

QLDC Council

27 June 2024

Report for Agenda Item | Rīpoata moto e Rāraki take [3]

Department: Corporate Services

Title | Taitara : Queenstown Airport Corporation Statement of Intent

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to agree the Queenstown Airport Corporation (QAC) Statement of Intent (SOI) year ending 30 June 2025 (Attachment A).

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;
2. **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, noting that this is a statutory requirement; and
3. **Agree** under Section 65 (2) of the Act the Queenstown Airport Statement of Intent year ending 30 June 2025.

Prepared by:



Name: Meaghan Miller
Title: General Manager, Corporate Services
10 June 2024

Reviewed and Authorised by:



Name: Michelle Morss
Title: Acting Chief Executive
11 June 2024

Context | Horopaki

1. The Queenstown Airport Corporation Limited (QAC) is a Council Controlled Trading Organisation (CCTO) as per Section 6 of the Local Government Act 2002 (the Act). As such, an SOI (Statement of Intent) (Attachment A) must be prepared by the board of directors of QAC (the board) 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 2025 covers the period from 1 July 2024 to 30 June 2027.
3. The QAC Statement of Expectation 2024 was approved by Council 14 December 2023. Council agreed to produce a Statement of Expectation three yearly in advance of the Long Term Plan. The draft SOI was delivered to Council by the QAC and circulated to elected members on 25 February 2024 meeting the 1 March requirement).
4. The QAC published the draft on its website and the Council agreed to a public workshop of the draft on 16 March 2024, where the responses to the SOE were provided and discussed. As a result of this workshop a further letter was provided to the board from the Mayor which sought for the board to consider its SOI references on the following:
 - *The QAC's prioritisation for the integration of Climate Change in the QAC's assessment and planning for risk and inclusion in the risk register and consequential metrics and targets to enable transparency in this space.*
 - *Clarification of the 'rolling review' approach to the 10 Year Strategy.*
 - *Clarification of the QLDC objectives, as reflected in the SOE, and how the SOI responds to those objectives.*
 - *Northern Land Development – reinforce through the SOI the QAC's commitment to consult its shareholders on the scope and proposed development of the land adjacent to Hawthorne Drive.*
5. In response to the further comment from the Council, the board adopted changes highlighted in a schedule of changes (Attachment B).

Analysis and Advice | Tatāritaka me kā Tohutohu

6. 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.
7. Option 1 Agree the SOI

Advantages:

- The Council will have an input into QAC's SOI for the current financial year.

Disadvantages:

- None identified.

8. Option 2 Do not agree the SOI

Advantages:

- None identified.

Disadvantages:

- QAC will adopt the SOI without any prior sanction from the Council, its majority shareholder.

9. This report recommends **Option 1** for addressing the matter because it is the Council's statutory role under the Local Government Act 2002 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.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

10. 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.
11. 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 Rūnaka

12. 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

13. This matter relates to RISK10056 within the QLDC Risk Register in relation to 'ineffective provision for future planning and development needs of the district'. This risk in relation to the recommendation has been assessed as having a moderate inherent risk rating and approval of the report recommendation will help the Council to avoid the risk.

Financial Implications | Kā Riteka ā-Pūtea

14. Notably, dividends are used to offset debt.

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

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

- Long Term Plan 2021-31
- Grow Well Whaiora Spatial Plan 2021

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

16. 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.

17. QAC is a CCTO as per Section 6 of the Local Government Act 2002 and must therefore comply with Section 64 of the Act that requires all Council Controlled Organisations 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

A	QAC SOI for the year ending June 2025
B	QAC SOI with track changes