

Minutes of an ordinary meeting of the Queenstown Lakes District Council held in the Council Chambers, 10 Gorge Road, Queenstown on Thursday 29 October 2020 commencing at 2.00pm

Present:

Mayor Boulton; Councillors Clark, Copland, Ferguson, Gladding, Lewers, MacDonald, MacLeod, Miller, Shaw and Smith

In attendance:

Mr Mike Theelen (Chief Executive Officer), Mr Peter Hansby (General Manager, Property and Infrastructure), Ms Meaghan Miller (General Manager, Corporate Services), Mr Paddy Cribb (Finance Manager), Mr Jeremy Payze (Senior Management Accountant), Ms Briana Pringle (Parks and Open Spaces Planning Manager), Mr Dan Cruickshank (Property Advisor, APL Property Ltd), Mr Naell Crosby-Roe (Manager, Governance, Engagement and Communication), Mrs Meghan Pagey (Director People and Capacity), Mr Mike Stenhouse (Consultant) and Ms Jane Robertson (Senior Governance Advisor); two members of the media and approximately 40 members of the public

Apologies/Leave of Absence Applications

An apology was received from Councillor Copland for early departure from the meeting.

The following requests for Leave of Absence was made:

- Councillor MacDonald: 7-9 December 2020;
- Councillor Gladding: A week of family leave, timing to be confirmed.

On the motion of the Mayor and Councillor Miller the Queenstown Lakes District Council resolved that the apology be accepted and the requests for leave of absence be granted.

Declarations of Conflicts of Interest

No declarations were made.

Public Forum

1. Craig Douglas (Queenstown Chamber of Commerce): Queenstown Airport SOI
Mr Douglas encouraged the Council to agree to Queenstown Airport's ('QAC') revised Statement of Intent ('SOI'). Air connectivity was vital to the district's economic recovery which had been very evident during the Auckland lock-down and it was essential to all businesses, not just tourism. The Chamber supported the amended SOI as a good approach to the uncertainty of the next three years.

2. Cath Gilmour (Chair, We Love Wakatipu): Queenstown Airport SOI

Ms Gilmour asserted that it would be wrong to agree to this SOI because the Council had not specified its objectives in the SOI to define the scope of QAC's operations which was its legal responsibility. Further, it allowed QAC to expand the air noise boundaries after 30 June 2023, did not have regard to the Martin Jenkins report, failed to acknowledge the proposed Tarras Airport, had little regard to the declared climate emergency, still proposed future physical growth and used vague language which masked the sense. It would only be acceptable for agreement if it contained growth within existing noise boundaries, was consistent with the QLDC climate emergency and its operations retained social licence for tourism and the community's amenity values.

3. David Mayhew (Kelvin Peninsula Community Association): Queenstown Airport SOI

Mr Mayhew asked the Council not to agree the SOI because it continued to defy the Council's Statement of Expectation that asked QAC to continue to operate within its existing air noise boundaries. Council should use this as an opportunity to reiterate its determination that QAC operate within existing noise boundaries by not agreeing the SOI.

4. James Stokes (Glenorchy Air Ltd): Queenstown Airport SOI

Mr Stokes encouraged the Council to agree the revised SOI. Glenorchy Air was a family business that had been based at QAC since the early 1990s and it relied on its ongoing operation. He praised QAC for its support of on-site businesses during COVID-19. Rejecting the SOI and directing QAC to prepare for a Tarras airport would decimate the local aviation industry and was not a practicable option because there was no fully costed proposal for an airport in Tarras.

5. Hank Sproull (Air Milford Ltd): Queenstown Airport SOI

Mr Sproull had worked on the Queenstown Airport site since 1972 and he supported the Council agreeing the revised SOI. Queenstown Airport was his company's lifblood and could not continue without it. He supported the airport remaining in its current location and believed that people would still want to fly into Queenstown regardless of a possible alternative in Tarras. Loss of Queenstown Airport would destroy Queenstown.

