

**AIRWAYS CORPORATION OF NEW ZEALAND LIMITED**

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS  
OF AIRWAYS CORPORATION OF NEW ZEALAND LIMITED**

**HELD AT AIRWAYS CORPORATION, QUEENSTOWN TOWER, QUEENSTOWN AIRPORT**

**ON THURSDAY 23 MARCH 2023 AT 8.00AM – 3.00PM**

**Present:** Denise Church (Chair), Mark Pitt (Deputy Chair), Darin Cusack, Lisa Jacobs, Mark Hutchinson, Nicola Greer, John Holt, Gavin Fernandez and Terry Paddy.

**In attendance:** James Young, CEO  
Sharon Cooke, CEO Airways International Limited  
Jamie Gray, GM Commercial & Partnerships and Acting Head of People and Capability  
Katie Wilkinson, GM Air Traffic Services (MS Teams)  
Geoff Peck, Chief Information Officer (MS Teams)  
Kim Nichols, Head of Safety & Assurance (MS Teams)  
Erin Lee, Acting Chief Financial Officer (MS Teams)  
Tina Douglas, Senior Legal Counsel  
James Evans, Head of Surveillance, Air Traffic Services (MS Teams)  
Geoff Hounsell, Surveillance Services Manager North, Air Traffic Services (MS Team)

**BOARD ONLY TIME**

The Board met alone from approximately 8.00am to 8.40pm.

The Board met with the CEO without management present from approximately 8.45am – 9.35am.

**FORMAL BOARD AGENDA**

The Board Meeting commenced at 9.40am.

The Board acknowledged and thanked the management team for their work overseas at the recent CANSO/Europe trip.

The Chair noted areas of focus for the meeting included strategic direction, systems learnings from recent weather events, UAV management, safety trends and the financial outlook for FY24.

**ITEM 1.0      BOARD MATTERS**  
Item 1.1      *Continuous Disclosure*

No matters were raised.

Item 1.2        ***Register of Directors' Interests***

The Board **noted** the Register of Directors' Interests.

Item 1.3        ***Minutes of Board Meeting held 16 February 2023***

The Board **approved** the minutes of the previous ACNZ Board meeting held on 16 February 2023 as a true and correct record of that meeting.

Item 1.4        ***Matters Arising and Action Items***

The Board **noted** the Matters Arising and Action Items from the 16 February 2023 Board meeting.

**ITEM 2.0        STRATEGIC PAPERS / PRESENTATIONS**

Item 2.1        ***Question – what are the system learnings from recent weather events?***

Geoff Peck, James Evans and Geoff Hounsell joined the meeting at approximately 9.50am.

The Board:

- noted management's learnings from recent adverse weather events, with management needing to consider operational and systems resilience, future enhancements that would further mitigate potential risk and to take a holistic approach in the New Zealand aviation system;
- noted the processes the business had undertaken to mitigate the effect of the recent weather events;
- challenged management on further potential improvements to ensure resilience in operations and future enhancements to mitigate risk;
- discussed potential methods Airways could employ to mitigate the risks arising from climate change;
- discussed the potential implications of a wider geographically spread weather event and the systems in place to mitigate the risk associated with that;
- acknowledged and thanked management in respect of the complementary feedback received from NZALPA for management's handling of staff;
- discussed crisis management across the multiple agencies within the aviation sector including where responsibility lies.

The Board thanked management for their efforts in successfully navigating the recent adverse weather events.

The paper was **noted**.

**ACTION:** Management to review in 6 months with a brief report on what has been done to improve operational and systems resilience, considering these learnings.

Item 2.2        ***Refreshed Company Strategy and Strategic Roadmap***

Management reported that in developing the strategic roadmap, management had been mindful of the need to return a profit to shareholders when considering the budgeting requirements, whilst acknowledging inflationary and operational cost challenges which may impact profit.

The Board and management had a general discussion on the strategic direction and the roadmap, including:

- noting the new strategy presents an opportunity for Airways to take a leadership role in the industry in various areas including sustainability / climate change;
- noting the shareholder's expectations regarding diversity and incorporating Te Ao Māori practises. The Board noted that management would continue to develop diversity and incorporate Te Ao Māori practises in its future strategy;
- collaboration, designing future systems and moving towards digital options and having greater visibility in this space, identifying opportunities and bringing others on the journey. The Board challenged management to take a more active/visible role and be much bolder in its approach;
- challenging management on the Airways three-step approach (Connect, Build and Evolve). Management confirmed that further work would be undertaken and an external consultant would be engaged to assist further;
- the Board noted that the strategy needs to consider "what good looks like for Airways", be bold in its aspirations and the need to be dynamic in its approach. The Board requested that future Board papers be aligned with the pillars set out in the roadmap;
- discussion around people development and capacity and investing in this. The Board queried whether Airways had resources to deliver on the strategy. Management confirmed that there is sufficient resource; and
- noting that the relationship with NZALPA was being reset which had created a positive shift in paradigm of that relationship.

The Board:

1. **noted** the updated company strategy incorporating feedback from the Board;
2. **approved** the 2023-2033 Airways Strategy, subject to the minor adjustment from Board; and
3. **noted** a communications and stakeholder plan will be prepared to communicate and support the release of the new strategy to Airways people, customers and stakeholders.

Jamie Gray left the meeting at approximately 11.10am

The Board took a break from approximately 11.10 to 11.25am.

