

Full Council

31 July 2025

Report for Agenda Item | Rīpoata moto e Rāraki take [13]

Department: Chief Executive

Title | Taitara : Chief Executive's Report

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to report on items of general interest that do not require a full officer report and to summarise recent meetings of Queenstown Lakes District Council's (QLDC) Standing Committees and the Wānaka-Upper Clutha Community Board.

Recommendation | Kā Tūtohuka

That the Council:

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

Revocation of Superseded Policies

2. **Revokes** the Accounting Policy for the Treatment of Expired Footpath Deposits Policy and the Liquor Licensing Policy 2007, both effective from 31 July 2025;
3. **Notes** that the revocation has been assessed in accordance with section 82 of the Local Government Act 2002 and does not require formal consultation;
4. **Authorises** the Chief Executive to update Council records and notify relevant stakeholders of the revocation;

Adoption of the final Te-Taumata-o-Hakitekura Ben Lomond & Te Tapunui Queenstown Hill Reserve Management Plan

5. **Adopt** the final Te-Taumata-o-Hakitekura Ben Lomond & Te Tapunui Queenstown Hill Reserve Management Plan;

Deloitte Planning Report for 2024-2025 Audit

6. **Agree** that the signatories (Mayor and Chief Executive) sign the Engagement Letter and Audit Proposal Letter on behalf of the Council;

Council Report

Te Rīpoata Kaunihera ā-rohe

A unique place. An inspiring future.
He Wāhi Tūhāhā. He Āmua Whakaohoho.



Prepared by:

A handwritten signature in dark ink, appearing to be "Mike Theelen", with a long horizontal stroke extending to the right.

Name: Mike Theelen

Title: Chief Executive

10 July 2025

Revocation of Policies: Accounting Policy for the Treatment of Expired Footpath Deposits (1) and Liquor Licensing Policy (2)

1. The Assurance, Finance & Risk Directorate seeks Council approval to revoke the Accounting Policy for the Treatment of Expired Footpath Deposits Policy which was adopted by Council on 16 March 2001. This policy is no longer required as Queenstown Lakes District Council (QLDC) discontinued charging for Footpath Deposit bonds in 2017. It has been superseded by the Outdoor Dining on Public Space Policy – 2024.
2. The Directorate also seeks Council approval to revoke the Liquor Licensing Policy 2007 which was adopted by Council in January 2007. This policy is no longer required, replaced by the enactment of the Sale and Supply of Alcohol Act 2012 and the Sale and Supply of Alcohol Regulations 2013, both of which have superseded the Liquor Licensing Policy 2007.
3. These revocations are part of ongoing work to ensure Council's policies are up to date. Copies of the revoked policies are appended as Attachment A (Accounting Policy for the Treatment of Expired Footpath Deposits 2001 and Attachment B (Liquor Licensing Policy 2007)

Adoption of the final Te-Taumata-o-Hakitekura Ben Lomond & Te Tapunui Queenstown Hill Reserve Management Plan

4. The Final Te-Taumata-o-Hakitekura Ben Lomond & Te Tapunui Queenstown Hill Reserve Management Plan 2025 sets out the direction for the use, maintenance, protection, preservation, and development of Te-Taumata-o-Hakitekura Ben Lomond and Te Tapunui Queenstown Hill Reserves, through a vision and a series of objectives and policies. These will act as a guide for Council officers in making both day-to-day and long-term decisions about how the reserve will be used, managed, or developed.
5. The officer report to the Community & Services Committee meeting which took place on 3 July 2025 noted where the main changes had been made to the draft following public consultation. These included the following:
 - Updates to the vision statement
 - New reserve descriptions added
 - New entries to reflect Skyline gondola upgrades including the restaurant expansion and Ziptrek Ecotours' future planning
 - New objectives detailing the position on invasive wilding conifer control in the reserves
 - New and enhanced policies and objectives for Wynyard Crescent, Fernhill Loop Trail, One Mile, the Tiki Trail and Kerry Drive
 - Increased profile for recreational and use policies (inclusion at the front of the plan)
 - New landscape protection forestry policies
 - New fire policies
 - Update pest management policy (prohibition of feral cat colony feeding station)
 - Policies to enable commercial activities where they have community or reserve-wide benefits and Queenstown Hill's potential future use as a transport corridor
 - Reserve Trail Network instead of 'biking and walking trails'
 - Prohibition of smoking and vaping.

Deloitte Interim Audit Report

6. Deloitte conducted audit planning activities in April 2025 including an interim audit in preparation for the final visit in August/September 2025.
7. The Engagement Letter and Audit Proposal letters, which have been reviewed by members of the finance team, enables the audit to take place as planned in August/September 2025. The Audit, Finance & Risk Committee recommends that the Council approve signing the Engagement Letter (Attachment C) and the Audit Proposal letter (Attachment D).

Committee Meetings of the Previous Round

Community & Services Committee – Councillor Ferguson (Chair) (3 July 2025)

Recommendation:

1. Recommendation to adopt the final Te-Taumata-o-Hakitekura Ben Lomond & Te Tapunui Queenstown Hill Reserve Management Plan

Information:

2. Chair's Report

Audit, Finance & Risk Committee – Mr Stuart McLauchlan (Chair) (8 July 2025)

Information:

1. Assurance and Risk Update
2. Queenstown Airport Corporation Capital Programme
3. Treasury Update
4. Organisational Health, Safety and Wellbeing Report
5. Climate and Biodiversity Plan Update
6. Lakeview Development Programme
7. Annual Privacy Update
8. April Year to date 2025 Financial Overview
9. 2025/26 Annual Plan
11. Insurance Update
12. Internal audit Report June 2025*
13. Legal Update*

Recommendation

10. Deloitte Interim Audit Report

* These items were considered with the public excluded.

Planning & Strategy Committee – Councillor Cocks (Chair) (17 July 2025)

Information:

1. Te Tapuae Southern Corridor Structure Plan
2. Update on Progress on the Proposed District Plan and Other Key Projects
3. Changes to the Operative and Proposed District Plans required to implement the National Environmental Standards for Commercial Forestry, 2023
4. Hāwea Mapping Variation to the Proposed District Plan
5. Interactive Housing and Business and Feasibility Model (Lying on the Table)
6. Delegations for Mediation: Malaghans Investments Limited*

*This item was considered with the public excluded.

Governance Subcommittee – Mayor Lewers (Chair) (22 July 2025)

Recommendation:

1. Recommendation regarding the remuneration of Directors appointed to the Queenstown Airport Corporation Board*

*This item was considered with the public excluded.

