

Reference: 20220535

27 February 2023



Dear 

Thank you for your Official Information Act request, received on 9 December 2022. You requested:

I would like to request information under the Official Information Act regarding the development of the Tarras airport in Central Otago.

Please release all information held by Treasury regarding the Tarras development since the report (dated 1 December 2022). See link:

<https://www.treasury.govt.nz/publications/oia-response/information-tarras-investment-project-tarras-airport-development-proposal-oia-20210442>

On 27 January 2023, I extended the time to make a decision on your request by 20 working days to undertake consultation.

Information being released

Please find enclosed the following documents:

Item	Date	Document Description	Decision
1.	22 November 2021	Treasury Report T2021/2762: Letters of Expectations for 2022/23	Release in part
2.	Various	Email: RE - DIAL and CIAL SIL key points	Release in part
3.	Various	Email: RE: Returned report: T2022/600 - Statements of Intent - Airport Companies	Release in part
4.	6 April 2022	Treasury Report T2022/600: FY22/23 Statements of Intent of Airport Companies	Release in part
5.	6 April 2022	2022/23 Statement of Intent - Letter to CIAL Chair	Release in part

6.	Various	Email: RE: Tarras airport ministerials - in confidence	Release in part
7.	2 June 2022	Information for Crown response 1 Jun 22	Release in part
8.	Various	Email: TSY BAG Ministerial Reply (Ministerial) 5509 T2022-1252 Tarras Airport Proposal	Release in part
9.	Various	Email: Central Otago Airport	Release in part
10.	Various	Email: RE: MSOEs meeting with CIAL	Release in part
11.	24 August 2022	Meeting with CE and Project Director of Christchurch International Airport Limited	Release in part
12.	Various	Email: RE: email 5775	Release in part
13.	Various	Email: RE - Ministerial correspondence regarding Tarras airport	Release in part

I have decided to release the relevant parts of the documents listed above, subject to information being withheld under one or more of the following sections of the Official Information Act, as applicable:

- section 9(2)(a) – to protect the privacy of natural persons, including that of deceased natural persons,
- section 9(2)(ba)(i) – to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied,
- section 9(2)(ba)(ii) – to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest,
- section 9(2)(g)(i) – to maintain the effective conduct of public affairs through the free and frank expression of opinions,
- section 9(2)(g)(ii) – to maintain the effective conduct of public affairs through protecting Ministers, members of government organisations, officers and employees from improper pressure or harassment,
- section 9(2)(j) – to enable the Crown to negotiate without prejudice or disadvantage, and
- section 9(2)(k) – to prevent the disclosure of information for improper gain or improper advantage.

Some information has been redacted because it is not covered by the scope of your request. This is because the documents include matters outside your specific request.

Direct dial phone numbers of officials have been redacted under section 9(2)(k) in order to reduce the possibility of staff being exposed to phishing and other scams. This is because information released under the OIA may end up in the public domain, for example, on websites including the Treasury's website.

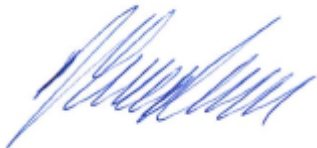
Christchurch International Airport Limited (CIAL) is also providing information to you in response to your request that has been transferred to it. As such, I have refused part of your request for information that will be provided by CIAL, or information that is publicly available on the CIAL website, under section 18(d) of the Official Information Act.

In making my decision, I have considered the public interest considerations in section 9(1) of the Official Information Act.

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Treasury website.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely



Juston Anderson
Principal Advisor, Commercial and Institutional Performance

20220535 TOIA Binder

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TE TAI ŌHANGA
THE TREASURY

Treasury Report: Letters of Expectations for 2022/23

Date:	22 November 2021	Report No:	T2021/2762
		File Number:	SE-0-0

Action sought

	Action sought	Deadline
Minister of Finance (Hon Grant Robertson)	Out of scope	7 December 2021
Associate Minister of Finance (Hon Dr Megan Woods)		7 December 2021
Associate Minister of Finance (Hon David Parker)		7 December 2021
Minister for Biosecurity Minister of Agriculture Minister for Land Information (Hon Damien O'Connor)		7 December 2021
Minister for State Owned Enterprises (Hon Dr David Clark)	Agree to sign the proposed Letters of Expectations for 2022/23 to the Chairs of Out of scope Out of scope Christchurch International Airport, Out of scope Out of scope	7 December 2021

Contact for telephone discussion (if required)

Name	Position	Telephone		1st Contact
Ann Webster	Principal Advisor, Commercial Performance	s9(2)(k)	s9(2)(g)(ii)	✓
Shelley Hollingsworth	Manager, Commercial Performance			
Maureena van der Lem	Manager, Commercial Performance			

Minister's Office actions

Out of scope

Minister for State Owned Enterprises' office: Once signed, **send** the attached letters to the Chairs of Out of scope

Christchurch International Airport, Out of scope

Out of scope

Note any feedback on the quality of the report


Enclosure: Yes (attached)

Out of scope

[2022/23 Letter of Expectations for Christchurch International Airport Limited](#)

Out of scope

Out of scope




CIAL investment decision-making for Tarras and other strategic initiatives

- 27. CIAL's LOE expresses expectations that the airport makes prudent long-term fiscal decisions to achieve its strategy and, regarding the Tarras airport project and a solar-energy focused renewable energy precinct.

- 28. We have also reconfirmed the shareholders' expectation issued for FY21/22 that CIAL works closely and engages with the community and stakeholders giving sufficient consideration to the issues raised during consultations in order to maximise public benefits (including economic benefits), while providing a safe and efficient gateway to the South Island. Furthermore, the expectations state that CIAL should uphold its social licence as an important New Zealand entity and continue to be a leading example to entities working to decarbonise New Zealand.

Out of scope



From: Amanda Wilson <Amanda.Wilson@parliament.govt.nz>
Sent: Thursday, 10 March 2022 8:12 pm
To: Kylie Kuan [TSY]
Subject: RE: DIAL and CIAL SIL key points

Categories: Out of scope


Thank you.

From: Kylie Kuan [TSY] [mailto:Kylie.Kuan@treasury.govt.nz]
Sent: Wednesday, 9 March 2022 4:58 PM
To: Amanda Wilson <Amanda.Wilson@parliament.govt.nz>
Cc: Maruta Kanepa [TSY] <Maruta.Kanepa@treasury.govt.nz>
Subject: DIAL and CIAL SIL key points

Hi Amanda


This email includes key messages from Dunedin Airport (DIAL) and Christchurch Airport's (CIAL) Strategic Issues Letter*.

Out of scope



CIAL

Out of scope



Out of scope

Significant investment projects – Tarras

- The project is currently focused in the stage of engagement, planning and feasibility. The priorities for the current phase of the project, that is expected to take up most of FY23-25, are:
 - o continued engagement with local communities, iwi mana whenua and stakeholders;
 - o undertaking the validation and planning work that will be required before the project can move to its next critical milestone of obtaining the approvals required to enable development; and
 - o continue engaging in ongoing dialogues with the community to understand their concerns and priorities, and factor these into the airport design.
- CIAL will continue to engage with affected neighbours and residents from the wider community, district, region and iwi, as it looks to shape a proposal for the next phase of regulatory approval.

