ORDINARY MEETING

of

Council

AGENDA

Supplementary Reports

Time: 9:30 am

Date: Wednesday, 11 June 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

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7 REPORTS FOR DECISION

7.1 SUPPLEMENTARY REPORT PROVIDING ADVICE ON THE HOOD AERODROME CHARGES REVIEW DELIBERATIONS

File Number:

Author: **Karen Yates, General Manager Strategy & Development**

Authoriser: **Kym Fell, Chief Executive**

Purpose

The purpose of this report is to provide the Council with advice relating to the proposal to retain annual flat fee charges following consultation on a revised, user pays landing fees model for all aircraft, in order to assist with decision-making in accordance with Sections 76-87 of the Local Government Act 2002.

RECOMMENDATIONS

That Council:

1. **Notes** the advice provided in this report relating to the elected members' proposal to retain a schedule of voluntary flat fee annual charges for each domiciled aircraft with a 125% increase on current charges, and retain the rates proposed in the consultation document for casual users except an amendment for microlights (change to $7.50 +GST per landing), following consultation on a user pays per landing model.
2. **Notes** that, Council will need to identify the advantages and disadvantages of the elected members' proposal and the reason for the significant variation to the officer's recommended proposal.
3. **Notes** that, if Council decides to proceed with the elected members' proposal, it must decide whether to reconsult with Hood Aerodrome users and the nature of that consultation.
4. **Notes** that, if Council decides to proceed with the elected members' proposal, it must decide whether the inconsistencies between the proposal and the user pays policy principal in the Revenue and Financing Policy are significant enough to warrant a declaration in accordance with section 80 of the LGA.

CONTEXT

Council carried out a review of aeronautical charges applying for the use of Hood Aerodrome from June 2024. A set of principles was 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 – costs 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 aircraft pay for the use of the terminal.

Council agreed a revised model of charges for consultation at its meeting on 23 April 2025 (see attachments to the report *Hood Aerodrome Aeronautical Charges Review Deliberations* to be considered at this meeting). Council heard submissions at the Hearing held on 28 May 2025. The model of charges proposed to cease annual flat fee charges as they were not consistent with the principles identified above.

Officers have provided analysis on submissions and made recommendations to amend the charging model in light of submissions made in the report *Hood Aerodrome Aeronautical Charges Review Deliberations* to be considered at this meeting.

Elected members have indicated that they would like to consider a different proposal and have sought advice from officers on the implications of this proposal. The proposal is to retain the annual flat fee charges for each domiciled aircraft, with an increase of 125% on current fees, and retain the rates proposed in the consultation document for casual users except for microlights which would increase to $7.50 + GST per landing. It is assumed that the annual charge being offered is per aircraft (no group discounts), will only be available to domiciled aircraft and is voluntary. Those pilots who fly less than 24 times per year may elect not to take up the annual charge and pay per landing instead (the casual rates). Touch and Gos are assumed to remain as not charged for domiciled aircraft.

ANALYSIS AND ADVICE

Decision-Making Requirements

Under Standing Order 9.5 of Council's Standing Orders, a Chairperson may include a recommendation regarding any item on the agenda brought before the meeting. Where a Chairperson's recommendation varies significantly from an officer's recommendation the reason for the variation must be explained. A recommendation that differs significantly from the officer's recommendation must comply with the decision-making requirements of Part 6 of the Local Government Act 2002 (LGA).

Sections 77 and 79 in Part 6 of the LGA set out the requirements in relation to decisions, including that in the course of the decision-making process, the Council must seek to identify all reasonably practicable options for the achievement of the objective of the decision and assess the options in terms of their advantages and disadvantages. The extent Council undertakes this exercise is largely dictated by the significance of the decision.

If a decision of Council is significantly inconsistent with a policy required to be adopted by Council or is anticipated to have consequences that will be significantly inconsistent with the policy, section 80 of the LGA requires Council to identify the inconsistency and reasons for the inconsistency, and the intention of Council to amend the policy to accommodate the decision. As noted above, one of the principles for the charging model consulted on is that of the user pays i.e. those who use the service should bear the costs associated with its usage, rather than the public funding the majority.

This is in line with Council's Revenue and Financing Policy. The Policy provides that "Council seeks to maximise the portion of the service paid for through user fees and charges wherever feasible and appropriate."

Officers' recommended option outlined in the *Hood Aerodrome Aeronautical Charges Review Deliberations* report, aligns with the user pays principle.

