

Audit, Finance & Risk Committee

2 October 2025

Report for Agenda Item | Rīpoata moto e Rāraki take [6]

Department: Strategy & Policy

Title | Taitara: Climate & Biodiversity Plan Update

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to provide an update on Queenstown Lakes District Council's (QLDC) climate and biodiversity risk reporting as required by the Queenstown Lakes Climate and Biodiversity Plan (CBP) 2025-2028.

Recommendation | Kā Tūtōhuka

That the Audit, Finance & Risk Committee:

1. **Note** the contents of this report; and
2. **Note** that in the new triennium, there will be a recommendation to change reporting to a six-monthly climate governance reporting framework, with Climate and Biodiversity Plan programme updates to be provided to Full Council on a parallel six-monthly cycle.

Prepared by:



Name: Bill Nicoll

Title: Resilience & Climate Action Manager

Date: 11 September 2025

Prepared by:



Name: Kirsty Pope

Title: Resilience & Climate Action Advisor

Date: 11 September 2025

Reviewed and Authorised by:



Name: Michelle Morss

Title: GM Strategy and Policy

Date: 11 September 2025

Context | Horopaki

1. On 31 July 2025 Council adopted the Queenstown Lakes Climate and Biodiversity Plan 2025-2028 (CBP). This is the third successive plan delivered in response to the Council's declaration of a climate and ecological emergency in June 2019. The new plan strengthens the district's commitment to biodiversity protection, emissions reduction, and climate adaptation, and contributes directly to delivering the Vision Beyond 2050 outcomes.
2. This CBP fits within a strategic planning system that guides Councils planning for the future. The CBP sets the overarching priorities for addressing Council's commitment to climate and biodiversity action and gives direction to other strategies and plans that deliver core activities and services of Council.
3. The CBP is structured around seven outcome areas (see Figure 1). Each outcome area is underpinned by a programme of projects and actions that will collectively respond to the district's climate and biodiversity risks over the next three-year period.