Out of scope

Kind regards

Kylie



Kylie Kuan (she/her) | Graduate Analyst, Commercial Performance | Te Tai Ōhanga – The Treasury

Tel: s9(2)(k) | Email/IM: kylie.kuan@treasury.govt.nz | Mobile: s9(2)(g)(ii)

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From: Amanda Wilson <Amanda.Wilson@parliament.govt.nz>
Sent: Tuesday, 19 April 2022 12:26 pm
To: Kylie Kuan [TSY]; Maruta Kanepa [TSY]
Cc: Mark O'Regan [TSY]; Michael Moore [TSY]
Subject: RE: Returned Report: T2022/600 - Statements of Intent - Airport Companie

Categories: Out of scope

Out of scope



From: Amanda Wilson <Amanda.Wilson@parliament.govt.nz>
Sent: Tuesday, 19 April 2022 11:37 am
To: Maruta Kanepa [TSY] <Maruta.Kanepa@treasury.govt.nz>; Kylie Kuan [TSY] <Kylie.Kuan@treasury.govt.nz>
Cc: Mark O'Regan [TSY] <Mark.O'Regan@treasury.govt.nz>
Subject: RE: Returned Report: T2022/600 - Statements of Intent - Airport Companie

Hey,

FYI – MoF is happy with these changes. The report, and updated letter is with Minister Clark now. Out of scope



Out of scope

From: Maruta Kanepa [TSY] [<mailto:Maruta.Kanepa@treasury.govt.nz>]
Sent: Tuesday, 12 April 2022 1:45 PM
To: Amanda Wilson <Amanda.Wilson@parliament.govt.nz>; Kylie Kuan [TSY] <Kylie.Kuan@treasury.govt.nz>
Cc: Mark O'Regan [TSY] <Mark.O'Regan@treasury.govt.nz>; Ministerial Services Inbox [TSY] <Ministerial.Services@treasury.govt.nz>
Subject: RE: Returned Report: T2022/600 - Statements of Intent - Airport Companie

Hi Amanda,

Dos the attached version address Ministers concerns?

Many thanks,



Maruta Kanepa | Senior Analyst, Commercial and Institutional Performance | Te Tai Ōhanga – The Treasury

Tel: s9(2)(k) | Email/IM: maruta.kanepa@treasury.govt.nz

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From: Amanda Wilson <Amanda.Wilson@parliament.govt.nz>
Sent: Tuesday, 12 April 2022 1:22 pm
To: Maruta Kanepa [TSY] <Maruta.Kanepa@treasury.govt.nz>; Kylie Kuan [TSY] <Kylie.Kuan@treasury.govt.nz>
Cc: Mark O'Regan [TSY] <Mark.O'Regan@treasury.govt.nz>; Ministerial Services Inbox [TSY] <Ministerial.Services@treasury.govt.nz>
Subject: RE: Returned Report: T2022/600 - Statements of Intent - Airport Companie

Hey,

s9(2)(ba)(i) and s9(2)(g)(i)

From: Maruta Kanepa [TSY] [<mailto:Maruta.Kanepa@treasury.govt.nz>]
Sent: Tuesday, 12 April 2022 10:18 AM
To: Amanda Wilson <Amanda.Wilson@parliament.govt.nz>; Kylie Kuan [TSY] <Kylie.Kuan@treasury.govt.nz>
Cc: Mark O'Regan [TSY] <Mark.O'Regan@treasury.govt.nz>; Ministerial Services Inbox [TSY] <Ministerial.Services@treasury.govt.nz>
Subject: RE: Returned Report: T2022/600 - Statements of Intent - Airport Companie

Good morning Amanda,

To futureproof the expectation and not narrow it down to specific projects, we've included expectations around both shareholder and balance sheet funded investment projects. Please note that CIAL has a standing offer to brief Ministers on the progress of the Otago airport project, they'd be best placed to provide an in-depth briefing and responses to address Ministers' specific concerns.

Let us know if you have further comments.

Many thanks,
Maruta

From: Amanda Wilson <Amanda.Wilson@parliament.govt.nz>
Sent: Monday, 11 April 2022 3:19 pm
To: Maruta Kanepa [TSY] <Maruta.Kanepa@treasury.govt.nz>; Kylie Kuan [TSY] <Kylie.Kuan@treasury.govt.nz>
Cc: Mark O'Regan [TSY] <Mark.O'Regan@treasury.govt.nz>
Subject: RE: Returned Report: T2022/600 - Statements of Intent - Airport Companie

Hi,

s9(2)(ba)(i) To square
away the high bar comments from the Minister.

I will need to put this back to MoF also to confirm.



Amanda Wilson, Finance and State Owned Enterprises Advisor
Office of Hon Grant Robertson | Office of Hon Dr David Clark
Minister of Finance | Minister for State Owned Enterprises

Level 7.6 Executive Wing, Parliament Buildings, PO Box 18041, Wellington 6160, New Zealand
M: s9(2)(g)(ii)
E: amanda.wilson@parliament.govt.nz

From: Maruta Kanepa [TSY] [<mailto:Maruta.Kanepa@treasury.govt.nz>]
Sent: Monday, 11 April 2022 11:33 AM
To: Amanda Wilson <Amanda.Wilson@parliament.govt.nz>; Kylie Kuan [TSY] <Kylie.Kuan@treasury.govt.nz>
Cc: Mark O'Regan [TSY] <Mark.O'Regan@treasury.govt.nz>
Subject: RE: Returned Report: T2022/600 - Statements of Intent - Airport Companie

Hi Amanda,

Would the below address Minister Robertson’s concerns? Please note that Mark hasn’t yet signed off on the proposed wording, we wanted to firstly confirm if this addresses MoF’s substantive concerns.

s9(2)(g)(i)

s9(2)(ba)(i) We hope that the addition to the letter reflects an expectation that CIAL prioritises the community over profits through its social licence and CIAL’s commitments to the region.

Let me know if the above works and we’ll send through the letter for Minister Clark’s consideration.

Cheers,
Maruta

From: Amanda Wilson <Amanda.Wilson@parliament.govt.nz>
Sent: Monday, 11 April 2022 9:22 am
To: Maruta Kanepa [TSY] <Maruta.Kanepa@treasury.govt.nz>; Kylie Kuan [TSY] <Kylie.Kuan@treasury.govt.nz>
Cc: Mark O'Regan [TSY] <Mark.O'Regan@treasury.govt.nz>; Ministerial Services Inbox [TSY] <Ministerial.Services@treasury.govt.nz>
Subject: Returned Report: T2022/600 - Statements of Intent - Airport Companie

Kia Ora,

Minister Robertson has agreed for Minister Clark to sign the letters to the Chairs, subject to the following comments/lines being included in the CIAL letter. These all relate to Tarras:

- Last year there was some specific comments about prioritising community consultation etc – can these words please be included.
- Can we please include some lines to seek regular updates on the project and reiterate that any future development would have to meet a high bar to receive Government support (or something to this effect).

s9(2)(g)(i)

Minister Clark hasn't had a chance to review the briefing yet so I will send these comments to him. It would be great to have an updated letter asap this week so I can put that in front of Minister Clark when he reviews the paper also.



Amanda Wilson, Finance and State Owned Enterprises Advisor
Office of Hon Grant Robertson | Office of Hon Dr David Clark
Minister of Finance | Minister for State Owned Enterprises

Level 7.6 Executive Wing, Parliament Buildings, PO Box 18041, Wellington 6160, New Zealand
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E: amanda.wilson@parliament.govt.nz

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TE TAI ŌHANGA
THE TREASURY

Treasury Report: FY22/23 Statements of Intent of Airport Companies

Date:	6 April 2022	Report No:	T2022/600
		File Number:	CM-1-3-4-0

Action sought

	Action sought	Deadline
Minister of Finance (Hon Grant Robertson)	Agree for the Minister for State Owned Enterprises to sign and send the attached letters to the Chairs of the airport companies	20 April 2022
Minister for State Owned Enterprises (Hon Dr David Clark)	Agree recommendations Sign and send the attached letters to the Chairs of the airport companies	20 April 2022

Contact for telephone discussion (if required)

Name	Position	Telephone	1st Contact
Maruta Kanepa	Senior Analyst, Commercial Performance	s9(2)(k)	✓
Kylie Kuan	Analyst, Commercial Performance		✓
Michael Moore	Acting Manager, Commercial Performance		

Minister's Office actions (if required)

Return the signed report to Treasury

Minister for State Owned Enterprise's office: **Send** the signed letters to the Chairs of the airport companies, asking for their company's Statements of Intent to be finalised


Note any feedback on the quality of the report

Enclosure: [CIAL SOI letter to the Chair FY22-23 \(Treasury:4626621v1\)](#)
[DIAL SOI letter to the Chair FY22-23 \(Treasury:4626622v1\)](#)
[HBAL SOI letter to the Chair FY22-23 \(Treasury:4626623v1\)](#)

Treasury Report: FY22/23 Statements of Intent of Airport Companies

Executive Summary


Out of scope



Other key areas of the SOIs for each of the Airports are summarised below.

