



17 February 2022

OC211021

**Hon Michael Wood**  
**Minister of Transport**

**Action required by:**  
Friday, 25 February 2022

## **COVID-19 - ESSENTIAL TRANSPORT CONNECTIVITY SCHEME: SUPPORT FOR MILFORD AERODROME AND TRANSFER OF FUNDS BETWEEN NON-AVIATION AND AVIATION SECTOR POOLS**

### **Purpose**

Seek your agreement to lodge the attached Cabinet paper which proposes to:

- use \$3.175 million over two years from the non-aviation sector pool of the Essential Transport Connectivity scheme (ETC) to facilitate Milford/Piopiotaahi Aerodrome's ongoing operation; and
- transfer \$1 million from the non-aviation sector pool to the aviation sector pool of the ETC to cater for any future aviation sector support arrangements arising from the COVID-19 pandemic.

### **Key points**

- Milford Sound/Piopiotaahi Aerodrome (the aerodrome) is owned and operated by Te Manatū Waka Ministry of Transport (the Ministry).
- The aerodrome plays a crucial role in supporting the region's recovery from COVID-19 and as an important transport link for emergency operations.
- Due to COVID-19, the traffic at the aerodrome declined and revenues received are unable to cover the costs of the aerodrome's operations. The Ministry is not able to cover these costs from its baseline funding.
- The paper requests that Cabinet approve funding of \$3.175 million over two years, repurposed from the non-aviation sector pool of the Essential Transport Connectivity Scheme (ETC), to cover the operational costs of the aerodrome.
- The paper also requests approval to transfer \$1 million from the non-aviation sector pool to the aviation sector pool of the ETC to provide funding for aviation sector support initiatives.
- If you agree to the attached Cabinet paper, we recommend that you lodge it for Cabinet Committee consideration.

**Recommendations**

We recommend you:

1	<b>agree</b> to seek Cabinet’s approval of the proposals in the attached paper: <i>COVID-19 - Essential Transport Connectivity Scheme: Support for Milford Aerodrome and transfer of funds between non-aviation and aviation pools</i>	Yes / No
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Tom Forster  
**Manager Economic Regulation**  
 17 / February / 2022

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Hon Michael Wood  
**Minister of Transport**  
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- Minister’s office to complete:**
- Approved
  - Declined
  - Seen by Minister
  - Not seen by Minister
  - Overtaken by events

**Comments**

**Contacts**

Name	Telephone	First contact
Shrutika Shrivastava, Adviser Economic Regulation	s 9(2)(a)	
Brent Lewers, Principal Adviser COVID-19 Policy & Delivery	s 9(2)(a)	
Tom Forster, Manager, Economic Regulation	s 9(2)(a)	✓