car Park
  ✓ Total capacity to grow from 107 to 231 spaces.

→ Rental Car Park relocation & expansion
  ✓ Total capacity to grow from 60 to 81 spaces.

→ General Car Park refresh
  ✓ Extended public pickup & drop-off adjacent to terminal.
F18/19 Highlights

Community
- Te Rangimarie Marae

Sustainability
- Construction commenced on covered BBQ whare
- Roadmap to carbon neutrality in development, meantime,
- Selection of Airport Council International’s Airport Carbon Accreditation programme.
- Ongoing energy saving and waste minimisation programmes.
PFOS
Community response

▶ PNAL-led community response to historical firefighting foam contamination
  ✓ 101 properties identified for contact North and West of Airport
  ✓ PNAL made personal visits to 48 properties; letters to all others (NEIZ / non residents)
  ✓ 11 of 12 private bores tested found no detectable level of PFAS
  ✓ 1 bore 58 times lower than interim drinking water standards

▶ YTD testing related costs $0.147m.
Six Months to December 2018

- NPAT of $1.055m on budget, +25% vs LY
- Revenue $5.206m +3.1% versus budget, +22.1% vs LY
- Operating expenses $2.404m on budget, +8.4% vs LY
F18/19 Year end forecast

- On budget NPAT of $1.910m remains achievable
  - Revenue $10.243m, +3% on budget.
  - Operating expenses $4.9m, +2.4% on budget.
  - Depreciation / Financing costs $2.6m, +2.1% on budget.
  - PFAS related costs estimated at $0.2m plus.
Statement of Intent
F19/20
Compliance

» Maintain a safe & secure operation

✓ CAA Part 139 audit September 2019
✓ Ongoing pavement upgrades
✓ Rescue Fire service provider replacement options
Commercial

✈ Pax volumes to 774,000 by 2021/22
  ✓ Regional infrastructure projects a key stimulus from 2021
  ✓ Air NZ continued investment in capacity growth anticipated

✈ Aeronautical pricing (Three year review)

✈ Ruapehu Business Park
  ✓ Rental Car Service facilities
  ✓ Motel
  ✓ Freight & logistics warehousing
  ✓ Light industrial
  ✓ Property sales
Customer Experience

- Terminal Development Plan
  - $7m plus investment
  - Three year project
  - Extended check-in / new baggage make-up facility
  - Refresh to terminal frontage

- General Carpark
  - Semi-covered pickup/drop-off areas
  - Improved interface with terminal
Community

- Ongoing focus on 90 minute Drive market
  - Regional sponsorship opportunities
  - Fly Palmy Mascot – Bernie (Saint Bernard)
  - Te Rangimarie Marae

- Carbon Neutrality
  - Airports Council International – Stage II accreditation

- PFAS Testing
  - Ongoing testing of historical sites
  - Iwi engaged
Infrastructure

- $7.9m in F19/20
  - Commercial $4.05m
  - Terminal Development Plan $2m
  - Pavement & Compliance $1.85m

- F20/21: $6.8m

- F21/22: $4.3m
ITEM 8 - ATTACHMENT 1

F19/20 SOI

- NPAT $2.25m + 17.6% on TY
- Revenue $11.2m +9.5%
- Operating expenses $5.25m +7%
- Aeronautical pricing
- Resourcing – annualized impact
- Commercial developments
- Maintenance
- Depreciation / Financing costs $2.75m +7.1%
- Depreciation on increased capital spend 2018/19
- PFAS related costs estimated at $0.1m
### Statement of Intent

**F19/20**

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<td>2019/20 Budget</td>
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<td>1,860,517</td>
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F20/21 onwards

- Continuing NPAT growth to $3.6m by F21/22
- Customer Experience
- Community Engagement
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<tr>
<th>Description</th>
<th>2020/21 Budget</th>
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<td>Revenue</td>
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<td>Operating Expenditure</td>
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<td>Administration &amp; Employment Costs</td>
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<td>Total Operating Expenditure</td>
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<td>Extraordinary Items (PFAS related)</td>
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<td>Depreciation &amp; Finance Cost</td>
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Thank you.

Any questions?