

**QLDC Council**

23 March 2023

**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 Pūroko**

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The purpose of this report is to consider the Queenstown Airport Corporation (QAC) Draft Statement of Intent (SOI) year ending 30 June 2025 (Attachment B) and agree any feedback.

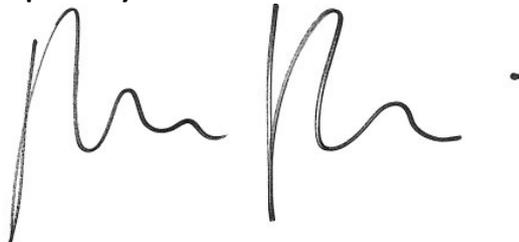
**Recommendation | Kā Tūtohuka**

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That the 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; and
2. **Note** under s 65(2) of the Act, the SOI delivered to it by QAC on 1 March 2023, and direct the Mayor to issue any agreed feedback.

**Prepared by:**



**Name:** Meaghan Miller  
**Title:** GM Corporate Services  
1 March 2023

**Reviewed and Authorised by:**



**Name:** Mike Theelen  
**Title:** Chief Executive  
1 March 2023

### Context | Horopaki

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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 B) 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 and covers a three-year timeframe. This SOI 2023/24 covers the period from 1 July 2023 to 30 June 2025.
3. The QAC Statement of Expectation (SOE) (Attachment A) was approved by Council on the 9 February 2023. The SOI should reflect the SOE which QLDC chooses to issue (the SOE is not mandatory) in order to reflect the expectation of the majority shareholder, QLDC.
4. In accordance with the legislation the Council received the Draft SOI on 28 February 2023 (on or before 1 March) together with a covering letter from the QAC Chair (Attachment C).
5. The paper is for noting the SOI and giving feedback but if the Council chooses to agree the SOI, this can occur with the proviso that financials would need to be updated. This can occur through the QAC Annual Report and the QAC AGM.
6. The option available to Council, based on the resolution, is to consider the SOI for feedback.

### Analysis and Advice | Tatāritaka me kā Tohutohu

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7. This report identifies that the QAC must deliver a completed SOI to its shareholders before the commencement of the financial year to which it relates, 1 July 2023. The Council can choose to give feedback, or not. The Council can choose to agree the SOI at today's meeting or at the June 2023 meeting. As the resolution stands, this report is for noting.

### Consultation Process | Hātepe Matapaki

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#### Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

8. This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy, because Council's statutory role under the Local Government Act 2002 is to review and provide feedback to QAC on the SOI. The report is for noting. 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.
9. 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. To note the QAC will undertake public consultation on the Draft Master Plan this year.

#### Māori Consultation | Iwi Rūnaka

10. 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 | Kā Raru Tūpono me kā Whakamaurutaka

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11. 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 | Kā Riteka ā-Pūtea

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12. The recommended decision (noting and feedback) has no financial implications.

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

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

- 10 Year Plan 2021-31
- Annual Plan 2021/22
- Queenstown Lakes Spatial Plan
- Destination Management Plan
- Climate & Biodiversity Plan

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

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14. 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.

15. 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 | Kā Tāpirihaka

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A	QLDC Statement of Expectation 2023
B	QAC Statement of Intent 2023/24
C	Letter from QAC