EXTRAORDINARY MEETING

of

Council

AGENDA

Time: 9:30 am

Date: Wednesday, 23 April 2025

Venue: Waiata House, 27 Lincoln Road, Masterton

MEMBERSHIP

Mayor Gary Caffell (Chairperson)

Councillor Bex Johnson
Councillor Craig Bowyer
Councillor Brent Goodwin
Councillor David Holmes
Councillor Tom Hullena
Councillor Stella Lennox
Councillor Tim Nelson
Councillor Marama Tuuta

RECOMMENDATIONS IN REPORTS ARE NOT TO BE CONSTRUED AS COUNCIL POLICY UNTIL ADOPTED

Values

1. **Public interest:** members will serve the best interests of the people within the Masterton district and discharge their duties conscientiously, to the best of their ability.
2. **Public trust:** members, in order to foster community confidence and trust in their Council, will work together constructively and uphold the values of honesty, integrity, accountability and transparency.
3. **Ethical behaviour**: members will not place themselves in situations where their honesty and integrity may be questioned, will not behave improperly and will avoid the appearance of any such behaviour.
4. **Objectivity:** members will make decisions on merit; including appointments, awarding contracts, and recommending individuals for rewards or benefits.
5. **Respect for others:** will treat people, including other members, with respect and courtesy, regardless of their ethnicity, age, religion, gender, sexual orientation, or disability. Members will respect the impartiality and integrity of Council staff.
6. **Duty to uphold the law:** members will comply with all legislative requirements applying to their role, abide by this Code, and act in accordance with the trust placed in them by the public.
7. **Equitable contribution:** members will take all reasonable steps to ensure they fulfil the duties and responsibilities of office, including attending meetings and workshops, preparing for meetings, attending civic events, and participating in relevant training seminars.
8. **Leadership:** members will actively promote and support these principles and ensure they are reflected in the way in which MDC operates, including a regular review and assessment of MDC's collective performance.

These values complement, and work in conjunction with, the principles of section 14 of the LGA 2002; the governance principles of section 39 of the LGA 2002; and our MDC governance principles:

Whakamana Tangata	Respecting the mandate of each member, and ensuring the integrity of the committee as a whole by acknowledging the principle of collective responsibility and decision-making.
Manaakitanga	Recognising and embracing the mana of others.
Rangatiratanga	Demonstrating effective leadership with integrity, humility, honesty and transparency.
Whanaungatanga	Building and sustaining effective and efficient relationships.
Kotahitanga	Working collectively.

Order Of Business

1 Conflicts of Interest 5
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4 Reports for Decision 6
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The Chairperson will open the meeting with the karakia

Karakia timatanga

Kia tau ngā manaakitanga a te mea ngaro	Let the strength and life force of our ancestors
ki runga ki tēnā, ki tēnā o tātou	Be with each and everyone of us
Kia mahea te hua mākihikihi	Freeing our path from obstruction
kia toi te kupu, toi te mana, toi te aroha, toi te Reo Māori	So that our words spiritual, power, love and language are upheld
kia tūturu, ka whakamaua kia tīna! Tīna!	Permanently fixed established and understood
Hui e, Tāiki e!	Forward together

At the appropriate time, the following karakia will be read to close the meeting

Karakia whakamutunga

Kua mutu ā mātou mahi	Our work has finished
Mō tēnei wā	For the time being
Manaakitia mai mātou katoa	Protect us all
Ō mātou hoa	Our friends
Ō mātou whānau	Our family
Āio ki te Aorangi	Peace to the universe

1 CONFLICTS OF INTEREST

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

2 APOLOGIES

The Chair invites notice from members of:

- leave of absence for future meetings of Masterton District Council
- apologies, including apologies for lateness and early departure from the meeting where leave of absence has not previously been granted.

3 ITEMS NOT ON THE AGENDA

The Chairperson will give notice of items not on the agenda as follows:

Matters requiring urgent attention as determined by resolution of the Council

- The reason why the item is not on the agenda; and
- The reason why discussion of the item cannot be delayed until a subsequent meeting.

Minor matters relating to the general business of Council

No resolution, decision or recommendation may be made in respect of the item except to refer it to a subsequent meeting of Masterton District Council for further discussion.

4 REPORTS FOR DECISION

4.1 HOOD AERONAUTICAL CHARGES REVIEW

File Number:

Author: **Maseina Koneferenisi, General Manager Infrastructure and Assets**

Authoriser: **Kym Fell, Chief Executive**

PURPOSE

This report seeks approval of the Hood Aerodrome aeronautical charges consultation document in preparation for targeted consultation to commence from 24 April 2025 to 22 May 2025.

EXECUTIVE SUMMARY

Masterton District Council is the owner operator of Hood Aerodrome. Council officers have now completed a review of the current aeronautical charges, noting the last review was undertaken some 14 years ago.

