

QLDC Council
23 July 2020

Report for Agenda Item | Rīpoata moto e Rāraki take 8

Department: Corporate Services

Title | Taitara Queenstown Airport Corporation Board Appointments

PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO

The purpose of this report is to acknowledge the resignation of Prue Flacks from her role as Chair of the Queenstown Airport Corporation ('QAC') Board and appoint a new Chairperson and Deputy Chairperson.

RECOMMENDATION | NGĀ TŪTOHUNGA

That Council:

1. **Note** the contents of this report;
2. **Accept** the resignation of Prue Flacks from the QAC Board;
3. **Agree** to appoint Adrienne Young Cooper as the Chairperson of the QAC Board;
4. **Agree** to appoint Simon Flood as the Deputy Chairperson of the QAC Board; and
5. **Authorise** the Chief Executive to sign the Shareholders Resolution giving effect to these appointments on behalf of QLDC.

Prepared by:



Name Alice Balme
Title General Counsel

9/07/2020

Reviewed and Authorised by:



Name Stewart Burns
Title GM Finance Legal and
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9/07/2020

CONTEXT | HOROPAKI

- 1 QAC has six Directors. The QAC Constitution provides for the election of both a Chairperson and a Deputy Chairperson from the Directors for the Board.
- 2 Prue Flacks was the Chair of QAC until her resignation from her position as Chair and Director of QAC on 18 May 2020.
- 3 Adrienne Young-Cooper who was appointed to the role of Deputy Chair in March this year has assumed the role of Acting Chair due to an unexpected absence of the Chair.
- 4 As Prue Flacks has now resigned, the Shareholders must appoint a new Chairperson.

ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU

- 5 The QAC constitution provides that election of a Chairperson and Deputy Chairperson can be made by way of a resolution in lieu of a meeting (i.e. a written resolution) signed by not less than 75% of shareholders who would be entitled to vote on the matter at a meeting (and who together hold no less than 75% of the shares).
- 6 Although QLDC holds 75.01% of the shares, it is only 50% of the “shareholders entitled to vote” (Auckland Airport being the other shareholder entitled to vote). So a written resolution requires signatures of both shareholders.
- 7 The current directors of QAC include:
 - a. Simon Flood
 - b. Michael Stiassny
 - c. Norm Thompson
 - d. Mark Thompson
 - e. Adrienne Young-Cooper (Deputy Chair)
- 8 It is not proposed to appoint a new director to fill the vacant position created by Prue’s resignation at this time.
- 9 This report recommends that Adrienne Young-Cooper be appointed as Chair of the QAC Board and as she will be vacating her position as deputy chair, it also recommends appointing Simon Flood as the Deputy Chair.
- 10 Adrienne Young-Cooper has assumed the role of acting chair of QAC since an unexpected absence of the previous Chair earlier this year. Ms Young-Cooper has been a Director of QAC since 2017. She has an extensive background of more than 30 years’ experience in resource management and planning. Ms Young-Cooper has specific experience working as a planning consultant in the Queenstown Lakes District and led the first major community planning exercise for Queenstown “Tomorrow’s Queenstown” in the early 2000s.

- 11 With the current focus of QAC being future planning both in Queenstown and Wanaka, Ms Young-Cooper's expertise and experience were considered to be invaluable in her appointment as Deputy Chairwoman and similarly make her a well suited candidate for the role of Chairwoman.
- 12 Ms Young-Cooper has confirmed that she is willing to accept this position and AIAL have indicated that they will also support the appointment of Ms Young-Cooper.
- 13 Simon Flood was appointed to the QAC Board in late 2019. He has an extensive business background with more than 25 years as a business leader, investor and financial analyst. While only recently appointed to the Board, Mr Flood is an ideal candidate for the role of Deputy Chair particularly in light of the challenging financial position the airport finds itself in as a result of the Covid-19 Pandemic. Mr Flood has the right skills to help provide strong governance for the organisation during this challenging time of recovery. Mr Flood is also a Queenstown resident and brings an important local context to his role on the Board.
- 14 AIAL have indicated that they will support the appointment of Simon Flood to the role of Deputy Chair.
- 15 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:
- 16 Option 1 Do nothing – do not appoint a new Chair
Advantages:
 - 17 None*Disadvantages:*
 - 18 Without a person in the role of chairperson of the Board, QLDC cannot be assured that its CCTO will be effectively managed.
- 19 Option 2: Appoint Adrienne Young-Cooper as Chairwoman and Simon Flood as Deputy Chair.
Advantages:
 - 20 The effective management and operation of QAC can continue at a time where the company needs to recover from the impacts of Covid-19 and plan for the future.
 - 21 Two highly skilled and experienced directors will assume leadership roles on the board. Both have the necessary skills to fulfil their roles and are willing to assume these positions.*Disadvantages:*
 - 22 None.
- 23 Option 3: Appoint other Directors to the roles of Chair and Deputy Chair.

Advantages:

- 24 Other Directors may have different skills and experience relevant to the role. However, this has not been traversed in detail in this report.

Disadvantages:

- 25 Delay in the appointment of directors to these leadership positions may occur.
- 26 This report recommends option two for addressing the matter.

CONSULTATION PROCESS | HĀTEPE MATAPAKI:

> SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA

- 27 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because it is an operational matter for practical reasons and does not significantly alter the make up of the QAC Board.

RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

- 28 This matter relates to the Strategic/Political/Reputation It is associated with RISK00037 lack of Alignment – Key Relationships within the QLDC Risk Register. This risk has been assessed as having a moderate inherent risk rating.
- 29 The approval of the recommended option will support the Council by allowing us to avoid the risk. This shall be achieved by ensuring that QAC can operate effectively with two experienced Directors in leadership roles.

FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

- 30 None.

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

- 31 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by ensuring the effective operation and management of QAC;
- Can be implemented through current funding under the Ten Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly 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.