- CIAL continues its consultation with the Tarras community in relation to the Central Otago airport project. CIAL has also engaged an anthropology expert around CIAL's sustainability journey. The study interrogates the airport's green transition and acknowledges CIAL as a world leader in airport decarbonisation and sustainability.

Out of scope



Recommended Action

We recommend that the Minister for State Owned Enterprises **signs** the attached letters to the Chairs of the airport companies on behalf of shareholding Ministers, asking the Chairs of the Airports to send the final copies of Airports' Statements of Intent to shareholders and publish the documents by 30 June 2022.

Agree/disagree.
Minister of Finance

Agree/disagree.
Minister for State Owned Enterprises

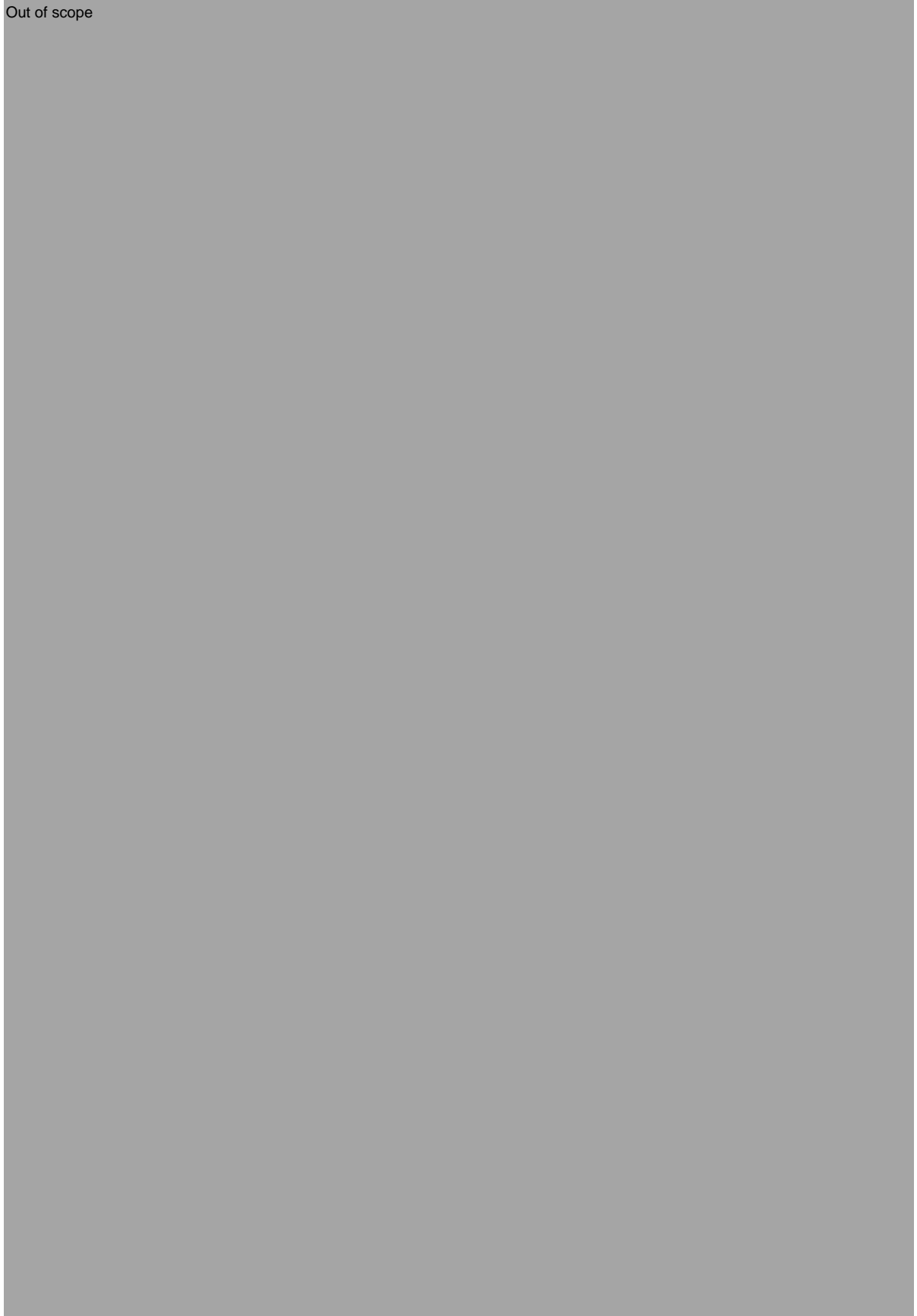
Michael Moore
Acting Manager, Commercial Performance

Hon Grant Robertson
Minister of Finance

Hon Dr David Clark
Minister for State Owned Enterprises

Treasury Report: FY22/23 Statements of Intent of Airport Companies

Out of scope



Out of scope

Christchurch International Airport Limited (CIAL)

Strategy and scope

14. CIAL’s strategy, called Horizons 2030, is based on three strategic priorities:

- Out of scope
- “expand CIAL’s horizons” – see information about the proposed Tarras airport and renewable energy Kowhai Park below (paragraphs 16 to 20).
- Out of scope

15. Out of scope

Long term strategic priorities – Tarras airport


16. The Tarras airport project is taking a phased approach. It is currently focused on the engagement, planning and feasibility stage. The priorities for the current phase of the project, that is expected to take up most of the period covered by the current SOI (FY22/23-FY24/25), are:

- continued engagement with local communities, iwi mana whenua and stakeholders; and
- undertaking the validation and planning work that will be required before the project can move to its next critical milestone of obtaining the approvals required to enable development.

17. CIAL is committed to consulting the community first, and only then break ground on the airport build. CIAL begun discussions with the community before undertaking the design work so that it can understand their concerns and priorities and factor these into the Tarras airport design.


Out of scope

Out of scope




Alignment with the Letter of Expectations

21. CIAL has addressed shareholding Ministers' concerns and expectations issued in FY22/23 Letter of expectations:

-  Out of scope
- Significant investment projects – Ministers expressed expectations that CIAL not only makes financially prudent decisions with regard to significant investment proposals, but upholds its social licence as an important New Zealand's entity by continuing to work closely and engaging with the community and stakeholders and giving sufficient consideration to the issues raised during consultations. CIAL engages with the community on an ongoing basis, including publishing regular updates on its website, not only in-person meetings.

Out of scope



³ Available on CIAL's website "*Building The Future Airport Now: Christchurch Airport's Green Transmission*", Piers Locke PhD, <https://www.christchurchairport.co.nz/globalassets/about-us/sustainability/dr-piers-locke-christchurch-airport-sustainability-journey.pdf>

Hon Dr David Clark

MP for Dunedin

Minister of Commerce and Consumer Affairs
Minister for the Digital Economy and Communications
Minister for State Owned Enterprises
Minister of Statistics
Minister Responsible for the Earthquake Commission



Catherine Drayton
Chair
Christchurch International Airport Ltd
s9(2)(a)

Dear Ms Drayton

2022/23 STATEMENT OF INTENT

Thank you for providing shareholding Ministers with the draft 2022/23 Statement of Intent (SOI) for Christchurch International Airport Ltd (CIAL). We acknowledge that CIAL has engaged with the Treasury on CIAL's strategic initiatives and the draft document and therefore have no further comments on the SOI.

To reiterate our previous Letters of Expectations, we expect CIAL to continue upholding its social licence as an important New Zealand entity, prioritising engagement with the affected communities and providing regular shareholder updates in relation to significant investments like the Central Otago airport and Kowhai Park projects.

We expect consultation with the community and shareholder updates on such significant projects, whether funded from your balance sheet or with the support of shareholders, to be of the highest standard. The threshold for accessing new shareholding capital for any projects will be high, and we expect you to engage with the Treasury on this before coming to us directly.

We also expect that the projects will reflect, at a minimum, CIAL's commitment to growing the prosperity and wellbeing of Christchurch, Canterbury and the South Island.

CIAL is now invited to finalise its SOI, subject to inclusion of the Board's estimate of commercial value, for the SOI to meet the requirements of the Local Government Act 2002. Please also provide my office with soft copy of the final SOI on 30 June 2022 and publish it on the company website as soon as practicable after that date.

I wish you every success for the year ahead. Please pass on my thanks to the rest of your Board, the management, and the staff of CIAL for their effort.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'David Clark'.