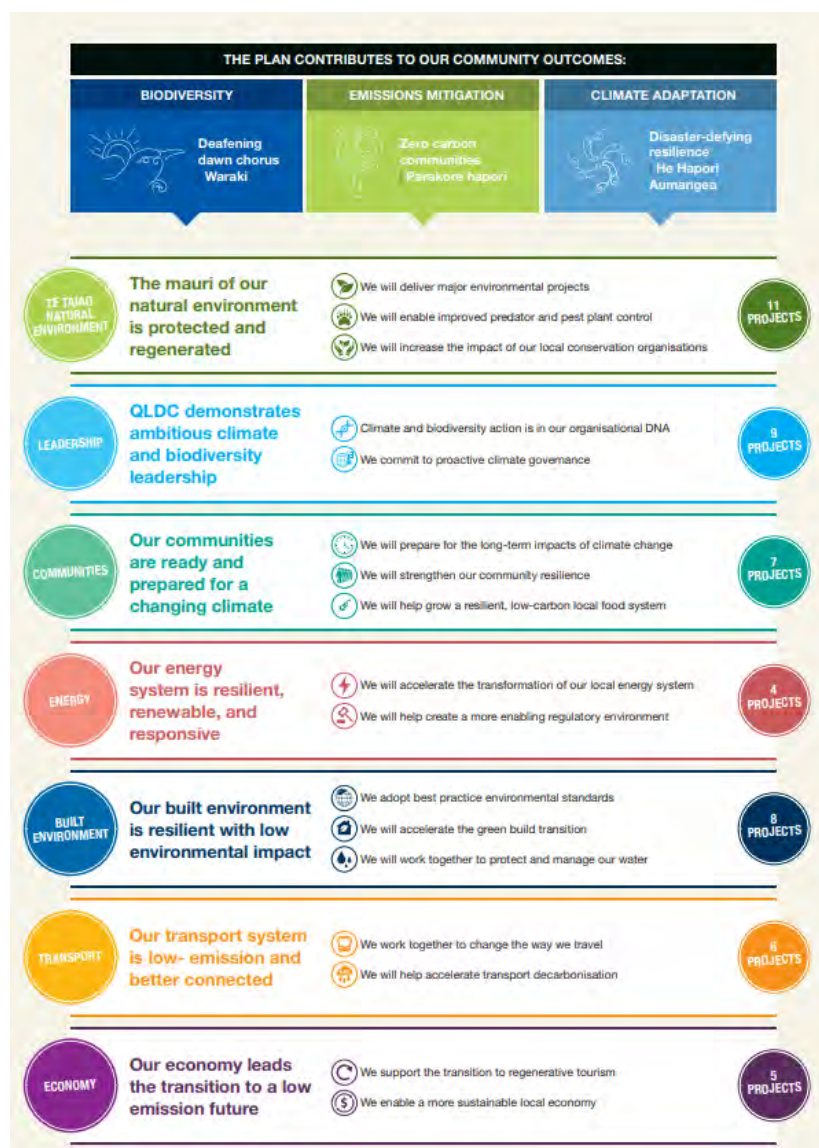


Figure 1. Structure of the Climate & Biodiversity Plan 2025-2028

Analysis and Advice | Tatāritaka me kā Tohutohu

PROPOSED GOVERNANCE REPORTING CHANGES

4. At its meeting on 31 July 2025, alongside adopting the new CBP, Council resolved to ‘direct staff to report to the Full Council with updates on the Climate and Biodiversity Plan every six months.’ This resolution strengthens oversight by ensuring regular progress reporting to Full Council while also enabling more targeted, risk-focused reporting to the Audit, Finance & Risk Committee (AFRC).
5. Given this change in reporting structure, the Resilience & Climate Action team will be recommending that future updates to the AFRC focus more explicitly on climate governance¹ and climate risk disclosure principles. This approach will enable AFRC to provide effective oversight of climate-related risks and opportunities, scenario analysis, emissions performance, and the treatment of identified climate risks. This recommendation will be presented to the AFRC in its first meeting of the new triennium.
6. While QLDC is not currently subject to the mandatory New Zealand Climate-related Disclosures Standard (NZ CS 1)², the new AFRC reporting framework will be aligned with its principles. This will strengthen climate risk governance across the organisation and ensure QLDC is well prepared should mandatory climate-related disclosure requirements be extended to local government in the future.
7. This proposed shift in reporting aligns well with the focus in the new CBP on “proactive climate governance” (pages 37–45) and provides an opportunity for the AFRC to have targeted oversight of the following CBP actions:
 - 2.2 Embedding Climate & Biodiversity into Council decision-making
 - 2.5 Organisational GHG Emissions Reporting
 - 2.7 Climate Scenario Analysis
 - 2.8 Climate Risk Assessment
 - 2.9 Climate Insurance Strategy
8. This report notes that a recommendation to move to this new reporting structure will be presented to AFRC early in the new triennium.

ACTION 2.2 EMBEDDING CLIMATE & BIODIVERSITY INTO COUNCIL DECISION-MAKING

9. The foundation for climate governance is the embedding of climate and biodiversity considerations into decision-making at every level of the organisation. Achieving this requires a comprehensive internal change programme that provides professional development and training, implements

¹ <https://www.deloitte.com/content/dam/assets-zone1/nz/en/docs/services/audit-assurance/2023/climate-governance-handbook.pdf>

² External Reporting Board (XRB) (2022), [Aotearoa New Zealand Climate Standard 1: Climate-related Disclosures](#) (NZ CS 1).

consistent process improvements, and equips staff with the information and data needed to make robust, evidence-based decisions.

10. During the previous CBP, Council launched an internal change programme, *Project Taiao*, to evaluate how effectively sustainability, emissions reduction, and biodiversity outcomes were embedded within Council's core processes. The programme involved a current state assessment of project management frameworks, procurement practices, and policy development, supported by staff interviews and benchmarking against international best practice. Key recommendations from the project included:

- strengthening governance oversight and accountability for climate-related decisions.
- developing and integrating new tools and templates to support climate and biodiversity decision-making.
- enhancing organisational training and professional development.
- aligning procurement and asset management practices with sustainability standards (e.g., ISO 20400, PAS 2080).