Attachments | Kā Tāpirihaka

A	Accounting Policy for the Treatment of Expired Footpath Deposits
B	Liquor Licensing Policy 2007
C	Audit Engagement Letter
D	Audit Proposal Letter

Accounting Policy for the Treatment of Expired Footpath Deposits

Adopted – Council 16 March 2001

- a) Footpath deposits are deemed to have expired if they are not repaid or transferred within 6 years of receipt by the Council.
- b) Expired footpath deposits will be transferred to the roading revenue of the ward where the building activity was undertaken. If this is not known the revenue will be allocated to each ward in proportion to the total number of building consents issued by ward in the relevant period.
- c) It is recommended that this revenue be used to fund new footpath or kerb and channel works.

Liquor Licensing Policy

Adopted – Council 25 May 2007

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INTRODUCTION

The Queenstown Lakes District Council Liquor Licensing Policy aims to provide a framework for the operation of the Sale of Liquor Act 1989 in the Queenstown Lakes District.

The Policy outlines Council's approach, through the District Licensing Agency (DLA) to the sale of liquor, the interpretation of the Act and the operation of licensed premises within the district. The Policy also outlines Council's attitudes to liquor licensing issues in the district.

The Policy enables the DLA to administer the Sale of Liquor Act 1989 by establishing local standards to be implemented in conjunction with the decisions and directions of the Liquor Licensing Authority. (LLA)

The Queenstown Lakes DLA acknowledges the provisions in the Resource Management Act 1991 and the Local Government Act 2002 relating to liquor licensing issues.

SALE OF LIQUOR ACT 1989

The object of the Sale of Liquor Act 1989 ("the Act") is set out in Section 4:

The object of this Act is to establish a reasonable system of control over the sale and supply of liquor to the public with the aim of contributing to the reduction of liquor abuse, so far as that can be achieved by legislative means.

The Licensing Authority, every District Licensing Agency, and any Court hearing any appeal against any decision of the Licensing Authority, shall exercise its jurisdiction, powers, and discretions under this Act in the manner that is most likely to promote the object of this Act.

The DLA therefore has a role to play in the reduction of liquor abuse through its responsibilities pursuant to the Sale of Liquor Act 1989.

The DLA and its Inspector carries out its role in conjunction with the Police and the Medical Officer of Health appointed by Public Health South.

All unopposed applications for licences and Manager's Certificates may be granted by the DLA. Any opposed applications must be forwarded to the Secretary of the LLA for determination.

ON-LICENCES

On-licences authorise the sale, supply and consumption of liquor on the premises to which the licence applies, for example, hotels, taverns, restaurants, function venues, theatres and conveyances.

The factors the DLA must have regard to in considering an application for an on-licence are as follows:

- Applicant Suitability
- Trading hours
- Provision of food and non-alcoholic beverages.
- Designations
- Planning and Building code compliance
- Police reports
- Medical Officer of Health reports

POLICY ON APPLICANT SUITABILITY

Any legal entity involved in the ownership and management of licensed premises may be deemed unsuitable by the regulatory agencies having considered the criteria listed above.

Non-compliance with any legislative requirements may impact on the applicant's suitability and result in the application being opposed.

In making a decision on whether an application is opposed the DLA will consider the application in accordance with the guidelines established in decisions of the Liquor Licensing Authority.

POLICY ON TRADING HOURS

The District Plan provisions relating to on-licences permit the sale of liquor between 7.00 am and 11.00 pm in the town centre zone pursuant to a tavern style on-licence.

Any applicant seeking to sell liquor outside of these hours and pursuant to a tavern style on-licence must obtain resource consent unless there is an existing use right.

TRADING HOURS FOR ON-LICENCES: QUEENSTOWN TOWN CENTRE ZONE

The maximum trading hours for all on-licences (other than trading for house guests in hotels and for restaurant style on-licences) in the Queenstown Central Business District (Town Centre Zone) will be 7.00 am to 4.00 am the following day, subject to the rules in the District Plan and the provisions of the Resource Management Act 1991.

TRADING HOURS FOR ON-LICENCES: QUEENSTOWN LAKES DISTRICT

The maximum trading hours for all on-licences (other than trading for house guests in hotels and for restaurant style on-licences) in the rest of the Queenstown Lakes District, other than Queenstown CBD will be 7.00 am to 2.30 am the following day, subject to the rules in the District Plan and the provisions of the Resource Management Act 1991.

TRADING HOURS FOR RESTAURANTS: QUEENSTOWN LAKES DISTRICT

The maximum trading hours for all restaurant style on-licence premises throughout the district will be 7.00 am to 2.00 am the following day, subject to the rules in the District Plan and the provisions of the Resource Management Act 1991.

The actual trading hours of each separate premises shall be determined on a case by case basis within the maximum times set out in the policy.

Any application for an on-licence seeking trading hours wider than those authorised in the policy will be forwarded to the LLA for determination.

POLICY ON DESIGNATIONS

Designations will be imposed as appropriate in accordance with the mandatory provisions of the Act and the nature of the premises.

In addition to the mandatory designations, a restricted designation (no persons under 18 allowed) will be imposed in respect of all areas where gaming machines are located where it is practical to do so.

OFF-LICENCES

An off-licence authorises the holder to sell liquor, on the premises to which the licence applies, for consumption off the premises and to allow complimentary tasting of liquor on the premises, for example, bottle stores, supermarkets, souvenir shops.

The factors the DLA must have regard to in considering an application for an off-licence are as follows:

- Applicant Suitability
- Trading hours
- Designations
- Planning and Building code compliance
- Police reports

POLICY ON APPLICANT SUITABILITY

Any legal entity involved in the ownership and management of licensed premises may be deemed unsuitable by the regulatory agencies having considered the criteria listed above.

Non-compliance with any legislative requirements may impact on the applicant's suitability and result in the application being opposed.

In making a decision on whether an application is opposed the DLA will consider the application in accordance with the guidelines established in decisions of the Liquor Licensing Authority.

POLICY ON TRADING HOURS

The District Plan provisions relating to off-licences, permit the retail sale of liquor at any time on any day in the commercial zone.

The maximum trading hours for all off-licence premises throughout the district, other than caterers' off-licences will be 7.00 am to 12.00 midnight, subject to the rules in the District Plan and the provisions of the Resource Management Act 1991.

Any application for an off-licence seeking trading hours wider than those authorised in the policy will be forwarded to the LLA for determination.

POLICY ON DESIGNATIONS

A supervised designation will be imposed in respect of all stand-alone bottle store premises.

CLUB LICENCES

A club licence can be issued to any kind of incorporated club. It authorises the holder to sell liquor to club members and their guests for consumption on the premises to which the licence applies.

The key factors in considering an application for a club-licence are as follows:

- Applicant Suitability
- Trading hours
- Provision of food and non-alcoholic beverages.
- Designations
- Police reports
- Medical Officer of Health reports

The Policy in respect of applicant suitability, the provision and food and non-alcoholic beverages and designations is as for on-licences.

