

9. Item 1: Statement of Expectations



PURPOSE OF THE REPORT | TE TAKE MO TE PURONGO

1. The purpose of this report is to present the 2023 Queenstown Airport Corporation (QAC) Statement of Expectation (SOE) for Council approval.

RECOMMENDATION | NGA TUTOHUNGA

That the Council:

1. **Note** the contents of this report;
2. **Approve** the Queenstown Airport Corporation Statement of Expectation 2023; and
3. **Authorise** the Mayor to sign the letter on behalf of Council.

	Prepared by:	Reviewed and Authorised by:
Name	Meaghan Miller	Mike Theelen
Position	GM Corporate Services	Chief Executive
Signature		
Date	17 January 2023	17 January 2023

CONTEXT | HOROPAKI

2. This report deals with agreeing the content of the SOE to deliver it to QAC in accordance with section 64B of the Local Government Act 2002 (LGA).

ANALYSIS AND ADVICE | TATARITANGA ME NGA TOHUTOHU

Statement of Expectations

3. Section 64B of the LGA provides that shareholders in a CCO may prepare a SOE.
4. A copy of the SOE is attached to this report as Attachment A.

Option 1 Agree the Statement of Expectations

Advantages:

5. The SOE is the first opportunity in the annual SOI process for the Council and AIAL as shareholders of QAC to make clear expectations for the company for the year to the QAC.
6. The letter provides an opportunity for the shareholders to agree expectations and offers transparency on this basis for the community.

Disadvantages:

7. The SOE, although not mandatory may be perceived to be inadequate by some members of the public who consistently do not support elements of the SOE or SOI.

Option 2 Do not issue a Statement of Expectations

Advantages:

8. Although not mandatory this decision may be perceived by some members of the public to be failing to deliver good governance in relation to a Council Controlled Trading Organisation.

Disadvantages:

9. The Council will not have a clear record of its expectations for QAC leading into the 2021 Statement of Intent process.

10. QAC will not be guided by shareholder expectations in preparing its SOI. The absence of the letter would prove challenging for the board.

11. This report recommends **Option 1** for addressing the matter because it will allow the Council, as the majority shareholder, to agree expectations for the SOI and it serves to provide public transparency and the Council's directives.

CONSULTATION PROCESS | HATEPE MATAPAKI

12. This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because it is not mandatory, but of high interest to some parties.

MAORI CONSULTATION | IWI RUNANGA

13. This matter has not been consulted with iwi although the Council has set an expectation that QAC will build a relationship with Te Ao Marama and Aukaha as Tagata Whenua to ensure iwi values and issues are reflected in plans and initiatives and arrival and departure experience.

RISK AND MITIGATIONS | NGA RARU TUPONO ME NGA WHAKAMAURUTANGA

14. This matter relates to the financial risk category. It is associated with RISK00037 Lack of Alignment - Key relationships within the QLDC Risk Register. This risk has been assessed as having a moderate inherent risk rating.

15. Approval of the recommended option will support the Council by allowing to implement additional controls for this risk. This shall be achieved by ensuring there is a clear SOE leading into the SOI process and ensuring that QAC interactions and relationships are consistent with shareholder expectations.

FINANCIAL IMPLICATIONS | NGA RITENGA A-PUTEA

16. There are no financial implications arising from the decision sought by this report.

COUNCIL EFFECTS AND VIEWS | NGA WHAKAAWEAWE ME NGA TIROHANGA A TE KAUNIHERA

17. The following Council policies, strategies and bylaws were considered:

- Local Government Act 2002

18. The recommended option is consistent with the principles set out in the Act.

LOCAL GOVERNMENT ACT 2002 PURPOSE PROVISIONS | TE WHAKATURETURE 2002 O TE KAWANATAKA A-KAIKA

19. 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.

As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act.

20. The recommended option:

- Can be implemented through current funding under the Ten-Year Plan and Annual Plan.
- Is consistent with the Council's plans and policies; and
- Would not significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or transfer the ownership or control of a strategic asset to or from the Council.

ATTACHMENTS | NGA TAPIRIHANGA

Number	Title of Attachment
1.	Statement of Expectations