Advice

In order to assist Council in considering whether to retain the annual flat fee charges, officers have provided at Attachment 1 examples of the financial impact of the options considered, using the 12 months of landings 1 April 2024 to 31 March 2025. The options provided are the proposal consulted on, the revised proposal as recommended by officers in the *Hood Aerodrome Aeronautical Charges Review Deliberations* report and the proposal from elected members.

Should Council prefer the proposal from elected members to retain the annual flat fee charges with 125% increase and amendment for microlights, it will need to identify the advantages and disadvantages of the proposal and the reason for the significant variation to the officer's recommended option.

Officers do not consider that the elected member's proposal has consequences that will be significantly inconsistent with the user pays policy given the quantum difference in total between that proposal and officer's recommended proposal would be around $5,000 based on last year's landing numbers. However, a flat fee is contrary to the user pays principle. When the amount of landings covered by the flat fee is exceeded the subsequent landings for that year effectively become free.

A discounted bulk landing fee, as proposed by officers, still applies a per landing fee (25 landings) and this is discounted to recognize the benefit to the Council in receiving up-front fees. The elected member's proposal conflicts with the policy statement that the proportion of user charges is maximized, if users can be identified and charged.

Council must consider if these inconsistencies are significant enough to warrant a declaration in accordance with section 80 of the LGA.

Consultation Requirements for the Proposal from Elected Members

Under section 78 of the LGA, Council is required to give consideration to the views and preferences of persons likely to be affected by, or have an interest in, a matter before making a decision. It must follow the principles of consultation in section 82 of the LGA when it does consult. The application of the principles is discretionary and whether to consult and the nature of the consultation turns on the significance of the decision in accordance with Council's Significance and Engagement Policy.

Under the Civil Aviation Act 2023, Council is required to consult with substantial customers before fixing or altering the amount of a charge. Despite this, Council consulted with all users that had landed at Hood in the previous twelve months, on its initial proposal.

The courts have considered the question of changes made to a proposal arising from consultation and whether further consultation is required before a decision is made. The case law indicates that Council needs to turn its mind to:[1]

- The significance and materiality of changes to the proposal.
- Whether the changes were in the bounds of what was consulted on.
- The manner in which it would be appropriate to consult before making the decision.

Advice

Officers consider that the proposal from elected members is significantly and materially different to the proposal consulted on. The following considerations are also relevant:

- The retention of the annual flat fee and the increase to it of 125% was not an option consulted on.
- The proposal was based on a user pays policy position consistent with Council's Revenue and Financing Policy which remains in place and it could not be reasonably anticipated the Council would disapply its own policy contrary to its stated aim.
- The proposal was also based on equity considerations (the service used is the same for everyone, therefore no one user should have an advantage over another) and the principle that heavier aircraft create more wear and tear and the cost structure should reflect this.
- The Council did not hear from the majority of those contacted in the targeted consultation who may agree with the policy and principles stated and proposed model.

Next Steps

If Council decides to adopt the proposal from elected members and decides **not to reconsult** with users on this proposal, the fees will be incorporated in the draft Annual Plan and Fees and Charges 2025/26 for adoption at the meeting on 25 June 2025.

If Council decides to adopt the proposal from elected members and decides **to reconsult** with users on this proposal, officers will contact users on Friday 13 June with the updated proposal, inviting any additional comment by Wednesday 25 June. Those on existing flat fee agreements will be invited to consider if they wish to stay with the newly proposed amount or change to the proposed casual rates. The draft current fees will be included in the Annual Plan and Fees and Charges 2025/26 for adoption at the meeting on 25 June 2026. Any feedback from users will be provided to Council for decision at an extraordinary meeting to be held on 2 or 9 July. The Fees and Charges 2025/26 will be updated with any changes to the Hood fees and charges and users choosing annual fees will be invoiced at the new rates at the end of July 2025.

If the Council decides to adopt the proposal recommended by officers in the *Hood Aerodrome Aeronautical Charges Review Deliberations* report, the fees will be incorporated in to the draft Annual Plan and Fees and Charges 2025/26 for adoption at the meeting on 25 June 2026.

[1] *Pascoe Properties Ltd v Nelson CC* [2012] NZRMA 232 (HC) at [16]; *CP Group Ltd v Auckland Council* [2020] NZHC 89 at [310]; and *New Zealand Motor Caravan Assoc Inc v Marlborough District Council* [2021] NZHC 3157.