POLICY ON TRADING HOURS

The maximum trading hours for all club licence premises throughout the district will be 7.00 am to 1.00 am the following day, subject to the rules in the District Plan and the provisions of the Resource Management Act 1991.

Clubs will also need to prove to the DLA that the predominant use of the premises is an activity other than the sale of liquor.

Any application for a club-licence seeking trading hours wider than those authorised in the policy will be forwarded to the LLA for determination.

RENEWAL OF ON-LICENCES AND CLUB LICENCES

All applications for renewal of on and club licences must provide a copy of a current written Host Responsibility Policy. This gives the licensee the impetus to review the policy and to update it if necessary, incorporating any amendments to the Sale of Liquor Act or associated legislation.

It also enables the licensee to demonstrate a real commitment to host responsibility and the responsible management of the premises.

DUTY MANAGERS

- The name of the duty manager must be prominently displayed in the licensed premises and easily read by any person on the premises.
- As provided in the Act, there may be only one duty manager at any one time. However, all licensed premises should employ more than one certified manager, the ratio being in keeping with operating hours. In limited circumstances one duty manager may be considered adequate.

TEMPORARY AUTHORITIES

Temporary authorities may be granted by the DLA to authorise any entity having an interest in a business holding a current on-licence or off-licence, to carry on the sale and supply of liquor for a period of up to three months whilst a new application is being processed.

POLICY ON TEMPORARY AUTHORITIES

- Applicants must provide written evidence confirming they have an interest in the business.
- The DLA will not grant more than one temporary authority other than in exceptional circumstances.
- A Police report must be obtained in respect of all applications for a temporary authority.
- An opposed application will require a hearing before the DLA.

SPECIAL LICENCES

A special licence authorises the holder to sell or supply liquor for an occasion or event, or series of occasions or events or for a social gathering. Special licences may be granted in respect of premises with existing liquor licences or premises that are unlicensed.

The following guidelines will apply in respect of special licences:

Special licence applications must be filed with the DLA 40 working days before an event in order to allow for the possibility of a public hearing.

However, uncontentious applications will be accepted and processed in a shorter timeframe of 20 working days.

All applications will be considered on their merits and in accordance with the case law.

- A special licence will not be issued on the papers when in the opinion of the reporting agencies, the nature and extent of the activities should be covered by an on, off or club licence. A special licence will not be issued as a substitute for a permanent licence.

A special licence will not be issued for any extension of trading hours for a social gathering that cannot be distinguished from the ordinary day to day trading of the premises.

- Special licences will generally be granted for up to 12 days in respect of events or occasions in a calendar year.

TRADING HOURS

- The trading hours granted will be discretionary, however, where the hours or the nature of the operation are restricted by the conditions of resource consent, a special licence may not be granted.

HOST RESPONSIBILITY PLANS

- All applicants for special licences in respect of large public events are required to provide and implement a robust written host responsibility plan.
- Host responsibility plans must also be provided when required by the reporting agencies, particularly for any series of events such as sporting telecasts.

PROVISION OF FOOD

- Food will be required at all on-licence type events. The amount and nature of the food required will be discretionary dependent on the nature of the event. The applicant for a special licence will be required to supply information to the DLA in respect of the food that will be available at the event.
- Food stall permits will be required to be obtained for events held other than on premises that are already registered under the Food Hygiene Regulations 1974 to sell food to the public.

DUTY MANAGERS

- The DLA will require the holder of a General or Club Manager's Certificate to be responsible for the sale or supply of liquor when a special licence is in force. However, an exception will be considered for small events if the DLA is satisfied that the licensee or some other person nominated by the licensee, will manage the sale or supply of liquor pursuant to the licence and will monitor the conduct of the premises.

NEW YEAR'S EVE

The DLA may issue special licences on New Year's Eve.

Any special licences for New Year's Eve will be for an extension of trading hours until 3.00 am on 1 January.

SPECIAL LICENCES FOR EASTER, CHRISTMAS AND ANZAC DAY

- Applications will be considered in accordance with the precedent decisions of the DLA and the LLA.

USE OF PRIVATE AND PUBLIC LAND

The applicant must obtain the relevant landlord consents and must clearly define the area that will be the subject of the special licence.

USE OF COUNCIL RESERVES

Any applicant for a special licence must adhere to Council's policies regarding the use of public reserves.

In some cases additional action may be required to mitigate damage to the public reserve.

OUTDOOR EVENTS

It may be a requirement of any special licence issued in respect of an outdoor area that liquor can only be sold in plastic or cans.

RECYCLING PLANS

Applicants for special licences for large public events may be required to provide a recycling plan.

HEARINGS IN RESPECT OF SPECIAL LICENCES

- Any applicant for a special licence that does not meet any of the criteria for special licences will require a hearing before the DLA.
- Any applicant seeking a special licence for more than 12 specific dates will require a hearing before the DLA.

HOST RESPONSIBILITY

All applicants for on, off and club licences must provide a written host responsibility policy with the application. The policy must be approved by the reporting agencies and be clearly visible to staff and patrons. The policy must also be adhered to at all times by the management and staff of the licensed premises.

Host Responsibility must be a genuine policy document specific to the licensed premises.

Host Responsibility strategies need to be continually implemented, monitored and the policy updated as necessary.

POLICIES ON HOST RESPONSIBILITY

Provision and promotion of food for on-licence and club licence premises:

A sufficient amount of reasonably priced food of a substantial nature must be readily available for patrons and immediately accessible from the licensed premises itself at all times that the premises are trading. The food you have available must be appealing and should be aligned with the menu submitted with your liquor licence application or a range of food in the nature of pies, sandwiches, filled rolls, pizzas and the like.

(Note: The type of food provided must be bulky and filling in nature in order to slow down the absorption of alcohol into the blood stream.)

Menus should be displayed on tables and at the bar, and should be available on request by patrons at all times. Food should be promoted using visible signage and menu boards.

Bar staff should be encouraged to actively promote the range of food options available.

The provision of free bar snacks that smell and taste appealing is encouraged to entice people to think about and maybe purchase further food, thereby reducing the chance of intoxication.

If the supply of food is exhausted, it would be expected that liquor can no longer be sold.

Where possible menus and signage should be placed at the principal entrance to the premises so as to be clearly visible to passers-by.

LOW AND NON-ALCOHOLIC DRINKS

Low alcohol drinks, including light beers, and alcohol free drinks must be readily available and promoted on menus and by staff.

TRANSPORT

Safe transport services must be promoted by staff and signage should be visible throughout the premises and at the entrance/exit to the premises.

Licensed premises should make taxis as available and easy to use as possible by offering to call a taxi for customers, having a free phone available for customer usage, having taxi signage and investing in discount taxi schemes.

Licensed premises should encourage groups to designate-a-sober-driver and provide them with free non-alcoholic drinks.

