Full Council

12 November 2026

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

Department: Corporate Services

Title | Taitara: Queenstown Airport Corporation Statement of Expectations

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to present the 2027 Queenstown Airport Corporation (QAC) Statement of Expectations (SOE) for Council approval.

Recommendation | Kā Tūtohuka

That Full Council:

1. **Note** the contents of this report;
2. **Approve** the Queenstown Airport Corporation Statement of Expectations 2027;
3. **Authorise** the Mayor to sign the letter on behalf of Council; and
4. **Agree** to produce a further Statement of Expectation outside the three yearly cycle in December 2027 for the QAC Statement of Intent 2028 before reverting to the three yearly cycle in advance of the 2030 Long Term Plan process, the next Statement of Expectations thereafter being in 2029 for the Statement of Intent 2030 financial year.

Prepared by:



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Title: General Manager, Corporate Services
23 October 2026

Reviewed and Authorised by:



Name: James Stevenson-Wallace
Title: Chief Executive
23 October 2026

Context | Horopaki

1. This report deals with agreeing the content of the SOE to deliver it to Queenstown Airport Corporation (QAC) in accordance with section 64B of the Local Government Act 2002 (LGA). Under the legislation that relates to a council-controlled trading organisation (CCTO) under the LGA, a SOE is not mandatory.

2. In 2024, based on the relationship between the QAC and its majority shareholder, the statutory requirement to annually agree a Statement of Intent, the completion of the QAC Master Plan and the basis that a SOE is not mandatory, as outlined, the Council took the decision that a SOE only be produced in the financial year that leads into the adoption of a Long Term Plan (LTP). This report recommends maintaining that cycle, but to offer assurances around strategic matters ongoing, the Council agree to going through an SOE process again in 2027 for the 2028 Statement of Intent (SOI).

3. As outlined in 2024, at any time in intervening years the Council can decide to produce a SOE if required.

Analysis and Advice | Tatāritaka me kā Tohutohu

Statement of Expectations

4. Section 64B of the LGA provides that shareholders in a CCO may prepare a SOE.

5. A copy of the Draft SOE is attached to this report as Attachment A**.**

6. Option 1 Agree the Draft Statement of Expectations.

   Advantages:

   - This SOE is an opportunity to review and set QAC objectives ahead of the LTP process.
   - The letter is a strategic governance tool that can be used to provide an opportunity to offer transparency on Council's expectations for the community.

   Disadvantages:

   - The SOE, although not mandatory may be perceived to be inadequate by some members of the public who consistently do not support elements of the SOE or SOI or an airport at Queenstown.

7. **Option 2** Do not issue a Statement of Expectations.

Advantages:

- This is an option if the majority of the Council does not support the draft SOE and seeks significant rework.

Disadvantages:

- The Council has already workshopped the draft SOE. Further time would need to be scheduled as the SOE needs to be completed by year end (December) to enable the QAC to commence its draft SOI.

8. This report recommends **Option 1** for addressing the matter because it will allow the Council, as the majority shareholder, to agree expectations for the SOI in advance of the LTP process.
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Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

9. This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because it is not mandatory, but of high interest to some parties.

Māori Consultation | Iwi Rūnaka

10. This matter has not been consulted with iwi although the Council has set an expectation that QAC will continue to build a relationship with Te Ao Marama and Aukaha as Tangata Whenua to ensure iwi values and issues are reflected in plans and initiatives and arrival and departure experience.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

11. This matter relates to the Financial risk category. It is associated with RISK10013 Unexpected change in cost or funding within the QLDC Risk Register. This risk has been assessed as having a high residual risk rating.

12. Approval of the recommended option will support the Council by allowing additional controls to be implanted to control the risk. This will be achieved by ensuring there is a clear SOE leading into the SOI process, ensuring that QAC interactions and relationships are consistent with shareholder expectations and that there is a clear line of communications and express information sharing as outlined by the SOE.

Financial Implications | Kā Riteka ā-Pūtea

13. There are no financial implications arising from the decision sought by this report.

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

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

- Local Government Act 2002
- Annual Plan 2025/26

15. The recommended option is consistent with the principles set out in the Act.

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

16. 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; (b) to meet the current and future needs of communities for good-quality, cost-effective, and local — (i) infrastructure; (ii) public services; (iii) performance of regulatory functions; and (c) to support local economic growth and development by fulfilling the purpose set out in paragraph (b) Queenstown Airport is a Utility Lifeline and a critical infrastructure asset offering domestic and international air travel. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act.

