



28 March 2022

Mayor Jim Boulton  
Queenstown Lakes District  
Council  
10 Gorge Road  
Queenstown 9300  
By email: jim.boulton@qldc.govt.nz

Dear Mayor Boulton

**Re: Queenstown Airport Corporation Draft (QAC) Statement of Intent FY23**

The QAC board of directors was pleased to receive the statement of expectations from QLDC on 8 February 2022. The desired direction for the company from our major shareholder has provided guidance which you will see is reflected in the draft SOI attached. QLDC's strategic priorities for QAC have been considered and there is common ground.

As we develop our 10-year strategic plan, and in preparing the draft SOI FY23, we are working to meaningfully incorporate the four wellbeing measures: social, environmental, cultural and economic into our strategic priorities and performance indicators.

The coming year is an important one for the company as we look to recovery after the past two years that have had a prolonged and significant impact on every aspect of the business, as they have across the Queenstown Lakes district.

As directors of QAC we take very seriously the regulatory, fiduciary, legal, workplace and employer duties and responsibilities we are obliged to meet and comply with on behalf of our shareholders. These governance responsibilities are well defined in legislation. QAC is an 'airport authority' under the Airport Authorities Act, a 'council-controlled trading organisation' (CCTO) under the Local Government Act, an 'aerodrome operator' under Civil Aviation Rule Part 139 and the Civil Aviation Act and a network utility operator and a requiring authority under section 166 of the Resource Management Act. Queenstown Airport must also be maintained as a lifeline utility under the Civil Defence Emergency Management.

The importance of open dialogue with the communities of the Queenstown Lakes District regarding the future of Queenstown Airport is well understood and the board of directors and executive are genuinely committed to community consultation as we plan for the future of the airport.

As you know, in the coming financial year we will prepare a draft master plan for Queenstown

Airport. The board of directors and executive is committed to open, constructive, and collaborative consultation with shareholders and the community. We have in good faith continued to meet with key stakeholders in the district to understand their views, aspirations, and concerns regarding the future path for the company. We recognise the importance for the community on balancing aeronautical growth with both the capacity of regional infrastructure and an overarching desire to preserve what makes the region a special place to live, work and visit.

As noted above, the board of directors' strategic priorities for the company are closely aligned with QLDC's. We do, however, challenge the expectation outlined in QLDC's statement of expectations that QLDC should lead the community consultation on QAC's draft master plan for Queenstown Airport in FY23. This proposal raises concerns relating to the company's ability to meet its varied responsibilities under legislation and on the decision-making responsibilities of directors when the company is effectively shielded from the process by its majority shareholder. It also poses functional challenges in terms of ensuring a workable process to consult on and finalise a master plan.

Therefore, we have outlined in the SOI that we will follow a structured community engagement process on the Queenstown Airport draft master plan, once endorsed by Council, in partnership with QLDC, but not led by QLDC. Our process will be developed and informed by the principles on consultation in s82 of the Local Government Act 2002.

The QAC board will formally seek the endorsement of shareholders of the draft master plan. We will consult shareholders during each stage of the masterplan preparation. We commit to have regard to any feedback before approval of the masterplan by the QAC board.

We have given close attention to and demonstrate in the SOI our commitment to an open and transparent relationship with Council. We are committed to this to ensure that you, as majority shareholder, are well informed of our direction. Through the SOI and the mechanisms for meetings and consultation outlined in it, we can build trust and confidence to strive together for the best outcomes for our community.

We would welcome the opportunity for a workshop with the Council to discuss the draft SOI. We look forward to continuing to work with Council to deliver a final SOI in June 2022 that responds to the Statement of Expectations and enables the company's governance and management responsibilities to be upheld.

Yours sincerely,



Adrienne Young-Cooper  
Chair  
QAC Board of Directors