

QLDC Council
30 June 2021

Report for Agenda Item | Rīpoata moto e Rāraki take :3

Department: Corporate Services

Title | Taitara Statement of Intent Queenstown Airport Corporation 2021

PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO

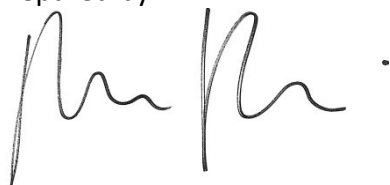
The purpose of this report is to agree the Statement of Intent (Attachment A) in accordance with section 64 of the Local Government Act (LGA) 2002.

RECOMMENDATION | NGĀ TŪTOHUNGA

That Council:

1. **Note** the contents of this report;
2. **Note** that 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; this is a statutory requirement; and
3. **Agree** under Section 65 (2) of the LGA the Queenstown Airport Corporation Statement of Intent 2021.

Prepared by:



Meaghan Miller
GM Corporate Services

16/06/2021

Reviewed and Authorised by:



Mike Theelen
Chief Executive

16/06/2021

CONTEXT | HOROPAKI

- 1 The QAC is a Council Controlled Trading Organisation (CCTO) as per Section 6 of the Local Government Act 2002 (the Act). As such, a Draft Statement of Intent must be prepared by the board of directors of Queenstown Airport Corporation Limited (QAC) for its shareholders in accordance with Section 64(1) of the Act.
- 2 The Statement of Intent is a public and legally required document. It is agreed annually in consultation with shareholders and covers a three-year timeframe. This Statement of Intent 2021/22 covers the period from 1 July 2021 to 30 June 2024.
- 3 Council received the draft Statement of Intent on 18 March and authorised the Chief Executive to provide comment which was received by the board on 30 April 2021.
- 4 Notably the SOI has been amended to reflect the setting aside of the Wānaka Airport Lease to the QAC as the result of a Judicial Review. All direct revenue and expenses related to Wānaka Airport are now included in the QLDC 10 Year Plan as opposed to within QAC budgets. Provision has been made for QLDC to repay QAC for \$3.2m of fixed assets and \$10.9m of pre-paid lease in the 2021/22 year. QAC now manages the airport under an interim management service agreement.

CONSULTATION PROCESS | HĀTEPE MATAPAKI:

> SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA

- 5 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because the decision is to agree the SOI to enable QAC to be compliant.
- 6 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 will be of wide public interest.

> MĀORI CONSULTATION | IWI RŪNANGA

- 7 The Council has not specifically undertaken iwi consultation on this matter, however the SOI contains a commitment by the QAC to undertake positive engagement with iwi.

RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

- 8 This matter relates to the financial risk category. It is associated with RISK00020 and RISK00037 within the QLDC Risk Register in relation to unexpected financial change and lack of alignment. This risk in relation to the recommendation has been assessed as having a moderate inherent risk rating.

FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

9 As outlined the SOI has been amended to reflect the setting aside of the Wānaka Lease to QAC. The financial implications are reflected in both the SOI and the 10 Year Plan 2021-31.

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

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

- 10 Year Plan 2021-31
- Annual Plan 2020/21

11 The recommended option is consistent with the principles set out in the named policy/policies. This matter is included in the Ten Year Plan/Annual Plan.

LEGAL CONSIDERATIONS AND STATUTORY RESPONSIBILITIES | KA TURE WHAIWHAKAARO, ME KĀ TAKOHAKA WAETURE

12 As outlined, agreeing a SOI for a CCTO is a statutory obligation under the LGA.

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

13 The QAC operates key infrastructure assets for the district. As such, the recommendation is appropriate and within the ambit of Section 10 which requires Councils to meet the current and future needs of communities for good-quality local infrastructure in the most cost-effective way for households and businesses.

ATTACHMENTS | NGĀ TĀPIRIHANGA

A	QAC SOI 2021
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