17. The recommended option:

- Can be implemented through current funding under the Long Term Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not significantly alter 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.

Attachments | Kā Tāpirihaka

A	Draft Statement of Expectations

QLDC: 2026 Statement of Expectations for Queenstown Airport Corporation

1. Purpose, status and accountability

1.1 QLDC has prepared this Statement of Expectations (SOE) to guide the Queenstown Airport Corporation (QAC) Board in developing the 2027/28 Statement of Intent (SOI) and its associated three-year planning period. This SOE recognises the critically important relationship between QLDC, as principal shareholder, and QAC in helping to realise the sustainable, social, economic and environmental needs of our district, while contributing to the resilience of the regional and national economy. QLDC expects that relationship to be conducted through open and constructive engagement, with clear accountability and respect for the parties' distinct responsibilities.

1.2 This SOE sets out QLDC's shareholder expectations within the framework of section 64B of the Local Government Act 2002 (LGA). QLDC expects the Board to address the substantive expectations in the draft SOI and explain the proposed commitments, measures, deliverables, timeframes and reporting arrangements. It is intended to establish a shared understanding of Council's direction, the Board's interpretation and response. Clauses 2.6–2.11 and 8.3–8.7 set out how strategic coherence and the response is to be made explicit.

1.3 QAC is a council-controlled trading organisation, majority-owned by QLDC. It will continue to comply fully with the Companies Act 1993, the provisions of the LGA applicable to council-controlled organisations and council-controlled trading organisations, and other applicable legislation. Its objectives under section 59 of the LGA extend beyond financial returns and include achieving the commercial and non-commercial objectives of its shareholders. These should be specified in the SOI in terms of; being a good employer; exhibiting social and environmental responsibility; and conducting its affairs in accordance with sound business practice. QAC is to have regard to the interests of the community in which it operates. The SOI should continue to reflect this.

1.4 Operational decisions remain with or under the authority of the Board, in accordance with the SOI, QAC's constitution and applicable law.

1.5 This SOE states Council's shareholder direction and expectations for QAC's response through the SOI. Where implementation requires separate approval, regulatory consent or contractual change, the Board should identify that requirement and the applicable decision process. These separate processes do not diminish Council's expectations for early engagement, regular reporting, or its appropriate exercise of shareholder influence.

2. Growth, planning, engagement and strategic coherence

2.1 QLDC seeks assurance that Queenstown Airport's projected growth modelling is understood within the wider Regional Spatial Plan framework and QLDC growth assumptions, so that airport planning aligns with the broader challenges associated with visitor growth. QAC is expected to consider the positive and negative effects of growth in passenger numbers and their impacts on the community.

2.2 QLDC anticipates agreeing with QAC, in the coming year, a pathway for QAC-led re-engagement with the wider community, district-wide, on Queenstown Airport-specific projections and alignment with QLDC planning. This will cover refreshed passenger growth modelling, options and implications including growth, managed growth and no growth, and

assumptions about impacts beyond the airfield, in conjunction with QLDC. It is a community conversation on the ZQN of the future in the context of continued social license. QAC should consider how and when it will report the findings and set out its proposed approach.

2.3 This work is to be undertaken in the context of the 2023 Queenstown Airport Master Plan, following Council's endorsement of the then-draft on 16 November 2023 and the final plan's approval by the QAC Board in December 2023; QAC's Strategic Plan refresh; and the capital project delivery programme. The relevant Master Plan objectives include management of activity within existing noise boundaries, sustainability, customer experience, revenue diversification, the terminal project, terminal precinct projects, and airfield and airspace development.

2.4 QAC's growth modelling and Strategic Plan refresh must consider alignment with the outcomes of the Regional Spatial Plan and associated plans, including the Destination Management Plan and QLDC Spatial Plan. QAC should consider how it will shape community engagement on ZQN growth modelling and planning across short-, medium- and longer-term horizons, and explain its intended alignment with QLDC strategic growth planning.

2.5 QLDC recognises that the Strategic Plan refresh and growth modelling are work in progress. The 2027/28 SOI will confirm timelines for reporting and engagement on this work. Demand assumptions, uncertainties and the implications of different scenarios should be transparent.

