

QLDC Council
28 April 2016

Report for Agenda Item: 9

Department: Property & Infrastructure

Wanaka Airport Planning and Development

Purpose

The purpose of this report is to seek adoption of the 20 April 2016 Wanaka Airport Planning and Development Report (Attachment A), which supports further exploration of future governance models and 2016-17 Annual Plan infrastructure requirements relating to wastewater and water supply.

Recommendation

That Council:

1. **Adopt** the Wanaka Airport Planning and Development Report;
2. **Agree in principle, subject to further work, that** the recommendations contained 2016 Wanaka Airport Planning and Development Report about exploring future governance models are further investigated.
3. **Instruct** Officers to investigate further and report to Council on future governance models for Wanaka Airport.
4. **Identify** and confirm with any special consultation requirements (if triggered) throughout the investigative process.
5. **Agree** to provide funding of \$50,000 in the 2016/17 Annual Plan to enable the governance investigation and provide for a possible special consultation process to be undertaken, depending on Council's preferred outcome.
6. **Note** that the future Capital and Infrastructure programme will be confirmed through the relevant Annual Plan, LTP process.

Reviewed and Authorised by:

Prepared by:



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21/04/2016



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22/04/2016

Background

- 1 Wanaka Airport is an important community owned strategic asset. The Wanaka Airport Planning and Development Report ('the Report') has been developed over the past 7 months to replace the 2008 Master Plan adopted by Council in September 2008. The Report addresses issues paramount to the future planning of the Wanaka Airport by forecasting projected demand, defining future operational requirements and touches on and identifies possible future governance models.
- 2 Due to the highly technical and specialised field of airport planning, a number of aviation consultants and key stakeholders have contributed to the Report.
- 3 Under the existing arrangement, QLDC utilises Queenstown Airport Corporation as the contracted Wanaka Airport operator. The Report identifies possible future governance models to assist in the implementation of the proposed strategic planning in the Report. This will assist with managing the future growth in general aviation, corporate jet operations, increasing tourism and absorption of overflow capacity for Queenstown Airport.
- 4 The Report addresses current and future infrastructure requirements such as design of reticulated wastewater and increased capacity for water supply including design of work required to connect to Project Pure. The Report further supports the approved funding in the Draft Annual Plan 2016-17.

Comment

- 5 Options
- 6 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.
- 7 **Option 1** Do Nothing
Advantages:
 - 8 No funding required in the Draft Annual Plan 2016/17 (up to \$50,000 has been identified as a proposal sum to review governance options and conduct a possible special consultation process).*Disadvantages:*
 - 9 2008 Master Plan is outdated and does not take into account current demand, revenue potentials and governance structure. Nor did it foresee the infrastructure requirements for reticulated wastewater and water supply via a connection to Project Pure.
- 10 **Option 2** Adopt as recommended and investigate further and report to Council on future governance models for Wanaka Airport.

Advantages:

- 11 Provides a long term strategic and planning framework that is not addressed by the 2008 Master Plan, which will take advantage of growth opportunities, potential future revenue and infrastructure planning.
- 12 By adopting the Report, it addresses the current economic growth rate which was not foreseen in 2008.
- 13 Clarifies the current and future governance structure potentials to aid decision making on future governance requirements.

Disadvantages:

- 14 Funding required in the Draft Annual Plan 2016/17 (\$50,000) for governance investigation.
- 15 **Option 3** Adopt the contents of the report without any further investigation into governance models for Wanaka Airport.

Advantages:

- 16 Provides a long term outlook for the strategic and planning framework that is not addressed by the 2008 Master Plan, which looks to take advantage of growth opportunities, potential future revenue and infrastructure planning.

Disadvantages:

- 17 Lack of clarity around the possible future governance structures.
- 18 This report recommends **Option 2** for addressing the matter. It provides direction in respect to growth and development of Wanaka Airport and seeks to clarify the governance structure to deliver on the opportunity identified through The Report.

Significance and Engagement

- 19 This matter is of low significance, at this stage, as determined by reference to the Council's Significance and Engagement Policy because there are no Level of Service changes in adoption of the Report or the investigation into future Governance models.

Risk

- 20 This matter relates to the strategic risk SR1 – Current and future development needs of the community (including environmental protection), as documented in the Council's risk register. The risk is classed as low.
- 21 The recommended option considered above mitigates the risk by the way the airport develops into the future through adopting a more suitable governance structure.

Financial Implications

22 Any investigation into the legal, the commercial and fiscal implications of any change to the governance structure for Wanaka Airport, and the cost of carrying out any special consultation process has not been budgeted. It is recommended the Council consider allocating up to \$50,000 in the 2016/17 Annual Plan as a provisional sum to accommodate these processes.

Council Policies, Strategies and Bylaws

23 The following Council policies, strategies and bylaws were considered:

- Significance and Engagement Policy
- The District Plan
- Draft Annual Plan 2016/17

24 It should be noted that Wanaka Airport is a strategic asset on the Council's Strategic Asset Register and that should Council ultimately decide to change the current control or ownership of the facility it would require an amendment to the LTP, and through an SCP.

25 The recommended option is consistent with the principles set out in the named policy/policies.

26 This matter is not included in the 10-Year Plan/Annual Plan

- This document does require additional funding and has an impact on current budgets.
- \$50K required for legal advice on options, understanding strategic asset rules, options analysis, and to provide SCP process.

Local Government Act 2002 Purpose Provisions

27 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 providing a long term strategic and planning framework to allow for future growth and infrastructure planning;
- \$50K required for legal advice on options, understanding strategic asset rules and options analysis, and to conduct an SCP to amend the LTP.
- 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.

Consultation: Community Views and Preferences

28 Given this report recommends further investigation and reporting to the Council about a Council strategic asset it will be important to consider the Significance and Engagement Policy in any further reporting or recommendations on

governance structures for the Wanaka Airport and ensure that both the community and the Wanaka Community Board are consulted at the appropriate times.

Attachments

A 2016 Wanaka Airport Planning and Development Report