

Strategic Risk Summary



Strategic Risks

PURPOSE:

The purpose of this report is to present Queenstown Lakes District Council's strategic risks to the Risk and Assurance Committee meeting in June 2026.

SUMMARY OF UPDATES:

The Queenstown Lakes economy remains fundamentally strong, supported by tourism growth and positive GDP and labour market trends. However, recovery is uneven, with softer business and consumer confidence in the March 2026 quarter driven by inflationary pressures and high fuel costs, adding uncertainty to the outlook.

Council's financial position continues to be shaped by a large, debt-funded capital programme. While debt remains within policy limits, available headroom is limited and borrowing costs remain sensitive to interest rate conditions. Historic weathertightness settlements have added unplanned financial pressure, requiring reprioritisation within existing budgets. In response, Council is actively managing its position through staged capital delivery, limiting rates increases, ensuring growth pays for growth, and using development contributions, reserves and asset sales to support investment and reduce debt. Financial performance and forecasts are closely monitored, with the residual Cost & Funding risk remaining High.

















In Procurement and Supply Chain, an internal audit identified improvements in procurement practices (reported to the June 2026 Risk and Assurance Committee), alongside development of an Annual Procurement Plan and a review of the Procurement Policy. The residual risk rating is unchanged. Progress has also been made in strengthening Council's control environment.

A baseline cybersecurity assessment was completed in July 2025 under the ALGIM Local Government Cybersecurity Programme, with further controls implemented or planned and a follow-up maturity assessment scheduled for July 2026. Work is also underway on an integrated controls map across digital and information management functions.

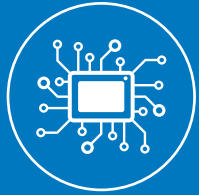
Key strategic risks—particularly Natural Hazards and Climate & Biodiversity—have been reframed to better reflect their cross-Council nature, clarify accountabilities, and emphasise coordinated action across planning, infrastructure, emergency management and investment decisions.

QLDC took efforts to embed mana whenua partnership in the Shotover Wastewater Treatment Plant Long Term Discharge Project by involving Te Ao Marama Inc (Southland) and Aukaha (Otago). However, there was a disconnect with engagement and a partnership approach at a strategic level with rūnaka leaders that has identified there is a need for an Iwi/Rūnaka partnership framework to ensure that operational activities and strategic partnership approaches are aligned. This will be discussed in upcoming Mana to Mana and Partnership protocol hui. As a result, the inherent and residual risk ratings have been reviewed and adjusted.

Residual Risk Rating

			IMPACT				
			1	2	3	4	5
			MINOR	MODERATE	MAJOR	SIGNIFICANT	EXTREME
LIKELIHOOD	5	VERY LIKELY					
	4	LIKELY				 	
	3	MODERATE				 	
	2	UNLIKELY				    	 
	1	RARE					

-  Digital and technology systems
-  Erosion of social cohesion
-  Economy
-  Community partnerships
-  Community services
-  Property and infrastructure
-  Natural hazards
-  Procurement and supply chain
-  Climate and biodiversity
-  Cost and funding
-  Financial strategy
-  Governance
-  Civil defence emergency
-  Inability to meet Te Tiriti o Waitangi obligations
-  Information governance



Digital and Technology Systems

RISK DESCRIPTION:

There is a chance that business continuity may be compromised or minimum service standards not be met due to insufficient or inadequate strategic planning, funding, provision, or maintenance of core digital and technology systems, or due to external threats such as cyber-attacks, will result in potential service disruptions or failures.

RISK SPONSOR:

Chief Information Officer

RISK APPETITE:

Conservative

RISK RATING:

Inherent risk: ● **Very high**

Residual risk: ● **High**

Target risk: ● **Moderate**



Erosion of Social Cohesion

RISK DESCRIPTION:

There is a chance that there is an erosion of social cohesion due to a failure to provide services or facilities, ineffective management of social nuisance issues will result in people, whanau and communities being unable to thrive, belong and feel respected.

RISK SPONSOR:

General Manager Community Services

RISK APPETITE:

Moderate

RISK RATING:

Inherent risk: ● **Moderate**

Residual risk: ● **Moderate**

Target risk: ● **Low**



Economy

RISK DESCRIPTION:

There is a chance that the community's prosperity is adversely affected due to a stagnation or decline in the local, regional or national economy will result in reduced quality of life.

RISK SPONSOR:

General Manager Strategy and Policy

RISK APPETITE:

Conservative

RISK RATING:

Inherent risk: ● **Very high**

Residual risk: ● **High**

Target risk: ● **High**



Community Partnerships

RISK DESCRIPTION:

There is a chance that community partnerships do not meet strategic objectives due to lack of integrated planning, unclear roles definition and responsibilities, lack of funding, poor networks, people capability and capacity will result in reduced quality of life, broken community partnership relationships.

RISK SPONSOR:

Community Partnerships Manager

RISK APPETITE:

Conservative

RISK RATING:

Inherent risk: ● Moderate

Residual risk: ● Moderate

Target risk: ● Low



Community Services

RISK DESCRIPTION:

There is a chance that that insufficient or inadequate community services or facilities are available due to insufficient funding, strategic or operational planning will result in reduced levels of service, reduced quality of life.

RISK SPONSOR:

General Manager Community Services

RISK APPETITE:

Conservative

RISK RATING:

Inherent risk: ● High

Residual risk: ● Moderate

Target risk: ● Moderate



Property & Infrastructure

RISK DESCRIPTION:

There is a chance that insufficient, inadequate, or non-compliant property or infrastructure assets are provided due to insufficient funding or strategic planning will result in impacts on people's health, environmental damage, reduced levels of service.