6. Sally Stockdale: Queenstown Airport SOI

Ms Stockdale observed that expansion of QAC's air noise boundary had been a big public concern during the election campaign in 2019 and all but one elected member had publicly opposed air noise boundary expansion. She asked if their views had now changed. She considered that the revised SOI simply kicked the can down the road and the Council needed to reject it. In particular, it only fixed the air noise boundary at its current location until June 2023.

7. Pierre Marasti (Extinction Rebellion Queenstown Lakes) Climate and ecological concerns

The world was already seeing the effects of global warming, with the Amazon rainforest turning into a savannah and the number of recorded natural disasters doubling in the last 20 years. In the past forty years there had been a 68% reduction the in population size of mammals, birds, amphibians and reptiles which equated to losing the populations of Europe, USA, Africa, China and India. The COVID-19 pandemic had shown that change

was possible and now was the time for change. Because increased air traffic impacted climate change, Extinction Rebellion opposed any development to Queenstown Airport.

8. John Hilhorst: Queenstown Airport SOI

Mr Hilhorst acknowledged the work to produce the revised SOI and he applauded the governance section. He remained concerned however that it failed to make clear that Council had complete control over its scope of activities and its objectives still focused on profit and commercial growth. The key objectives did not reflect the community's main concerns by remaining demand-driven. Further, the dual airport model was directly in opposition to views expressed in Wānaka and there was no long-term commitment to stay within the current air noise boundaries. He urged the Council to exercise the control over QAC that it had under statute and not to agree the revised SOI.

9. Kirsty Sharpe: Queenstown Airport SOI

Mrs Sharpe challenged the Council to give QAC a clear instruction about the current air noise boundaries as well as strategic direction that reflected community wishes. COVID did not give Council or QAC the right to kick the can down the road and although the SOI referred to QAC being a 'sustainable business' now and in future, extending the air noise boundaries was not in keeping with this statement. She asked the Council to inform QAC that it would not consider any expansion to the present air noise boundaries.

Confirmation of Agenda

On the motion of Mayor and Councillor MacDonald the Queenstown Lakes District Council resolved that the agenda be confirmed without addition or alteration.

Confirmation of Minutes

8 October 2020

On the motion of Councillor Miller and Councillor Gladding the Queenstown Lakes District Council resolved that the public part of the minutes of the ordinary meeting of the Queenstown Lakes District Council held on 8 October 2020 be confirmed as a true and correct record.

1. **Annual Report 2019/20**

A report from Paddy Cribb (Finance Manager) introduced the Annual Report for the year ended 30 June 2020 for adoption in accordance with sections 98 and 99 of the Local Government Act 2002.

Ms Miller and Mr Cribb presented the report. Mr Cribb advised that Deloitte had issued an unmodified opinion on the 2019/20 Annual Report. In addition, the Office of the Auditor General had required Councils to include an emphasis of matter on the COVID-19 impacts. He noted that the specific effects of COVID-19 as detailed in the Annual Report were the drop in revenue during the final quarter and additional

expenditure for the welfare response, although the latter had subsequently been refunded.

Ms Miller acknowledged the work of the corporate planning team in preparing the Annual Report, in particular Gabrielle Marsh, as well as the communications team.

Councillor Shaw sought clarification on the status of the project to connect the Hāwea water supply to Project Pure. Mr Hansby confirmed that the project was proceeding on this basis in the interim, but the business case would be reworked to establish if this was still the preferred solution or another option was better.

Councillor Smith asked about the implications of reaching the benchmarks shown on page 186 of the Annual Report. He also asked for further information about the Balanced Budget Benchmark on page 184, specifically, what were the causes and implications of this and what was actually being measured. He expressed concern about the lack of developments that had occurred in the Upper Clutha area as highlighted in the Chief Executive's introduction. Ms Miller pointed out that the report was retrospective and it was expected that more expenditure would be evident in next year's report.

