



## 2.8 NEW PLYMOUTH AIRPORT RUNWAY EXTENSION FEASIBILITY STUDY

PGF Application		For: Approval	
<b>Applicant:</b>	Papa Rererangi i Puketapu (PRIP)/New Plymouth District Council	<b>Pipedrive ID #</b>	Commerc
<b>Entity Type:</b>	Local Authority	<b>PGF Funding Sought:</b>	\$56,762
<b>Region</b>	Taranaki	<b>Total Project Value:</b>	\$ Commercial Inform
<b>Tier:</b>	3 - Infrastructure	<b>Co-contribution rate:</b>	Comm %
<b>Sector:</b>	Transport - Air Services	<b>Funding Structure:</b>	Grant

**We recommend that the SROs:**

- a) **Note** that the New Plymouth Airport seeks \$56,762 from the PGF for a Runway Extension Feasibility Study.
- b) **Note** the Ministry of Transport is supportive of his proposal.
- c) **Note** the actual runway extension may cost (indicative) about \$ Commercial to \$ Commercial plus land purchase at approximately \$ Comm.

**d) Commercial Information**

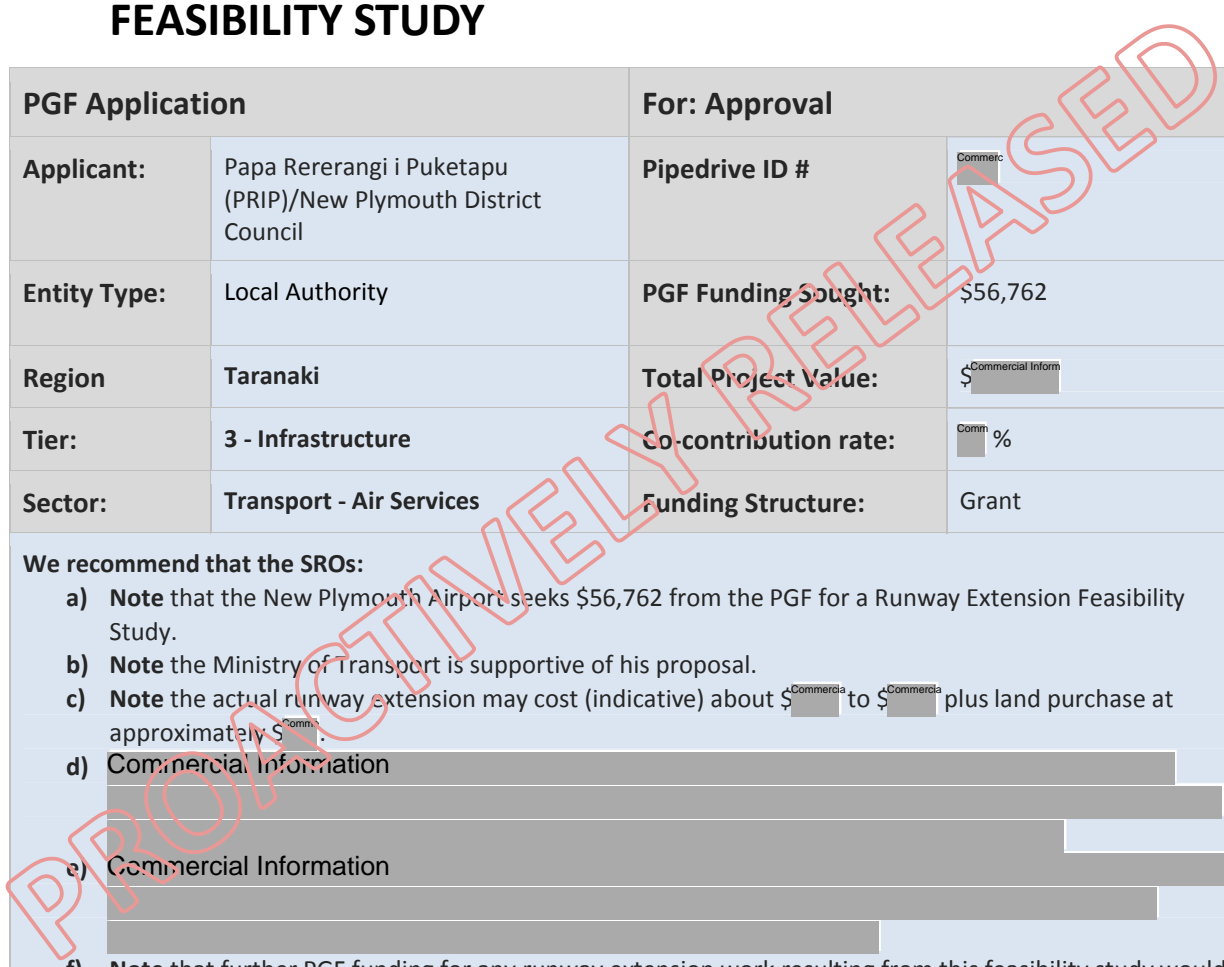
**e) Commercial Information**

- f) **Note** that further PGF funding for any runway extension work resulting from this feasibility study would not be funded by the PGF.

- g) **Approve** \$56,762 as a grant from the PGF fund towards the New Plymouth Airport Runway Extension Feasibility Study on the basis that funding of the application is consistent with the following direction in the Airport Positioning paper which was approved by the Ministers in May 2019:

**Commercial Information**

Based on the PGF criteria and the above direction in the Airport Position paper, this project now consistent with PGF principles.



<b>Proposal:</b>		
The project will involve:		
<ul style="list-style-type: none"> <li>• Initial design drafting (2D) detailing the options and their anticipated “footprints” and surrounding receiving environment;</li> <li>• A narrative with each of the options detailing the pros and cons based on the current state of knowledge;</li> <li>• Issue briefing packs to MCA discipline experts along with instructions for MCA