

QLDC: 2024 Statement of Expectations for Queenstown Airport Corporation (QAC)

The Queenstown Lakes District Council (QLDC) 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 2024/25 Statement of Intent (SOI).

Local Government Act 2002

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 meetings between Chief Executives
- b. Quarterly QAC Chair and QLDC Chief Executive meetings
- c. Bi-annual meeting with the QAC Board, the Council and the Wānaka-Upper Clutha Community Board
- d. Hold the annually AGM with shareholders
- e. QLDC / QAC Steering Group meetings as required
- f. Proactive and early engagement with the Council on the Master Plan 2023 project gateways.
- g. Timely consultation with QLDC before any significant departure from the SOI, including any significant land disposal or acquisition.

QAC will continue to build a relationship with Te Ao Marama and Aukaha, as Tangata Whenua (Southern and Otago representatives of Kāi 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 pay an annual dividend to Council.

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. We expect to see detailed, measurable KPI's with explicit deliverables and timeframes. Notably Council is keen for QAC to continue to demonstrate that locals and visitors alike have a high quality experience of travel through the airport.

Strategic Direction

QAC will clearly reflect the following strategic direction:

- a. QAC will commit to a staged, gateway approach to the investment signalled in the QAC Master Plan and engage its major shareholder in advance of each gateway. This will include QAC's assessment of the financial risk associated with each gateway from the perspective of its major shareholder.
- b. QAC will specifically assess the risk associated with QAC growth assumptions and any other input that would impact on the delivery of the proposed Master Plan.
- c. QLDC expects QAC to reflect any recommendations of the Audit Risk and Finance Committee (12 December 2023) in relation to its 2024 SOI Capital Programme disclosures.
- d. As a key priority for QLDC, sustainability and the reduction of the QAC's carbon footprint (in line with QLDC's targets) will continue to be strong drivers for the strategic direction of Queenstown Airport (including an ongoing 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. The QLDC is seeking transparency and clarity in relation to QAC's commitment towards zero emissions. The expectation is this will include the origin of emissions and how they will be measured. Council would like QAC to also include an understanding of its oversight of aviation emissions.
- e. The QAC Master Plan delivery must clearly align with the Climate and Biodiversity Plan.
- f. The QAC must continue to adhere to the 2022 commitment that airport operations will remain within the Queenstown Airport Air Noise Boundaries until at least 2032 (a ten year commitment).
- g. The QAC should continue to commit 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 Plan, The QLDC 2050 Vision, and the Spatial Plan. Consideration should be given to electric fleet vehicles and potential partnering around PT links.
- h. QLDC continues to seek innovation from the QAC to deliver the concept of a circular economy (with a short medium- and long-term vision) with an express ambition of ensuring the community is both proud of Queenstown Airport and its unique ZQN identifier but also understands its importance as one of the most important infrastructure offerings in the region.

- i. Continue to shift the consumer index and lead the narrative around how to travel lighter.
- j. Council continues to seek that QAC is working to develop and maintain a strong social licence with its community.

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. 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,

Glyn Lewers
Mayor
Queenstown Lakes District Council