

**Minutes of a meeting of the Audit, Finance & Risk Committee held in the Council Chambers,
10 Gorge Road, Queenstown on Tuesday, 8 July 2025 commencing at 10.00am**

Present

Mr Stuart McLauchlan (Chair), Mr Heath Copland (Deputy Chair), Councillor Gavin Bartlett, Councillor Lyal Cocks, Councillor Lisa Guy and Mr Bill Moran

In Attendance

Meaghan Miller (Acting Chief Executive/General Manager, Corporate Services), Katherine Harbrow (General Manager, Assurance, Finance & Risk), Michelle Morss (General Manager, Strategy & Policy), Katie Church (People & Capability Director), Gareth Noble (Risk & Compliance Manager), Brendan Peet (General Counsel), Paul Speedy (Manager, Strategic Projects), Paddy Cribb (Finance Director), Ryan Clements (Chief Information Officer), Jeremy Payze (Senior Finance Business Partner), Will Martin (Financial Controller), Mariano Niveiro (Internal Assurance Lead), Alison Kelly (Finance Business Partner Manager), Kirsty Pope and Tilly McCool (Resilience & Climate Action Advisors), Heidi Rautjoki (Auditor, Deloitte Ltd), Mike Hawken (Auditor, Deloitte Ltd), Miles O'Connor (Treasury Manager, Bancorp Treasury Services Ltd), Jon Winterbottom (Democracy Services Team Leader/Health & Safety Committee Chair), Jane Robertson (Senior Democracy Services Advisor); no members of the public and one member of the media

Apologies

There were no apologies.

Declarations of Conflicts of Interest

There were no declarations of conflicts of interest.

Public Forum

There were no public forum speakers.

Matters Lying on the Table

There were no matters lying on the table.

Confirmation of Agenda

It was moved (Mr McLauchlan, Mr Moran):

That the Audit, Finance & Risk Committee resolve that the agenda be confirmed without alteration.

Motion carried unanimously.

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Confirmation of Public Minutes

It was moved (Councillor Cocks, Mr Copland):

That the Audit, Finance & Risk Committee resolve that that the public part of the minutes of the Audit, Finance & Risk Committee meeting held on 6 March 2025 be confirmed as a true and correct record.

Motion carried unanimously.

1. Risk and Compliance Update

A report from Gareth Noble (Risk and Compliance Manager) presented an update on the Queenstown Lakes District Council (QLDC) risk and compliance context and the overall programme of works being undertaken within the Risk & Compliance Team.

Mr Noble presented the report, noting that a new Risk Management Policy had come into effect on 1 July. He described the various strands of work being undertaken by himself and his team, noting however that no risks had altered their status since the last report and any material developments would be presented to the committee.

The audit report was discussed, highlighting the need to clearly separate assurance roles, especially relating to the second line of defence. Councillor Guy asked when the second line of defence would be presented again to the committee. Mr Noble advised his team was working on this issue and he hoped there would be an update available for the next meeting.

Mr Moran noted that it appeared that recommendations from the Risk & Compliance Team were not all actioned, and he asked about officer responsibility for actioning. Mr Noble advised that the internal auditor tracked the actions and periodically reported back, escalating any if necessary, however some actions took longer to implement than others.

Members observed that Risk 10021 remained very high and there was further discussion about what was driving this risk. Mr Noble advised that officers were planning a workshop involving the committee and councillors to examine the connections between risks.

It was moved (Mr Moran, Mr Copland):

That the Audit, Finance & Risk Committee resolve to:

- 1. Note the contents of this report**

Motion carried.



The Chair observed that representatives from Queenstown Airport Corporation (QAC) had not yet arrived at the meeting but Mr O'Connor of Bancorp Treasury Services Limited was already at the meeting and his item should therefore be taken next.

Members agreed that this was an appropriate course of action.

2. Treasury Update

A covering report from Will Martin (Financial Controller) introduced an update on treasury related issues, which were discussed in detail in the attachment entitled 'Treasury Reporting Dashboard as at 11 June 2025' prepared by Mr O'Connor.