SIGNAGE

Signage in respect of the law relating to serving minors and intoxicated patrons must be displayed in a prominent position and should be readable from a distance.

MANAGERS CERTIFICATES

The factors the DLA must have regard to in considering an application for a Manager's Certificate are as follows

- The applicant's character and reputation.
- Any convictions recorded against the applicant.
- Any experience that the applicant has had in managing licensed premises.
- Relevant training and relevant qualifications.
- Police report.

POLICY ON MANAGERS CERTIFICATES

All applications will be considered on their merits.

However, all applicants will be required to:

- Be employed in the hospitality industry at the time of the application being filed and determined.
- Have six months experience in the sale and supply of liquor.
- Provide two signed references dated in the year before the application is filed, either from previous employees or another person stating the applicant is of suitable character.
- Attend an interview with the DLA's staff where required and display a satisfactory understanding of the Act and host responsibility.
- **Obtain the Licence Controller Qualification comprising the two NZQA unit standards, Sale of Liquor Theory, (Unit 4646) and Host Responsibility Theory (16705).**
- Applications for renewal will be based on the continued suitability of the applicant and compliance with the requirements of the Act since the date of the last renewal.
- **All applicants for renewal must also hold the Licence Controller Qualification.**

Applications for new Managers Certificates and renewals will be opposed and may require determination by the LLA in the following situations:

- Non disclosure of convictions.
- A pattern of offending and/or behaviour indicating unsuitability
- Alcohol and drug related convictions.
- Serious convictions.
- Any other matters as outlined in previous decisions of the LLA.

In considering applications the reporting agencies will consider the guidelines established in the precedent decisions of the LLA.

CANCELLATION AND SUSPENSION OF CERTIFICATES

If any holder of a Manager's Certificate is convicted of a drink driving offence between the issue of the Certificate and any subsequent renewal, it shall be the policy of the Police and DLA Inspector to file an application for suspension or cancellation of the Manager's Certificate.

In all other cases, the decision of the Police and DLA Inspector to file an application for suspension or cancellation of a Manager's Certificate will be considered on a case by case basis.

MONITORING AND ENFORCEMENT

The DLA supports a proactive approach to the monitoring of licensed premises and encourages the regulatory agencies to strictly enforce the provisions of the Act.

Breaches of the Act will be viewed seriously by the DLA including noise related matters where noise from licensed premises is detrimentally impacting on neighbouring residents and businesses.

The DLA encourages the regulatory agencies to carry out regular Controlled Purchase Operations to ensure compliance with the legislation relating to the sale and supply of liquor to minors.

The DLA notes that it is an offence to be intoxicated on licensed premises and to purchase liquor on licensed premises when intoxicated. The DLA views these offences as serious breaches of the Sale of Liquor Act 1989.

The DLA Inspector will carry out monitoring of licensed premises in the district. Generally monitoring will be carried out each month, subject to resources.

The DLA Inspector will work in partnership with Police and Public Health South in the monitoring of licensed premises.

STAFF TRAINING

The DLA recognises that staff training is an integral aspect of host responsibility and compliance with the Sale of Liquor Act 1989.

The DLA also acknowledges that in a community where employees in the hospitality industry tend to be transient, licensees will need to have an ongoing training programme in place.

When filing an application for a new licence in respect of any licensed premises, all applicants must provide information in relation to the staff training proposed.

When filing an application for the renewal of any licence, the applicant must provide information regarding the training they have provided for all staff, since the licence was originally issued or last renewed. Applicants must also outline their proposals for ongoing training.

In particular staff of licensed premises must be trained to recognise the signs of intoxication and understand how to intervene.

Staff must be trained to identify underage people and ensure they are not served liquor.

PROMOTIONS

- The Sale of Liquor Act 1989 provides that it is an offence for any licensee or manager of licensed premises, to do anything in the promotion of the business conducted on the premises, or in the promotion of any event or activity held or conducted on the premises, that is intended or likely to encourage persons on the licensed premises to consume alcohol to an excessive extent.
- Licensees and managers are encouraged to obtain the approval of the reporting agencies for any other promotions.
- The DLA supports the national protocol on alcohol promotions as endorsed by ALAC.

Any “happy hour” style promotions are restricted to a 60 minute timeframe within a 24-hour period and “happy hour” style promotions are not permitted after 10.00 pm.

PARTY PILLS

Products known as “party pills” must not be sold from any licensed premises.

ENVIRONMENTAL HEALTH

All applicants for on-licences, club licences and for renewals of on-licences and club licences must comply with the Food Hygiene Regulations 1974 and be registered accordingly.

Ashtrays and rubbish bins must be provided for licensed outdoor areas that are privately owned.

Licensees are encouraged to have recycling plans in place.

FIRE SAFETY

All licensed premises must have an approved fire safety evacuation scheme or confirmation from the New Zealand Fire Service that a scheme is not required

LIQUOR BANS

The DLA supports Council in implementing liquor ban by-laws where appropriate via the Local Government Act 2002, to reduce liquor abuse in public places.

SECURITY ISSUES

All licensees are encouraged to provide appropriate lighting or security areas for coats and bags to increase security and help prevent theft.

Licensees are encourage to equip the main bar areas with effective camera surveillance.

LIAISON AND COMMUNICATION

Liaison and advocacy are important roles for the DLA in terms of contributing to the reduction of liquor abuse. This includes the following:

- A Liquor Liaison Group including Police, DLA staff, Public Health South, HANZ and any other interested agencies will meet on a bi-monthly basis.
- The DLA will generally meet with licensees and the reporting agencies on a yearly basis.
- The DLA will send newsletters to all licensees in the district on a quarterly basis.

LEGISLATIVE CHANGES

The DLA is committed to advocacy and lobbying central government on relevant liquor licensing issues.

The DLA shall where appropriate become involved in the formulation of national legislation relating to liquor licensing by preparing submissions on relevant issues.

COMMUNITY EDUCATION AND HEALTH PROMOTION

- The DLA will encourage and support health promotion and community education and training carried out in the district including training workshops for licensees. The DLA will also encourage and support any other promotional work aimed at reducing alcohol related harm and liquor abuse.
- The DLA will encourage and support any projects and initiatives aimed at reducing alcohol related problems amongst the youth in the district.

The DLA supports the ALAC (Alcohol Advisory Council) Culture Change Campaign and any social marketing campaigns aimed at promoting responsible drinking.



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10 June 2025

The Mayor
Queenstown Lakes District Council
Private Bag 50072
Queenstown, 9348

Dear Mayor,

AUDIT ENGAGEMENT LETTER

This audit engagement letter is sent to you on behalf of the Auditor-General who is the auditor of all “public entities”, including Queenstown Lakes District Council, under section 14 of the Public Audit Act 2001 (the Act). The Auditor-General has appointed me, Heidi Rautjoki, using the staff and resources of Deloitte Limited, under section 32 and 33 of the Act, to carry out the annual audits of the Queenstown Lakes District Council’s financial statements and performance information. We will be carrying out these annual audits on the Auditor-General’s behalf, for the year ending 30 June 2025.