preparation (criteria identification, structure and weightings development);</li> <li>• Collate criteria and weightings responses into a single MCA model;</li> <li>• Convene MCA workshop with independent specialist facilitation where scoring and ranking will be completed. Particular emphasis will be given to identifying and eliminating those options that are considered fatally flawed in an RMA context;</li> <li>• Collate MCA output into a draft report for review by participants; and</li> <li>• Finalise report.</li> </ul>		
<b>Assessment against the PGF criteria:</b>		
<b>Eligibility Criteria</b>		
No issues		
<b>Productivity Potential</b>		
<ul style="list-style-type: none"> <li>• New Plymouth Airport currently services almost 500,000 passengers per annum and from an economic perspective is a necessity for the Taranaki economy.</li> <li>• In recognition of the strategic importance of the airport to the region, options need to be considered to either extend the existing runway or to construct a new runway on a different alignment.</li> </ul>		
<b>Policy objectives and regional priorities</b>		
As noted, above funding of the feasibility study is consistent with the Airport Positioning Paper.		
<b>PGF Criteria</b>	<b>Assessment Commentary</b>	<b>Rating (0✓ to 5✓)</b>
<b>Link with fund and government outcomes</b>		
Creates permanent jobs	<ul style="list-style-type: none"> <li>• The study itself will not create jobs but the runway extension project could lead to more jobs.</li> <li>• There are currently <small>Commerc</small> employees at the Airport spread over <small>Comm</small> companies. The runway extension will allow the commercial airlines to operate larger aircrafts which in turn will require more staff on the ground.</li> </ul>	✓✓
Delivers benefit to the community	<ul style="list-style-type: none"> <li>• The proposed project would improve transport sector resilience in Taranaki which would benefit local communities and businesses.</li> </ul>	✓✓✓