Mr Cribb and Mr O'Connor presented the report.

Mr O'Connor confirmed that the economic outlook had changed little since preparation of his report. There had been much volatility in early April, largely connected with the tariff announcements by the United States, but volatility had since come down although there were still concerns about the level of United States debt. It increased by \$1M every 30 seconds and 20% of government expenditure was on interest payments.

Mr O'Connor also commented on the Official Cash Rate (OCR) with the Reserve Bank of New Zealand (RBNZ) to announce its latest review the following day. The OCR at the time of the meeting was 3.25% and no change was made by RBNZ on 9 July 2025.

Mr O'Connor discussed the two strategies presented in his report that would need to be implemented before the end of October 2025, the key difference between the two options being where the cost/benefit fell. One option had an initial cost but with a later benefit, whilst the other option delivered the opposite (initial benefit/later cost). Councillor Cocks and Ms Harbrow expressed support for the option which provided an immediate upside.

It was moved (Mr McLauchlan, Councillor Guy):

That the Audit, Finance & Risk Committee resolve to:

1. **Note** the contents of this report.

Motion carried unanimously.

3. Queenstown Airport Corporation (QAC) Capital Programme Update

A covering report from Katherine Harbrow (General Manager, Assurance, Finance & Risk) introduced Queenstown Airport Corporation's (QAC) capital programme, describing the investment needed to deliver on the Masterplan Programme.

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Andrew Williamson (Chief Financial Officer – QAC) and Simon Flood (Board Chair) spoke to the report. They noted that the Masterplan programme was QAC's biggest capital plan since original construction of the airport, with \$500M allocated for terminal redevelopment. The Board was confident of securing financing at good rates and of delivering the planned capital programme. Mr Flood acknowledged that the terminal redevelopment would impact day-to-day airport operations however QAC was working with airlines to manage this, recognising the importance of the terminal as both a first and last impression of New Zealand for many travellers.

Councillor Guy sought more comment about QAC's view of global tourism trends. Mr Flood noted that QAC's targets were reflective of its Statement of Intent and busier airline schedules into Queenstown and expansion of Air New Zealand's fleet were both indicative of growth.

Councillor Bartlett asked about the debt status and its impact on the asset at each stage of the project with Mr Flood advising that the impact of major transactions against the value of the asset did not apply in this case because it was a staged project. Members noted that further information about revenue projections would be helpful. A project control committee would be established to oversee the project and to procure specialist expertise.

In response to a question about potential upgrades to parking, Mr Flood did not consider that there needed to be any increase to parking capacity at present but QAC had land holdings that could be developed into carparking if necessary. In addition, usage of QAC's Park and Ride service continued to increase.

It was moved (Councillor Cocks, Mr Copland):

That the Audit, Finance & Risk Committee resolve to:

1. **Note** the contents of this report.

Motion carried unanimously.

4. Organisational Health, Safety and Wellbeing Report

A report from Alan Thomas (Health & Safety Manager) presented health, safety and wellbeing information and statistics for the Council over the period 1 February 2025 – 31 May 2025 for noting.

Ms Church, Mr Thomas and Mr Winterbottom presented the report.

Further comment was made about health and well-being initiatives and a new programme to assist officers with managing unreasonable conduct from customers.

It was moved (Councillor Guy, Councillor Bartlett):

That the Audit, Finance & Risk Committee resolved to:



1. **Note** the contents of this report.

Motion carried unanimously.

5. Climate & Biodiversity Plan Update

A report from Bill Nicoll (Resilience & Climate Action Manager) provided a final summary of progress on the Queenstown Lakes Climate and Biodiversity Plan 2022-2025 (CBP) for the period up to 30 June 2025.

Michelle Morss, Kirsty Pope and Tilly McCool presented the report.

