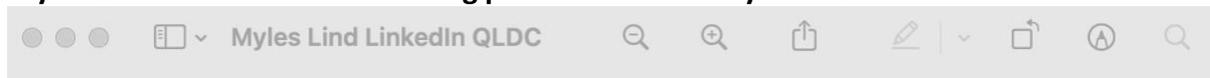


Summary of documents and evidence to support Crux letter of June 29, 2022.

Myles Lind – council roles including procurement and bylaws. LinkedIn.



Queenstown Lakes District Council

4 yrs 11 mos

Queenstown, New Zealand

- **Manager, Asset Planning**

Nov 2014 - Jun 2018 · 3 yrs 8 mos

Responsible for:

- Infrastructure Policy, Bylaws and Standards
- Asset Management and Data Systems
- Business Process Improvement
- Better Business Case (BBC)
- Investment Programming and Monitoring
- Strategic Planning
- Asset Management Plans
- Trade Waste Management
- Shared services reviews (section 17a LGA)
- Road Safety Programmes
- IIMM and ICR Implementation
- Risk Management

- **Commercial Manager**

Aug 2013 - Nov 2014 · 1 yr 4 mos

Responsible for developing and maintaining investment programmes for community assets (transportation, 3-waters, solid waste, parks and reserves, community facilities and property)

- Property and Fleet Management
- Asset Management Systems
- Contract management
- Procurement

Chair of Central Government (Internal Affairs) Non-Financial Metrics Working Group (2011-13)

Ruth Stokes Coast Proposal – redacted.



This information is provided by Queenstown Lakes District Council

From: [Ruth Stokes](#) on behalf of [Ruth Stokes <ruth.stokeszqn@gmail.com>](#)
To: myles.lind@qldc.govt.nz
Subject: (1)Bylaw reviews
Date: Tuesday, 13 March 2018 12:39:35 PM
Attachments: [Letter of Offer OLDC bylaw reviews 2018.pdf](#)

Hi Myles

Please find attached my proposal for the reviews as discussed.

I will have a better handle on timings over the next couple of weeks as I get into it proper. Let me know what's the best way to keep you informed.

Company details are:

ZQN7

[Redacted]

Thank you for your support

Cheers

Ruth

Estimated effort and costs

The following tables provide an estimate of the effort and costs required for the project delivery. Resourcing costs will be met within existing operational budgets

Traffic & Parking bylaw review and development

BUDGET (+/- 30% estimate)	
Effort / Resource	Days
Total days required	135
OPEX	
Research and analysis	
Engagement	
Legal	
SCP	
Publication	
Total	TBC

Purchase Orders issued days after the formation of ZQN7 Ltd. Myles Lind could not have known of this company before hiring Stokes. He hired Ruth by name.

This information is provided by Queenstown Lakes District Council

P0022263/0	ZQN7 LIMITED	15/03/2018	Programme management of 2018 Trade Waste Bylaw Review
P0022264/0	ZQN7 LIMITED	15/03/2018	Programme management of 2018 Speed Limit Bylaw review
P0022265/0	ZQN7 LIMITED	15/03/2018	Programme management of the 2018 Traffic and Parking Bylaw

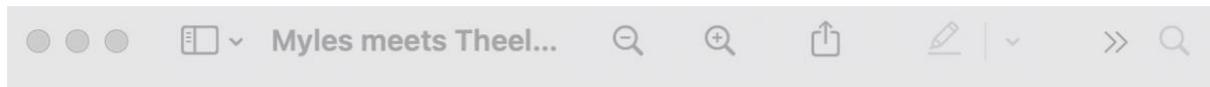
From: QLDC PO Invoicing
Sent: Wednesday, March 14, 2018 9:42 AM
To: Haylee Carr <Haylee.Carr@qldc.govt.nz>; Myles Lind <Myles.Lind@qldc.govt.nz>
Subject: New supplier - ZQN7 Ltd - 15807

New supplier set up: 15807

Claire Woodbury | AP & Payroll Administrator | Finance
Queenstown Lakes District Council
DD: +64 3 441 1806 | Int: 8806
E: claire.woodbury@qldc.govt.nz



Mike Theelen briefed by Myles in the street about Ruth – Ruth has been on Holiday just after getting her QLDC contracts – Alexa Forbes is “completely on board” Infrastructure committee – “Full steam ahead” –



From: Myles Lind <Myles.Lind@qldc.govt.nz>
Sent: Thursday, 5 April 2018 10:33 AM
To: Ruth Stokes <ruth.stokeszqn@gmail.com>
Subject: RE: easter

Hi Ruth,

Welcome back, trust the Coast was good?

