

Smart Finance Committee

17 March 2026

Report for Agenda Item | Rīpoata moto e Rāraki take [1]

Department: Assurance, Finance & Risk

Title | Taitara: Council Controlled Trading Organisation Monitoring (Queenstown Airport)

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to provide the Smart Finance Committee with:

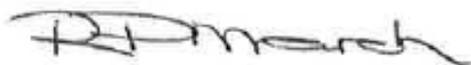
- A monitoring report of the Council Controlled Trading Organisation (CCTO) Queenstown Airport Corporation (QAC);
- The QAC 2025/26 Interim report; and
- A proposal to make a recommendation to Full Council to review QAC Directors remuneration and (if needed) QAC chair/board (re)appointments rather than creating a panel.

Recommendation | Kā Tūtohuka

That the Smart Finance Committee:

1. **Note** the contents of this report;
2. **Note** that the Committee received the QAC interim report in accordance with the Statement of Expectation (SOE) and Statement of Intent (SOI); and
3. **Recommend to Council** that requests to review QAC Directors' remuneration and (if needed) the QAC Chair/Board (re)appointments for the next year be brought to Full Council.

Prepared by:



Name: Ros March

Title: EA to GM Assurance, Finance and Risk
24 February 2026

Reviewed and Authorised by:



Name: Katherine Harbrow

Title: GM Assurance, Finance and Risk
24 February 2026

Context | Horopaki

Interim Report

1. The QAC Statement of Intent (SOI) for the year ending 30 June 2026 indicates that QAC will present the annual financial results and interim financial results to the QLDC. This report covers the period 1 July 2025 to 31 December 2025.
2. See Attachment A: 2026 Interim Financial Report.

Monitoring Report

3. The Chief Executive and Chief Financial Officer of QAC will focus on discussing the capital plan, debt and dividends.
4. See Attachment B: QAC Update as at February 2026.

Directors' Fees

5. In 2025, as part of the three yearly reviews of QAC Directors' fees, it was agreed that Directors' fees should be reviewed annually to avoid large three yearly increases and to ensure that as the capital programme increases, Directors are remunerated fairly for the increased risk and accountability.
6. Prior to the 2025 Local Government Elections there was a Governance Subcommittee which used to review the proposed QAC Directors' fees report and would shortlist any QAC Directors, if they needed to be replaced. The Governance Subcommittee used to provide this information in a report to Full Council (public excluded initially) to obtain approval.
7. Post the election, there is no Governance Subcommittee.
8. QAC will initiate an independent review of Directors' Fees. QAC will make a recommendation to Queenstown Lakes District Council (QLDC) in due course.

Analysis and Advice | Tatāritaka me kā Tohutohu

9. 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.
10. Option 1 The Smart Finance Committee recommends that requests to review QAC Director remuneration and (if needed) QAC Chair/Board (re)appointments will go directly to Full Council meetings.

Advantages:

- QAC requests going directly to Council meetings will ensure that requests will be responded to in a timely manner without the need for appointing of a panel to make decisions on the requests.

Disadvantages:

- The Council will have to do the detailed work to review these requests.

11. Option 2 The Smart Finance Committee recommends to Full Council that Council appoint a panel to review QAC Directors remuneration and (if needed) QAC Chair/Board (re)appointments.

Advantages:

- Requests from QAC can be responded to quickly if panel is already in place and recommendation can then be made to Full Council at the next available meeting.
- As there is no Governance Subcommittee this enables a clear pathway for QAC decisions.
- The panel will be able to do the detailed work to review these requests.

Disadvantages:

- Full Council may wish to undertake this decision making rather than utilising a panel.
- The use of a panel would slow down the process of getting the recommendation to Full Council.

12. This report recommends **Option 1** for addressing the matter because it will be a faster and more efficient process to go direct to the Full Council rather than via a panel.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

13. This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy 2024 because the report is provided for information only.

14. The persons who are affected by or interested in this matter are Council officers and the members of the Smart Finance Committee.

15. The Council has not and will not be consulting on the monitoring of QAC as part of the Long-Term planning or Annual planning. QAC are guided by Council's 2024 Statement of Expectations and the corresponding QAC Statement of Intent (for year ending 30 June 2026).

Māori Consultation | Iwi Rūnaka

16. The Council has not consulted Iwi on the matters contained in this report.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

17. This matter relates to the Financial risk category. It is associated with RISK10014 Ineffective Financial Strategy within the QLDC Risk Register. This risk has been assessed as having a moderate residual risk rating.

18. The approval of the recommended option will allow Council to avoid the risk. This will be achieved by ensuring quality and sufficient Directors are retained at QAC and that dividends are maintained or above what was planned.

Financial Implications | Kā Riteka ā-Pūtea

19. Unexpected costs changes to the QAC monitoring would impact the dividend that Council receive from QAC.

20. QLDC is a 75.01% shareholder in QAC.

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

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

- Long Term Plan 2024/34

22. This matter is included in the Long Term Plan/Annual Plan as part of the QAC dividend income.

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

23. 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. QAC is a strategic infrastructure asset for QLDC.

24. The recommended option:

- 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	2026 Interim Financial Report
B	QAC Update as at February 2026