The review has identified aspects that Council now wishes to consult on. These are in relation to outdated and inconsistent charges and the need to better align with our Revenue and Financing Policy position of 'user pays'.

A revised schedule of charges has been produced to address these matters and can be found on page 9 of the Consultation Document at Attachment 1.

RECOMMENDATION

That Council approves the Consultation Document and Submission Form at Attachments 1 and 2.

CONTEXT

Masterton District Council last reviewed the Hood Aerodrome fees in 2011. A review was undertaken by Council officers between February and April 2025. A set of principles were established as the basis of developing a charging model for analysis. They are:

- **Equity** – The service used is the same for everyone, therefore no one user should have an advantage over another.
- **User pays** – Those who use the service should bear the costs associated with its usage, rather than the public funding the majority (in line with Councils Revenue and Financing Policy).
- **Heavier aircraft create more wear & tear** – The cost structure should reflect this.
- **The fenced grassed areas are Safety Areas** – Cost of maintenance are included in operational costs.
- **Airport management & compliance activities benefit all** – All users share this cost.
- **Fee collection should be administratively simple** – It should be easy to recover charges.

- **Terminal users pay for terminal use** – Passenger capable commercial AC pay for the use of the terminal.

ANALYSIS AND ADVICE

The findings of the review have determined the following:

1. Masterton District Council are non-compliant with the Civil Aviation Act in relation to frequency of review of charges.
2. Hood users have had the benefit of no changes to charges for a significant period.
3. The current pricing structure is ambiguous with a range of rates and discounts being applied in an inconsistent manner. This has generated a lack of equity.
4. Revenue being generated is circa 8% of operational costs. Council's Revenue and Financing policy targets 60% of revenue to come from users and 40% community funded from rates.
5. The low utilisation rate would require a significant increase in charges to achieve council's target of 60% user pays; therefore, a measured approach is required.
6. Comparative analysis with other similar type services across New Zealand indicate Hood Aerodrome aeronautical charges to be amongst the lowest in the country.

RECOMMENDATION DETAIL

The consultation document outlines the proposed new landing charges as below:

	Fixed				
Group	**1**	**2**	**3**	**4**	**5**
Weight range (kg)	0	601	2101	3601	5101
	600	2100	3600	5100	6600
Mid-point		1351	2851	4351	5851
Class	Microlights	Small GA	Medium GA	Large GA	Medium Twins
	Bantam	C 172	Cresco, Harvard	Beech C90	Kingair 200
Group MCTOW	600	1,351	2,851	4,351	5,851
% of per kg rate	70.0%	70.0%	70.0%	70.0%	70.0%
per kg rate $0.01750	0.01225	0.01225	0.01225	0.01225	0.01225
Per kg rate x MCTOW					
NZ average		$15.63	$21.33	$33.14	$56.61
Recommendation	**$7.50**	**$16.50**	**$34.00**	**$50.00**	**$70.00**
Inclusive of GST	**$8.63**	**$18.98**	**$39.10**	**$57.50**	**$80.50**

	Per KG Charge			
Group	**6**	**7**	**8**	**9**
Weight range (kg)	6501	9501	12501	15001
	9500	12500	1550	up
Class	BAE Jetstream	Lear Jet 75	SAAB 340	ATR 500
Sample Aircraft				
MCTOW	7,058	9,752	12,700	22,000
% of per kg rate	90%	95%	105%	115%
Graded (greater weight, higher cost)	0.01575	0.01663	0.01838	0.02013
Recommendation	**$111.16**	**$162.13**	**$233.36**	**$442.75**

These rates have been modelled on the following basis:

- Levy all landings on an Aircraft Weight Basis - Maximum Certified Take-off Weight (MCTOW)
- Provides a differential within the charging model recognising the higher impacts of heavier aircraft on the airport asset
- Grouping aircraft into appropriate subgroups for the levying of charges:
    - Apply a flat rate for groups below 5,700kg MCTOW
    - Charge on an individual calculated basis for aircraft over 5,700kg MCTOW
- Helicopters will be treated as Fixed Wing Aircraft and the applicable weight category
- Provides no differentiation between grass or sealed runway use.
- Reflects the general aviation market in the charges levied.
- Endeavours to move towards MDCs policy of user pays allocation for the aerodrome of 40% community and 60% user.
- Provides for an adjustment for charges for aircraft conducting Touch and Goes (non-full stop landings).
- Includes the terminal charge in the fee charged for all aircraft over 5,700kg.
- In levying charges:
    - makes no provision for annual discounted charges
    - provides a discount for users who prepay
    - implements an administration fee where accounts for charges do not exceed $20 for the period.

A summary of the advantages and disadvantages with the recommended charging adjustments is included in the table below.