This letter outlines:

- the terms of the audit engagement and the nature, and limitations, of the annual audit; and
- the respective responsibilities of the Council and me, as the Appointed Auditor, for the financial statements and performance information.

The objectives of the annual audit are:

- to provide an independent opinion on the Council’s financial statements and performance information; and
- to report on other matters that come to our attention as part of the annual audit. Typically those matters will relate to issues of financial management and accountability.

We will carry out the audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board (collectively the Auditing Standards). The Auditing Standards require that we comply with ethical requirements, and plan and perform the annual audit to obtain reasonable assurance about whether the Queenstown Lake District Council’s financial statements and performance information are free from material misstatement. The Auditing Standards also require that we remain alert to issues of concern to the Auditor-General. Such issues tend to relate to matters of financial management and accountability.

Your responsibilities

Our audit will be carried out on the basis that the Council acknowledges that it has responsibility for:

- preparing the financial statements and performance information in accordance with any applicable legal requirements and financial reporting standards;
- having such internal control as determined necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error; and
- providing us with:

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- access to all information relevant to preparing the financial statements and performance information such as records, documentation, and other information;
- all other information, in addition to the financial statements and performance information, to be included in the annual report;
- additional information that we may request from the Queenstown Lakes District Council for the purpose of the audit;
- unrestricted access to Council members and employees that we consider necessary; and
- written confirmation concerning representations made to us in connection with the audit.

In addition, the Council is responsible:

- for the preparation of the summary financial statements and summary performance information;
 - for making the audited summary financial statements and summary performance information readily available to the intended users of that information; and
- for including our audit report on the summary financial statements and summary performance information in any document that contains that information and that indicates that we have reported on that information.

The Council's responsibilities extend to all resources, activities, and entities under its control. We expect that the Council will ensure:

- the resources, activities, and entities under its control have been operating effectively and efficiently;
- it has complied with its statutory obligations including laws, regulations, and contractual requirements;
- it has carried out its decisions and actions with due regard to minimising waste;
- it has met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector in that it has carried out its decisions and actions with due regard to probity; and
- its decisions and actions have been taken with due regard to financial prudence.

We expect the Council and/or the individuals within the Queenstown Lakes District Council with delegated authority, to immediately inform us of any suspected fraud, where there is a reasonable basis that suspected fraud has occurred - regardless of the amount involved. Suspected fraud also includes instances of bribery and/or corruption.

The Council has certain responsibilities relating to the preparation of the financial statements and performance information and in respect of financial management and accountability matters. These specific responsibilities are set out in Annex 1. The Auditor-General and Deloitte Limited take seriously their responsibilities under the Health and Safety at Work Act 2015, and we expect you to provide a safe and healthy working environment for our audit staff when they are working at your premises. Specific health and safety responsibilities are set out in Annex 1. We expect members of the Council to be familiar with all of the responsibilities set out in Annex 1 and, where necessary, have obtained advice about them.

The Council should have documented policies and procedures to support its responsibilities. It should also regularly monitor performance against its objectives.

Our responsibilities

Carrying out the audit

We are responsible for forming an independent opinion on whether the financial statements of Queenstown Lakes District Council:

- present fairly, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year then ended;
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Financial Reporting Framework as applicable for Tier 1 reporting entities.

We are also responsible for forming an independent opinion on whether the performance information of Queenstown Lakes District Council:

- presents fairly, in all material respects, the performance for the year ended 30 June 2025, including:
 - its performance achievements as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and expenses as compared with the forecasts included in the statement of performance expectations for the financial year.
- complies with generally accepted accounting practice in New Zealand.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements and performance information. How we obtain this information depends on our judgement, including our assessment of the risks of material misstatement of the financial statements and performance information, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements and performance information.

We do not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

During the audit, we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal controls. However, we will communicate to you in writing about any significant deficiencies in internal control relevant to the audit of the financial statements and performance information that we identify during the audit.

During the audit, the audit team will:

- be alert for issues of effectiveness and efficiency – in particular, how the Council has carried out their activities;
- consider laws and regulations relevant to the audit;
- be alert for issues of waste – in particular, whether the Council obtained and applied the resources of the Council in an economical manner, and whether any resources are being wasted;
- be alert for issues of a lack of probity – in particular, whether the Council has met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector; and
- be alert for issues of a lack of financial prudence.

Our independence

It is essential that the audit team and Deloitte Limited remain both economically and attitudinally independent of Queenstown Lakes District Council (the Council); including being independent of management personnel and members of the Council). This involves being, and appearing to be, free of any interest that might be regarded, whatever its actual effect, as being incompatible with the objectivity of the audit team and the Deloitte Limited.

To protect our independence, specific limitations are placed on us in accepting engagements with the Council other than the annual audit. We may accept certain types of other engagements, subject to the requirements of the Auditing Standards. Any other engagements must be the subject of a separate written arrangement between the Council and myself or Deloitte Limited.

Reporting

We will issue an independent audit report that will be attached to the financial statements and performance information. This report contains our opinion on the fair presentation of the financial statements and performance information and whether they comply with the applicable reporting requirements. The audit report may also include

comment on other financial management and accountability matters that we consider may be of interest to the addressee of the audit report.

We will also issue a management letter that will be sent to the Council. This letter communicates any matters that come to our attention during the audit that, in our opinion, are relevant to the Council. Typically those matters will relate to issues of financial management and accountability. We may also provide other management letters to the Queenstown Lakes District Council from time to time. We will inform the Council of any other management letters we have issued.

Please note that the Auditor-General may publicly report matters that are identified in the annual audit, in keeping with section 21 of the Public Audit Act 2001.

Audit tools

You agree that, for the purpose of providing the services covered by this letter, we may use third parties, wherever located, to store and process information received from you or your agents; provided that such third parties are bound by confidentiality obligations similar to those contained in the Terms. For example, Deloitte uses a cloud services platform (currently Microsoft Azure), to host an integrated suite of audit tools which may be used as part of our engagement with you.

Next steps

Please acknowledge receipt of this letter and the terms of the audit engagement by signing the enclosed copy of the letter in the space provided and returning it to me. The terms will remain effective until a new Audit Engagement Letter is issued.

If you have any questions about the audit generally, or have any concerns about the quality of the audit, you should contact me as soon as possible. If after contacting me you still have concerns, you should contact the Director of Auditor Appointments at the Office of the Auditor-General on (04) 917 1500.

If you require any further information, or wish to discuss the terms of the audit engagement further before replying, please do not hesitate to contact me.

