

Full Council

26 June 2025

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

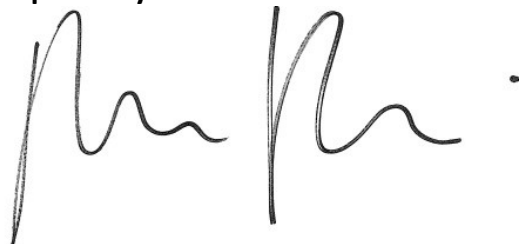
The purpose of this report is to agree the Queenstown Airport Corporation (QAC) Statement of Intent (SOI) year ending 30 June 2026 (Attachment A).

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 2026.

Prepared by:



Name: Meaghan Miller
Title: General Manager, Corporate Services
10 June 2025

Reviewed and Authorised by:



Name: David Wallace
Title: Acting Chief Executive
10 June 2025

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/LGA). As such an SOI (Attachment A) must be prepared by the Board of Directors of 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 2026 covers the period from 1 July 2025 to 30 June 2028.
3. The QAC Statement of Expectation for the SOI year ending 2025 (agreed June 2024) was approved by Council on 14 December 2023, noting Council agreed to produce a Statement of Expectation three yearly in advance of the September 2024 Long Term Plan 2024-34. The draft SOI year ending 2026 was delivered to Council by the QAC and circulated to elected members on 27 February 2025, meeting the 1 March requirement.
4. The QAC published the draft on its website on 5 March 2025 and the Council agreed to a public workshop of the draft on 11 March 2025. As a result of this workshop, a further letter was provided to the Board from the Mayor (Attachment B) which sought Board reconsideration of its SOI references on the following:
 - Acknowledgement that the engagement with the Audit, Finance & Risk Committee on the Master Plan 2023 investment programme will occur bi-annually.
 - In regard to the Northern Land Development disclosure, the Board to consider amending the wording to state that QAC will undertake timely consultation on the options, scope and proposed development of the land.
 - An enhanced reference to commitment to General Aviation activity.
 - Some commentary in relation to QAC's intent in terms of innovation in encouraging the use of public transport options (how will the Key Performance Indicator be met).

Analysis and Advice | Tatāritaka me kā Tohutohu

5. 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.
6. Option 1 Agree the SOI

Advantages:

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

Disadvantages:

- None identified.

7. Option 2 Do not agree the SOI

Advantages:

- None identified however in the event the Council did not agree the SOI it can seek modifications to the SOI from the QAC.

Disadvantages:

- Queenstown Airport company will adopt the SOI without any prior sanction from the Council, its majority shareholder.
8. 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

9. 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 LGA 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.
10. 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

11. 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

12. 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

13. Notably, dividends are used to offset debt.

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

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

- Long Term Plan 2024-34

15. This matter is included in the Long Term Plan 2024.

Legal Considerations and Statutory Responsibilities | Ka Ture Whaiwhakaaro me kā Takohaka Waeture

16. As stated, in accordance with LGA, the Council has a mandatory obligation to consider the QAC SOI.

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

17. 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.

18. 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

A	QAC SOI (with track changes)
B	QAC Draft SOI Feedback Office of the Mayor 12 March 2025