11. The Resilience & Climate Action team are preparing an internal change programme to operationalise these recommendations. This programme will include targeted training, updated guidance material, and new tools to help staff apply climate and biodiversity considerations in their daily work. This approach will ensure that climate and biodiversity considerations are embedded into existing process frameworks and not treated as isolated initiatives.

12. As climate governance is a relatively new area for many elected representatives and committee members, targeted opportunities to build climate literacy and governance capability are being investigated. These may include training on the principles of effective climate governance, an introduction to the New Zealand Climate Standards, and practical workshops on interpreting climate risk scenarios, emissions reporting, and adaptation planning. Where appropriate, external experts and accredited providers such as the Institute of Directors and Climate Governance Aotearoa may be engaged to deliver professional training modules.

ACTION 2.5 ORGANISATIONAL GHG EMISSIONS REPORTING

13. A core element of good climate governance is the robust measurement and transparent reporting of greenhouse gas (GHG) emissions. QLDC has made strong progress to complete its retrospective reporting back to FY2018-19 and embed the following as an organisational KPI: "Achieve annual carbon reduction certification through independent third-party audit".

14. The Resilience & Climate Action team is currently preparing the GHG emissions inventory for the FY2024-25 with the assistance of CarbonEES. This requires data from across the organisation to estimate Scope 1, Scope 2 and Scope 3 GHG emissions³. The 2024-2025 inventory will be audited by Toitū Envirocare in November 2025 in accordance with ISO 14064-1:2018⁴ and compliance against Toitū Carbon Reduce certification assessed.

15. To maintain Carbon Reduce certification, QLDC needs to demonstrate progress against a target of 44% reduction in Scope 1 (excluding forestry and wastewater) and Scope 2 GHG emissions by 2030, against a 2018-19 baseline. Progress to date is shown in Figure 3 and shows a 2% reduction from the baseline year against a 28% target reduction. Reductions do not have to be linear, and stepped reductions are expected as emission reduction projects are implemented.

