

QLDC Council
30 June 2015

Report for Agenda Item: 2

Department:

Finance

Statement of Intent, Queenstown Airport Corporation 2015/16

Purpose

To receive the final Statement of Intent for Queenstown Airport Corporation (QAC) for the 2015/16 year in accordance with sections 64 and 65 of the Local Government Act 2002.

Recommendation

That the Council:

- a. ***Receive the Statement of Intent for 2015/16 for the Queenstown Airport Corporation.***

Prepared by:



Stewart Burns
Chief Financial Officer

15/06/2015

Reviewed and Authorised by:



Adam Feeley
Chief Executive

15/06/2015

Background

- 1 The QAC is a Council Controlled Trading Organisations (CCTO) as per Section 6 of the Local Government Act 2002 (the Act). Section 64 of the Act requires all CCOs to have a Statement of Intent.
- 2 The Draft Statement of Intent for 2015/16 must be delivered to the shareholder (Council) before 1 March 2015. The Council considered the draft Statement of Intent for 2015/16 for the Queenstown Airport Corporation at its meeting held on 26 February 2015.
- 3 QAC must consider any comments that are made by Council on the draft Statement of Intent within 2 months i.e. before 30 April 2015.
- 4 The completed Statement of Intent must be delivered to Council by 30 June 2015. The QAC Board has considered the Council's suggestions and an amended (final) SOI is presented for the Council to receive.

Comment

6. The QAC is a Council Controlled Trading Organisations (CCTO) as per Section 6 of the Local Government Act 2002 (the Act). Section 64 of the Act requires all CCOs to have a Statement of Intent (SOI).
7. Schedule 8 of the Act contains the process for adoption of the SOI, which is:
 - Draft SOI to be delivered to Council before 1 March each year
 - CCO must consider any comments on the SOI that are made by Council within 2 months i.e. before 30 April
 - Completed SOI delivered to Council by 30 June.
 - Clause 5 of Schedule 8 allows the shareholder (the Council) to amend the SOI.
8. The draft Statement of Intent was presented to the Council on 26 February 2015. The minutes of that meeting record the following in respect of this item:

Queenstown Airport Corporation: Statement of Intent

A covering report from Stewart Burns (Chief Financial Officer) introduced the Queenstown Airport Corporation's ['QAC'] Statement of Intent for the financial year 2015/16. The report noted that the Council could provide feedback on the Statement of Intent by 30 April 2015.

Mr John Gilks (QAC Board Chair) and Mr Scott Paterson (QAC Chief Executive) and Mr Mark Edghill (Chief Financial Officer) joined the table for this and the following item.

Further comment was sought on QAC's social and community responsibilities. It was confirmed that QAC intended to participate in the transportation strategy consultation and considered conversation with the community vital for meeting its goals.

A request was made for QAC to review the text of objective 3 (page 8) to ensure that comments about investment in infrastructure were not contradictory.

On the motion of Councillors Cocks and Aoake the Council resolved that the draft Statement of Intent for 2015/16 for the Queenstown Airport Corporation be received and that any comments on the draft Statement of Intent be made to the QAC board by 30 April 2015.

9. The request for these changes was forwarded to the QAC Board and in accordance with the legislative requirements, the amended Statement of Intent is now presented to the Council. The changes made are highlighted in yellow in the attached.

Options

10. Schedule 8, Clause 3 requires a CCTO to 'deliver the completed statement of intent to the shareholders on or before 30 June each year.' It would therefore be ultra vires for the Council not to accept the amended statement of intent. Accordingly, the only option presented is to receive the Statement of Intent for 2015/16 for the Queenstown Airport Corporation.

Significance and Engagement

11. This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy. Queenstown Airport is identified in the policy as a strategic asset but the decision sought by this report does not relate to the sale or transfer of ownership or shareholding of the company.

Risk

12. This matter does not have significant risk.

Financial Implications

13. There are no budget or cost implications resulting from the decision.

Council Policies, Strategies and Bylaws

14. Not applicable.

15. This matter is included in the 10-Year Plan/Annual Plan

Local Government Act 2002 Purpose Provisions

16. 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 the future financial health of the Queenstown Airport Corporation.
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- 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.

Consultation: Community Views and Preferences

17. No consultation is required because the decision sought by this report is a legal requirement.

Legal Considerations and Statutory Responsibilities

18 The Queenstown Airport Corporation is required by Section 64 of the Local Government Act 2002 to have a Statement of Intent.

Attachments

- A Letter from CEO of Queenstown Airport Corporation re Statement of Intent.
- B Queenstown Airport Corporation Statement of Intent 2015/16 (track changes)