Strategic coherence across Council and QAC planning

2.6 QLDC expects the Board to explain how QAC's Strategic Plan refresh, growth modelling, Queenstown Airport Master Plan and capital delivery programme relate to the outcomes, assumptions and constraints in the Council and wider planning documents referenced in this SOE. The response should identify material alignment, differences, dependencies and uncertainties, and explain their implications for the proposed SOI commitments and investment programme.

2.7 QLDC expects that in the future (an intent should be outlined in the 2026-27 SOI and more fully addressed in the following year, clause 2.9) the Board will provide a concise strategic-alignment statement in or alongside the draft SOI. The statement should explain the extent of alignment between the relevant Council and QAC strategies and plans, and the implications of any material differences, dependencies or uncertainties for QAC's strategic direction, investment and proposed SOI commitments. It should identify matters requiring Council or Board consideration and the proposed approach, respective responsibilities and timing for their reconciliation.

2.8 The Board's assessment should aim to address the intended future work on the relationship between airport passenger projections and Council's growth assumptions; the implications of growth, managed growth and no growth for the Master Plan, Strategic Plan refresh, the investment programme and its gateways, and financial sustainability, including Terminal repayment assumptions; and the influence of Council's climate and transport objectives on airport direction. The emphasis should be on the strategic choices, trade-offs and consequences for the proposed SOI commitments that require governance consideration.

2.9 QLDC will make clear the Council strategies, plans and growth assumptions it expects the Board to address. QAC will distinguish adopted direction from matters still under development and identify where further Council consideration is required. The Regional Spatial Plan, Destination Management Plan and other wider plans will be considered according to their established roles and relationships, rather than an assumed hierarchy.

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2.10 In principle QLDC and QAC should work through any material differences through their respective governance and planning processes. The draft SOI should distinguish matters already reconciled from those requiring further analysis, engagement or decision, and specify (as outlined) the proposed pathway, responsibilities and milestones for outstanding work. Neither a statement of alignment nor the SOI should be treated as amending another plan by implication.

2.11 For Wānaka Airport, the relationship between QLDC's asset-owner planning direction, including the Scenario 3 basis, and QAC's management and constructive-engagement role should be addressed separately from QAC's Queenstown Airport Master Plan, consistently with clauses 7.1–7.2.

3. Strategic direction, commitments, and reporting

Strategic pillars and performance

3.1 The strategic pillars of the 2023 Master Plan continue to resonate. Building on those pillars and the 2026/27 SOI, QAC will continue setting objectives around its commitments to:

Experience — exceed expectations at every touch point.
Resilience — strong and capable.
Community — respect for people and place.

3.2 QLDC expects the Board to translate the strategic direction and expectations in this SOE into clear SOI objectives and commitments, supported by measurable performance targets, explicit deliverables and timeframes appropriate to each expectation. These should provide Council with a sound basis for assessing delivery and QAC's contribution to the intended outcomes.

The Board's reporting should demonstrate performance against those commitments and forecasts, explain material variances and their causes, and identify the Board's response. Material assumptions, uncertainties and dependencies should be transparent. Where outcomes depend on others, the Board should make clear QAC's own commitments and how its contribution will be assessed.

These arrangements should give effect to the specific expectations elsewhere in this SOE**.**

Financial monitoring, capital delivery, dividends and risk

3.3 QLDC expects financial monitoring and project milestone reporting to QLDC's Smart Finance Committee, covering:

- forecasts for at least three years for financials, dividends, passenger numbers, debt levels and debt repayment plans;
- debt facilities, financial forecasting and QAC's expectations regarding dividends and passenger numbers; and
- project delivery, capital expenditure, progress on Master Plan delivery and its gateway investment approach, including milestones, funding, costs and delivery risks.

3.4 QLDC seeks a clear explanation of financial liability under the relevant provisions of QAC's constitution and the Companies Act, including the basis of any shareholder exposure, and transparency of the assumptions underpinning the Terminal repayment plan. Financial reporting should also explain material funding assumptions and sensitivities, liquidity and

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covenant capacity. This request seeks assurance and explanation; it does not assume a Council guarantee or liability.

3.5 Dividend payments will be in line with the QAC Dividend Policy. Any projected anomaly will be conveyed to QLDC at the earliest opportunity. This early-warning expectation is separate from periodic financial reporting and is not limited to anomalies meeting the materiality definition in section 5.

3.6 QLDC expects an annual agenda item and opportunity to discuss QAC's risk framework with the QLDC Risk and Assurance Committee, including the Chair of QAC's AFRC. Sensitive material is intended for public-excluded discussions where lawful, with the applicable legal grounds and information-handling arrangements observed. The annual discussion should provide clear visibility of principal risks, assurance and the Board's oversight response.