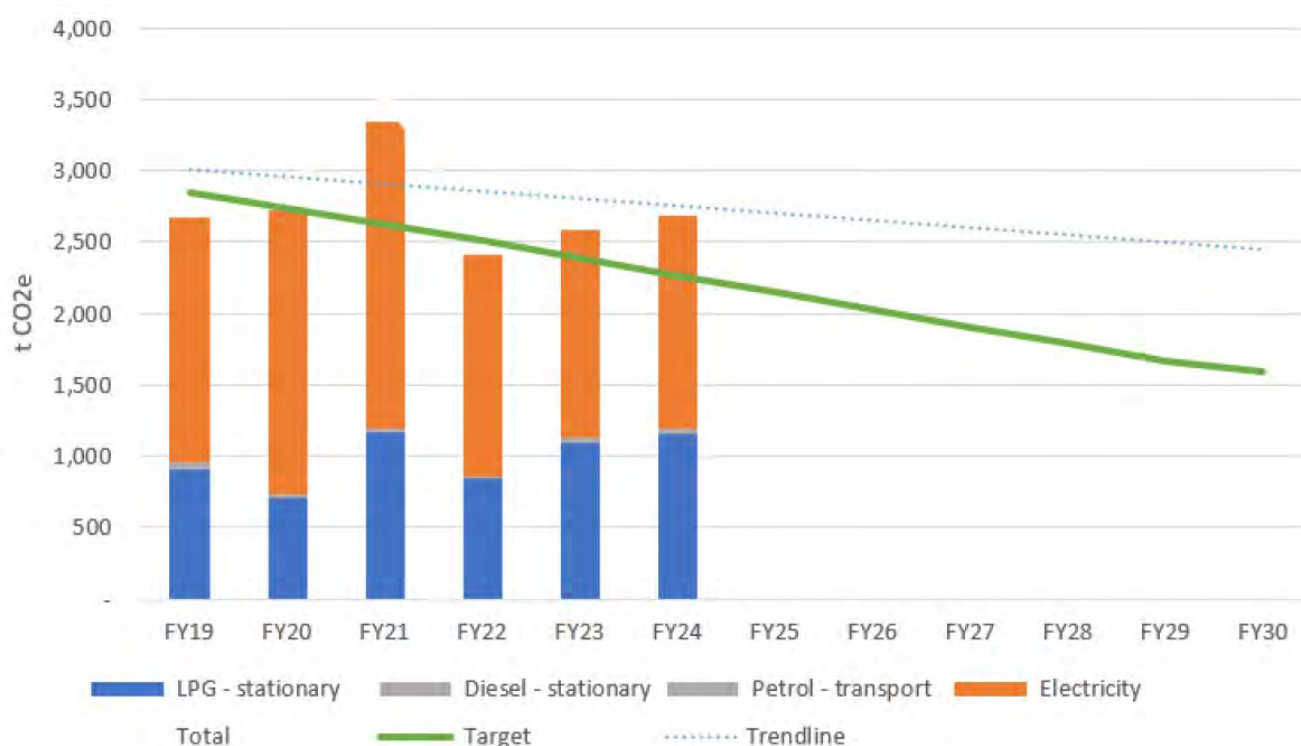


Figure 3. Scope 1 (direct energy) and Scope 2 (purchased electricity) GHG emissions from QLDC's operations

16. The conversion of LPG boilers at QLDC's aquatic facilities (Alpine Aqualand, Wānaka Pool and Arrowtown Pool) provides one of the most significant opportunities for Council to achieve a step-change reduction that meets its 2030 targets. Emissions from LPG use have been trending upward in recent years, increasing from 843 tCO₂e in 2022 to 1,155 tCO₂e in 2024. The QLDC Emissions Reduction Plan includes modelling showing that switching from LPG to clean energy alternatives could deliver net annual savings of up to 785–903 tCO₂e for Alpine Aqualand and around 79–89 tCO₂e

³ Scope 1 = Direct emissions; Scope 2 = Indirect emissions from purchased electricity; Scope 3 = Indirect emissions from upstream or downstream activities as a result of QLDC's operations.

⁴ The ISO 14064-1:2018 Standard uses Categories instead of Scopes:

- Scope 1 = Category 1
- Scope 2 = Category 2
- Scope 3 = Categories 3 to 6

for Wānaka Pool. In addition to supporting QLDC's Toitū carbonreduce certification the projects will also deliver significant operational cost savings, reduce exposure to fossil fuel price volatility.

17. Following consultation through the Long Term Plan 2024–2034, funding has been secured and delivery is scheduled between FY2025-27. Project managers have been appointed to lead this project, and a cross-functional project team has been assembled to support procurement and design development.

ACTION 2.7 CLIMATE SCENARIO ANALYSIS

18. A second core element of climate governance is the requirement to undertake climate scenario analysis to assess what the future might look like for the organisation under differing degrees of climate change and socioeconomic conditions. These are not predictions about what will happen in the future, but rather hypotheses that provide a structured way for organisations to explore “what if” questions, test the resilience of plans and investments, and prepare for future uncertainty. They are based on the architecture of the Shared Socio-economic Pathways (SSPs)⁵ which have been developed by the Intergovernmental Panel for Climate Change⁶.
19. Best practice in climate risk management is for economic sectors to develop a shared scenario architecture that provides a common starting point for analysis across organisations. In New Zealand, several sectors have already developed such scenarios, including: Transport, Retail, Seafood, Agriculture, Energy, Construction and Tourism. Earlier this year, Wellington City Council, the Local Government Funding Agency (LGFA), and KPMG launched an initiative to create a comparable set of climate scenarios for the local government sector.
20. QLDC has played an active role in this initiative through participation in the Local Government Climate Scenarios Working Group. QLDC are the only South Island council on this group, the sole district that has no coastal boundary, and the only working group member that has an integrated plan for climate and biodiversity action. QLDC's participation in the working group has helped reinforce Council's leadership reputation and has allowed the district's perspectives and challenges to be embedded within the scenarios that are designed to support councils across New Zealand-Aotearoa.
21. The Local Government Sector Climate Scenarios and FAQ guidance document were released on 18th September and are attached for review. The climate scenarios set out three plausible but distinct futures for 2035, 2050 and 2100. These include:
- **Acting now for our mokopuna** – a proactive, early-transition pathway that aligns with SSP1.
 - **Leaving it to the next generation** – a delayed and disruptive transition that aligns with SSP2.
 - **Inheriting a broken world** – a higher-emissions pathway with severe physical impacts that aligns with SSP3.