Hon Dr David Clark
Minister for State Owned Enterprises
on behalf of shareholding Ministers

cc Mr Malcolm Johns, CEO, Christchurch International Airport Ltd, s9(2)(a)
Mr Tim Boyd, CE Christchurch City Holdings Limited, s9(2)(a)

From: Michael Singleton s9(2)(a)
Sent: Thursday, 2 June 2022 4:57 pm
To: Maruta Kanepa [TSY]; Duncan Small
Cc: Kylie Kuan [TSY]; Tim May
Subject: RE: Tarras airport ministerials - in confidence
Attachments: Information for Crown response to s9(2)(a) 1 Jun 22.docx

Categories: Out of scope

Hi Maruta and Kylie.

What great timing as I have just finished the responses to your questions. Our responses should give the Ministers the correct factual information.

The letters look fine and we have no objections. Thanks again for your help and patience responding to these enquiries.

Regards
Michael

From: Maruta Kanepa [TSY] <Maruta.Kanepa@treasury.govt.nz>
Sent: Thursday, 2 June 2022 4:36 pm
To: Michael Singleton s9(2)(a) Duncan Small s9(2)(a)
Cc: Kylie Kuan [TSY] <Kylie.Kuan@treasury.govt.nz>
Subject: Tarras airport ministerials - in confidence

Hi Michael and Duncan,

Please find below the initial draft responses for the Ministerials we've discussed yesterday. Note that these haven't gone through our internal sign off processes, nor have the Ministers signed off on these, so I would appreciate if this is treated as in confidence. Once the letters are sent, they become public information, but the drafts are not.

As I mentioned yesterday, there are two letters. We originally thought to have one reply on behalf of both Ministers, but the Offices requested two separate replies.

Please let me know if you have any objections, I'll see if we can incorporate these in the replies. The yellow bit below will definitely change, we ran out of ideas how to say what we wanted to.

As noted in our meeting, this will ideally be accompanied by correct factual information for Ministers only.

Kind regards,
Maruta

Minister Robertson's:

s9(2)(ba)(ii)

s9(2)(ba)(ii)

Minister Clark's:

s9(2)(ba)(ii)

Ngā mihi,
Maruta



Maruta Kanepa | Senior Analyst, Commercial and Institutional Performance | Te Tai Ōhanga – The Treasury

Tel: s9(2)(k) | Email/IM: maruta.kanepa@treasury.govt.nz
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Letter	TSY	CIAL
Letter to Hon Robertson		
<p>s9(2)(ba)(ii)</p>	<p>s9(2)(g)(i)</p> <p>Is there anything online that covers aspects that you'd include in a business case? With exception of numbers, many topics are covered in www.centralotagoairport.co.nz</p>	<p>We are at an early, exploratory stage and there is currently no business case to publish for the airport. It will be the product of the various workstreams set out on the website and will include each of:</p> <ul style="list-style-type: none"> - an economic cost-benefit assessment - a socioeconomic & wellbeing assessment - an economic impact assessment - an environmental impact assessment <p>It is simply not possible to determine either a business or financial case without having completed the infrastructure requirements. These are a function of the aeronautical capability which is determined by factors currently under review such as runway length and aircraft types, demand.</p> <p>CIAL has over 80 years of experience operating airports. Our Board was satisfied a prima facie case existed to acquire the 750ha of land and we continue to explore the case.</p> <p>Note: The financial case will be a matter that is internal to CIAL, and to the extent required, its shareholders.</p>
<p>s9(2)(ba)(ii)</p>	<p>I don't know if they have used passengers or aircraft movements. Would you be able to provide a capacity figure? Whichever is easiest – pax or planes. (subject to your comfort with the provided information).</p>	<p>There is no single capacity figure for CHC however it has no foreseeable capacity constraints.</p>

		<p>Ultimately CHC's capacity is not relevant as the requirements for new airport infrastructure exist in Central Otago not Christchurch.</p>
<p>s9(2)(ba)(ii)</p>	<p>I don't expect we'll go into this much detail, but it would be good to know if there is any merit here</p>	<p>This seems an unusual inference to draw noting Pre-Covid CHC generally had between three and seven international wide-bodied services per day.</p> <p>Note:</p> <ul style="list-style-type: none"> - The suggested numbers would drive between 4.5m and 6.5m passenger movements per year on wide-bodied jets alone. - Passengers on long haul wide bodies make up approx 6% of CHC pax movements - Annual visitors to NZ from both USA & China combined were less than 1 million pre Covid - Many airports in New Zealand are viable without international services and on much lower passenger numbers than are implied here
<p>s9(2)(ba)(ii)</p>	<p>We, of course, will require a business case, but I think it's still some time out</p>	<p>We have committed to conducting thorough and robust investigations. This includes looking at every element of airport operations, its relationship with surrounding infrastructure, and investigating potential impacts on the community and environment</p> <p>An airport cannot proceed unless it is able to secure approvals under existing resource management and civil aviation laws. Approvals will inevitably require providing satisfactory</p>

		<p>evidence of the impact on supporting infrastructure, both positive and negative</p> <p>Consideration will also be given to a “do nothing” scenario which will also have impacts on the region.</p>
<p>s9(2)(ba)(ii)</p>	<p>Is there merit in here? We wouldn't expect you to account for this in your planning documents, but interested if you've had any engagement on the impacts to the wider regional infrastructure</p>	<p>See above. This seems a premature conclusion to draw. CIAL and its specialist advisors are undertaking analysis of the land transport impacts of a new airport in a range of scenarios.</p> <p>We will continue to work with Waka Kotahi, who have been engaged with to date.</p> <p>Consideration will also be given to a “do nothing” scenario which will also have impacts on the region.</p>
<p>s9(2)(ba)(ii)</p>	<p>Have you published any research on the tourism demand in the region? Or your rationale for the need of the airport</p>	<p>The rationale for airport development in Central Otago is reasonably straightforward:</p> <p>Central Otago passenger flows are driven by two key factors. These will continue over the next 50+ years and mean that Central Otago will eventually require additional airport infrastructure;</p> <ul style="list-style-type: none"> - The aviation system that Central Otago is connected to is projected to grow significantly. Central Otago can expect to participate in that growth which comes primarily over Brisbane, Auckland, Melbourne Sydney airports (approx 80% of all CO movements). BAMS airports are investing ~\$10B over the next decade to promote this growth

		<ul style="list-style-type: none"> - Central Otago is one of the fastest growing areas in NZ, and its residents have a high propensity to travel - <p>ZQN has served central Otago well its ability to scale to meet the region’s future air connectivity needs is limited due to infrastructure and community constraints</p> <p>Other airports in the region with international capability are 2 - 3 hrs drive from Central Otago, and vulnerable to climate change.</p> <p>A new regional airport would secure high-quality air connectivity for Central Otago for the next 50+ years.</p>
<p>s9(2)(ba)(ii)</p>	<p>If you could provide a few trackable examples of your engagement, we would push back – the airport has informed shareholders that there has been and continues to be ongoing engagement such as in case A and case B (examples for you to provide, if possible).</p> <p>If I recall correctly, there are several surveys that state the opposite – that there is community interest in the airport. Or was it the ones where only a very small percentage of population took part?</p>	<p>CIAL continues to engage with affected communities in Central Otago which include Tarras.</p> <p>CIAL has engaged a local Community Engagement consultant who resides in Tarras and is regularly in contact with residents and community groups in Tarras.</p> <p>CIAL has also:</p> <ul style="list-style-type: none"> - Established the Tarras Community Fund in association with local residents who have worked in partnership to design and will administer the fund. The committee is comprised of a number of local residents with deep roots to the district. \$30,000 will be available to the fund each year and the first distribution (\$20,000) was to the Friends of Tarras School.

