

QLDC Council
30 June 2022

Report for Agenda Item | Rīpoata moto e Rāraki take [2]

Department: Corporate Services

Title | Taitara Queenstown Airport Corporation Statement of Intent

PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO

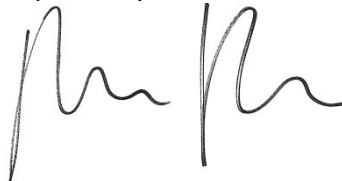
The purpose of this report is to agree the Queenstown Airport Corporation (QAC) Statement of Intent (SOI) year ending 30 June 2023 (Attachment A).

RECOMMENDATION | NGĀ TŪTOHUNGA

That Council:

1. **Note** the QAC is a Council Controlled Trading Organisation (CCTO) as per Section 6 of the Local Government Act 2002 (the Act) and must therefore comply with Section 64 of the Act that requires all CCOs to have a Statement of Intent that meets with the requirements of Schedule 8. This is a statutory requirement; and
2. **Agree** under Section 65 (2) of the Act the Queenstown Airport Statement of Intent year ending 30 June 2023.

Prepared by:



Meaghan Miller
General Manager Corporate

9/06/2022

Reviewed and Authorised by:



Mike Theelen
Chief Executive

15/06/2022

CONTEXT | HOROPAKI

- 1 The QAC is a Council Controlled Trading Organisation (CCTO) as per Section 6 of the Local Government Act 2002 (the Act). As such an SOI (Attachment A) must be prepared by the board of directors of Queenstown Airport Corporation Limited (QAC) for its shareholders in accordance with Section 64(1) of the Act.
- 2 The SOI is a public and legally required document. It is agreed annually (in accordance with the Office of the Auditor General's best practice guidelines on the governance and accountability of Council-Controlled Organisations (Part 7) in consultation with shareholders. A CCTO must produce an SOI annually which must cover a three-year timeframe. This SOI, year ending June 2023 covers the period from 1 July 2022 to 30 June 2025.
- 3 Council received the draft Statement of Intent on 28 March 2022 and the Mayor provided further agreed comment which was received by the board on 10 May 2021.
- 4 In response to the further comment from the Council, the Board adopted a schedule of changes (Attachment B), including a review of financial and passenger assumptions, additional KPI's, enhanced commentary in relation to the Board's climate change commitment and revised wording in relation to the Strategic and Master Plans.
- 5 Further, Council has sought to make clear its accountability in accordance with the Act and legal advice has been provided (Attachment C).

CONSULTATION PROCESS | HĀTEPE MATAPAKI:

> SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA

- 6 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because the decision is to agree the SOI. Council's statutory role under the *Local Government Act 2002* is to review and provide feedback to QAC on the SOI, including (if Council deems appropriate) by agreeing with the contents of the SOI. Reviewing and agreeing the SOI also aligns Council's monitoring of QAC in line with the guidance for governance and accountability issued by the Office of the Auditor General, as referenced earlier.
- 7 As outlined in Section 64 of the Act, this is a public process between shareholders and council-controlled organisations. The process is not subject to public consultation, but it is acknowledged that the future of this critical public asset is of wide public interest.

> MĀORI CONSULTATION | IWI RŪNANGA

- 8 The Council has not specifically undertaken iwi consultation on this matter as outlined above but notes that the SOI reflects QAC's partnership approach to iwi.

RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

- 9 This matter relates to the Financial risk category. It is associated with RISK00020 and RISK00037 within the QLDC Risk Register in relation to unexpected financial change and lack of alignment. This risk in relation to the recommendation has been assessed as having a moderate inherent risk rating.

FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

- 10 The recommended decision has no financial implications, but QAC reforecasting continues to impact on QLDC ratepayers and residents. Dividends are forecast to recommence from the 2023 financial year.

COUNCIL EFFECTS AND VIEWS | NGĀ WHAKAAWEAWE ME NGĀ TIROHANGA A TE KAUNIHERA

- 11 The following Council documents were considered:

- 10 Year Plan 2021-31
- Annual Plan 2022/23

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

- 12 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.
- 13 The QAC is a Council Controlled Trading Organisation (CCTO) as per Section 6 of the Local Government Act 2002 and must therefore comply with Section 64 of the Act that requires all CCOs to have a Statement of Intent that meets with the requirements of Part 1 (Adoption of Statement of Intent) and Part 2 (Content of Statement of Intent) and Part 3 (Additional Content) of Schedule 8.

ATTACHMENTS | NGĀ TĀPIRIHANGA

A	QAC SOI Year Ending June 30 2023
B	Schedule of changes to Draft SOI
C	QLDC CCTO Governance Accountability Legal Advice Wynn Williams