⁵ <https://environment.govt.nz/what-you-can-do/climate-scenarios-toolkit/climate-scenarios-list/ipccs-ssp-rcp-scenarios/>

⁶ <https://www.ipcc.ch/assessment-report/ar6/>

22. The documents provide storytelling narratives for each scenario, including key drivers of change and parameters that give insight into how Council's ability to deliver services could be impacted in the future. Each scenario provides details on both **transition risks** (i.e. the risks associated with transforming towards low-emissions or investing in climate adaptation mitigations) as well as **physical risks** (i.e. the risks from severe weather events that impact communities, infrastructure, economy and ecosystems).
23. This collaborative national framework will help ensure consistency across councils, reduces duplication of effort, and creates a common language for engaging elected members, mana whenua, and the community in discussions about long-term climate risk.
24. For QLDC, this work provides a robust foundation to help inform the next generation of strategic documents. By integrating the scenarios into the Long Term Plan 2024–2034, the 30-Year Infrastructure Strategy, and future investment programmes, Council can better test whether its assumptions hold true across different futures. For example, infrastructure planning can now be assessed against a consistent range of possible climate and economic conditions, ensuring decisions made today remain resilient to both transition shocks and long-term climate impacts.

ACTION 2.8 CLIMATE RISK ASSESSMENT

25. Once climate scenarios have been established, the next step is to develop a structured framework for organisational climate risk assessment. This assessment often focusses on physical risks to assets and service delivery but should also considering transition risks and potential opportunities to help inform strategic planning and decision-making.
26. A climate risk assessment work programme is currently under development. This will likely involve a staged process that includes the following deliverables:
- a. Tailoring the Local Government Sector Climate Scenarios to QLDC's context and applying them across short, medium, and long-term time horizons.
 - b. Engaging staff from across the organisation (infrastructure, finance, risk, planning, and operations) to identify key drivers of change, prioritise risks, and assess their potential impacts on Council services and assets.
 - c. Creating a register of climate-related risks and opportunities that aligns with QLDC's existing Organisations Risk Management framework.
 - d. Stress-testing critical services and assets against different climate futures to understand vulnerabilities, interdependencies, and adaptation options.
 - e. Embedding climate risks into project business cases, asset management systems, and investment planning.

27. It is expected that the outputs of this programme will directly inform and strengthen:

- Asset Management Plans (AMPs): Providing evidence on climate exposure, criticality, and adaptation pathways to guide renewal and investment decisions.
- Grow Well Whaiora Spatial Plan: Embed climate scenarios into next generation of the sub-regional spatial plan, ensuring land use strategies and infrastructure investments are resilient across multiple climate pathways.
- Long Term Plan (LTP): Feeding into the 2027–2037 LTP assumptions, activity plans, and financial strategy.
- 30-Year Infrastructure Strategy: Stress-testing long-lived assets and major capital programmes against multiple climate scenarios to ensure robust, adaptive investment pathways.

28. Progress on the delivery of this programme will be reported through the AFRC, with risk outputs being progressively integrated into QLDC's organisation risk register and organisational risk reporting. The approach will align with best practice from climate-related disclosure standards (NZ CS 1) and ensure consistency with regional climate risk work being led by the Otago Regional Council.

ACTION 2.9 CLIMATE INSURANCE STRATEGY

29. A key treatment for asset-level climate risk is transfer through insurance coverage.

30. Council has been progressing work on a comprehensive insurance review programme led by the Senior Insurance Advisor. This multi-year programme, supported by specialist advice and sector benchmarking, has delivered insights into Council's coverage, including the renewal of core policies (material damage, business interruption, motor vehicle, liability, and catastrophic event cover) and active participation in the South Island Council Collective (SICC) to secure long-term, sustainable infrastructure insurance options. These reviews have underscored the importance of understanding exposure to catastrophic loss and premium volatility.

