



20 November 2025

PAPA RERERANGI I PUKETAPU LIMITED STATEMENT OF EXPECTATIONS

As part of the process of establishing the Statement of Intent (SOI) each year the Council issues a Statement of Expectations (SOE) to Council Controlled Organisations (CCOs).

This Papa Rererangi i Puketapu Ltd (PRIP) SOE has been developed in a collaboration with PRIP to guide their strategic direction and set out the expectations to be addressed in their 2026/27 SOI.

This SOE has been developed in accordance with the Local Government Act 2002 (LGA) Section 64b including:

- Specifying how the CCO is to conduct its relationship with New Plymouth District Council (NPDC, the Council) and the wider district including our local Iwi and Hapū and other Māori organisations; and
- Requiring the CCO to act consistently with the statutory obligations of the Council and the Council's obligations pursuant to agreements with third parties.

Expectations Specific to PRIP

- 1 *Te Matakūpenga Solar Farm Subsidiary Company:* This Statement of Expectations also applies to Te Matakūpenga, as appropriate. It is expected that the solar farm will perform as per the business case approved by Council, including debt repayments. Solar farm performance should be reported on as part of PRIP reporting.
- 2 *Puketapu-Bell Block Spatial Plan:* This is currently being developed by NPDC, Puketapu-Bell Block Community Board, Puketapu Hapū and Isthmus. PRIP should participate in this work to ensure the interests of the New Plymouth Airport are considered.
- 3 *Capital Projects:* The Council expects that the Board will have in place appropriate controls to ensure that capital projects are appropriately managed and delivered within time and on budget.
- 4 *Agreements:* There are various agreements (Service Level Agreement, Loan Facility, General Security Deed and Lease of Airport Land Deed) between the Council and PRIP regarding the on-going operation of the airport. The Council expects that PRIP will abide by these agreements in good faith and report any breaches of these agreements to council officers on a timely basis.

- 5 *Civil Aviation Requirements:* As holder of the Airport Operations Certificate (AOC), the Council is responsible for meeting aviation health and safety obligations under the Civil Aviation Authority (CAA) Rules part 139. This requirement is managed by PRIP on a day to day basis, on behalf of the Council. PRIP must keep council officers informed of any changes in the status of these obligations.
- 6 *Updated cashflow forecasts:* PRIP will provide to council officers at the end of each quarter an updated 12-month cashflow forecast, broken down by month. This forecast will include projected borrowing requirements and scheduled debt repayments.
- 7 *Loan facilities:*
 - On 30 June 2020 the Council resolved that \$22 million of debt owed to the Council by PRIP be converted to equity. If PRIPs financial position indicates that they can pay dividends on this investment, PRIP must seek clarification from Council on the best option for these funds, such as paying dividends, reducing the loan balance or investing in other activities.
 - PRIP must include expected drawdowns and repayments of the loan facility in the draft and final SOI. Any other drawdowns must meet the requirements of the loan facility agreement.
 - If the SOI signals a potential need to go above the current loan facility limits, it must be made clear that it is subject to formal approval by Council – the receipt of the SOI does not approve an increase.
- 8 *Diversification:* PRIP is to consider opportunities to grow and/or diversify its sources of income. This is to reduce the impact of flight disruptions on the organisation
- 9 *Accounting:*
 - Council officers must be provided any documentation or information required for the officers to fulfil their financial accounting duties.
 - PRIP are expected to co-operate in the company’s financial audit and in resolving any audit issues raised in the “Report to the Board on the audit”.
 - The signed audit opinion and audit management report will be presented to the CCOs Committee (or any other appropriate committee) after it has been reviewed by the PRIP Board. Council expects the audit opinion to be unqualified.
 - PRIP are expected to answer reasonable queries on their financial performance as and when requested by council officers or councillors via the shareholders representative or at briefings.

General Expectations

- 10 *Draft SOI:* All CCOs must provide a draft SOI to council officers by 1 March each year. The draft SOI will be considered by Council or appropriate Committee. Feedback will be provided at draft stage, and the final SOI is to be provided to council officers by 30 June.
- 11 *Reporting:*
 - A quarterly report will be provided to Council officers within two months of the end of each quarter to be presented to the Council. The Board approved Annual Report will be provided within three months of year end. All reports will be made publicly available within one month of being received.
 - The half-yearly and end-of-year reports must be detailed and include updates on all measures and activities (where applicable). The quarter one and three reports may be less detailed dashboard style reports.
- 12 *Council / Committee Meetings:* The board Chair or in their absence a board member, must attend Council or appropriate Committee meetings to present quarterly updates unless otherwise instructed. The Chief Executive and/or management should attend to answer questions for clarification.
- 13 *“No Surprises” Policy:* It is expected that you will maintain a “no surprises” policy and inform council officers well in advance of any material or significant events, transactions or other issues that would be considered contentious or attract wide public interest.
- 14 *Sensitive Expenditure:* While noting that CCOs operate in a different market than the Council, they need to be cognisant of the fact that they are operating in a public environment and should be aware of the Council’s sensitive expenditure policy.
- 15 *Environmental Sustainability:* NPDC has a strategic goal “Environmental Excellence Te Kounga ā-Taiao”. NPDC’s Environmental Sustainability Policy outlines our main environmental priorities. CCOs must be aware of these and assist in the achievement of them where and when appropriate. This should be reported on in the half-yearly and end-of-year reports.
- 16 *Climate change reporting:*
 - NPDC requests each CCO to undertake climate-related disclosures in 2026/27. These disclosures should be aligned to the New Zealand Climate Standard, but strict adherence to that Standard is not required and CCOs are asked to focus on fit-for-purpose reporting instead.
 - NPDC has joined the Local Government Funding Agency’s Climate Action Loans to provide an interest rate discount for Council debt. This requires all CCOs to be included within NPDC’s emissions boundary. Therefore, NPDC will require you to monitor, report on, and reduce your operational emissions (including scope 1, 2 and 3 emission sources).

- 17 *Relationship with NPDC:* To ensure strong communications and alignment between the Council and its CCOs an advisor will attend, as an observer, all Board meetings.
- 18 *Relationship with New Plymouth District Community:* Council expects that PRIP's decisions are for the benefit of the district.
- 19 *Relationship with Iwi, Hapū and other Māori organisations:* The Council expects the PRIP Board and Airport Company to drive and maintain a strong partnership with mana whenua. This includes discussions with Puketapu Hapū at any time it is considered appropriate and at all times when future decisions will impact local Iwi and Hapū.
- 20 *Obligations:* PRIP must always act in a manner consistent with the statutory obligations of NPDC and also those pursuant to agreements with third parties (including Iwi, Hapū, or other Māori organisations).

Yours faithfully



Gareth Green
CHIEF EXECUTIVE