

**Minutes of an extraordinary meeting of the Queenstown Lakes District Council held in the Council Chambers, 10 Gorge Road, Queenstown on Tuesday 25 February 2020 commencing at 3.00pm**

**Present:**

Mayor Boulton; Councillors Clark, Ferguson, Lewers, MacDonald, MacLeod and Smith

**In attendance:**

Mr Mike Theelen (Chief Executive Officer), Mr Stewart Burns (General Manager, Finance, Legal and Regulatory), Ms Meaghan Miller (General Manager, Corporate Services) and Ms Jane Robertson (Senior Governance Advisor); three members of the media and ten members of the public

**Apologies/Leave of Absence Applications**

Apologies were received from Councillor Copland and Councillor Shaw.

Councillor Gladding and Councillor Miller were absent from the meeting, both being on approved leave of absence.

**On the motion of the Mayor and Councillor Clark it was resolved that the Council accept the apologies.**

**Declarations of Conflicts of Interest**

No conflicts were notified.

**Public Forum**

1. David Mayhew (Chair, Kelvin Peninsula Community Association)

Mr Mayhew questioned the Council's expectation for Queenstown Airport ['QAC'] to "build and enhance its social licence to operate." He stated that QAC did not respect the social licence, did not see itself as a community owned facility and cared nothing for the community. He expressed opposition to the Council directive to "minimise" the need for change in the established noise boundaries because this left the door open for extending the boundaries. Community opposition to the airport had not diminished and this would not change after the proposed economic and social impact assessments. The Statement of Expectations ['SOE'] missed the opportunity for Council to make it clear that it was not acceptable for QAC to ignore its social licence in favour of the demands of the airline industry.

2. Kirsty Sharpe

Mrs Sharpe stated that there was much to commend in the SOE. However, it was not acceptable to direct QAC to 'minimise' the need for changes in the established noise boundaries because QAC must continue to operate under the existing noise boundaries. She asked for this change to be made to the SOE.

3. Sally Stockdale

Mrs Stockdale spoke of the principles of democracy and the various actions people could take if they opposed what was going on. She noted that Protect Queenstown's only goal was to keep the existing air noise boundary as at present at QAC. This was the only sustainable choice and still left the business with plenty of room to grow within this boundary.

4. Gillian MacLeod

Ms MacLeod asked QAC to include preservation of the historic Arranmore Farm buildings on the airport site in its plans. She considered that the word 'minimise' in relation to the established noise boundaries in reality meant 'avoid' under the RMA. In consultation, 92% of the community had asked QAC to avoid changes in the established noise boundaries. She observed that the pursuit of growth created heightened debt levels that would still remain if business was impacted by coronavirus or earthquake. Council and QAC could address this risk by diversifying the economy away from solely tourism.

### Confirmation of Agenda

**On the motion of the Mayor and Councillor MacLeod the Queenstown Lakes District Council resolved that the agenda be confirmed without addition or alteration.**

1. **Statement of Intent Process**

A report from Alice Balme (General Counsel) proposed that the Council agree to extend the timeframe by one month for Queenstown Airport Corporation ['QAC'] to deliver the draft Statement of Intent ['SOI'] to the Council (in accordance with Local Government Act 2002, Sch 8, Clause 1(2)) ['LGA'], taking the deadline for the draft SOI to be delivered on or before 1 April 2020. The report also proposed that the Council agree to extend by one month the timeframe for the QAC Board to consider its comments on the draft SOI (Clause 2), thereby changing the deadline to be on or before 1 June 2020. It was proposed that delivery of the final SOI remain as 1 July 2020. In addition, the report presented a draft Statement of Expectations ['SOE'] and sought Council adoption of the contents in accordance with section 64B of LGA.

Ms Miller and Mr Burns presented the report.

The Mayor thanked Councillors for their active participation in discussions to date about the SOE.

Ms Miller corrected an error in part 1.d. of the SOE (**Matters addressed by Schedule 8 Part 2 (Local Government Act)**):

*'d. Include non-financial performance targets and other measures....'*

Councillor MacDonald signalled his desire to seek an amendment to the SOE as he did not support the statement *'Minimising the need for changes in the established noise boundaries'*. He proposed that instead the statement read: *'Continue to operate within the existing established noise boundaries.'* This would enable further work to be undertaken on understanding the true potential left within the existing

noise boundaries. He noted his intention was to retain the remainder of the sentence, namely, *'noting that the Council has committed to no further changes until such time as the economic and social impact assessments have been completed to inform the QAC master planning'*.

The Chief Executive advised that this was not a formal amendment because no motion had yet been put.

Councillor Clark opposed Councillor MacDonald's proposed change, instead supporting retention of the word 'minimise' in the SOE. She was confident QAC understood the Council's intent and would respond accordingly. However, she suggested two further changes to the SOE:

1. *'QAC is required to have a commitment to retaining and maintaining ~~growing~~ long-term shareholder value.'*
2. *'Creating ~~Maintaining~~ a positive social licence with the QLDC community.'*

Because of its massive growth in recent years, she considered that QAC should seek to 'maintain' rather than grow shareholder value. Further, she did not consider that QAC had a positive social licence at present and it would therefore be more appropriate to replace the word 'maintaining' with 'creating'.

There was extensive discussion about these suggestions, the proposed SOE and the merit of Councillor MacDonald's proposed change.

It was moved (Councillor MacDonald/Councillor Ferguson):

**"That 4.b. Operational Capacity of the proposed Statement of Expectations be amended to read: "Continue to operate within the existing established noise boundaries".**

*The motion was put and carried on a show of hands (5:2) with the Mayor and Councillor Clark voting against the motion.*

The motion became the substantive motion, noting that the SOE now included Councillor MacDonald's amendment and the second of Councillor Clark's requested changes, the first having been rejected.

It was moved (The Mayor/Councillor Clark):

**That the Queenstown Lakes District Council:**

1. **Note the contents of this report;**
2. **Agree to extend the timeframes for delivery of the draft Statement of Intent under Schedule 8, Clauses 1(2) of the LGA and the timeframe for the Board to consider comments on the draft Statement of Intent in Schedule 8, Clause (2) of the LGA by one calendar month; and**

3. **Approve the Statement of Expectations as recommended by the Steering Group (and as amended) and authorise staff to deliver it to Queenstown Airport Corporation.**

Motion carried.

*The meeting concluded at 3.44pm.*

**CONFIRMED AS A TRUE AND CORRECT RECORD**

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**MAYOR**

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**DATE**