Advantages	Disadvantages
Creates equity amongst users	None known
Reduces subsidisation by the community, progressing towards Councils Revenue and Financing policy of 'user pays', allocation 40% community, 60% users	None known
Consistent and transparent	None known
Future proofing in readiness for commercial airlines	None known

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

This decision does not have wider implications for Council strategies. It assists Council with progressing towards its policy position of 'user pays' as outlined in the Revenue and Financing Policy.

Significance, Engagement and Consultation

The operation of the aerodrome is governed by the Civil Aviation Act 2023. Clause 230 (2) requires an airport operator to consult with substantial customers *'before fixing or altering the amount of the charge; and within 5 years after fixing or altering the amount of the charge'*.

Section 219 defines the meaning of substantial customer as 'a person is a **substantial customer** of an airport operator if subsection (2) or (3) applies (or they both apply).

(2) This subsection applies if the person paid, or was liable to pay, the airport operator an amount—

(a) relating to identified aerodrome activities undertaken during the airport operator's last accounting period; and

(b) exceeding 5% of the total revenue paid or payable to the airport operator in relation to identified aerodrome activities undertaken during that period.

Despite the above, Council wishes to hear from all Hood users and intend to seek feedback from some 140 users.

Financial Considerations

There are no financial considerations. The cost of consultation forms part of standard operating expenditure.

Implications for Māori

There are no implications for Māori identified with the decision or proposed approach.

Communications/Engagement Plan

Consultation will commence on Thursday 24 April and close Thursday 22 May 2025.

Identified users will be directly contacted via email and direct mail and invited to provide feedback.

There will be two in-person engagement sessions held at Hood Terminal during the consultation period.

Environmental/Climate Change Impact and Considerations

There are no known impacts for the environment.

NEXT STEPS

Targeted consultation will commence on Thursday 24 April, subject to Council agreeing to this recommendation.

ATTACHMENTS

1. **Hood Aeronautical Charges Review Consultation Document** ⇩
2. **Hood Aeronautical Charges Review Submission Form** ⇩

Translation to be supplied

Hood Aerodrome Aeronautical Charges Review

CONSULTATION DOCUMENT

Introduction

Masterton District Council is the operator of Hood Aerodrome and has undertaken a review of our aeronautical charges.

This review is overdue, with the last change being some 14 years ago. We are seeking users feedback on our proposed fees and charges for Hood Aerodrome.

Fees and charges for aeronautical activities are the only fees currently being reviewed. Property, buildings, and commercial activity are not included as part of this review.

The aim of this review

By undertaking this review, we hope to address the following issues:

- **Align with our Revenue and Financing Policy** – the Revenue and Financing policy guides Council's strategy of 'user pays' – requiring individuals who receive a service to pay directly for all or some portion of the service. The policy in relation to Hood Aerodrome states an allocation of 40% community funding (rates) and 60% from users. The current revenue from sources other than rates is well short of the 60% target. This review moves us closer to the policy target.
- **Outdated aeronautical charges** – our current model is dated, does not align with our principles, and is not commercially focused. The last change to charges was 14 years ago.
- **The current model is unclear** – there is an inconsistent approach to the application of charges, with numerous variables.
- **Understanding where the lack of equity is** – annual fixed charges result in some users paying as little as $0.33c and others up to $10.00 per landing for aircraft in the same weight group
- **Recovery of charges requires admin** – we need to ensure user pays revenue covers more than just the admin cost of recovering the charges
- **Understanding the commercial reality** - with an average of only 14 landings per day it is impossible to raise the landing charges enough to meet the policy. Doing that would require charges of more than four times the proposed new fees, which is considered unaffordable for users.
- **Low utilisation** – Hood Aerodrome averages 14 landings per day, with 83 per cent of aircraft weighing less than 1,500 kg

In future, the Council intends to review these charges annually.

Principles

Throughout this review, we considered the following principles:

- **Equity** – The service used is the same for everyone, therefore no one user should have an advantage over another.
- **User pays** – Those who use the service should bear the costs associated with is usage, rather than the public funding the majority (in line with Councils Revenue & Financing Policy).
- **Heavier aircraft create more wear and tear** – The cost structure should reflect this fact.
- **The fenced grassed areas are safety areas** – Cost of maintenance is included in operational costs.
- **Airport management & compliance activities benefit all** – All users share this cost.
- **Fee collection should be administratively simple** – It should be easy to recover charges.
- **Terminal users pay for terminal use** – Passenger capable commercial aircraft pay for the use of the terminal (aircraft over 5,700 kg).