Increased utilisation and returns of Maori asset base	<ul style="list-style-type: none"> <li>N/A</li> </ul>	
Enhanced sustainability of natural assets	<ul style="list-style-type: none"> <li>N/A</li> </ul>	
Mitigation of climate change effects	<ul style="list-style-type: none"> <li>The proposal would safeguard from coastal erosion.</li> </ul>	✓✓✓
<b>Additionality</b>		
Adding value by building on what is already there	<ul style="list-style-type: none"> <li>The proposed runway extension would complement the \$<sup>Commercial</sup> new terminal development project, which is funded by <b>Commercial Information</b>.</li> </ul>	✓✓✓
Acts as a catalyst for productivity potential in the region	<ul style="list-style-type: none"> <li>Tourism and new energy development are growing industries in Taranaki and improved air connectivity is important for unlocking region's productivity potential.</li> </ul>	✓✓✓
<b>Connected to regional stakeholders and frameworks</b>		
Alignment with regional priorities	<ul style="list-style-type: none"> <li>Aligns with Tapuae Roa- Make Way for Taranaki Action Plan 2018.</li> </ul>	✓✓✓✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> <li>New Plymouth District Council is the owner of New Plymouth Airport.</li> <li>Puketapu Hapū and Te Atiawa Iwi are supportive of this proposal.</li> </ul>	✓✓✓✓
<b>Governance, risk management and project execution</b>		
Robust project management and governance systems	<ul style="list-style-type: none"> <li>New Plymouth Airport's CEO and staff will manage the project with support from the New Plymouth District Council.</li> </ul>	✓✓✓
Risk management approach	<ul style="list-style-type: none"> <li>Key risks are identified with mitigation approaches.</li> </ul>	✓✓✓
Future ownership / operational management	<ul style="list-style-type: none"> <li>New Plymouth Airport will own and manage the asset.</li> </ul>	✓✓✓
<b>Analysis of the benefits and costs</b>		
<p>The runway extension will allow the commercial airlines to operate larger aircrafts which in turn will require more staff on the ground.</p> <p>Consideration is also being given to the current limitations of the runway to comply with current and anticipated civil aviation safety requirements and to provide for future growth in passenger numbers and larger aircraft types.</p> <p>The project will assess suitable options using a multi-criteria analysis (MCA) methodology and workshop with specialist input from various disciplines.</p>		

### Financial Analysis

Feasibility study funding component is \$ [Commercial Info].

- Project development and initial investigations \$ [Commercial Info]
- Pre-MCA \$ [Commercial Info]
- MCA Workshop \$ [Commercial Info]
- Reporting and review \$ [Commercial Info]
- Scope growth allowance and contingency \$ [Commercial Info]

Note the actual runway extension may cost (indicative) about \$ [Commercial] to \$ [Commercial] plus land purchase at approximately \$ [Comme].

### Funding Arrangements

Co- contribution funding for the feasibility study is from the applicant ([Com] %).

### Due Diligence and Ownership

The PDU works with DIA to assess risk around local authorities.

### Risk Assessment

The key risks to the PDU and proposed mitigations of this investment are as follows:

Type of risk	Risk description	Mitigations	Risk Rating L/M/H
<b>Cost Risk</b>	The scope of the project may result in increased costs than what is budgeted for.	Mitigated by regular monitoring of project progress and keeping relevant stakeholders informed.	Low

### Consultation undertaken or implications:

#### Feedback from NZTA:

The Transport Agency notes that the proposed activity is not eligible for funding from the National Land Transport Fund.

The Transport Agency has recently led the State Highway 3 Waitara to Bell Block business case to address safety and capacity issues on this corridor. A result of the completed Detailed Business Case is the intention to upgrade the State Highway 3/Airport Drive intersection (with an associated realignment of Airport Drive). The Agency has been working closely with New Plymouth District Council on this major improvement. While detailed design of the roundabout has yet to occur it is our understanding that future growth of the airport has been factored into the project; much of the growth in vehicle movements in the future, however, will be because of increased residential and business/light industrial growth in the vicinity.

#### Feedback from MoT:

From the Ministry of Transport's point of view, New Plymouth Airport's application for a grant to carry out a Runway Extension Feasibility Study seems credible and well thought out. The airport is both at risk (from erosion) and has real potential for growth (regional tourism grew [C] % last year). So it is appropriate and prudent that

planning for runway improvements is undertaken now. The proposal itself is adequately described and it is clear how the requested funds would be spent. The proposed work also seems well aligned with regional economic development objectives

<b>Supporting proposal:</b>	Yes
<b>Appendices:</b>	
<b>Author of paper:</b>	DG/MC, PDU Investment Team

PROACTIVELY RELEASED