

QLDC Council  
28 April 2022

Report for Agenda Item | Rīpoata moto e Rāraki take : 1

Department: Corporate Services

Title | Taitara Queenstown Airport Corporation Statement of Intent

**PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO**

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The purpose of this report is to consider the Queenstown Airport Corporation (QAC) Statement of Intent (SOI) for the year ending 30 June 2024 (Attachment A) and consider and agree any feedback.

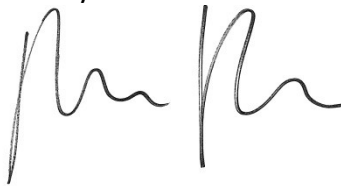
**RECOMMENDATION | NGĀ TŪTOHUNGA**

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That Council:

1. **Note** the QAC is a Council Controlled Trading Organisation (CCTO) as per Section 6 of the Local Government Act 2002 (the Act) and must therefore comply with Section 64 of the Act that requires all CCOs to have a Statement of Intent that meets with the requirements of Schedule 8. This is a statutory requirement.
2. **Note** under s 65(2) of the Act, the SOI delivered to it by QAC on 28 March 2022 and direct officers to issue any agreed feedback.

Prepared by:



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General Manager Corporate

9/04/2022

Reviewed and Authorised by:



Mike Theelen  
Chief Executive

9/04/2022

## CONTEXT | HOROPAKI

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- 1 The QAC is a Council Controlled Trading Organisation (CCTO) as per Section 6 of the Local Government Act 2002 (the Act). As such an SOI (Attachment A) must be prepared by the board of directors of Queenstown Airport Corporation Limited (QAC) for its shareholders in accordance with Section 64(1) of the Act.
- 2 The SOI is a public and legally required document. It is agreed annually (in accordance with the Office of the Auditor General's best practice guidelines on the governance of accountability of CCOs (Part 7)) in consultation with shareholders and covers a three-year timeframe. This SOI 2022/23 covers the period from 1 July 2022 to 30 June 2024.
- 3 The QAC Statement of Expectation (SOE) (Attachment B) was approved by Council on 3 February 2022. The QAC has said that the SOE was considered and confirmed 'common ground' and an 'alignment of strategic priorities'. The Board did challenge the expectation that QLDC should lead consultation on QAC's draft master plan for Queenstown Airport in 2023 as outlined in a letter from QAC Board of Directors Chair Adrienne Young-Cooper (Attachment C). The company said that this expectation raises concerns relating to the company's ability to meet its varied responsibilities under legislation. The board has relayed that the expectation further poses functional challenges in terms of a workable process to consult.
- 4 The QAC has confirmed it will follow a structured community engagement process on the Queenstown Airport draft master plan, once endorsed by Council, in partnership with QLDC, but not led by QLDC. Its process will be developed and informed by the principles on consultation in s82 of the Local Government Act 2002.
- 5 The QAC board will also formally seek the endorsement of shareholders of the draft master plan and has undertaken to consult shareholders during each stage of the master plan preparation. It is the role of the QAC Board of Directors to adopt the master plan.
- 6 This paper is for noting the SOI and giving feedback, but if the Council chooses to agree the SOI, this can occur with the proviso that financials would need to be updated. This can occur through the QAC Annual Report and the QAC AGM.
- 7 The option available to Council based on the resolution is to consider the SOI for feedback.

## CONSULTATION PROCESS | HĀTEPE MATAPAKI:

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### > SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA

- 8 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy, because Council's statutory role under the *Local Government Act 2002* is to review and provide feedback to QAC on the SOI, including (if Council deems it appropriate) by agreeing with the contents of the SOI. Reviewing and agreeing the SOI also aligns Council's monitoring of QAC in line with the guidance for governance and accountability issued by the Office of the Auditor General, as referenced earlier.

9 As outlined in Section 64 of the Act, this is a public process between shareholders and council-controlled organisations. The process is not subject to public consultation, but it is acknowledged that the future of this critical public asset is of wide public interest.

**> MĀORI CONSULTATION | IWI RŪNANGA**

10 The Council has not specifically undertaken iwi consultation on this matter as outlined above but notes that the SOI reflects QAC’s partnership approach to iwi.

**RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA**

11 This matter relates to the Financial risk category. It is associated with RISK00020 and RISK00037 within the QLDC Risk Register in relation to unexpected financial change and lack of alignment. This risk in relation to the recommendation has been assessed as having a moderate inherent risk rating.

**FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA**

12 The recommended decision has no financial implications, but QAC reforecasting continues to impact QLDC ratepayers and residents. Dividends are forecast to recommence from the 2023 financial year.

**COUNCIL EFFECTS AND VIEWS | NGĀ WHAKAAWEAWE ME NGĀ TIROHANGA A TE KAUNIHERA**

13 The following Council documents were considered:

- 10 Year Plan 2021-31
- Annual Plan 2021/22

**LOCAL GOVERNMENT ACT 2002 PURPOSE PROVISIONS | TE WHAKATURETURE 2002 O TE KĀWANATAKA Ā-KĀIKA**

14 Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

15 The QAC is a Council Controlled Trading Organisation (CCTO) as per Section 6 of the Local Government Act 2002 and must therefore comply with Section 64 of the Act that requires all CCOs to have a Statement of Intent that meets with the requirements of Part 1 (Adoption of Statement of Intent) and Part 2 (Content of Statement of Intent) and Part 3 (Additional Content) of Schedule 8.

**ATTACHMENTS | NGĀ TĀPIRIHANGA**

A	QAC SOI Year Ending June 30 2023
B	QLDC SOE
C	QAC Letter