



QLDC: 2022 Statement of Expectations for Queenstown Airport Corporation (QAC)

The Queenstown Lakes District Council as the principal shareholder of Queenstown Airport Corporation (QAC) has prepared a Statement of Expectation (SOE) to guide the QAC Board in the development of the 2022/23 Statement of Intent (SOI).

Local Government Act

QAC will continue to be fully compliant with the sections pertaining to Council Controlled Organisations in the Local Government Act 2002.

Engagement

QAC will maintain regular contact with Council to continue to build an open and collaborative relationship. This will include:

- a. Bi-monthly CE/CE meetings
- b. Quarterly QAC Chair and CE
- c. Annually with the QAC Board, full Council and the Wānaka Community Board
- d. Annually AGM with shareholders
- e. QLDC QAC Steering Group meetings as required
- f. Proactive and early engagement with full Council on the draft QAC Ten Year Plan (2022)
- g. Timely consultation with QLDC before any significant departure from the SOI, including any significant land disposal or acquisition.

QAC will build a relationship with Te Ao Marama and Aukaha, as Tangata Whenua (Southern and Otago representatives of Ngāi Tahu) and ensure that iwi values and issues are reflected in plans and initiatives.

Shareholder Value and Dividend

The SOI should continue to reflect how the QAC will address the social, environmental, economic and cultural well beings of the communities of the Queenstown Lakes District within the context of continuing to deliver a profitable and sustainable business enterprise.

QAC will maintain or grow shareholder value with an expectation it will return to a position which enables the payment of an annual dividend to Council by financial year 2022/23 onwards but QLDC acknowledges the ongoing challenges of financial forecasting in a COVID-19 environment.

QAC as Employer and Landlord

QAC will ensure a safe (Health and Safety at Work Act 2015) working environment and maintain the wellbeing of staff and tenants as employer and landlord.

Statement of Expectation Objectives

The SOI will include clear objectives, clear pathways for delivery and clear reporting against measurable performance targets for all objectives.

Strategic Direction

QAC will clearly reflect the following strategic direction:

- a. QLDC reinforces the expectation that QAC will undertake strategic planning in the form of a Ten-Year Plan and a Master Plan in 2022/23. Consultation on the Masterplan will be QLDC-led.
- b. The Ten Year Plan and Masterplan must be formally agreed by full Council before implementation and the scope of both plans must be clearly outlined in the SOI.
- c. As a key priority for QLDC, sustainability and the reduction of the QAC's carbon footprint (in line with QLDC's targets) will be strong drivers for the strategic direction of Queenstown Airport (including a commitment to work with and influence strategic airline stakeholders in the pursuit of carbon reduction objectives and technologies). This includes a requirement to understand Climate Change risk, including financial and legal.
- d. The QAC TYP must clearly align with QLDC's Wellbeing Framework* and its relevant outputs, and the Climate and Biodiversity Action Plan (* under development).
- e. The QAC Ten-Year Plan must offer certainty that airport operations will remain within the Queenstown Airport Air Noise Boundaries for the next ten years.
- f. The Ten-Year Plan will consider potential commercial/viable utilisation of bare/spare Queenstown Airport land.
- g. The Ten-Year Plan will consider potential commercial/viable utilisation of Queenstown Airport land to shape the strategic direction to enable visitors to use transport networks and encourage mode shift from private vehicles- in line with QLDC's Climate and Biodiversity Action Plan, The QLDC 2050 Vision, and the Spatial Plan.
- h. QLDC reinforces its expectation that the protection and future use of the Arranmore Farm buildings will be included in the Ten-Year Plan and Master Plan.

Wānaka and Queenstown Airports

As owner of Wānaka Airport, QLDC acknowledges the relationship with QAC to continue with the day-to-day management of the airport. QLDC looks forward to continuing to grow its positive, distinct working relationship with the QAC in relation to both Queenstown and Wānaka Airports.

Although the QAC Statement of Intent's focus will be Queenstown, both airports remain critical assets that collectively offer a lifeline for the recovery of the district in a post-Covid era. In particular, QLDC will want to see QAC protect the value and operational priority of Queenstown Airport in the context of the proposed international airport at Tarras.

Finally, the SOI should be built on trust and professional integrity to strive together for the best outcomes for our community.

Yours sincerely,

Jim Boult ONZM
Mayor
QLDC