

The Directors
Queenstown Airport Corporation Limited
Queenstown
(By email, via QAC CEO)

Thursday 19th September 2019

Dear Directors

Queenstown Airport Corporation Limited (QAC) – Wānaka Airport – Queenstown Lakes District Council (QLDC)

- 1) QAC's and QLDC's recent communications now make it inevitable that judicial review proceedings are required.
- 2) We will be writing to you separately today in that regard.
- 3) We write this letter to address some of your recent public communications in respect of the relevant issues.

QAC's recent position document provided to election candidates

- 4) First, we refer to QAC's recent position document on airport expansion and community engagement provided to election candidates and which was published in full by Crux on 11 September 2019.

- 5) In it QAC said:

“As a CCTO, QAC plays an important role in supporting QLDC's overarching requirement under the Local Government Act (Section 10) to provide good quality infrastructure to meet the current and future needs of the district. It does this by providing infrastructure to enable air services to the district for residents and visitors alike.”

- 6) Quite apart from the fact that this has never been QLDC's "overarching" requirement under the Local Government Act, but merely one of the 4 purposes of Local Government as previously set out in Section 10, the purpose you have chosen to self-servingly highlight above the others, was repealed and replaced in May of this year. It is no longer part of Section 10. Section 10 as amended now states that 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.
- 7) Were this matter not so serious, so basic an error by QAC would simply demonstrate QAC's failure to understand the role of QLDC (which QAC is supposed to support), but in offering it as information to local election candidates when seeking their support the error is deeply concerning.

- 8) For present purposes, we refer to one other aspect of this pitch to election candidates – your paragraph purporting to downplay the significance of the “strategic alliance” with Auckland Airport (AIAL). In the forthcoming judicial review, we will be seeking full disclosure of all such arrangements with AIAL. For the moment, it suffices to quote back to you what QAC has itself put in its last several Statements of Intent:

“Strategic Alliance with AIAL

Auckland International Airport Limited's (AIAL) investment in QAC includes an undertaking between the two companies to work together to grow QAC's business returns and increase passenger numbers.

The focus of the strategic alliance for the next five years will be for the two companies to leverage the scale and connectivity of a multi-airport relationship to grow visitor activity and deliver superior earnings growth to both companies and economic growth to their respective communities.

Where appropriate, QAC will seek to leverage AIAL's market and operational scale, intellectual property and management capabilities in aeronautical, retail, commercial and property development functions including:

- *Collaboration to further develop air services between the two airports; sharing relevant market information and analysis*
- *Joint ventures on relevant tourism-related marketing and tactical promotions*
- *Optimising operational efficiency through technology and process innovation*
- *Support in maximising non-aero revenue through the sharing of data and retail/transport expertise*
- *Input on industry/airport trends and operating efficiencies, particularly in identifying and managing common strategic risks*
- *Training and/or mentoring support for personnel*
- *Support for procurement*

AIAL will continue its own route development into markets such as the US, China, South East Asia and South America that cannot support direct flights to Queenstown due to aircraft size. Promotions will feature Queenstown and promote passengers travelling through AIAL to Queenstown on domestic carriers.”

- 9) Election candidates will be invited by us to instead consider this QAC summary of the intended impact of the Strategic Alliance with AIAL upon flights and tourist numbers (and to reflect upon which airport might gain most from such growth in overseas tourist numbers coming through Auckland).

Statement by QAC's Chair on 13 September 2019

- 10) Secondly, we refer to the statement on 13 September 2019 by Prue Flacks, Chair of QAC.
- 11) It is simply inexplicable to us that QAC's Chair does not understand that the complaints by thousands of people about lack of consultation relate to the failure by QLDC to properly fulfil QLDC's obligations of consultation under the Local Government Act before it handed over Wānaka airport to QAC under a 100 year lease apparently to develop and to operate it essentially however it liked.

- 12) It is equally inexplicable that she, and presumably her Board, think that when QAC has “completed the master plan for Wānaka Airport” consultation can then be retrospectively fixed up when QAC elects to “share it with the community and invite their feedback”. This is simply not how the consultation obligations under the Local Government Act operate.
- 13) The Crux poll that came out earlier this week should leave QAC (and QLDC) in little doubt that the majority of the public are strongly opposed to a jet capable airport being built at Wānaka and that communication from QAC and QLDC is ranked as poor or very poor.
- 14) It seems to us unfortunate, though inevitable given the recent examples of QAC’s communications referred to above, that judicial review of this matter will be required.

Yours sincerely

The Committee, Wānaka Stakeholders Group Incorporated*



Per Michael Ross, Chair

Cc list: *Mayor, Councillors, CEO of QLDC, Wānaka Community Board Members*

* WSG membership as at 09:20 Thursday 19/09/19 stands at 2,948 people.