

POINT OF ENTRY BUSINESS CASE

Project initiation date: 12 July 2023
Project title: **Airport Terminal HVAC Proposal**
Hapū/iwi active partnership consideration: Inform (providing understanding)

Whanganui Airport serves as a critical transportation gateway for the region, catering to a diverse range of passengers, including business travellers, and tourists. However, the existing airport terminal is inadequately ventilated with no cooling and only limited heating systems in place. This results in the terminal building becoming stifling hot in the Summer months and very cold in the Winter.

Business case prepared by: Phil McBride

Business owner: General Manager Community Property & Places

PROBLEM / OPPORTUNITY STATEMENT

The current heating system in the airport terminal building consists of 14 ceiling-mounted heating panels and one small, largely ornamental, gas fireplace. There is no cooling system. The building's floor-to-ground windows cannot be opened to allow the passage of fresh air and the one door which can be left open faces the aircraft apron which can be extremely noisy.

A very hot, or very cold, airport terminal is not conducive to an enjoyable passenger experience and does not provide a good first experience of Whanganui for arriving passengers.

By investing in a suitable HVAC system the comfort levels of passengers and airport staff will be significantly improved.

BENEFITS STATEMENT

Social Benefits:

- Improved passenger experience.
- Improved perception of Whanganui as a modern and thriving community.

Economic Benefits:

- Nil.

Environmental Benefits:

- Nil.

Cultural Benefits:

- Nil.

STRATEGIC CASE

Promoting social, economic and environmental wellbeing for the present and future communities is part of the Council's core purpose under the Local Government Act. As such, this proposal aligns with the council's core purpose as well as the Leading Edge Strategy.

Whanganui Airport is a regional airport fully certified under Part 139 of the Civil Aviation Regulations which permits scheduled air passenger services. The airport plays an important role within the Whanganui economy and is an essential component of the regional and national aviation transport infrastructure. The airport is a designated 'Lifeline Utility' under the Civil Defence Emergency Management Act (2002) and is a key element for the maintenance and growth of business and industry in the greater Whanganui region. To retain these key links it is vital that the airport is appropriately planned for to ensure a prosperous future.

FINANCIAL CASE

The anticipated cost of an HVAC system (\$80k) has been included in Year 2.

Year of LTP for delivery:	Y 1	Y 2	Y 3	Y 4	Y 5	Y 6	Y 7	Y 8	Y 9	Y 10
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	\$	\$80k	\$	\$	\$	\$	\$	\$	\$	\$
	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
		HVAC								

External funding contributions: Awaiting application outcome

Capex \$	Opex \$	Funded by
\$80,000 HVAC		\$40,000 MoT co-funding under JV agreement \$40,000 WDC debt funded

RISK EVALUATION

Item	Potential Risk Event	Likelihood	Consequence
1	Doing nothing would result in the airport continuing to have poor environment controls and reduced passenger comfort.	Almost certain	Minor

OPTIONS APPRAISAL

Option 1: Do Nothing. The airport terminal will continue to be poorly heated/cooled.

Option 2: Installation of a suitable HVAC system to maintain comfortable environmental conditions within the airport terminal.

STAKEHOLDER ANALYSIS

Stakeholder	Influences	Key interests & issues
Ministry of Transport	High power/highly interested (Manage closely)	Whanganui Airport Joint Venture partner with 50% share of funding.
Travelling public	Low power/highly interested (Keep informed)	Travelling experience and perception of Whanganui.

KEY CONSTRAINTS, DEPENDENCIES AND ASSUMPTIONS

Assumptions include continued growth in aircraft movements and increased passenger utilisation.

NEXT STAGE

Creation of a comprehensive project plan that outlines the timelines, milestones, tasks, responsibilities and budget required to implement the Airport Master Plan.

Please contact the PMO (interim Stuart White: stuart.white@whanganui.govt.nz or 021738273) for any inquiries relating to this form or the business case process.

Team Leader/Project Manager Self-Review		Strategic Panel FINAL score	
Strategic Fit	3	Strategic Fit	Choose an item.
Benefits	2	Benefits	Choose an item.
Economic Impact	1	Economic Impact	Choose an item.
Level of Service Improvements	3	Level of Service Improvements	Choose an item.
Risk of doing nothing	1	Risk of doing nothing	Choose an item.

*Note a copy of the anchored scoring matrix is available at the end of this document.

PROJECT MANAGEMENT OFFICE TO COMPLETE

Communications team level of involvement: Choose an item. (PMO to liaise with the Communications team)

ELT REVIEW

Date: Click or tap to enter a date.

ELT Minutes Reference: Click or tap here to enter text.

Agreed next steps:

Click or tap here to enter text.

If this project is **approved for a detailed business case**, then –

Name and job title of **Project Sponsor**

Click or tap here to enter text.

ANCHORED SCORING MATRIX

SCORE	Strategic Fit: <i>How well is this project aligned with our Strategic Vision for Whanganui?</i>	Benefits: <i>How valuable are the benefits this project delivers?</i>	Economic Impact: <i>How will this project contribute to the wider economic activity of the Whanganui District?</i>	Level of Service: <i>How well does this projects address shortfalls in our Level of Service?</i>	Risk of Doing Nothing: <i>What risks would NPDC be exposed to, if the investment is not made?</i>
Weight	35%	25%	20%	15%	5%
5	This investment plays a critical contribution to Council Objectives, Goals and Strategy.	This investment has a measureable Costs Benefit Ratio (CBR) and the benefits will return more than double the costs.	This investment is a key enabler for ongoing economic activity (i.e. ongoing annual GDP or employment) with the economic benefit being at least three times the cost of the project.	This investment addresses critical (e.g. regulatory non-compliance or safety issues) shortfalls in our current levels of service.	WDC could be exposed to very high risks.
4	This investment is a direct component or enabler to achieve Council Objectives, Goals and Strategy.	This investment has a measureable Cost Benefit Ratio (CBR) and the benefits will return more than the costs.	This investment is a key enabler for ongoing economic activity (i.e. ongoing annual GDP or employment) with the economic benefit being greater than the cost of the project.	This investment addresses significant (material user experience issues) shortfalls in our current levels of service	WDC could be exposed to high risks.
3	This investment contributes to a wider programmes of work designed to progress the Council strategic objectives and goals.	This investment has no measureable Cost Benefit Ratio but our community are clearly willing to pay for the benefits.	This project is the catalyst or key enabler for one-time only economic activity that is at least three times the cost of the project.	This investment addresses small (nuisance level issues) shortfalls in our current levels of service	WDC would be exposed to medium risks.
2	This investment is aligned to at least one of the Council strategic objectives and/or goals with limited direct contributions.	This investment has no measureable Cost Benefit Ratio and we think our community is willing to pay for the benefits, but we have not confirmed this.	This project is the catalyst or key enabler for one-time only economic activity that is greater than the cost of the project.	This investment makes no change to levels of service.	WDC would be exposed to low risks.
1	This investment has no direct contribution to Council goals and strategy.	The costs outweigh the benefits.	The economic benefit of this project is less than the cost of delivering the project.	This investment reduces levels of service.	WDC would have to put in a work around or keep using a poor or inefficient process.