

QLDC Council
24 July 2014

Report for Agenda Item 4

Department:

Finance

4. Statement of Intent Queenstown Airport Corporation 2014/15

Purpose

- 1 To receive the final Statement of Intent for Queenstown Airport Corporation (QAC) for the 2014/15 year in accordance with sections 64 and 65 of the Local Government Act 2002.

Recommendation

- 2 *That Council:*


Receives the Statement of Intent for 2014/15 for the Queenstown Airport Corporation.

Prepared by:



Stewart Burns
Chief Financial Officer
7/07/2014

Reviewed and Authorised by:



Adam Feeley
Chief Executive
10/07/2014

Comment

- 3 The QAC is a Council Controlled Trading Organisations (CCTO) as per Section 6 of the Local Government Act 2002 (the Act). Section 64 of the Act requires all CCOs to have a Statement of Intent (SOI).
- 4 Schedule 8 of the Act contains the process for adoption of the SOI, which is:
 - Draft SOI to be delivered to Council before 1 March each year
 - CCO must consider any comments on the SOI that are made by Council within 2 months i.e. before 30 April
 - Completed SOI delivered to Council by 30 June.
 - Council can, by resolution, compel the Board to amend the SOI by omitting or including any of the following:

- Objectives
 - Statements of the Boards approach to governance
 - Nature and scope of activities to be undertaken
 - Ratio of shareholders funds to total assets
 - Accounting Policies
 - Performance targets and measures by which the CCO will be judged
 - Estimates of the amount or proportion of Accumulated profits or Reserves that may be distributed
 - Kind of information to be provided to Council, including the content of the six monthly report
 - Procedures to follow for the CCO to purchase shares in any other venture
- 5 Council has made comments on the draft SOI following the February Council meeting, which have subsequently been considered by the QAC board.
- 6 The Council comments focussed on the Goals and Objectives sections of the draft SOI.
- 7 The QAC board have submitted a final SOI which includes a number of revisions. A marked up copy of the original SOI is attached so that the changes made are clearly visible.

Financial Implications

- 8 N/A

Local Government Act 2002 Purpose Provisions

- 9 This report is consistent with LGA purpose provisions (S 11A) because it pertains to the provision of local infrastructure and public services (airport facilities and services). The submission of this report also accords with Sections 59 and 66 of the LGA regarding the operation of CCTO's.

Council Policies

- 10 The following Council Policies were considered:
10 Year Plan 2012-22, QAC Statement of Intent 2013-14

Consultation

- 11 The report provides a basis for communication between the company and the shareholder, and as such no wider consultation is required

Attachments

- A QAC – Statement of Intent 2015
B QAC – Statement of Intent 2015 (marked up version)