Sustainability, carbon reduction and climate risk

3.7 As a key priority for QLDC, sustainability and reduction of QAC's carbon footprint, in line with QLDC's targets, will continue to be strong drivers of Queenstown Airport's strategic direction. This includes a commitment to work with and influence strategic airline stakeholders in pursuing carbon-reduction objectives and technologies.

3.8 QAC is expected to maintain an ongoing understanding of climate-change risk, including its financial and legal dimensions, and provide ongoing transparency and clarity about its commitment towards zero organisational emissions. QLDC acknowledges the work undertaken to date.

Noise boundaries, capacity and options

3.9 QLDC expects maintenance of the Master Plan commitment that airport operations remain within the existing Queenstown Airport Air Noise Boundaries until at least 2032, alongside compliance with operative noise controls.

3.10 QLDC is forming a view that the Air Noise Boundaries may no longer provide the intended constraint on growth. The Board should test this view and explain the extent to which the controls constrain passenger volumes and aircraft movements over the relevant planning horizons. Noise compliance, or increased capacity within existing boundaries, should not of itself be treated as Council endorsement of additional passenger growth.

Land use, transport and revenue diversification

3.11 QLDC expects the Board to explain the scope and strategic fit of QAC's commercial land interests and their contribution to revenue diversification alongside its core airport role. This should address expected returns, risks and implications for future airport use and district outcomes. Long-term land commitments should be assessed as potentially material under section 5 and raised early with Council.

3.12 Within this broader commercial land strategy and the Master Plan, QAC should consider commercially viable uses of Queenstown Airport land that support transport connections and mode shift from private vehicles, in line with QLDC's Climate and Biodiversity Plan, Strategic Framework and Spatial Plan. Consideration should continue to be given to electric fleet vehicles and potential public-transport partnerships.

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Customer experience

3.13 QLDC continues to seek that QAC develop and maintain strong customer service, acknowledging the work completed in relation to Customer Experience, including quarterly customer sentiment testing. The SOI should show how customer-service objectives will be measured and reported.

Arranmore Farm Buildings

3.14 QAC is asked to outline a plan for maintenance and any potential restoration of the historic Arranmore Farm Buildings. Acknowledging previous heritage advice sought by QAC and their reported poor condition. The buildings are valued by the community as some of the oldest structures in the Whakatipu Basin and should be preserved.

4. Engagement and expected behaviours

4.1 QAC will maintain regular contact with Council at Board and officer levels to continue building an open and collaborative relationship. The engagement arrangements will include the following specific expectations:

- Chief Executive to Chief Executive: meetings every two months.
- QAC Chair and Chief Executive: quarterly engagement, or as required, including confidential heads-up contact or briefings for wider Council on potential or emerging issues.
- Public workshops: participation in public workshops with QLDC as requested, minimum two.
- Joint governance engagement: meetings twice yearly involving the QAC Board, full Council and Wānaka–Upper Clutha Community Board.
- Shareholders: annual general meeting.
- Financial and capital reporting: monitoring and project milestone reporting to the Smart Finance Committee, with the contents specified in clauses 3.3–3.4.
- Risk framework: the annual Risk and Assurance Committee discussion, including the QAC AFRC Chair, specified in clause 3.6. This is the same annual discussion, not a second annual meeting.

4.2 QLDC and QAC should agree an annual calendar and practical reporting arrangements to give effect to these expectations.

4.3 QAC will continue building relationships with Southern and Otago hapū and iwi, and ensure iwi values are reflected in plans and initiatives. Successes in this work are acknowledged. QAC must also comply with its applicable obligations under LGA section 60A concerning decisions that may significantly affect land or water.

4.4 QLDC expects the Board to engage early and constructively on Council proposals or activities affecting airport operations or future use, explaining material concerns and seeking resolution. Council will reciprocate in its project-delivery and asset-owner roles.

5. Materiality, no surprises and land consultation

5.1 Materiality in this SOE concerns the threshold at which information, an omission or a misstatement is significant enough to influence the decisions or judgement of Council as majority shareholder or the community as stakeholder. Either perspective may establish significance. Materiality can be quantitative, including Master Plan delivery and financial

DRAFT

assumptions, or qualitative, including reputation, highly contentious matters or matters of widespread public interest. These examples are non-exhaustive.