On the motion of Councillor MacDonald and Councillor Copland it was resolved that the Queenstown Lakes District Council:

- 1. Note the contents of this report;**
- 2. Adopt the Annual Report for the year ended 30 June 2020 pursuant to section 98 and 99 of the Local Government Act 2002, and as recommended by the Audit, Finance and Risk Committee.**

2. Queenstown Airport Corporation Statement of Intent

A covering report from Meaghan Miller (General Manager, Corporate Services) presented the modified Statement of Intent from Queenstown Airport Corporation ('QAC') which had been prepared in response to the Council's resolution of 12 April 2020 to agree the previous Statement of Intent ('SOI'), on the basis that a modified SOI which took into account the impact of COVID-19 would be presented at the Council meeting on 29 October 2020.

On the motion of the Mayor and Councillor MacLeod the Queenstown Lakes District Council resolved that the Standing Orders be suspended to allow a member of the public to address the Council.

Mr Simon Floor (Deputy Chair, QAC Board) and Mr Colin Keel (Chief Executive, QAC) joined the table. Mr Flood advised that a great deal of thought had gone into updating the SOI along with a commitment to getting the balance right. The world had changed since January and forecasting had been difficult. QAC had no

international flights at the moment although there was an increased demand coming from within New Zealand. This SOI covered the period to June 2023 and QAC would not seek to expand air noise boundaries in that timeframe or to progress development at Wānaka Airport. He considered the district should be proud of the airport, of the Board and the QAC management. He responded to questions from Councillor Shaw about the dual airport model and from Councillor Gladding about consistency within the revised SOI.

On the motion of the Mayor and Councillor Copland the Queenstown Lakes District Council resolved that Standing Orders be reinstated.

There was extensive discussion during which Councillors Clark, MacDonald, MacLeod, Ferguson and Lewers indicated general support of the Council agreeing the SOI, despite some minor reservations. It was noted that the next SOI would be prepared in early 2021.

Councillor Smith expressed continuing concern about the SOI's strategic direction as he considered it still lacked a concise vision. He was critical that it did not consider the impact of the proposed Tarras International Airport Company as he was confident the project would proceed. Further, it did not acknowledge the QLDC climate emergency and for these reasons he did not support agreeing the revised SOI.

Councillor Copland indicated his support for the Council agreeing the revised SOI.

Councillor Copland left the meeting at 3.04pm.

Councillor Gladding expressed concern about the lack of clear interface between the full Council and the QAC Steering Group. She was critical that the revised SOI assumed growth to meet demand and to do so retained the ability to extend the air noise boundaries and acquire more land. Both the nature and scope of the revised SOI was permissive and accordingly she was opposed to agreeing it.

It was moved (Councillor Lewers/Councillor Clark):

That the Queenstown Lakes District 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.**
- 2. Note that QLDC resolved to agree the SOI (Year ending June 2021) on 12 April 2020 on confirming an expectation as shareholder that QAC would provide a**

modified SOI to Council using the process set out in clause 5 of Schedule 8 of the Act to be agreed at today's meeting (29 October 2020).

3. Note the significant impact of COVID-19 continues to impact the company and its ability to forecast a relevant three-year SOI.
4. Agree the modified SOI (Year ending June 2021).
5. Agree that the QLDC QAC Steering Committee will continue to liaise as required to consider key issues prior to the SOI (Year ending 30 June 2022) being presented to full Council in March 2021.

Councillor Shaw stated that she wanted the full Council to work on key issues with regard to QAC, including the Statement of Expectations ('SOE'), and not just the Joint Steering Group. To enable this, the terms of reference for the Steering Group needed to be reviewed. In addition, a separate motion was needed to delegate authority to consider the SOE to the full Council. Accordingly she proposed to amend part (5) of the motion to review the QLDC QAC Steering Group Terms of Reference and to add a part (6) to the motion requiring the full Council to consider the SOE.

It was moved as an amendment (Councillor Shaw/The Mayor):

That the Queenstown Lakes District Council:

5. Agree that the QLDC QAC Steering Committee will continue to liaise as required to consider key issues prior to the SOI (Year ending 30 June 2022) being presented to full Council in March 2021 and that the Terms of Reference for the Committee be subject to review by Council within the next three months (noting that as a joint Steering group any amendments must be agreed by the both parties).
6. That the draft statement of expectations for the (year ending 30 June 2022) SOI be considered for adoption by Council no later than the 4 March 2021 Council meeting.