ATTACHMENTS

1. Hood Aeronautical Charges - Examples ⇩

Hood Aerodrome Landing Charges				$ (excl GST)	$ (excl GST)	**$ (excl GST)**	$ (excl GST)		**$ (excl GST)**	$ (excl GST)
Examples	Aircraft MCTOW weight (kg)	No. Landings (12 mths)	No. T n Gs (12 mths)	24/25 Annual Fee	25/26 Landing Fees as per proposal*	**25/26 Landing Fees - Revised Proposal****	Incr/(decr) from Current		**25/26 Landing Fees - EM's Proposal*****	Incr/(decr) from Current
Microlight example 1	559	11	4	$ 80.00	$ 88.50	**$ 66.00**	-14.00	Doing 11 landings, pay $14pa less	**$ 180.00**	$ 100.00
Microlight example 2	552	11	57	$ 80.00	$ 168.00	**$ 66.00**	-14.00	Doing 11 landings, 57 TnGs, pay $14pa less	**$ 180.00**	$ 100.00
Microlight example 3	544	31	100	$ 80.00	$ 382.50	**$ 163.50**	83.50	Doing 31 landings, 100 TnGs, pay 83.50 more	**$ 180.00**	$ 100.00
Microlight example 4	598	70	59	$ 80.00	$ 613.50	**$ 382.50**	302.50	Doing 70 landings, pay $302.50 more	**$ 180.00**	$ 100.00
Small GA example 1	616	3	2	$ 80.00	$ 56.10	**$ 42.00**	-38.00	Doing 3 landings, pay $38pa less	**$ 180.00**	$ 100.00
Small GA example 2	630	22	38	$ 160.00	$ 488.40	**$ 297.50**	137.50	Pay $137.50 more	**$ 360.00**	$ 200.00
Small GA example 3	827	36	15	$ 160.00	$ 643.50	**$ 451.50**	291.50	Pay $291.50 more	**$ 360.00**	$ 200.00
Small GA example 4	816	66	164	$ 160.00	$ 1,630.20	**$ 819.00**	659.00	Pay $659.00 more	**$ 360.00**	$ 200.00
Aero Club - ZK-JBX	757	29	58	$ 160.00	$ 669.90	**$ 353.50**	193.50		**$ 360.00**	$ 200.00
Aero Club - ZK-DOS	1088	89	188	$ 160.00	$ 2,088.90	**$ 1,088.50**	928.50		**$ 360.00**	$ 200.00
Aero Club - ZK-DOY	598	197	1,272	$ 80.00	$ 3,385.50	**$ 1,020.00**	940.00		**$ 180.00**	$ 100.00
Aero Club - ZK-WRA	598	133	453	$ 80.00	$ 1,677.00	**$ 685.50**	605.50		**$ 180.00**	$ 100.00
Aero Club Total (4 planes)		448	1,971	$ 480.00	$ 7,821.30	**$ 3,147.50**	$ 2,667.50	High usage, coverts to $2,667 increase	**$ 1,080.00**	$ 600.00
Harvard - example	2540	30	110	$ 160.00	$ 1,768.00	**$ 577.50**	417.50	Heavier plane, means pay more	**$ 360.00**	$ 200.00
Helicopter - example	1360	13	-	$ 80.00	$ 214.50	**$ 78.00**	-2.00		**$ 180.00**	$ 100.00
Topdressing - example	3628	66	-	$ 480.00	$ 2,244.00	**$ 1,520.00**	1,040.00	Heavier plane, means pay more	**$ 1,080.00**	$ 600.00

* Proposal Consulted on =charge for every landing, TnG x 5 = 1 landing, weight categories vary from current

** Revised Proposal as per Staff Recommendation in Deliberations Report = reduced fees by 20%, landing pack of 25 landings discounted 15%, no charge TnGs for domiciled.

*** EM's Proposal = increase Annual Landing Charges by 125%, casual rates as proposed, except microlights go to $7.50 +GST. Annual Charge only available for domiciled aircraft, elective so assumed not taken up by low use aircraft.

Other information

Total Landing Fees generated in 2023/24 = $28,808, of which approx $8,600 comes from Annual Charges.

The Proposal consulted on would have generated approx $56,000, if no pre-purchase discount regime and no change in landing activity.

- Revised proposal, per Deliberations Report will generate approx $43,000
- EM's Revised Proposal (stay with Annual Fees) will generate approx $38,000.

Assumed that low use aircraft owners do not take up the annual charge option, Annual Fees estimated to generate $12,780.

Those pilots doing less than 24 flights per year will be better off paying per landing.

Aero Club under Annual Charges will pay $1,080 for 4 aircraft ($2.40 per landing) instead of $3,147 (average $7.00 per landing) under the Revised proposal.