Officers advised that although this was the final quarterly report for the 2022-2025 CBP, it was the first that integrated biodiversity. Of 81 actions in the plan, 95% had been completed or started, with some actions also ongoing. The team had worked hard to develop and grow partnerships and this sense of partnership continued in the 2025-2028 plan, with more than 70 community groups also making a major contribution to the work undertaken. Officers also acknowledged the contribution of the Climate Reference Group.

Members asked about the extent of climate and biodiversity culture change within QLDC with Ms Pope highlighting improved levels of coordination between departments and an internal commitment to continual improvement. The next iteration of the risk register would include climate risk.

Mr Moran congratulated the team on the work completed.

It was moved (Mr McLauchlan, Mr Moran):

That the Audit, Finance & Risk Committee resolve to:

1. **Note** the contents of this report.

Motion carried unanimously.

6. Lakeview Development Programme

A report from Paul Speedy (Manager, Strategic Projects) presented an update to 30 June 2025 on achievement of the key milestones with the Lakeview development.

Mr Speedy presented the report.

Mr Moran asked about the impact of the recent divestment of the development partner, Centuria. Mr Speedy advised all the arrangements (e.g. funding) were unchanged as Ninety Four Feet was still able to access capital with no difficulty.

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Risk profiling had been the main reason for Centuria wanting to leave the partnership/project but Mr Speedy considered it was positive to have a 100% partnership with a single entity. Ninety Four Feet had taken on all guarantor requirements and all other requirements for settlement had remained in place without change. Under delegated authority the Chief Executive had granted consent for this action in May 2025 and the Development Agreement had anticipated such an action.

Councillor Cocks asked when construction on the site would start. Mr Speedy advised that the original plan had been within 12 months but it was now tracking at six months and he was busy engaging with the property, consenting and infrastructure teams to ensure that this happened. Councillor Guy observed that the site was still empty which looked like a failure to the community and she asked about the ongoing delays. Mr Speedy noted that the slow speed of progress served to ensure that the quality remained high and QLDC had been happy to adopt a deferred settlement model because of the value and importance of the land. The developer had also wanted flexibility and the timeframe was unlimited but pre-sale figures were good.

Members were critical that the project seemed difficult to follow and suggested that a simple timeline would address this. It was also suggested that other benefits could be tracked including the provision of more accommodation, jobs and public spaces. Mr Speedy noted that many of these questions would be discussed at the full Council workshop with the developer to be held on 19 August.

It was moved (Mr McLauchlan, Mr Copland):

That the Audit, Finance & Risk Committee resolve to:

- 1. Note** the contents of this report.

Motion carried unanimously.

7. Annual Privacy Update

A report from the four Privacy Officers within the Queenstown Lakes District Council (Katie Church, Naell Crosby-Roe, Ryan Clements and Brendan Peet) provided an end-of-year update on matters relating to the Privacy Act 2020 and the QLDC's Privacy Policy and practice.

Ms Church, Mr Clements and Mr Peet presented the report and discussed organisational capability and compliance and provided a summary of privacy incidents and how they had been responded to. They noted an increasing awareness of inadvertent breaches but none of the privacy breaches identified in the report had come about through a cyber-attack and the team worked continuously on security.

It was moved (Mr Moran, Councillor Bartlett):

That the Audit, Finance & Risk Committee resolve to:

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1. **Note** the contents of this report.

Motion carried unanimously.

8. April Year to Date 2025 Financial Overview

A report from Paddy Cribb (Finance Director) presented the 2024-25 April Year to Date actual to budget financial results, capital expenditure, financial results, debtors' analysis and Statement of Financial Position. The report highlighted significant transactions or variances against budget.

Mr Cribb, Ms Kelly and Mr Payze presented the report.

Mr Cribb observed that the only major variance was in development contributions income but he hoped that the overall position will be neutral by year end. Councillor Cocks asked when Council would consider the carry-forwards report. Mr Cribb advised that it was scheduled for consideration at the meeting to be held on 4 September 2025.

It was moved (Mr McLauchlan, Mr Copland):

That the Audit, Finance & Risk Committee resolve to:

1. **Note** the contents of this report.

Motion carried unanimously.