The amendment was put and carried unanimously. It became the substantive motion. Councillor Gladding asked the Mayor to take each section of the amended motion separately.

That the Queenstown Lakes District 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.

The motion was carried unanimously.

That the Queenstown Lakes District Council:

- 2. Note that QLDC resolved to agree the SOI (Year ending June 2021) on 12 April 2020 on confirming an expectation as shareholder that QAC would provide a modified SOI to Council using the process set out in clause 5 of Schedule 8 of the Act to be agreed at today's meeting (29 October 2020).**

The motion was carried unanimously.

That the Queenstown Lakes District Council:

- 3. Note the significant impact of COVID-19 continues to impact the company and its ability to forecast a relevant three-year SOI.**

The motion was carried with Councillor Gladding voting against the motion.

That the Queenstown Lakes District Council:

- 4. Agree the modified SOI (Year ending June 2021).**

The motion was carried with Councillor Gladding and Councillor Smith voting against the motion.

That the Queenstown Lakes District Council:

- 5. Agree that the QLDC QAC Steering Committee will continue to liaise as required to consider key issues prior to the SOI (Year ending 30 June 2022) being presented to full Council in March 2021 and that the Terms of Reference for the Committee be subject to review by Council within the next three months (noting that as a joint Steering group any amendments must be agreed by the both parties).**

The motion was carried with Councillor Gladding voting against the motion.

It was moved (Councillor Lewers/Councillor Clark):

That the Queenstown Lakes District Council:

- 6. That the draft statement of expectations for the (year ending 30 June 2022) SOI be considered for adoption by Council no later than the 4 March 2021 Council meeting.**

The motion was carried unanimously

3. **2020/21 Capital Works Programme**

A report from Pete Hansby (General Manager, Property and Infrastructure) presented a schedule of budget adjustments for the Council's approval that would reduce the annual plan budget by \$117.2M to \$177.2M.

Mr Cribb and Mr Payze presented the report. An additional change not included on the report was noted, being a transfer from the extension of Alpine Health and Fitness to the artificial turf programme.

Councillor Smith observed that the Wānaka Community Board had agreed to transfer funding from the Wānaka minor improvements budget to Ballantyne Road on the basis that it would be repaid. He asked when this would show in the reforecast. The Chief Executive confirmed that it would be evident later in the year.

Councillor Lewers asked when the Public Transport Hub was programmed in the 10-Year Plan. It was noted that timing was consequential to when the arterials project would be delivered.

On the motion of Councillor MacDonald and Councillor Clark it was resolved that the Queenstown Lakes District Council:

1. **Note the contents of the report; and**
2. **Approve the changes proposed in Attachment A.**

4. **Creative Queenstown Markets – Earnslaw Park: New Reserve Licence**

A report from Dan Cruickshank assessed an application on behalf of Creative Queenstown Markets for a new licence over reserve land at Earnslaw Park to operate a crafts market each week. The report noted that under the new licence the market wished to operate on nine Fridays each year, in addition to the existing Saturday market. The report recommended that the Council approve a new licence, subject to several proposed conditions because it would allow the market to continue operation which supported local artisans, added vibrancy to the town centre and increased use of the reserve.

Mr Cruickshank and Ms Pringle presented the report.

On the motion of Councillor MacLeod and the Mayor it was resolved that the Queenstown Lakes District Council:

1. **Note the contents of this report;**
2. **Approve a new licence under Section 54(1)(d) of the Reserves Act 1977 to the Creative Queenstown Markets for the purpose of holding the Arts & Craft Market on Recreation Reserve known as Earnslaw Park), with legal**