RISK SPONSOR:

General Manager Property and Infrastructure

RISK APPETITE:

Conservative

RISK RATING:

Inherent risk: ● High

Residual risk: ● High

Target risk: ● Low



Natural Hazards

RISK DESCRIPTION:

There is a chance that natural hazards are not effectively mitigated due to fragmented strategic coordination, misalignment of roles and responsibilities, and insufficient integration of mitigation measures across planning, infrastructure, emergency management, and investment decision-making, will result in increased exposure of communities, assets and infrastructure to natural hazards, leading to harm to people and property, increased response and recovery costs, and potential liability and reputational impacts for Council.

RISK SPONSOR:

Resilience and Climate Action Manager

RISK APPETITE:

Adverse

RISK RATING:

Inherent risk: ● **Very high**

Residual risk: ● **High**

Target risk: ● **Moderate**



Procurement & Supply Chain

RISK DESCRIPTION:

There is a chance that suppliers will not have the available capability and capacity to support Council’s work programme due to difficulty in recruiting, strategic decisions on which clients to work with, or which location or region to target, because QLDC’s work is unattractive, or because QLDC is considered a ‘difficult’ client will result in Council being unable to deliver its strategic and operational objectives.

RISK SPONSOR:

General Manager Finance, Assurance and Risk

RISK APPETITE:

Justified

RISK RATING:

Inherent risk: ● **High**

Residual risk: ● **Moderate**

Target risk: ● **Moderate**



Climate and Biodiversity

RISK DESCRIPTION:

There is a chance that climate change and biodiversity degradation continue to accelerate and are not effectively mitigated due to insufficient coordinated action, investment and behavioural change across Council and the wider community, will result in increased frequency and severity of climate-related events, loss of natural ecosystems, and growing impacts on communities, infrastructure and the local economy, including higher response and recovery costs, reduced resilience, and erosion of community wellbeing and trust.

RISK SPONSOR:

Resilience and Climate Action Manager

RISK APPETITE:

Adverse

RISK RATING:

Inherent risk: ● **Very high**

Residual risk: ● **High**

Target risk: ● **Moderate**



Cost & Funding

RISK DESCRIPTION:

There is a chance that QLDC is unable to fund its objectives due to a change in priorities, inability to secure funding, poor financial planning or cost management, external economic impacts or an unexpected liability will result in the inability to meet annual or long term plan financial objectives, a requirement to reprioritise projects, and/or change the funding or financing model (e.g. increase rates/increased borrowing).

RISK SPONSOR:

General Manager Finance, Assurance and Risk

RISK APPETITE:

Measured

RISK RATING:

Inherent risk: ● **Very high**

Residual risk: ● **High**

Target risk: ● **Moderate**



Financial Strategy

RISK DESCRIPTION:

There is a chance that Council does not have, or is unable to demonstrate a prudent approach to financial management, rating and development contribution models due to a lack of system, processes or people capability will result in exposure to financial loss, lower credit rating or other fiscal impacts.

RISK SPONSOR:

General Manager Finance, Assurance and Risk

RISK APPETITE:

Measured

RISK RATING:

Inherent risk: ● **High**

Residual risk: ● **Moderate**

Target risk: ● **Low**



Governance

RISK DESCRIPTION:

There is a chance that there will be ineffective political governance due to an ineffective electoral process, inadequate training of elected members, poor meeting planning, a failure in officers to proactively inform elected members, or a breakdown in relationship between politicians and management/officers will result in Council failing to meet its strategic or operational objectives.

RISK SPONSOR:

Director Democracy Services

RISK APPETITE:

Conservative

RISK RATING:

Inherent risk: ● **High**

Residual risk: ● **Moderate**

Target risk: ● **Insignificant**



Civil Defence Emergency

RISK DESCRIPTION:

There is a chance that there is an ineffective response to a civil defence emergency event due to poor planning, a lack of resources, failing to prioritise planning or a lack of capability and capacity will result in potential harm to people, property and the environment.

RISK SPONSOR:

Interim Chief Executive

RISK APPETITE:

Adverse

RISK RATING:

Inherent risk: ● **Very high**

Residual risk: ● **High**

Target risk: ● **Moderate**



Inability to meet Te Tiriti o Waitangi obligations

RISK DESCRIPTION:

There is a chance that Council is unable to meet its Te Tiriti o Waitangi obligations and effectively progress key strategic and operational outcomes due to deterioration of Council's partnership with Mana Whenua (including erosion of trust and alignment), will result in increased opposition to consenting and delivery of priority projects, heightened legal, reputational and political risk and increased cost, delay, or failure of programmes reliant on effective partnership with Iwi.

RISK SPONSOR:

Māori Partnerships Manager

RISK APPETITE:

Conservative

RISK RATING:

Inherent risk: ● **High**

Residual risk: ● **High**

Target risk: ● **Low**



Information Governance

RISK DESCRIPTION:

There is a chance that QLDC may fail to effectively manage or utilise its information assets due to insufficient, inadequate, or ineffective information governance will result in information loss, misuse of information, privacy breaches, inconsistent information quality, inefficient information discovery, damage to physical archives/records, undocumented decisions and/or liability, loss of institutional intellectual property and organisational memory, and non-compliance with laws governing local government information management.

RISK SPONSOR:

Chief Information Officer

RISK APPETITE:

Conservative

RISK RATING:

Inherent risk: ● **Very high**

Residual risk: ● **Moderate**

Target risk: ● **Low**