

QLDC Council
12 December 2019

Report for Agenda Item | Rīpoata moto e Rāraki take: 2

Department: Corporate Services

Title | Taitara Proxy for Queenstown Airport Corporation

PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO

The purpose of this report is to rescind the decision of Council on 24 October 2019 to appoint a proxy to exercise its voting rights as a shareholder of the Queenstown Airport Corporation (QAC) and to acknowledge that going forward the Office of the Mayor will be appointed proxy as and when required.

RECOMMENDATION | NGĀ TŪTOHUNGA

That Council:

1. **Note** the contents of this report;
2. **Rescind the decision that** appointed a proxy for QLDC as shareholder of QAC with no restrictions on 24 October 2019.
3. **Agree** that (as required) the Office of the Mayor will be appointed proxy for QLDC as a Shareholder of the Queenstown Airport Corporation in accordance with clause 14.3 of the Constitution for the duration of the current Council term subject to restrictions as required and subject to the proxy being exercised in accordance with the Council's direction.

Prepared by:



Name: Alice Balme
Title: General Counsel

3/12/2019

Reviewed and Authorised by:



Name: Mike Theelen
Title: Chief Executive

3/12/2019

CONTEXT | HOROPAKI

- 1 At its meeting on 24 October 2019 the Council resolved to appoint a proxy to exercise its voting rights as a shareholder of the Queenstown Airport Corporation ('QAC').
- 2 The instrument appointing a proxy did not include any restrictions on the exercise of the proxy. It read:

I, Michael Theelen of Queenstown being the Chief Executive Officer of the Queenstown Lakes District Council, duly authorised by resolution of the Council dated 24 October 2019, hereby appoint his Worship the Mayor of the Queenstown Lakes District James Boulton as our proxy to vote for us on our behalf at all meetings of the company held within the current term of the Queenstown Lakes District Council and at any adjournment of any such meeting.
- 3 The decision to appoint a proxy and any voting right exercised in accordance with that proxy instrument was lawful. However, the Mayor has requested that a report should be prepared to seek Council approval to rescind the decision that approved the above proxy. The purpose for the Mayor's request is to ensure that when a proxy is required any exercise of voting rights will be subject to the direction of Council.
- 4 It is acknowledged that from time to time, there will be a requirement for QLDC to appoint a proxy to exercise its voting rights as a shareholder of QAC. When required, the Office of the Mayor should be appointed to the role and the voting rights should be exercised in accordance with a direction from the Council.

ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU

- 5 For reasons of practicality and efficiency, QLDC appoints a proxy to attend Shareholder meetings/ AGMs and exercise its voting rights in accordance with the QAC Constitution.
- 6 Appointment of a proxy for QLDC requires a resolution of Council.
- 7 The constitution sets out the two forms for a proxy instrument. Where a proxy is unrestricted, it takes the form above. However, in the case where it is desired to afford Shareholders an opportunity of voting for or against a resolution (i.e. exercising a voting right in accordance with the Council's direction), the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

..... **LIMITED**
INSTRUMENT APPOINTING A PROXY
 I/We of being a member of Limited hereby appoint (print name of proxy) of or failing him/her of as my/our proxy to vote for me/us on my/our behalf at the Annual/Special Meeting of the company to be held at on commencing at am/pm and at any adjournment thereof.

I/We direct my/our proxy to vote in the following manner

Vote with a Tick

Resolutions For Against

- 1.
- 2.

Signed this day of 20...

[usual signature/s]

- 8 It will be apparent that the exact wording of this proxy instrument is not tailored to the Council environment. It would therefore need to be amended slightly before it is agreed. It is proposed that this should occur each time the Council needs to exercise its voting rights on a particular matter.
- 9 There are a number of efficiencies that can be gained by appointing a proxy and it is recommended that when required, the appointed proxy will be the Office of the Mayor as it has been historically. It is also noted that the current Mayor is very familiar with these processes. As Mayor he represents the view of the whole Council to the extent that is required for the purpose of the meeting.
- 10 The proposed process will require the Council to plan those instances where the proxy is to be exercised well in advance so that Councillors are able to consider and form their views ahead of giving or defining the scope of the proxy to be given. However, it is recognised that this will promote democratic accountability and ensure that all Councillors have an opportunity to voice their views on a particular decision as shareholder before a voting right is exercised.

CONSULTATION PROCESS | HĀTEPE MATAPAKI:

> SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA

- 14 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because while the issue of growth at the airport company is important to the community, the annual meeting of shareholders and the matters dealt with at these meetings are of little community interest. There is no opportunity to make decisions that would impact on the policy direction of the Council in respect of the Airport.

RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

- 15 This matter relates to the Strategic/Political/Reputation. It is associated with 00037 within the QLDC Risk Register. This risk has been assessed as having a moderate inherent risk rating. This risk relates to strategic alignment with key relationships.

FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

- 16 There are no financial implications.

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

- 17 No policies have been considered and this matter is not included in the Ten Year Plan/Annual Plan as it is not required to be.

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

- 18 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by ensuring efficient and effective involvement in Shareholder meetings for the Queenstown Airport Corporation;
- 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 alter significantly 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.