### Item 2.3 ***UAV Management***

Johl Steel-Brown and Sharon Cooke joined the meeting at approximately 11.25 am.

The Board discussed UAV management including;

- management's actions to mitigate the potential risk associated with UAV usage;
- whether the agencies management was engaging and collaborating collectively;
- current lack of a statutory regime mandating registration;
- s9(2)(g)(i)

The paper was **noted**.

**ACTION:** Management to consider potential options and develop a proposal for UAV management.

Johl Steel-Brown left meeting at approximately 11.45am.

### **ITEM 3.0 HEALTH AND SAFETY**

#### **Item 3.1 *Board Company Safety Report & Site Safety Visits***

Goeff Peck and Kim Nichols joined the meeting at approximately 11.45am.

In response to a question, management confirmed that the decrease in overall safety performance indicators was not a trend and explained the rationale for the decrease.

The Board and management discussed the Airways Involved and Airways Attributable classifications and the use of these labels to identify safety incidents early in the process. Management explained that the focus should be on identifying risk, learnings and safety culture, rather than labelling an “incident” at the preliminary stages.

The Board agreed that the focus should be around learnings of the systems and requested that the Safety Sub-Committee consider this at the next meeting.

**ACTION:** Safety Sub-Committee to give further consideration to the classifications of safety incidents and the label classifications.

Kim Nichols left the meeting at approximately 12.05pm

The paper was **noted**.

#### **Item 3.2 *Safety Update***

Management highlighted that the reporting culture has lagged recently, possibly due to fear of attribution and that this was being explored.

Management provided a further update on the electrical incident to the Board including a future focus on “Presence of Safety” and having greater visibility across the business. The Board acknowledged the change in focus as a positive move by management.

The paper was **noted**.

#### **ACTIONS:**

1. Management to provide the Board with an update on progress at the May 2023 Board meeting.
2. Management to provide a more detailed report to the Safety Sub-Committee in August 2023 on progress with “Presence of Safety”.

The paper was **noted**.

Geoff Peck left the meeting at approximately 12.20pm.

### **ITEM 4.0 PERFORMANCE REVIEW AND UPDATE**

#### **Item 4.1 *CEO Executive Summary and Company Performance***

s9(2)(h)&s6(c)

The Board and management discussed the Wellington Divergent Missed Approach with the concerns raised by residents around consultation. The Board noted that management is continuing to work with WIAL who are undertaking further noise monitoring, s9(2)(h)&s6(c)

The paper was **noted**.

## **ITEM 5.0 PAPERS FOR APPROVAL OR KEY INFORMATION**

Erin Lee joined the meeting at approximately 12.35pm.

### **Item 5.1 Airways FY24 Financial Outlook**

The Board and management had a general discussion on the financial outlook and macro business planning, including:

- the effect of high interest rates and challenging business environment requiring Airways to remain agile;
- management's preference for resourcing of initiatives to utilise external consultants, rather than increase headcount;
- management will seek to reduce travel budgets by 10% given it is a discretionary expense;
- the Board challenged the business on some of the projected margin forecasts with management acknowledging that further work and adjustments will need to be made;
- discussions regarding newer technologies and continued investment in high tech equipment and CAPEX considerations. Management noted that there is a limit in CAPEX spend in any given year and that it is focusing on tools that can enhance productivity.

The Board noted the potential uncertainties for revenue due to the general economic activity and requested that management navigate this whilst building the next generation of air navigation systems and be highly strategic on expenditure. The Board stressed their expectation that management spend prudently for the long-term future, avoid investment in staffing that extend the ways "we don't want to work" and the use of consultants and prioritise resources.

Erin Lee left the meeting at approximately 12.55pm.

### **Item 5.2 Minor changes to Board approved policies**

The Board noted the definition around minor / major change could be refined to address a potential gap.

The Board noted the change to the ELT Framework.

**ACTION:** Lisa Jacobs to provide some wording to address the potential gap.

The Board broke for lunch from approximately 1.00pm.

The Board adjourned to hold the AIL meeting from 1.35pm to 2.10pm and recommenced the ACNZ Board meet at approximately 2.10pm.

Item 5.2 *ALL Governance*

Sharon Cooke joined the meeting at approximately 2.10pm

s9(2)(h)&s6(c)

[Redacted]

[Redacted]

[Redacted]

[Redacted]

**ITEM 7.0 GOVERNANCE PLANNING AND REVIEW**

Item 7.1 *Board Workplan 2023 and proposed agenda topics*

The Board noted the Board workplan.

Item 7.2 *Site Safety Visit Completed and Suggested Locations 2023*

The Board noted the value in undertaking site safety visits.

Item 7.3 *Board Development Update*

The Board noted the update.

Item 7.4 *End of meeting reflections*

The Board and management reflected on the discussions of the day and noted that there had been good discussions throughout the day on the agenda items.

Matters to consider for future including agenda items and re-order where parties are located overseas to accommodate time zones and consider elevating topics/papers of significance (such as the Governance paper).

#### CLOSE OF MEETING

There being no further business, the formal Board meeting concluded at approximately 3.00pm.

The next Board meeting will be held on 18 April 2023 at 9am.

s9(2)(a)

A large black rectangular redaction box covers the signature area. The text 's9(2)(a)' is printed in red at the top left of the redaction.

.....  
Chair