



30 July 2019

OFFICE OF THE MAYOR

Michael Ross
Wanaka Stakeholders Group
By email: mhsmross@gmail.com

Dear Michael

RE: LETTER TO HON. SHANE JONES, MINISTER FOR REGIONAL ECONOMIC DEVELOPMENT

Thank you for sharing with my fellow councillors and I a copy of your letter of 22 July to Minister Jones. I am prompted to respond directly to you on a number of comments that you made within this correspondence that are inaccurate.

You continue to align any concept of developing the Wānaka airport with tourism and personal predictions of over-tourism in the Upper Clutha. I can understand for those who see any increase in tourism as detrimental to their lifestyle that proposed commercial flights might create some anxiety, though at present most tourists manage to find Wānaka by car anyway. However by any objective measure Wānaka is at little risk of over tourism and to connect the two matters I would suggest is simply scaremongering. The case for Wānaka has been clearly predicated on local demand, demand for a service that was there from the point Air New Zealand withdrew flights from the area. Since then the population growth of the Upper Clutha has increased the volume of domestic demand and it is eminently logical that the community should seek to provide for that. I do not deny that some tourists might choose to fly into Wānaka via Auckland or Christchurch in preference to driving. It would be wise to remember that each time we travel somewhere else we are also visitors in those destinations, or perhaps you speak for the people who never travel.

Queenstown Lakes is the fastest growing district in the country and is one of the government's recognised high-growth areas under its Urban Growth Agenda. Managing that growth and ensuring the community is well placed to absorb that is a key responsibility of Council. Increasingly, connectivity is a major foundation in any community's future wellbeing. The airports across the district are strategic pieces of infrastructure and timely investment in these is important to support the economic and social wellbeing of residents, businesses, and visitors alike. This district has seen the effects of a lack of investment in the past and is committed to ensuring that is not repeated. Your suggestion that this investment in the district's prosperity is somehow inconsistent with the government's regional growth agenda is unfortunately fanciful.

Equally your endeavour to connect the visitor levy and the airport development is wrong. The Council has pursued the visitor levy to ensure that as we invest in our community that the costs of that investment are fairly shared between the community and visitors. This principle has been well understood by government and there is incredible support across the community for this. Our airports are commercial entities and therefore will need to fund and consider their development based on their commercial decisions

Finally, let's not forget that we all have family, whānau and friends throughout Aotearoa New Zealand, and I don't believe I am alone in seeing the benefit to the community of access to a local airport to maintain those connections easily. The number of passengers out of Queenstown who are Wānaka domiciled attests to the growing demand for such services and most communities (indeed like Wānaka following the loss of scheduled services) would actually welcome this opportunity.

These views regarding the benefit to the economy and the community were reflected in feedback gained independently by organisations such as Ignite Wānaka (Chamber of Commerce) and the Hāwea Community Association. Both of which saw general support for the reintroduction of flights, as did the work by Shaping our Future. The decision by Council to lease Wānaka Airport to QAC in 2017 provided a commercially sound way to support those objectives and to ensure that there was an integrated approach to air service development across the district for the benefit of all.

As previously advised, that consultation clearly anticipated further development of Wānaka, with a view to returning commercial services to the facility, and the restoration (and development) of a level of service that matched demand for services

To your other points, I need to refute your assertion and state that this Council is not encouraging the Queenstown Airport Corporation to "fly in the face of national policy"; in contrast it is actively investing into regional diversification, economic development, as well as supporting the Government's Tourism strategy. I think it is equally wrong to state that this Council is "pushing the dual airport business plan". Unless one subscribes to the view that each local authority is entitled to only "one" airport, which bears no scrutiny, then what we will own is a view that an integrated service meeting consumer needs is indeed something we are supportive of. As has previously been raised with your group we see this as a preference to competing companies in the same region, each operating airports in furious competition with each other. Once again you have missed the point that there is already an airport at Wānaka, it has had commercial services in the past and there is a strong case for these to be returned in the future; our role is to facilitate that in a sound and robust way.

To put it another way as we have previously advised you in correspondence, the role of Wānaka Airport as a complementary facility to Queenstown as part of a dual model was clearly signalled in the 2016 consultation. The QAC continues to engage with the community on what the ultimate model could look like and continued attempts to pre-empt the outcome of that community consultation undermines the integrity of that process. Your Group's ongoing rhetoric about the potential number of passenger movements reaching three million as an overflow from Queenstown are both unfounded and misleading.

I would also dispute your claim that the Council has not appropriately exercised its functions as owner. The Statement of Intent process is our mechanism for providing a strategic direction and this has been openly debated in public forum and we have made a commitment to keep developing this in line with the requests from the elected members. I also consider that the company has a strong Board with the ability to deliver on those strategic intentions, and does not want or need politicians interfering in the operational management and functions of the company. The intent of a Council Controlled Trading organisation is very clear and while the Council remains the ultimate owner it needs to remain focused at the strategic level and allow the company to perform its commercial duties appropriately.

Your requests for a copy of the lease for Wānaka Airport have been declined in line with reasons for withholding the information under the Local Government Official Information and Meetings Act 1987, which you have been advised of in writing.

Finally, I do agree with your closing statement that "we cannot afford to get these decisions wrong". This is why we continue to provide strategic direction to the QAC via the Statement of Intent and Letter of Expectation, we will work through amendments to that Statement as per our public

commitment and resolution, and we will allow the QAC to undertake the comprehensive community engagement and masterplanning process that they have committed to. We will also not shy away from making the right decisions for the best long term future of the district and its current and future communities and ensure that the continued development of the core air service infrastructure is matched to the communities' ongoing development.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Jim Boulton', with a large, stylized flourish extending to the left.

Jim Boulton ONZM
MAYOR

CC:

- > Rt Hon Jacinda Ardern, Prime Minister
- > Hon Shane Jones, Minister for Regional Economic Development
- > Hon Kelvin Davis, Minister for Tourism
- > Hon David Parker, Minister for the Environment
- > Roger Mackey, Press Secretary to Minister Jones
- > Stephen England-Hall, Chief Executive, Tourism New Zealand
- > Chris Roberts, Chief Executive, TIA
- > Christopher Luxon, Chief Executive, Air New Zealand
- > Mike Theelen, Chief Executive, Queenstown Lakes District Council
- > Queenstown Lakes District Council – elected councillors