

10 July 2024

Mayor Campbell Barry  
Hutt City Council  
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Tēnā Koe Mayor Barry

## Wellington Airport Shares

As noted in your letter dated 20 June 2024, Wellington City Council (WCC) have indicated through their 2024-34 Long Term Plan their intention to sell their 34% shareholding in Wellington International Airport Limited (WIAL), and as Wellington International Airport is viewed by many as a strategic asset for the Wellington Region, it is prudent, given that these shares may be for sale post the WCC decision-making process, for the Greater Wellington Regional Council (Greater Wellington) to consider the pros and cons of becoming a shareholder in WIAL.

At the request of Greater Wellington's councillors, our officers have conducted a high-level desktop review of the viability/cost-benefit of Greater Wellington purchasing WCC's shares, and a summary of this review is attached to this letter.

Overall, Greater Wellington note that there is no strategic case for us to pursue the purchase of WIAL shares and will not be undertaking any further analysis on this.

Ngā mihi



**Daran Ponter**  
Chair, Greater Wellington Regional Council

Copy: Mayor Whanau (WCC)  
Mayor Baker (PCC)  
Mayor Guppy (UHCC)  
Mayor Holborow (KCDC)  
Mayor Mark (CDC)  
Mayor Caffell (MDC)  
Mayor Connelly (SWDC)

Encl: Summary of WIAL Shares Purchase

## **Summary of Greater Wellington’s consideration of the purchase of Wellington City Council’s Wellington International Airport Limited Shares**

Wellington City Council (WCC) indicated through their 2024-34 Long Term Plan consultation document that they intend to sell their 34% shares in Wellington International Airport Limited (WIAL). This has subsequently been confirmed through the adoption of WCC’s 2024-34 Long Term Plan on 27 June 2024.

As Wellington International Airport is viewed by many as a strategic asset for the Wellington Region, it is prudent, given that these shares may be for sale post the WCC decision-making process, for the Greater Wellington Regional Council (Greater Wellington) to consider the pros and cons of becoming a shareholder in WIAL. Councillors therefore asked Greater Wellington officers to conduct a high-level desktop review of the viability/cost-benefit of Greater Wellington purchasing WCC’s shares.

Officers considered several aspects in their high-level analysis including: financial costs and returns; alignment to Greater Wellington’s and WRC Holdings’ strategic direction; fit with our existing investment portfolio; and influence as a minority shareholder.

The outcome of this analysis was that it would be unaffordable for Greater Wellington to purchase the shares, given our debt headroom and the impact on rates. The return on investment would also not justify the costs.

From an investment portfolio perspective, a minority shareholding would not provide a significant degree of influence in the direction of the airport business and would add a similar investment class to our existing portfolio. This would add to the risks we face from natural disasters like earthquakes and severe weather events. The assessment found that there was low alignment between being a shareholding in WIAL and Greater Wellington’s strategic direction. Similarly, there was low alignment to the strategic direction of our investment holdings company – WRC Holdings.