Our proposed charging model

The proposed rates have been modelled to:

- levy all landings on an aircraft weight basis - Maximum Certified Take-off Weight (MCTOW)
- provide a differential within the charging model to recognising the higher impacts of heavier aircraft on the airport
- group aircraft into appropriate subgroups to apply fees and charges
- apply a flat rate for groups below the 5,700kg MCTOW
- calculate individual charges for aircraft at or above the 5,700kg MCTOW
- not differentiate between grass or sealed runway use
- reflects general aviation market charges
- endeavour to move towards Masterton District Council's Revenue and Financing Policy of user pays (60% user and 40% community).
- provide adjusted charges for aircraft conducting 'touch and goes' (non-full stop landings)
- includes the terminal charge in the fee charged for all aircraft over the 5,700kg MCTOW
- remove provision of an annual (discounted) charge
- provide a discount for users who prepay
- count five 'touch and go' landings as one full stop landing
- charge every 'missed approach' landing at a flat fee
- treat helicopters as fixed wing aircraft, with per applicable weight category
- apply an administrative charge to accounts that total less than $20.

Consultation

Under the Civil Aviation Act 2023 only substantial customers (those who pay more than five per cent of the total charges recovered) are required to be consulted, however the Council is asking all Hood Aerodrome users to have their say.

Key dates and activities

• **Thursday 24 April 2025**	Consultation opens
• **Information sessions**	Wednesday 7 May 2025, Hood Terminal 6.30pm – 7.30 pm
	Saturday 10 May 2025, Hood Terminal 10am – 11am
• **Thursday 22 May 2025**	Consultation closes at 4.00 pm
• **28 May 2025**	Submission hearing
• **4 June 2025**	Council decision
• **1 July 2025**	New fees and charges take effect

Te āhua o tō tuku kōrero

How to have your say

We welcome your feedback on the Hood Aerodrome Aeronautical Charges Review.

Submissions close at **4pm on Thursday 22 May 2025**.

You can make a submission in several ways:

Complete the attached fillable submission form and email it to: **submissions@mstn.govt.nz**

Phone **06 370 6300** between 9am and 4pm Monday to Friday (excluding public holidays) and tell us what you think

Post the attached fillable submission to Masterton District Council, PO Box 444, Masterton 5840, or drop it off to our Customer Service Centre

Hearing

For those wanting to present their views to the Council, a hearing will be held on Wednesday 28 May 2025. You will need to indicate on your submission form that you would like to attend the hearing.

Model result

	Fixed				
Group	**1**	**2**	**3**	**4**	**5**
Weight range (kg)	0	601	2101	3601	5101
	600	2100	3600	5100	6500
Mid-point		1351	2851	4351	5851
Class	Microlights	Small GA	Medium GA	Large GA	Medium Twins
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per kg rate $0.01750	0.01225	0.01225	0.01225	0.01225	0.01225
Per kg rate x MCTOW	$7.35	$16.55	$34.92	$53.30	$71.67
NZ average	$5.35	$15.63	$21.33	$33.14	$56.61
Recommendation	**$7.50**	**$16.50**	**$34.00**	**$50.00**	**$70.00**
Inclusive of GST	**$8.63**	**$18.98**	**$39.10**	**$57.50**	**$80.50**

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Hood Aerodrome Aeronautical Charges Review submission form

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Please read the Consultation Document before completing the form.

Complete this submission form, and email to: submissions@mstn.govt.nz

Phone us on 06 370 6300 between 9am and 4pm Monday to Friday (excluding public holidays) and tell us what you think.

Post the attached fillable submission to Masterton District Council, PO Box 444, Masterton 5840, or drop it off to our Customer Service Centre

Submissions close 4pm Thursday 22 May

06 370 6300
161 Queen Street
PO Box 444, Masterton 5840
submissions@mstn.govt.nz

Privacy Statement

All submissions will be made available to the public via the Masterton District Council website. Your name, organisation (if applicable) and feedback will be included in public documents. All other personal details will remain private. If you have extenuating circumstances, please contact us prior to the submission closure date to request that your name be withheld.

The Privacy Act 2020 applies when we collect personal details. Any details that are collected will only be used for the purposes stated. You have the right to access and correct any personal information we hold. Further information is available by searching "privacy policy" on our website: www.mstn.govt.nz

Submission Policy

Information on our submissions process and minimum requirements for submissions content can be found by searching "policies" on our website: www.mstn.govt.nz

Your details

Full name (required)	
Postal address	
Phone	
Email	

Are you giving feedback on behalf of an organisation? ☐ Yes ☐ No

Organisation name	

Hearings

The Council will hold a hearing on Wednesday 28 May 2025 for those wanting to present their views in person. You will have up to seven minutes to present your feedback to elected members in person or via Microsoft Teams online.

Would you like to present your views at the hearing?

☐ Yes (in person) ☐ Yes (via Microsoft Teams) ☐ No

If yes, please make sure your contact details in the previous section are correct so we can get in touch.

Your thoughts

Please tell us what you think about our proposed fees:

06 370 6300
161 Queen Street
PO Box 444, Masterton 5840
submissions@mstn.govt.nz