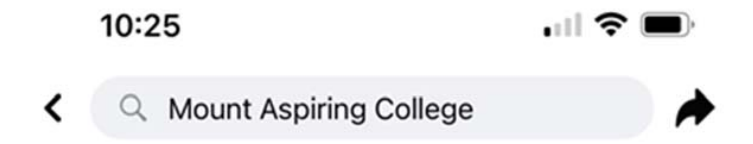
- Regularly released reports and newsletters and shared results of our preliminary aeronautical assessment.
- Spoken at various community & business groups across the Central Otago region (often attended by s9(2)(a) representatives who have participated with written and verbal questions)
- Engaged with papatipu rūnanga underway including holding of huis
- Presented to local authorities and community boards
- Presented to school groups as part of their geography curriculum at Mt Aspiring College (2021 & 2022), Cromwell College & Dunstan High School (see MAC 30 May 22 Facebook post from **attached**)

It is not correct to claim 84% of the Tarras community is opposed to the proposal, noting the entire survey results have not been published. The survey was of 103 people contacted by s9(2)(a). If these people are all nearby residents it is approximately 40% of the estimated 280 nearby population, meaning the correct figure is more likely 33% have a negative view of the project. 60% elected not to participate*. This feels broadly in line with our understanding of community sentiment i.e. the Tarras community appears reflective of the profile one would expect, with some views strongly positive and negative and a majority either less interested or more moderate. The sentiment is more positive if nearby populations such as Cromwell are included.

		<p>*Central Otago is a highly engaged region with one of the highest participation rates nationally in local and central government elections.</p>
<p>Letter to Hon Dr Clark</p>		
<p>s9(2)(ba)(ii)</p>	<p>Same as above – we'll use the same examples for both letters.</p>	<p>See above</p>
	<p>If I'm not mistaken, there is information available online on www.centralotagoairport.co.nz</p>	<p>The traditional approach to a project like ours is to design an airport and then consult the community. We have committed to a different approach.</p> <p>By engaging before plans are created, we are seeking to understand the concerns and priorities of the community and factor them into our design to maximise benefits and minimise impacts on both people and the environment.</p> <p>This is an informal, iterative process and will not take away any requirement for public consultation as part of the planning process.</p>
<p>s9(2)(ba)(ii)</p>	<p>CIAL has achieved ACA Level4/4+ and we expect that the new airport will be built to the same standard</p>	<p>We are confident of our ability to build and operate an airport that fits with our low carbon future, and to contribute to a higher living standards and lower carbon future for Central Otago.</p>

		There is no risk of our project flying under the radar. We will need to meet all regulatory hurdles including the climate requirements in the RMA if we are to get the necessary planning approvals.
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Mount Aspiring College

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Through learning geography, our students are encouraged to think critically and investigate contemporary geographic issues through considering the perspectives of different groups of people in real-world situations. Recently, our Year 11 students have been examining the proposed build of an international airport at Tarras. Like any big change that will impact a community, people hold many different views about this proposal. By inviting key stakeholders into the classroom, our students are learning about how different people hold different points of view and how values shape our thinking and responses to different situations. Recently, Tarras Airport project manager Michael Singleton and community engagement manager Rebecca McElrea spoke to students about their involvement in the project, the approach they have taken to engaging with the community, and their position on the many issues that have arisen out of this proposal. Earlier this term, students also heard from Chris Goddard who represents Sustainable Tarras and is a spokesperson for the local residents and MAC teacher Simon Nyhof whose home is located close to the proposed airport. After listening to different points of view about the airport proposal and doing their own research, students will craft reports in which they will articulate the position they have arrived at and justify their point of view using evidence-based argument. Thank you to the members of our community who have given their time to talk to our students. It has been such a valuable learning experience and one that will help equip our students for the

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listening to different points of view about the airport proposal and doing their own research, students will craft reports in which they will articulate the position they have arrived at and justify their point of view using evidence-based argument. Thank you to the members of our community who have given their time to talk to our students. It has been such a valuable learning experience and one that will help equip our students for the challenges they will face in dealing with such issues in their future lives.



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6 comments

From: Joe Mansell [TSY]
Sent: Friday, 13 January 2023 1:16 pm
To: Joe Mansell [TSY]
Subject: FW: TSY BAG: Ministerial Reply (Ministerial) 5509 T2022-1252 Tarras Airport Proposal s9(2)(a)
Attachments: Ministerial Reply (Ministerial) 5509 T2022-1252 Tarras Airport Proposal s9(2)(a).docx; Ministerial Reply (Ministerial) DC-22-11 T2022-1255 Tarras Airport Proposal - SOE s9(2)(a).docx

From: Maruta Kanepa [TSY] <Maruta.Kanepa@treasury.govt.nz>
Sent: Tuesday, 7 June 2022 2:44 pm
To: s9(2)(g)(ii) ^Parliamentary: Amanda Wilson <Amanda.Wilson@parliament.govt.nz>
Cc: Jenny Reid [TSY] <Jenny.Reid@treasury.govt.nz>; Ann Webster [TSY] <Ann.Webster@treasury.govt.nz>; Kylie Kuan [TSY] <Kylie.Kuan@treasury.govt.nz>
Subject: TSY BAG: Ministerial Reply (Ministerial) 5509 T2022-1252 Tarras Airport Proposal s9(2)(a)

Kia ora Amanda and s9(2)(g)(ii)

s9(2)(g)(ii) please note there are two Ministerial letters attached to this meeting – one for MOF and another MSOEs consideration. We are providing both in this email, because the accompanying information below relates to both letters. Draft letter for MOF’s consideration is titled “Ministerial Reply (Ministerial) 5509 T2022-1252 Tarras Airport Proposal s9(2)(a)”.

On 5 May 2022 the Minister of Finance (MOF) received correspondence from s9(2)(a) regarding Christchurch International Airport Limited’s (CIAL’s) proposal to develop an airport in the Tarras area and seeking a meeting. The letter addressed a number of issues, which are analysed below.

The Minister for State Owned Enterprises (MSOEs) received a letter from the same correspondent, also seeking a meeting. The issues raised in the MSOEs letter overlapped with the letter addressed to the MOF but also included other issues and observations.

Some of the facts mentioned in both letters are incorrect, including in relation to community consultation carried out by CIAL. We have engaged CIAL to provide factually correct information to Ministers. We consider that this information would provide additional background to our responses in the draft replies. As you requested, we have not drafted a Treasury Report.

The following table addresses incorrect facts in the **letter sent to MOF**:

s9(2)(a)	The Treasury, in cooperation with CIAL
Business case	
s9(2)(ba)(ii)	<p>CIAL is at an early, exploratory stage and there is currently no business case to publish for the airport. It will be the product of the various workstreams set out on the website www.centralotagoairport.co.nz and will include each of:</p> <ul style="list-style-type: none"> - an economic cost-benefit assessment, - a socioeconomic & wellbeing assessment, - an economic impact assessment, and - an environmental impact assessment. <p>It is not possible to determine either a business or financial case without having completed the infrastructure requirements. These are a function of the aeronautical capability which is determined by factors currently under review such as demand, runway length and aircraft types.</p> <p>CIAL has over 80 years of experience operating airports. The Board was satisfied a prima facie case existed to acquire the 750ha of land and CIAL continues to explore the case.</p>
s9(2)(ba)(ii)	<p>CIAL has informed us that they have committed to conducting thorough and robust investigations. This includes looking at every element of airport operations, its relationship with surrounding infrastructure, and investigating potential impacts on the community and environment.</p> <p>An airport cannot proceed to be built unless it is able to secure approvals under existing resource management and civil aviation laws. Approvals will inevitably require providing satisfactory evidence of the impact on supporting infrastructure, both positive and negative.</p> <p>Consideration will also be given to a “do nothing” (no new airport in Tarras) scenario which will also have impacts on the region.</p> <p>s9(2)(ba)(i) and s9(2)(j)</p>
Capacity	
s9(2)(ba)(ii)	There is no single capacity figure for the airport, however, it has no foreseeable capacity constraints.

s9(2)(ba)(ii)	<p>Pre-COVID-19, the Christchurch airport generally had between three and seven international wide-bodied services per day.</p> <p>Note:</p> <ul style="list-style-type: none"> - The suggested numbers would drive between 4.5m and 6.5m passenger movements per year through the airport on wide-bodied jets alone. - Passengers on long haul wide bodies make up approximately 6% of CIAL’s pax movements. - Annual visitors to NZ from both USA & China combined were less than 1 million pre-COVID-19. <p>Many airports in New Zealand are viable without international services and on much lower passenger numbers than are implied here.</p>
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Furthermore, the letter mentions te Rautaki Hanganga o Aotearoa – the New Zealand Infrastructure Strategy 2022 – 2052 (the Strategy). The Minister’s press release regarding the Strategy addressed the issues and challenges of providing appropriate infrastructure and welcomed the Strategy as “*an invaluable piece of work*”. The release also stated:

The Government is now preparing a response to this strategy, which will set out the steps to turn strategy into action. As required by legislation, we will share this response in September, determine which recommendations to prioritise, and assign lead agencies to implement them. In many cases responding to the recommendations builds on current work underway - such as resource management reform, the health and disability sector reform, and the Three Waters Reform Programme.