Yours faithfully/sincerely



Heidi Rautjoki
Partner
for Deloitte Limited
On behalf of the Auditor-General
Dunedin, New Zealand

I acknowledge the terms of this engagement and that I have the required authority on behalf of the Council.

Signature:

Name:

Title: Date:

Annex 1 – Respective specific responsibilities of the Council and the Appointed Auditor

Responsibilities for the financial statements <i>and performance information</i>	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You are required by legislation to prepare financial statements <i>and performance information</i> in accordance with legal requirements and financial reporting standards.</p> <p>You must also ensure that any accompanying information in the annual report is consistent with that reported in the audited financial statements <i>and performance information</i>.</p> <p>You are required by legislation to prepare the financial statements <i>and performance information</i> and provide that information to us before the statutory reporting deadline. It is normal practice for you to set your own timetable to comply with statutory reporting deadlines. To meet the reporting deadlines, we are dependent on receiving the financial statements <i>and performance information</i> ready for audit and in enough time to enable the audit to be completed. "Ready for audit" means that the financial statements <i>and performance information</i> have been prepared in accordance with legal requirements and financial reporting standards, and are supported by proper accounting records and complete evidential documentation.</p>	<p>We are responsible for carrying out an annual audit, on behalf of the Auditor-General. We are responsible for forming an independent opinion on whether the financial statements:</p> <ul style="list-style-type: none"> present fairly, in all material respects: <ul style="list-style-type: none"> the financial position as at 30 June 2025; and the financial performance and cash flows for the year then ended; comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards. <p>We are also responsible for forming an independent opinion on whether the performance information:</p> <ul style="list-style-type: none"> presents fairly, in all material respects, the performance for the year ended 30 June 2025, including: <ul style="list-style-type: none"> the performance achievements as compared with forecasts included in the statement of performance expectations for the financial year; and the actual revenue and expenses as compared with the forecasts included in the statement of performance expectations for the financial year. complies with generally accepted accounting practice in New Zealand <p>We will also read the other information accompanying the financial statements and performance information and consider whether there are material inconsistencies with the audited financial statements and performance information.</p> <p>Materiality is one of the main factors affecting our judgement on the areas to be tested and on the timing, nature, and extent of the tests and procedures performed during the audit. In planning and performing the annual audit, we aim to obtain reasonable assurance that the financial statements and performance information do not have material misstatements caused by either fraud or error. Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence the audit report addressee's overall understanding of the financial statements and performance information.</p>

If we find material misstatements that are not corrected, they will be referred to in the audit opinion. The Auditor-General's preference is for you to correct any material misstatements and avoid the need for them to be referred to in the audit opinion.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by those charged with governance;
- the appropriateness of the content and measures in any performance information;
- the adequacy of the disclosures in the financial statements and performance information; and
- the overall presentation of the financial statements and performance information.

We will ask you for written confirmation of representations made about the financial statements and performance information. In particular, we will seek confirmation that:

- the adoption of the going concern basis of accounting is appropriate;
- all material transactions have been recorded and are reflected in the financial statements and performance information;
- all instances of non-compliance or suspected non-compliance with laws and regulations have been disclosed to us; and
- uncorrected misstatements noted during the audit are immaterial to the financial statements and performance information.

Any representation made does not in any way reduce our responsibility to perform appropriate audit procedures and enquiries.

We will ensure that the annual audit is completed by the reporting deadline or, if that is not practicable because of the non-receipt or condition of the financial statements and performance information, or for some other reason beyond our control, as soon as possible after that.

The work papers that we produce in carrying out the audit are the property of the Auditor-General. Work papers are confidential to the Auditor-General and subject to the disclosure provisions in section 30 of the Public Audit Act 2001.

Responsibilities for the accounting records	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You are responsible for maintaining accounting and other records that:</p> <ul style="list-style-type: none"> • correctly record and explain the transactions of the public entity; • enable you to monitor the resources, activities, and entities under your control; • enable the public entity's financial position to be determined with reasonable accuracy at any time; • enable you to prepare financial statements and performance information that comply with legislation (and that allow the financial statements and performance information to be readily and properly audited); and • are in keeping with the requirements of the Commissioner of Inland Revenue. 	<p>We will perform sufficient tests to obtain reasonable assurance as to whether the underlying records are reliable and adequate as a basis for preparing the financial statements and performance information.</p> <p>If, in our opinion, the records are not reliable or accurate enough to enable the preparation of the financial statements and performance information and the necessary evidence cannot be obtained by other means, we will need to consider the effect on the audit opinion.</p>

Responsibilities for accounting and internal control systems	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You are responsible for establishing and maintaining accounting and internal control systems (appropriate to the size of the public entity), supported by written policies and procedures, designed to provide reasonable assurance as to the integrity and reliability of financial and - where applicable - performance information reporting.</p>	<p>The annual audit is not designed to identify all significant weaknesses in your accounting and internal control systems. We will review the accounting and internal control systems only to the extent required to express an opinion on the financial statements and performance information.</p> <p>We will report to you separately, on any significant weaknesses in the accounting and internal control systems that come to our notice and that we consider may be relevant to you. Any such report will provide constructive recommendations to assist you to address those weaknesses.</p>

Responsibilities for preventing and detecting fraud and error	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>The responsibility for the prevention and detection of fraud and error rests with you, through the implementation and continued operation of adequate internal control systems (appropriate to the size of the public entity) supported by written policies and procedures.</p> <p>We expect you to formally address the matter of fraud, and formulate an appropriate policy on how to minimise it and (if it occurs) how it will be dealt with. Fraud also includes bribery and corruption.</p> <p>We expect you to consider reporting all instances of actual, suspected, or alleged fraud to the appropriate law enforcement agency, which will decide whether proceedings for a criminal offence should be instituted. We expect you to immediately inform us of any suspected fraud where you, and/or any individuals within Queenstown Lakes District Council with delegated authority have a reasonable basis that suspected fraud has occurred - regardless of the amount involved.</p>	<p>We design our audit to obtain reasonable, but not absolute, assurance of detecting fraud or error that would have a material effect on the financial statements and performance information. We will review the accounting and internal control systems only to the extent required for them to express an opinion on the financial statements and performance information, but we will:</p> <ul style="list-style-type: none"> • obtain an understanding of internal control and assess its ability for preventing and detecting material fraud and error; and • report to you any significant weaknesses in internal control that come to our notice. <p>We are required to immediately advise the Office of the Auditor-General of all instances of actual, suspected, or alleged fraud.</p> <p>As part of the audit, you will be asked for written confirmation that you have disclosed all known instances of actual, suspected, or alleged fraud to us.</p> <p>If we become aware of the possible existence of fraud, whether through applying audit procedures, advice from you, or management, or by any other means, we will communicate this to you with the expectation that you will consider whether it is appropriate to report the fraud to the appropriate law enforcement agency. In the event that you do not report the fraud to the appropriate law enforcement agency, the Auditor-General will consider doing so, if it is appropriate for the purposes of protecting the interests of the public.</p>

