

Full Council

26 June 2026

Report for Agenda Item | Rīpoata moto e Rāraki take [3]

Department: Corporate Services

Title | Taitara: Queenstown Airport Corporation Statement of Intent

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to agree the Queenstown Airport Corporation (QAC) Statement of Intent (SOI) year ending 30 June 2027 (Attachment A).

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;
2. **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, noting that this is a statutory requirement; and
3. **Agree** under Section 65 (2) of the Act the Queenstown Airport Statement of Intent year ending 30 June 2027.

Prepared by:



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Title: General Manager, Corporate Services
4 June 2026

Reviewed and Authorised by:



Name: Michelle Morss
Title: Interim Chief Executive
4 June 2026

Context | Horopaki

1. The Queenstown Airport Corporation Limited (QAC) is a Council Controlled Trading Organisation (CCTO) as per Section 6 of the Local Government Act 2002 (the Act, LGA). As such, an SOI (Attachment A) must be prepared by the Board of Directors of 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 and accountability of Council-Controlled Organisations (Part 7)) in consultation with shareholders. A CCTO must produce an SOI annually which must cover a three-year timeframe. This SOI, for the year ending June 2027 covers the period from 1 July 2026 to 30 June 2029.
3. The QAC Statement of Expectations for the SOI year ending 2025 (agreed June 2024) was approved by Queenstown Lakes District Council (QLDC) on 14 December 2023 (noting Council agreed to produce a Statement of Expectations three yearly in advance of the September 2024 Long Term Plan 2024-34). The draft SOI year ending 2027 was delivered to Council by the QAC and circulated to elected members on 24 February 2026 (meeting the 1 March requirement).
4. The QAC published the draft on its website on 26 February 2026 and the Council held a public workshop about the draft on 3 March 2026. As a result of this workshop a further letter was provided to the Board from the Mayor on the 9 March 2026 (Attachment B) which asked the Board to consider the following in relation to the SOI:
 - a. Include some commentary or messaging that better explains the changes in domestic and international growth and a reflection of QAC's rationale for how they anticipate these percentage differentials will play out in the future (smoothing of the markets).
 - b. Clarify the reference to the Civil Aviation Authority (CAA), the review in terms of Qualifying Status, as discussed.
 - c. In reference to aeronautical revenue, better define the 'three tiers'.
 - d. Consider including in the introduction a brief explanation of what has changed in the SOI. For example, an updated infrastructure section and refresh of the sustainability section were raised by the team.
 - e. In terms of Growth Assumptions, consider some commentary on inputs to forecasting and include some of the areas of influence - for example, Southern Way and regional relationships.
 - f. Consider oversight of emissions, what we can influence and what we can control. This may be considered in more detail in the development of the Strategic Plan and then via the Statement of Expectations. Noting that Council officers will seek to agree a process for the consideration of both components.

- g. Consider adding more commentary to disclosure in regards to “manage GA” reference. Please reference operational impact if any on GA and include a disclosure in the SOI.
 - h. Consider some clarification over how mode shift is measured.
 - i. Review the ZQN Northern Land disclosure and consider a refresh inclusive of potential options or opportunities/challenges and the potential timing.
 - j. There is a disclosure on page 17 about quieter aircraft technology. Consider adding some further disclosure about new-generation aircraft, beyond the commitment to advocacy.
 - k. Include an undertaking to engage proactively with QAC stakeholders (QLDC) on key issues (August 2026) that are arising from consideration of a refresh of the QAC 10-Year Strategic Plan.
5. On 3 June 2026 QLDC received a schedule of the changes made to the SOI based on this feedback in the form of a table (Attachment C).

Analysis and Advice | Tatāritaka me kā Tohutohu

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 Agree the SOI

Advantages:

- The Council will have an input into Queenstown Airport’s SOI for the current financial year.

Disadvantages:

- None identified.

8. Option 2 Do not agree the SOI

Advantages:

- None identified however in the event the Council did not agree the SOI it can seek modifications to the SOI from the QAC.

Disadvantages:

- Queenstown Airport company will adopt the SOI without any prior sanction from the Council, its majority shareholder.

9. This report recommends **Option 1** for addressing the matter because it is the Council’s statutory role under the Local Government Act 2002 to review and provide feedback to QAC on the SOI, including (if Council deems 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.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

10. This matter is of high significance, as determined by reference to the Council’s Significance and Engagement Policy because the decision is to agree the SOI. 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 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.
11. 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 Rūnaka

12. 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 | Kā Raru Tūpono me kā Whakamaurutaka

13. This matter relates to RISK10003 within the QLDC Risk Register in relation to economic impacts and prosperity. This risk in relation to the recommendation has been assessed as having a high inherent risk rating and approval of the report recommendation will help the Council to avoid the risk by enabling the QAC to meet compliance and adhere to an agreed operational and strategic intent in relation to its adapted SOI and the ongoing success of a key district, regional and national asset.

Financial Implications | Kā Riteka ā-Pūtea

14. Notably, dividends are used to offset debt.

Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

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

- Long Term Plan 2024-34

16. This matter is included in the Long Term Plan 2024–34.

Legal Considerations and Statutory Responsibilities | Ka Ture Whaiwhakaaro me kā Takohaka Waeture

17. As stated in accordance with the LGA 2002 the Council has a mandatory obligation to consider the QAC SOI.

Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka

18. 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.

19. 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 | Kā Tāpirihaka

A	QAC SOI
B	QAC Draft SOI Feedback from the Office of the Mayor, dated 9 March 2026
C	QAC Schedule of Changes, dated 3 June 2026