The Strategy included three principles: Equitable (objectives), Aspirational (performance) and Efficient (results). The “Efficient” table included 8 bulleted points, the most relevant of which is:

- *Reliable, affordable and accessible travel options*

It is recommended that the response from the MOF makes reference to the current state of consideration of the strategy.

There are various references to the lack of engagement by CIAL. These have been addressed further in the MSOEs letter.

The following table addresses incorrect facts in the **letter sent to MSOE**:

s9(2)(a)	The Treasury, in cooperation with CIAL
Community engagement	
s9(2)(ba)(ii)	<p>CIAL has informed us of numerous community engagements, some of the examples are listed below.</p> <p>CIAL continues to engage with affected communities in Central Otago which include Tarras. CIAL has engaged a local Community Engagement consultant who resides in Tarras and is regularly in contact with residents and community groups in Tarras.</p>

<p>s9(2)(ba)(ii)</p>	<p>CIAL has also:</p> <ul style="list-style-type: none"> - Established the Tarras Community Fund in association with local residents who have worked in partnership to design and will administer the fund. The committee is comprised of a number of local residents with deep roots to the district. \$30,000 will be available to the fund each year and the first distribution (\$20,000) was to the Friends of Tarras School. - Regularly released reports and newsletters and shared results of the preliminary aeronautical assessment. - Spoken at various community & business groups across the Central Otago region (often attended by s9(2)(a) representatives who have participated with written and verbal questions). - Engaged with papatipu rūnanga underway including holding of huis. - Presented to local authorities and community boards. - Presented to school groups as part of their geography curriculum at Mt Aspiring College (2021 & 2022), Cromwell College & Dunstan High School. <p>It is not correct to claim 84% of the Tarras community is opposed to the proposal, noting the entire survey results have not been published. The survey was of 103 people contacted by s9(2)(a). If these people are all nearby residents, it amounts to approximately 40% of the estimated 280 nearby population. This means that the correct percentage of the Tarras community who have a negative view of the project is more likely to be 33%. 60% elected not to participate*. CIAL feels these figures reflect more accurately the community sentiment i.e. the Tarras community appears reflective of the profile one would expect, with some views strongly positive and negative and a majority either less interested or more moderate. The sentiment is more positive if nearby populations such as Cromwell are included.</p> <p>*Central Otago is a highly engaged region with one of the highest participation rates nationally in local and central government elections.</p>
<p>s9(2)(ba)(ii)</p>	<p>The traditional approach to large scale infrastructure projects like this is to design an airport and then consult the community. CIAL is committed to a different approach.</p> <p>By engaging before plans are created, CIAL seeks to understand the concerns and priorities of the community and factor them into CIAL’s design to maximise benefits and minimise impacts on both people and the environment.</p> <p>This is an informal, iterative process and will not take away any requirement for public consultation as part of the planning process.</p>
<p>Carbon neutral Aotearoa</p>	
<p>s9(2)(ba)(ii)</p>	<p>CIAL has achieved Airport Carbon Accreditation (ACA) Level4/4+ and we expect that the new airport will be built to the same standard. At Level 4+ ‘Transition’ of ACA, airports are required to compensate for their remaining</p>

s9(2)(ba)(ii)

carbon emissions by offsetting. Furthermore, we understand that the airport plans to be carbon negative in the near future.

CIAL will also need to meet all regulatory hurdles, including the climate requirements in the Resource Management Act 1991, in order to get the necessary planning approvals.

Please get in touch with us if you require further information.

Ngā mihi,
Maruta



Maruta Kanepa | Senior Analyst, Commercial and Institutional Performance | Te Tai Ōhanga – The Treasury

Tel: s9(2)(k) | Email/IM: maruta.kanepa@treasury.govt.nz

Visit us online at <https://treasury.govt.nz/> and follow us on [Twitter](#), [LinkedIn](#) and [Instagram](#)

From: Duncan Small s9(2)(a)
Sent: Thursday, 18 August 2022 12:59 pm
To: Maruta Kanepa [TSY]; Kylie Kuan [TSY]
Cc: Michael Singleton
Subject: Central Otago Airport

Categories: Out of scope

Kia ora Maruta and Kylie –

In anticipation of our conversations with you and Minister Clark next week we wanted to share with you our updated website for the Central Otago Airport, which has now gone live.

The updated website includes more of the rationale and supporting information for the project and will allow us to keep adding more information as we continue our work. It is another way that we will bring the community and interested parties along with us. You can see the website here - <https://www.centralotagoairport.co.nz/>

We are looking forward to seeing you next Wednesday.

Ngā mihi nui

Duncan

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From: Hamish Coghill <Hamish.Coghill@parliament.govt.nz>
Sent: Wednesday, 24 August 2022 7:09 pm
To: Maruta Kanepa [TSY]
Cc: Ann Webster [TSY]; Kylie Kuan [TSY]
Subject: RE: MSOEs meeting with CIAL

Categories: Out of scope

Kia ora Maruta – thanks again for sending through the briefing. Read out below:

- CIAL CEO Malcolm Johns gave a status update on the Tarras project. They have completed the ‘pre-feasibility’ phase and are now in the ‘engagement’ phase, which is distinct from and preliminary to the ‘consultation’ phase, which to them has a formal RMA-esque meaning. Consultation will be on the concrete plans.
- The current ‘engagement’ phase is about drawing out perspectives on the plans – apparently they have 30 lines of effort here. They are operating on the basis that while they have government ownership, they do have available to them the frameworks that private companies have available to them, although they know they will be held to a higher standard than a normal company.
- s9(2)(ba)(i) and s9(2)(j)
- There was some discussion about the costs of the project, which are not public (so treat with due sensitivity).
 - s9(2)(ba)(i) and s9(2)(j)
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 -
 - They can pay for the cost of the business case.
 - s9(2)(ba)(i) and s9(2)(j)
- Min Clark asked about the carbon/emissions implications of the investment. CIAL responded this would be the net of emissions created versus saved. Min Clark said the assumptions CIAL make in this calculation will be very important. They will need to quantify this for the consenting process (mentioned an interaction with ‘Net Zero’ which seems to be determinative in the consenting process – didn’t quite understand this point).
- Min Clark asked about the potential for the airport to facilitate electric shorthaul. CIAL responded they expect 70% of the traffic (passenger volumes) will come from Australian airports – Brisbane, Adelaide, Melbourne and Sydney (‘BAMS’). Only 30% will be domestic, which has the most reasonable prospect of being electric. At the moment, 80% of passenger volumes are from BAMS (wasn’t sure if he meant Chch or South Island as a whole). Passenger volumes from BAMS are expected to double in X years (didn’t capture the number sorry) given investment in those airports, and only Chch can absorb this increased demand at the moment –
- s9(2)(ba)(i) and s9(2)(j)
- Out of scope

- In terms of community support for the Tarras project, CIA s9(2)(g)(i) suggests 1/3 of people are for it, 1/3 are neutral, and 1/3 are against it.

Out of scope



Hamish Coghill – Acting Finance, Infrastructure and State Owned Enterprises Advisor
Office of Hon Grant Robertson | Office of Hon Dr David Clark

Minister of Finance and Minister for Infrastructure | Minister for State Owned Enterprises

Level 7.6 Executive Wing, Parliament Buildings, PO Box 18041, Wellington 6160, New Zealand

M: s9(2)(g)(ii)

E: hamish.coghill@parliament.govt.nz

I am covering for Amanda Wilson, who is on leave from Monday 8 August and is returning Thursday 8 September.