Responsibilities for compliance with laws and regulations	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You are responsible for ensuring that the public entity has systems, policies, and procedures (appropriate to the size of the public entity) to ensure that all applicable legislative, regulatory, and contractual requirements that apply to the activities and functions of the public entity are complied with. Such systems, policies, and procedures should be documented.</p>	<p>We will obtain an understanding of the systems, policies, and procedures put in place for the purpose of ensuring compliance with those legislative and regulatory requirements that are relevant to the audit. Our consideration of specific laws and regulations will depend on a number of factors, including:</p> <ul style="list-style-type: none"> • the relevance of the law or regulation to the audit; • our assessment of the risk of non-compliance; • the impact of non-compliance for the addressee of the audit report <p>The way in which we will report instances of non-compliance that come to our attention will depend on considerations of materiality or significance. We will report to you and to the Auditor-General all material and significant instances of non-compliance.</p> <p>We will also report to you any significant weaknesses that we observe in internal control systems, policies, and procedures for monitoring compliance with laws and regulations.</p>

Responsibilities to establish and maintain appropriate standards of conduct and personal integrity	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You should at all times take all practicable steps to ensure that your members and employees maintain high standards of conduct and personal integrity. You should document your expected standards of conduct and personal integrity in a "Code of Conduct" and, where applicable, support the "Code of Conduct" with policies and procedures.</p> <p>The expected standards of conduct and personal integrity should be determined by reference to accepted "Codes of Conduct" that apply to the public sector.</p>	<p>We will have regard to whether you maintain high standards of conduct and personal integrity – particularly in matters relating to financial management and accountability. Specifically, we will be alert for significant instances where members and employees of the public entity may not have acted in accordance with the standards of conduct and personal integrity expected of them.</p> <p>The way in which we will report instances that come to our attention will depend on significance. We will report to you and to the Auditor-General all significant departures from expected standards of conduct and personal integrity that come to our attention during the audit.</p> <p>The Auditor-General, on receiving a report from us, may, at his discretion and with consideration of its significance, decide to conduct a performance audit of, or an inquiry into, the matters raised. The performance audit or inquiry will be subject to specific terms of reference, in consultation with you. Alternatively, the Auditor-General may decide to publicly report the matter without carrying out a performance audit or inquiry.</p>

Responsibilities for conflicts of interest and related parties	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You should have policies and procedures to ensure that your members and employees carry out their duties free from bias.</p> <p>You should maintain a full and complete record of related parties and their interests. It is your responsibility to record and disclose related-party transactions in the financial statements and performance information in accordance with generally accepted accounting practice.</p>	<p>To help determine whether your members and employees have carried out their duties free from bias, we will review information provided by you that identifies related parties, and will be alert for other material related-party transactions. Depending on the circumstances, we may enquire whether you have complied with any statutory requirements for conflicts of interest and whether these transactions have been properly recorded and disclosed in the financial statements and performance information.</p>

Responsibilities for publishing the audited financial statements on a website	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You are responsible for the electronic presentation of the financial statements and performance information on the public entity's website. This includes ensuring that there are enough security and controls over information on the website to maintain the integrity of the data presented.</p> <p>If the audit report is reproduced in any medium, you should present the complete financial statements, including notes, accounting policies, and any other accountability statements.</p>	<p>Examining the controls over the electronic presentation of audited financial statements and performance information, and the associated audit report, on your website is beyond the scope of the annual audit.</p>

Responsibilities under the Health and Safety at Work Act 2015	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>We expect you to work with us to ensure the health and safety of our audit staff.</p> <p>You must ensure, so far as is reasonably practicable, the health and safety of our audit staff while they are on your premises, or otherwise engaging with you on their audit work. We expect you to provide a safe and healthy work environment, which includes, but is not limited to, providing:</p> <ul style="list-style-type: none"> • information, training, instruction, and supervision to protect them from work related health and safety risks, including inductions on workplace emergency evacuation procedures; • suitably designed workstations that support and maintain an ergonomically correct body posture, including adequate lighting and ventilation; • adequate welfare facilities, such as appropriate bathroom and washing amenities, suitable drinking water, and rest facilities; • appropriately labelled and equipped first-aid kits; • personal protective equipment (PPE) when all other control measures can't adequately eliminate or minimise risks to a worker's health and safety; and • protection from offensive conduct such as aggressive slurs and/or behaviours, physical assaults or threats, intimidation, ridicule or mockery, insults, or put-downs. <p>We expect you to work with us to resolve any health and safety concerns related to our audit staff.</p>	<p>The Auditor-General and Deloitte Limited take seriously their responsibility to provide a safe working environment for audit staff. Under the Health and Safety at Work Act 2015, as a person conducting a business or undertaking (PCBU) we will make arrangements with you to keep our audit staff safe while they are working at your premises or otherwise engaging with you on their audit work.</p> <p>We will obtain an understanding of health & safety systems, policies, and procedures put in place for the purpose of ensuring compliance with legislative and regulatory requirements.</p> <p>We will take reasonable care of our own health and safety, and we will take reasonable care that what we do or don't do does not adversely affect the health and safety of other people.</p> <p>We will cooperate with the workplace health and safety policies and procedures of the Queenstown Lakes District Council and comply with any reasonable instructions given.</p> <p>We will monitor the health and safety of our audit staff (in particular, to ensure you are providing the things listed under your responsibilities to ensure a safe and healthy work environment for our audit staff when they are on your premises), and we may advise someone at your premises (such as a Chief Financial Officer and/or a health and safety representative) if we have a health and safety concern related to our audit staff. We will work with you to resolve any health and safety concerns related to our audit staff.</p>



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10 June 2025

Mike Theelen
Chief Executive
Queenstown Lakes District Council
Private Bag 50072
Queenstown 9348

Copy: Manager Auditor Appointments
Office of the Auditor-General
PO Box 3928
Wellington

Dear Mike

Proposal to conduct the audit of Queenstown Lakes District Council and subsidiaries on behalf of the Auditor-General for the 2025 financial year

1 Introduction

The Auditor-General proposes to appoint me to carry out the audit of your organisation for the year. As required by the Office of the Auditor-General (OAG), I set out below information relating to the audit for the financial year ending 30 June 2025. The purpose of this proposal is to provide information on:

- the statutory basis for the audit and how audit fees are set;
- the entities covered by this proposal;
- key members of the audit team;
- the hours we plan to spend on the audit and reasons for any change in hours;
- our proposed fees for the audit for the financial years ending 30 June 2025 and reasons for any change;
- proposed fees for subsequent years (financial year ending 30 June 2026 onwards) will be determined subsequent to the 30 June 2025 audit;
- assumptions relating to the proposed audit fees, including what we expect of your organisation;
- what the OAG Audit Standards and Quality Support charge provides;
- certification required by the Auditor-General; and
- our commitment to conduct the audit in accordance with the Auditor-General's Auditing Standards.