5.2 QLDC expects zero surprises on material matters, with a proactive heads-up as early as practicable. This includes, but is not limited to, court decisions pertaining to QAC, executive changes, and potential arrangements leading to acquisition, lease or sale of land before those arrangements are entered into. Potential material matters should be raised proactively with both the Mayor and QLDC Chief Executive in the first instance.

5.3 Where genuinely urgent action prevents prior notification, QAC should notify as early as practicable afterwards, explain the circumstances and follow up. These arrangements do not require unlawful disclosure or privilege waiver and do not provide a general exemption from the no-surprises expectation.

6. QAC as employer and landlord

6.1 In accordance with LGA section 59(1)(b) and applicable employment and health-and-safety obligations, including the Health and Safety at Work Act 2015, QAC will be a good employer, ensure a safe working environment, and maintain the wellbeing of staff and tenants in its capacities as employer and landlord.

6.2 QLDC seeks that QAC produce and adhere to a Gender and Diversity Policy.

7. Wānaka and Queenstown Airports and Glenorchy Aerodrome

7.1 As owner of Wānaka Airport, QLDC acknowledges its relationship with QAC for management of the airport under a Management Services Agreement, and the support for minor improvements as the airport works towards a qualifying aerodrome operator certificate under Civil Aviation Rules Part 139. QLDC expects QAC to continue acting in good faith in Wānaka Airport management and to engage constructively in that certification work. This acknowledges support for minor improvements without implying that all certification work is minor or complete.

7.2 QLDC anticipates and expects QAC's constructive engagement in the QLDC-led Wānaka Airport Master Plan process to deliver Scenario 3 identified in the Egis Report, consistently with Council's 7 May 2026 resolution. Final Master Plan approval remains with Council. This expectation does not appoint QAC programme manager or itself authorise works, funding or changes to its Management Services Agreement. Any changes to the agreed service scope must follow the applicable contractual and Council processes.

7.3 QLDC acknowledges the grounds maintenance services and airstrip management provided by QAC at Glenorchy Aerodrome under a Management Services Agreement.

7.4 QLDC recognises Queenstown Airport as critical infrastructure for the district, the importance of its operational resilience, and QAC as its operator as an essential infrastructure provider under the Emergency Management Act 2026, including Schedule 3 item 10. QLDC expects Board oversight of QAC's applicable continuity, emergency-planning and resilience responsibilities.

8. Enduring relationship, Board response and reconciliation

8.1 The relationship between QLDC and QAC, at Board and officer levels, should be built on trust, respect and professional integrity. Queenstown Airport is critical infrastructure, but it

DRAFT

must work in the wider context of a growing district. QLDC looks forward to engaging with QAC to strive for the best outcomes for our community, QAC's stakeholders and our visitors.

8.2 QLDC anticipates and welcomes QAC engaging with Auckland International Airport as minority shareholder, drawing on its insights into QLDC's expectations.

8.3 QLDC expects the Board to provide a clear response to the substantive expectations in this SOE through the 2027/28 draft SOI, supported by the concise expectation–response schedule in clause 8.5 and the strategic-alignment statement (formative) and strategic coherence in general, clauses 2.6-2.10. The draft SOI is to be provided in accordance with the statutory timetable. The response should identify proposed commitments and reporting arrangements and confirm the reporting and engagement timelines requested in clause 2.5.

8.4 If the Board considers an expectation cannot lawfully or reasonably be accommodated, it should identify the specific reasons and proposed alternative for discussion with QLDC. That response does not itself amend or waive Council's expectations, confer an automatic opt-out or limit the applicable shareholder and SOI processes. QLDC will exercise its shareholder role through lawful collective decisions and the appropriate governance channels.

8.5 The expectation–response statement should identify, for each substantive expectation:

- **Direction and interpretation:** the SOE clause and the Board's understanding of the expectation.
- **Proposed response:** commitment or action.
- **Conditions and status:** material assumptions, dependencies or trade-offs.

8.6 QLDC and the Board should hold an early workshop discussion on the draft SOI, before completion and while Council's input can meaningfully shape it. The discussion should focus on strategic direction, proposed commitments and any material differences.

8.7 The Board should make material dependencies and their consequences clear, including any Council input or decisions needed, and explain how it proposes to manage them. Respective commitments and timing should be clear, with Board accountability for QAC's delivery and progress maintained.

Yours sincerely,

John Glover
Mayor
QLDC

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