From: Hamish Coghill

Sent: Wednesday, 24 August 2022 1:49 PM

To: 'Maruta Kanepa [TSY]' <Maruta.Kanepa@treasury.govt.nz>

Cc: Ann Webster [TSY] <Ann.Webster@treasury.govt.nz>; Kylie Kuan [TSY] <Kylie.Kuan@treasury.govt.nz>

Subject: RE: MSOEs meeting with CIA

Will do – I'm going to be in the meeting taking notes, so should be able to provide you with a read out.

Hamish

From: Maruta Kanepa [TSY] [<mailto:Maruta.Kanepa@treasury.govt.nz>]

Sent: Wednesday, 24 August 2022 1:47 PM

To: Hamish Coghill <Hamish.Coghill@parliament.govt.nz>

Cc: Ann Webster [TSY] <Ann.Webster@treasury.govt.nz>; Kylie Kuan [TSY] <Kylie.Kuan@treasury.govt.nz>

Subject: RE: MSOEs meeting with CIA

Thanks Hamish. Please also let us know if there's anything that comes out of the meeting that we should be aware of and that was of particular interest to Minister Clark. This could help inform the next Letter of Expectations to CIA.

Kind regards,

Maruta

From: Hamish Coghill <Hamish.Coghill@parliament.govt.nz>

Sent: Wednesday, 24 August 2022 1:40 pm

To: Maruta Kanepa [TSY] <Maruta.Kanepa@treasury.govt.nz>

Cc: Ann Webster [TSY] <Ann.Webster@treasury.govt.nz>; Kylie Kuan [TSY] <Kylie.Kuan@treasury.govt.nz>

Subject: RE: MSOEs meeting with CIA

Received – thank you very much for this, Maruta. Very impressed with what you've managed to pull together in the time given.

I did a check last night and couldn't see any other meetings like this coming up, so hopefully this is a one off thing.



Hamish Coghill – Acting Finance, Infrastructure and State Owned Enterprises Advisor
Office of Hon Grant Robertson | Office of Hon Dr David Clark
Minister of Finance and Minister for Infrastructure | Minister for State Owned Enterprises

Level 7.6 Executive Wing, Parliament Buildings, PO Box 18041, Wellington 6160, New Zealand

M: s9(2)(g)(ii)

E: hamish.coghill@parliament.govt.nz

I am covering for Amanda Wilson, who is on leave from Monday 8 August and is returning Thursday 8 September.

From: Maruta Kanepa [TSY] [<mailto:Maruta.Kanepa@treasury.govt.nz>]
Sent: Wednesday, 24 August 2022 1:20 PM
To: Hamish Coghill <Hamish.Coghill@parliament.govt.nz>
Cc: Ann Webster [TSY] <Ann.Webster@treasury.govt.nz>; Kylie Kuan [TSY] <Kylie.Kuan@treasury.govt.nz>
Subject: MSOEs meeting with CIAL

Hi Hamish,

Please find attached a briefing for Minister Clark's meeting with Christchurch International Airport's CEO Malcolm Johns and Project Director Michael Singleton.

If you have any questions, please don't hesitate to contact me.

Ngā mihi,
Maruta



TE TAI ŌHANGA
THE TREASURY

Maruta Kanepa | Senior Analyst, Commercial and Institutional Performance | Te Tai Ōhanga – The Treasury

Tel: s9(2)(k) | Email/IM: maruta.kanepa@treasury.govt.nz

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Reference: CM-1-3-4-1

Date: 24 August 2022

To: Minister for State Owned Enterprises (Hon Dr David Clark)

Cc: Minister of Finance (Hon Grant Robertson)

Deadline: For the meeting at 5.30pm on Wednesday, 24 August 2022

Meeting with CE and Project Director of Christchurch International Airport Limited

You are meeting Christchurch International Airport Limited's (CIAL's) Chief Executive Malcolm Johns and Project Director Michael Singleton. We understand that CIAL plans to brief you on the Central Otago project – Tarras airport.

This briefing provides information on the proposed Tarras airport, shareholding Ministers' concerns and expectations of CIAL expressed so far and an outline of CIAL's other significant investment project – Kowhai Park. Potential talking points are also included in this briefing.

Central Otago Project – proposed Tarras airport

Background

In 2020, CIAL decided to pursue a second site airport in Tarras to increase resilience and to mitigate risks to its strategy and the region in which it operates.

Developing a greenfield airport in Tarras is a long-term undertaking that will take around 10 years through a phased approach.

The current focus of the project is on engagement, planning and feasibility, which will run over most of FY22/23 – FY24/25. It involves:

- continued engagement with local communities, iwi mana whenua and stakeholders; and
- validation and planning work required to enable the project to move to the next critical milestone of obtaining the approvals required to enable development.

Subsequent phases are subject to the outcomes achieved during the current phase.

Sustainability

CIAL has engaged with Dr Piers Locke, lecturer in Anthropology in Universities of Canterbury, Wales and Kent to write a case study on CIAL's sustainability journey¹. The case study interrogates the airport's green transition and acknowledges CIAL as a world leader in airport decarbonisation and sustainability.

¹ Available on CIAL's website "*Building The Future Airport Now: Christchurch Airport's Green Transmission*", Piers Locke PhD, <https://www.christchurchairport.co.nz/globalassets/about-us/sustainability/dr-piers-locke-christchurch-airport-sustainability-journey.pdf>

CIAL's plan to be carbon zero by 2030 encompasses the proposed airport in Tarras.

Shareholding Ministers' concerns and expectations to date

In the FY22/23 Letter of Expectations (LOE), shareholding Ministers expressed concerns and set expectations around CIAL's significant investment projects, including Tarras airport.

Ministers asked that CIAL makes financially prudent investment decisions and upholds its social licence by continuing to work closely and engage with the community and stakeholders and giving consideration to the issues raised during consultation.

In addition to the LOE, shareholding Ministers sent a letter to the Chair of CIAL reiterating the previous LOEs, asking that CIAL prioritises engagement with the affected communities and provides regular shareholder updates on significant investments like the Tarras airport and Kowhai Park. The letter also included an expectation that the projects will reflect, at a minimum, CIAL's commitment to growing the prosperity and wellbeing of Christchurch, Canterbury and the South Island.

We understand that CIAL engages with the community on an ongoing basis, including organising in-person meetings and publishing regular updates on its website. CIAL has also launched a dedicated website on the Tarras airport to engage and inform the community². The website provides the project rationale and supporting information, and will be updated as work continues.

Your meeting with the Chief Executive and Project Director today is an opportunity for CIAL to engage directly with shareholding Ministers, s9(2)(g)(i)

CIAL's engagement with affected communities

The traditional approach to large scale infrastructure projects like this is to design an airport and then consult the community. CIAL is committed to a different approach.

CIAL is committed to consulting the community before breaking ground on the airport build. CIAL began discussions with the community before undertaking the design work to understand its concerns and priorities, and factor these into the Tarras airport design.

This is an informal, iterative process and will not take away any requirement for public consultation as part of the planning process. CIAL has engaged a local Community Engagement consultant who resides in Tarras and is regularly in contact with residents and community groups. Effective engagement is important as several small vocal community groups are concerned about the construction of Tarras airport, for example, s9(2)(a)


As part of CIAL's numerous community engagements, it has:

- Established the Tarras Community Fund in association with local residents who have worked in partnership to design the fund, and who will administer the fund. The fund committee is comprised of a number of local residents with deep roots to the district and is intended to be distributed to community groups and individuals in Tarras annually.

² <https://www.centralotagoairport.co.nz/>

- Regularly released reports and newsletters, and shared results of a preliminary aeronautical assessment.
- Spoken at various community and business groups across the Central Otago region.
- Advanced engagement with Papatipu Rūnanga, including holding of several hui.
- Presented to local authorities and community boards.

Out of scope



Talking points

- You may wish to ask CIAL about initiatives on reducing carbon emissions of the build and operations of the proposed Tarras airport.
- You have expressed an expectation that CIAL is committed to growing prosperity and wellbeing of Christchurch, Canterbury and the South Island. You may wish to enquire about the cost-benefit analysis of having another jet capable airport in the lower South Island to the community, shareholders and New Zealand.
- You may wish to enquire how CIAL plans to fund the project and when shareholders can expect to see the project returns.
- You may wish to enquire how the debate and engagement with the vocal community groups is improving the level of understanding of the project and influencing development intentions.