9. 2025/26 Annual Plan

A report from Paddy Cribb (Finance Director) updated the committee with the QLDC's 2025/26 Annual Plan that the Council had approved at its meeting held on 26 June 2025.

Mr Cribb presented the report.

It was moved (Mr Moran, Mr McLauchlan):

That the Audit, Finance & Risk Committee resolve to:

1. **Note** the contents of this report.

Motion carried unanimously.



10. Deloitte Interim Audit Report

A report from Charlotte Wallis (Business Planning Project Manager) appended the Deloitte planning report from the QLDC audit and its entities for the year ending 30 June 2025. Also attached were the audit proposal letter and audit engagement letter.

Heidi Rautjoki, Mike Hawken and Paddy Cribb presented the report. The team advised they were well on with the project and there were no new areas of audit focus.

It was moved (Mr McLauchlan, Councillor Cocks):

That the Audit, Finance & Risk Committee resolve to:

1. **Note** the contents of this report and
2. **Recommend** to Council that the signatories sign the Engagement Letter and Audit Proposal Letter on behalf of Council.

Motion carried unanimously.

11. Insurance Update

A report from Bridget Allen (Senior Insurance Advisor) briefed the committee on the status of the insurance market and provided updates on QLDC's insurance policies and strategies.

Gareth Noble presented the report. There was some additional discussion around possible transition of water services to a Council Controlled organisation (CCO structure) with a transition to the London market looking favourable. In a softening market, better terms and commitments for insurance were now available.

It was moved (Mr McLauchlan, Councillor Guy):

That the Audit, Finance & Risk Committee resolve to:

1. **Note** the contents of this report.

Motion carried unanimously.

Resolution to Exclude the Public

It was moved (Mr McLauchlan/Mr Moran):

That the Audit, Finance & Risk Committee:

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Resolve to exclude the public from the following parts of the proceedings of the meeting.

The general subject of each matter to be considered whilst the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Information and Meetings Act 1987 for the passing of this resolution is as follows:

Confirmation of minutes:

General subject to be considered:	Reason for passing this resolution:	Grounds under Section 7:
Draft Audit, Finance & Risk Committee minutes 6 March 2025	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to:</p> <p>g) maintain legal professional privilege</p> <p>(i) enable any local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>Section 7(2)(g)</p> <p>Section 7(2)(i)</p>



Public Excluded Agenda Items:

Item 12: Internal Audit Report

Item 13: Legal Update

General subject to be considered:	Reason for passing this resolution:	Grounds under Section 7:
Item 12: Internal Audit Report 2024	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to:</p> <p>(c)(i) to protect information where making it available would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied</p> <p><i>Reason for recommendation</i></p> <p>Discussion around this item is solely for the awareness of the Committee and it would be inappropriate for this report to be made available to third parties and would likely prejudice the supply of similar information. As Deloitte's audit report may evolve between now and when the final LTP is adopted by Council, it is Deloitte's request that the current version should not be released publicly.</p>	7(2)(c)(i)

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General subject to be considered:	Reason for passing this resolution:	Grounds under Section 7:
<p>Item 13: Legal Update Queenstown stormwater issues and Watertightness Claims against QLDC</p>	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to:</p> <p>(g) maintain legal professional privilege.</p> <p><i>Reason for recommendation</i></p> <p>Legal privilege protects communications between a lawyer and a client which have been made for the purposes of giving and receiving legal advice. The contents of this report are covered by legal privilege as the items in this report are matters that Council is seeking legal advice on that relate to legal proceedings (or threatened legal proceedings).</p> <p>Withholding the contents of this report from the public enables Council to obtain confidential legal advice about its position on legal issues without the risk of that advice being disclosed to another party (including the claimant) and disadvantaging its position.</p>	<p>Section 7(2)(g)</p>


This recommendation is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982 as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as shown above with respect to each item.

The meeting went into public excluded at 11.38am.




The meeting came out of public excluded and concluded at 12.27pm.

Confirmed as a true and correct record:



CHAIR



DATE