31. The Resilience & Climate Action team are supporting this insurance review programme by helping to assess whether insurance arrangements remain fit for purpose under a range of future climate scenarios and physical climate risks. This assessment will integrate with the climate risk assessment work that is being undertaken in action 2.8. Taken together, these streams of work will ensure that QLDC develops a robust insurance strategy that not only responds to today's market conditions but also provides the financial resilience needed to manage increasing climate uncertainty.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi i kā Whakaaro Hiraka

32. This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because it is consistent with existing strategy, and does not impact on the objectives set out in the Financial Strategy, Ten Year Plan or Annual Plan. Although the Climate and Biodiversity plan is of high importance to the district and community, the matter is of low significance due to the fact that current progress is aligned with the goals and outcomes of the plan.

Māori Consultation | Iwi Rūnaka

33. The Council has partnered with rūnaka representatives in the development of the CBP 2025-2028 and undertakes regular engagement on its progress with representations from Aukaha and Te Ao Marama within the Climate Reference Group.

34. Opportunities for alignment and integration with Kāi Tahu's Climate Change Strategy Te tāhū o te whāriki are regularly discussed and explored through Kāi Tahu representatives on the Climate Reference Group.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

35. This matter relates to the Environmental risk category. It is associated with RISK10012 Ineffective mitigation response to the declared climate and ecological emergency within the QLDC Risk Register. This risk has been assessed as having a high residual risk rating.

36. The approval of the recommended option will support the Council by allowing us to implement additional controls for this risk. This shall be achieved through the implementation of the actions with the CBP 2025-2028. These actions represent a broad risk control response to the challenges associated with emissions reduction, climate change adaptation and biodiversity restoration.

37. The effectiveness of the implementation of these risk controls is supported through the advisory oversight of the Climate Reference Group, the governance of the AFRC and future reporting to Full Council.

Financial Implications | Kā Riteka ā-Pūtea

38. There are no variances to operational budgets or resource implications to consider at this time.

Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

39. The following Council policies, strategies and bylaws were considered:

- The Climate and Biodiversity Plan is aligned to the principles of the Vision Beyond 2050, particularly Zero Carbon Communities, Disaster-Defying Resilience and Deafening Dawn Chorus <https://www.qldc.govt.nz/vision-beyond-2050/>

- Related policies, strategies and bylaws (including Management plans) include:
 - 2024-2034 Long Term Plan
 - 2024-2054 30 Year Infrastructure Strategy
- The QLDC Disability Policy was considered in the development of the Climate & Biodiversity Plan.
- Further reference to Council policies can be found here: <http://www.qldc.govt.nz/policies>

40. The recommended option is consistent with the principles and policies named above.

41. This matter is included in the 2024-20234 Long Term Plan:

- Influences on our strategic framework – page 12
- Strategic investment priorities – pages 16-17
- What's changed- page 22-23
- Resilience and Climate Action – pages 119,121

42. This matter is also included in the Annual Plan:

- Message from the Mayor and Chief Executive on page 4.

Legal Considerations and Statutory Responsibilities | Ka Ture Whaiwhakaaro me kā Takohaka Waeture

43. There are no legal considerations to take into account at this time.

44. The Council has statutory responsibilities under the Climate Change Response (Zero Carbon) Amendment Act 2019 as a reporting organisation.

Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka

45. The recommended option:

- Section 10 of the Local Government Act 2002 states 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. The Climate and Biodiversity Plan plays a central role in delivering upon this purpose through its focus on environmental stewardship, community resilience and intergenerational equity;
- Can be implemented through current funding under the Ten Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and

- Would not significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or transfer the ownership or control of a strategic asset to or from the Council.

Attachments | Kā Tāpirihaka

| | |
|---|---|
| A | Local Government Sector Climate Scenarios |
| B | Local Government Sector Climate Scenarios FAQs guidance |