From: Maruta Kanepa [TSY]
Sent: Wednesday, 14 September 2022 4:45 pm
To: ^Parliamentary: Amanda Wilson
Cc: Ann Webster [TSY]; Kylie Kuan [TSY]
Subject: RE: email 5775 - s9(2)(a)

Categories: Out of scope

Thanks Amanda. We'll note it in the response to the requestor.

Have a good evening,
Maruta

From: Amanda Wilson <Amanda.Wilson@parliament.govt.nz>
Sent: Wednesday, 14 September 2022 2:29 pm
To: Maruta Kanepa [TSY] <Maruta.Kanepa@treasury.govt.nz>
Cc: Ann Webster [TSY] <Ann.Webster@treasury.govt.nz>; Kylie Kuan [TSY] <Kylie.Kuan@treasury.govt.nz>
Subject: RE: email 5775 - s9(2)(a)

Thanks Maruta,

Appreciate the confirmation here. It might be useful to note this (at a high level) in the response to the requestor and reiterate the expectations Ministers have set previously.

FYI, this group has also written to Minister Clark requesting a meeting to discuss how CIAL are not responding to them or engaging despite the Ministers expectations to do so. I will forward this one on shortly.

Amanda

From: Maruta Kanepa [TSY] [<mailto:Maruta.Kanepa@treasury.govt.nz>]
Sent: Wednesday, 14 September 2022 12:06 PM
To: Amanda Wilson <Amanda.Wilson@parliament.govt.nz>
Cc: Ann Webster [TSY] <Ann.Webster@treasury.govt.nz>; Kylie Kuan [TSY] <Kylie.Kuan@treasury.govt.nz>
Subject: RE: email 5775 - s9(2)(a)

Kia ora Amanda,

As you know, Companies Act states that a major transaction is an acquisition, disposal or rights/interests/obligations/liabilities the value of which is more than half the value of the company's assets before the transaction.

Christchurch Airport's assets as at 30 June 2022 are \$2,148 million. So, if the build of Tarras airport is below \$1,074 million, CIAL does not require shareholder approval. s9(2)(ba)(i)

_____ CIAL has not yet finished the business or the investment case. These will be communicated to shareholders in due course, including to Christchurch City Holdings Limited (75% shareholder).

We have communicated and CIAL understands that if the build is below the Companies Act threshold, they still have a significant obligation to consult with shareholding Ministers, in addition to consultation with other stakeholders.

CIAL has also not indicated that it will require shareholder support, we understand that many scenarios can be financed through CIAL's own balance sheet.

Let me know if you require further information.

Kind regards,
Maruta

From: Amanda Wilson <Amanda.Wilson@parliament.govt.nz>
Sent: Wednesday, 14 September 2022 10:43 am
To: Maruta Kanepa [TSY] <Maruta.Kanepa@treasury.govt.nz>
Cc: Ministerial Services Inbox [TSY] <Ministerial.Services@treasury.govt.nz>; Ann Webster [TSY] <Ann.Webster@treasury.govt.nz>; Kylie Kuan [TSY] <Kylie.Kuan@treasury.govt.nz>
Subject: FW: email 5775 - s9(2)(a)

Hey,

This will eventually come to you through Ministerial Services, but can you please advise asap if the claims re shareholder approval are true. It seems like a significant investment.

Amanda


From: s9(2)(g)(ii)
Sent: Wednesday, 14 September 2022 10:42 AM
To: Ministerial Services Inbox [TSY] <Ministerial.Services@treasury.govt.nz>
Cc: Amanda Wilson <Amanda.Wilson@parliament.govt.nz>
Subject: email 5775 - s9(2)(a)

Our ref: ROB 5775. Please draft a reply for Hon Grant Robertson's signature. Thank you.

s9(2)(g)(ii) | **Private Secretary | Office of Hon Grant Robertson**
Deputy Prime Minister | Minister of Finance | Minister for Infrastructure | Minister for Sport and Recreation
Member of Parliament for Wellington Central
Private Bag 18 888 | Parliament Buildings | Wellington 6011 www.beehive.govt.nz

s9(2)(ba)(ii)

s9(2)(ba)(ii)



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From: Michael Singleton s9(2)(a)
Sent: Monday, 5 December 2022 10:30 am
To: Kylie Kuan [TSY]; Duncan Small
Cc: Tim May; Aaron Gill [TSY]
Subject: RE: Ministerial correspondence regarding Tarras airport

Categories: Out of scope

Kia ora Kylie,

Thanks and let me know if you need anything else from us. I should have included a health warning or apology for the length! It was certainly more detailed than usual but we felt it was probably the right thing to do in the circumstances. s9(2)(g)(i)

Thank you and the team at Treasury for your ongoing support over 2022, which is much appreciated at our end. If we don't speak again before the year end have a great break also.

Ngā mihi,
Michael

From: Kylie Kuan [TSY] <Kylie.Kuan@treasury.govt.nz>
Sent: Monday, 5 December 2022 8:22 am
To: Michael Singleton s9(2)(a) Duncan Small s9(2)(a)
Cc: Tim May s9(2)(a) Aaron Gill [TSY] <Aaron.Gill@treasury.govt.nz>
Subject: RE: Ministerial correspondence regarding Tarras airport

Kia ora Michael

Thank you for the very detailed and free and frank response. We appreciate the transparent engagement with you, and your commitment in reassuring shareholding Ministers, as always.

As I've mentioned, we don't intend to use your input in our Ministerial response. We will be taking the usual, more general approach in drafting a response. If we do use any information from your email below, I'll make sure to run it past you.

If you don't hear from me again, I hope you have a well-deserved break over the festive season!

Many thanks

Kylie



Kylie Kuan (she/her) | Analyst, Commercial and Institutional Performance | Te Tai Ōhanga – The Treasury

Tel: s9(2)(k) | Email/IM: kylie.kuan@treasury.govt.nz | Mobile: s9(2)(g)(ii)


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From: Michael Singleton s9(2)(a)
Sent: Thursday, 1 December 2022 2:22 pm
To: Kylie Kuan [TSY] <Kylie.Kuan@treasury.govt.nz>; Duncan Small s9(2)(a)
Cc: Tim May s9(2)(a) Aaron Gill [TSY] <Aaron.Gill@treasury.govt.nz>
Subject: RE: Ministerial correspondence regarding Tarras airport


Kia ora Kylie,

Thank you for forwarding us the snippet from the correspondence from s9(2)(a). The issue of CIAL's proposed form of engagement is a recurring area that this opposition group has sought to make mileage out of. To assist you in responding we have been as candid as we are able to s9(2)(ba)(i) and s9(2)(g)(i)


s9(2)(ba)(i) and s9(2)(g)(i)



s9(2)(ba)(i) and s9(2)(g)(i)



s9(2)(ba)(i) and s9(2)(g)(i)



- As always we are happy to discuss further and answer any questions you or the Minister may have.

Ngā mihi,
Michael


From: Kylie Kuan [TSY] <Kylie.Kuan@treasury.govt.nz>
Sent: Friday, 25 November 2022 12:12 pm
To: Michael Singleton s9(2)(a) Duncan Small s9(2)(a)
Cc: Tim May s9(2)(a) Aaron Gill [TSY] <Aaron.Gill@treasury.govt.nz>
Subject: Ministerial correspondence regarding Tarras airport

Kia ora Michael, Duncan

Hope you are both keeping well.

Minister Clark has received another correspondence from s9(2)(a), and we wanted to clarify one statement that they made about CIAL's community engagement. Below is a snippet of the ministerial correspondence received:

s9(2)(ba)(ii)



s9(2)(ba)(ii)



We would appreciate your thoughts on the extract above by COP 1 December. We don't intend to use your input in the reply to s9(2)(a), but would appreciate your views to help us understand if the above is factual, and to provide Ministers with assurance.

Happy to discuss.

Many thanks

Kylie



Kylie Kuan (she/her) | Analyst, Commercial and Institutional Performance | Te Tai Ōhanga – The Treasury

Tel: s9(2)(k) | Email/IM: kylie.kuan@treasury.govt.nz | Mobile: s9(2)(g)(ii)

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