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2 Statutory basis for the audit and how audit fees are set

The audit of your organisation is carried out under Section 15 of the Public Audit Act 2001, which states that “the Auditor-General must from time to time audit the financial statements, accounts, and other information that a public entity is required to have audited”.

Fees for audits of public entities are set by the Auditor-General under section 42 of the Public Audit Act 2001. However, your Council and I have the opportunity to reach agreement first and recommend those fees for approval. The Auditor-General, with assistance from the OAG, will set audit fees directly only if we fail to reach agreement.

Our proposed audit fees are set out in this letter and include an estimate of the reasonable cost of disbursements (including travel and accommodation where necessary).

3 Entities covered by this proposal

This proposal covers the audits of the following entities:

- Queenstown Lakes District Council

The following entities is covered by a separate proposal/contract which will be agreed directly with the Board of Directors

- Queenstown Airport Corporation Limited

4 Key members of the audit team

Appointed Auditor	Heidi Rautjoki
Quality Control Reviewer	Nicole Dring
Audit Manager	Hannah Kennedy

5 Estimated audit hours

We estimate that the following hours will be required to carry out the audits (compared to budgeted and actual data from the previous financial year):

Audit team member	2024 budget	2024 actual (*)	2025
Appointed Auditor	90	53	80
Review Partner	25	17	25
Audit Manager (**)	225	128	200
Other CA qualified staff	290	371	320
Non-CA qualified staff	570	719	595
Total audit hours	1,200	1,288	1,220

** please note this line item also includes IT and climate specialist manager hours.

5.1 Reasons for changes in audit hours

The major reasons for the changes in hours for your organisation's audit are:

Reasons for increased or decreased audit hours compared to previous period <u>budgeted</u> hours:	2025
Change in group auditing standard	20
Total increase (decrease) in audit hours	20

6 Proposed audit fees

Our proposed fees for the next three audits (compared to budgeted and actual data from the previous financial year) are:

Structure of audit fees	2024 budget fees \$	2024 actual fees charged \$	2025 \$
Net audit fee (excluding OAG Audit Standards and Quality Support charge and disbursements)	260,000	270,000**	273,000
OAG Audit Standards and Quality Support charge	23,844	23,844	25,332
Total audit fee (excluding disbursements)	283,844	293,844	298,332
Estimated Disbursements	34,800	23,988	25,190*
2% technology charge	5,200	5,200	5,460
Total billable audit fees and charges	323,844	323,032	328,982
GST	48,577	48,455	49,347
Total (including GST)	372,421	371,487	378,329

*Estimated

** Post the finalisation of the 2024 audit proposal letter, the fee for climate related audit procedures was finalised which was \$10,000.

The audit fees allow for the audit team to carry out specific tasks identified in the OAG Sector Brief and for the OAG Audit Standards and Quality Support charge. We have also estimated the reasonable cost of disbursements (including travel and accommodation where necessary). Disbursement costs are indicative only and will be charged on an actual and reasonable basis.

6.1 Reasons for changes in audit fees

In table 5.1 we showed the factors that have resulted in a change of audit hours. The cost impacts of those changes are shown in the table below.

Reasons for increased or decreased audit fees compared to previous period <u>budgeted</u> fees.	2025
Predicted staff salary cost movements	8,600
Change in group auditing standard	4,400
Total increase (decrease) in audit fees	13,000

7 Assumptions relating to our audit fee

You are responsible for the production of your financial statements and anything else that must be audited. Our proposed audit fees are based on the assumption that:

- You will provide to us, in accordance with the agreed timetable, the complete information required by us to conduct the audit.
- Your staff will provide us with an appropriate level of assistance.
- Your organisation's annual report and financial statements (including Statements of Service Performance) will be subject to appropriate levels of quality review by you before being submitted to us for audit.
- Your organisation's financial statements will include all relevant disclosures.
- We will review up to two sets of draft annual reports, one printer's proof copy of the annual report, and one copy of the electronic version of the annual report (for publication on your website).
- There are no significant changes to the structure and/or scale of operations of the entities covered by this proposal (other than as already advised to us).
- There are no significant changes to mandatory accounting standards or the financial reporting framework that require additional work (other than as specified in tables 5.1 and 6.1).
- There are no significant changes to mandatory auditing standards that require additional work other than items specifically identified in the tables above.
- There are no significant changes to the agreed audit arrangements (set out in an annual letter we will send you) that change the scope of, timing of, or disbursements related to, this audit.
- This fee excludes any additional audit procedures required in relation to climate change.

If the scope and/or amount of work changes significantly, we will discuss the issues and any implications for our audit costs and your audit fees with you and the OAG at the time.

8 What the OAG Audit Standards and Quality Support charge provides

Parliament has indicated that it expects the full cost of annual audits under the Public Audit Act (including an OAG Audit Standards and Quality Support charge) to be funded by public entities.

The OAG Audit Standards and Quality Support charge partially funds a range of work that supports auditors and entities, including:

- development and maintenance of auditing standards;
- technical support for auditors on specific accounting and auditing issues;
- ongoing auditor training on specific public sector issues;
- preparation of sector briefs to ensure a consistent approach to annual audits;
- development and maintenance of strategic audit plans; and
- carrying out quality assurance reviews of all auditors, and their audits and staff on a regular (generally, three-year) cycle.

Appointed Auditors are required to return the OAG Audit Standards and Quality Support charge portion of the audit fee, to the OAG.

9 Certifications required by the Auditor-General

We certify that:

- the undertakings, methodology, and quality control procedures that we have declared to the OAG continue to apply;
- our professional indemnity insurance policy covers this engagement; and
- the audit will be conducted in accordance with the terms and conditions of engagement set out in the audit engagement agreement and schedules.

10 Conclusion

As the Appointed Auditor, I am committed to providing you and the Auditor-General with the highest level of professional service. I intend to work with you, the OAG, and the Auditor-General in a partnership environment to resolve any issues that may arise.

If you require any further information, please do not hesitate to contact me.

Please counter-sign this letter (below) to confirm that you, and the governing body of your organisation, agree with its contents. This letter will then form the basis for a recommendation to the Auditor-General on the audit fee that should be set. The schedules of audit hours and fees will also be incorporated into my audit engagement agreement with the Auditor-General to carry out the audit of your organisation as the agent of the Auditor-General.

Yours sincerely



Heidi Rautjoki
Deloitte Limited

Full name: _____ Position: _____

Authorised signature: _____ Date: _____

Entity name: _____

1 Make a copy of this signed proposal and keep it for your file.

2 Send the original to:

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