**description Sections 6-18, 27, Block XV, Queenstown,
subject to the following terms and conditions:**

Commencement	TBC
Term	Five (5) Years
Rent	\$1 per annum pursuant to Community Facility Funding Policy
Reviews	At renewal or when Community Facility Funding Policy is reviewed
Renewals	One renewal by agreement for a further five (5) years
Use	Community Arts & Crafts Market
Duration	To be held each Saturday during the year with the option to include 9 extra Fridays (to be approved by Council annually)
Insurance	\$2 million public liability insurance cover
Termination	Either party able to terminate the license by giving the other party 12 months' notice in writing
Special Conditions	Licensee must ensure they hold any required resource consents for the activity. Licensee shall not be entitled to sell machine manufactured or imported goods. Licensee shall not erect any buildings, structures or other improvements other than temporary stalls, stands and displays. No vehicles are to be driven or parked on the reserve. Council to retain the ability to nominate revised operational requirements to manage effects from the activity. Council to retain the ability to

suspend the license should works be required to the reserve or for town development and infrastructure purposes.

3. Approve subject to Land Information New Zealand consent, that a sublease be granted to the Creative Queenstown Markets to occupy the Crown lakefront being Part Section 74 Block XX Shotover Survey District;
4. Agree to the exercise of the Minister's consent under delegation from the Minister of Conservation to the granting of a licence to the Creative Queenstown Markets over Section 6-18, 27 Block XV, Queenstown; and
5. Delegate final licence terms and conditions and signing authority to the General Manager Community Services.

5. Chief Executive's Report

A report from the Chief Executive presented information about recent meetings and:

- a) Sought a Council resolution appointing the Mayor as proxy to vote at the 2020 Queenstown Airport Corporation Annual General Meeting
- b) Presented for ratification a recommendation from the Community and Services Committee meeting of 16 July 2020 to approve an amendment to the Queenstown Gardens Reserve Management Plan and to exercise the Minister of Conservation's consent.

Councillor Clark noted that Councillor MacDonald had chaired the meeting of the Planning and Strategy Committee held on 2 October and not herself as stated in the report.

On the motion of Councillor Lewers and Councillor Ferguson it was resolved that the Queenstown Lakes District Council:

1. Note the contents of this report;

Queenstown Airport Corporation (QAC) Proxy Vote

2. Note that the Chief Executive has completed the instrument appointing the Mayor as a proxy to exercise the Council's voting rights at the 2020 QAC Annual General Meeting to be held on Friday, 30 October;
3. Direct the Mayor to vote in support of receiving the 2020 Annual Report, reappointing Deloitte New Zealand, and confirming the appointments and reappointments to the QAC Board of Directors;

Queenstown Gardens Reserve Management Plan Amendment

4. Agree to amend the Queenstown Gardens Reserve Management Plan 2011 Policy 1.3 to enable implementation of the Development Plan:

“General Management Policies Policy 1.3

Generally maintain the existing layout for public access roads, entrances and major paths that date back to the original garden design, allowing for upgrades that improve the access, functionality and safety of the Gardens”;

5. Agree to exercise the Conservation Minister’s consent (under delegation from the Minister).

Resolution to Exclude the Public

On the motion of the Mayor and Councillor MacDonald the Queenstown Lakes District Council resolved that the public be excluded from the following parts of the meeting:

The general subject of each matter to be considered whilst the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Confirmation of minutes (Ordinary meeting of Council, 8 October 2020)

Item 7a: Chief Executive’s Report: Kawarau Falls Bridge Pipework Funding

Item 8: Chief Executive Recruitment Process

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
7a. Chief Executive's Report: Provincial Growth Fund	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: b) protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	Section 7(2)(b)
8. Chief Executive Recruitment Process	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: a) protect the privacy of natural persons (including deceased natural persons);	Section 7(2)(a)

Agenda items

Item 6: *Appointment of two directors to Queenstown Airport Board of Directors*

Item 7: *Chief Executive Recruitment Process*

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
6. Appointments to Queenstown Airport Corporation Board of Directors	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: a) protect the privacy of natural persons (including deceased natural persons);	Section 7(2)(a)

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
7. Chief Executive Recruitment Process	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: a) protect the privacy of natural persons (including deceased natural persons);	Section 7(2)(a)

This recommendation is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982 as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above with respect to each item.

The meeting went into public excluded at 3.29pm.

The meeting came out of public excluded and concluded at 3.30pm.

CONFIRMED AS A TRUE AND CORRECT RECORD

MAYOR

DATE