Alexa is completely on board. Full steam ahead for the paper to council due 11th. I also caught up with Mike Theelen yesterday in the street. He wasn't aware of the potential issues we have with our bylaws. He's across them now and the likely JR coming on the Navigation Bylaw.

Cheers
Myles

Ruth tries to figure out what she's supposed to be doing? March 14 2018



This information is provided by Queenstown Lakes District Council

From: Ruth Stokes
Sent: Wed, 14 Mar 2018 11:29:56 +1200
To: Myles Lind
Subject: (9)Speed limit bylaw

Hi Myles

A few questions please.

Who is responsible for the speed limit reviews?
Where is the technical review at? Has there been community consultation on any of the elements?
Is there a standard road user group (outside of the specified individuals in the Rule) for consultation?
Where is the temporary limit review at (supposedly happening in March?)
Who is the NZTA contact (they have to sign off on the odd numbered limits now)?

I have also checked in with MM and I will speak to Naell in the first instance about the bylaws and consultation.

Cheers

Ruth

Formation of ZQN7 Ltd February 21st 2018 – 15 Advance Terrace is an empty Paddock in Arrowtown – owned by Jendi Paterson – now the site of two finished houses owned by Stokes and Paterson.

ZQN.7 LIMITED (6727053) Registered

Last updated on 25 Mar 2022

To maintain this company [log on here](#)[View as Single Page](#) [Certificate of Incorporation](#) [Company Extract](#)[Print](#)

Company Summary	Addresses	Directors (2)	Shareholdings (2)	Documents (19)	PPSR Search	NZBN
Company number:	6727053					
NZBN:	9429046612687					
Incorporation Date:	21 Feb 2018					
Company Status:	Registered					
Entity type:	NZ Limited Company					
Constitution filed:	No					
AR filing month:	March , last filed on 25 Mar 2022					
<hr/>						
Ultimate holding company	No					
Company addresses:	Registered Office Antony Stokes, 15 Advance Terrace, Arrowtown, Arrowtown, 9302 , New Zealand					
	Address for service Antony Stokes, 15 Advance Terrace, Arrowtown, Arrowtown, 9302 , New Zealand					
	View all addresses					
Directors	Showing 2 of 2 directors					
	Antony James STOKES 15 Advance Terrace, Arrowtown, Arrowtown, 9302 , New Zealand					
	Ruth Maree STOKES 15 Advance Terrace, Arrowtown, Arrowtown, 9302 , New Zealand					
Company record link:	https://app.companiesoffice.govt.nz/co/6727053					

Additional NZBN Information

Trading Name(s): No trading name

Phone Number(s):

Email Address(es):

Website(s): No website

Industry M696205 Business consultant

Classification(s): service

[View all NZBN details](#)**QLDC – fees paid to Stokes and Paterson via ZQN7 Ltd. \$204,000 over budget.**

Date of Purchase Order	Project	Stage	Approved Procurement Plan	Initial Estimate	Final Cost	Difference
Mar-18	Speed	1	N	\$10,000	\$10,000	\$0
Mar-18	Trade Waste	1	N	\$15,000	\$7,713	\$7,288
Mar-18	Traffic and Parking	1	N	\$20,000	\$20,000	\$0
May-18	Speed	2	N	\$10,000	\$76,589	(\$66,589)
May-18	Trade Waste	2	N	\$10,000	\$42,724	(\$32,724)
May-18	Traffic and parking	2	N	\$10,000	\$66,919	(\$56,919)
Jun-18	Trade Waste	3	N	\$24,000	\$30,324	(\$6,324)
Jan-19	Traffic and Parking	3	Y	\$136,000	\$148,128	(\$12,128)
Mar-19	Speed	3	N	\$50,500	\$87,525	(\$37,025)
Oct-19	Bus Stops	-	N	\$10,000	\$10,000	\$0
Oct-19	Speed (School Safety)	4	N	\$12,000	\$10,522	\$1,478
Jan-20	Speed (NZTA)	4	N	\$16,500	\$17,700	(\$1,200)
				\$324,000	\$528,144	(\$204,144)

Theelen admits to Mayor Boulton that the rules have not been followed – still sticking to the idea that somehow everything “under \$50,000” is the focus of any failures ... the failures were much, much bigger

MT Mike Theelen
 4402ZQNT report; confidential
 To: Jim Boulton, Cc: Steve Batstone

4 February 2021 at 6:04 PM
[Details](#)

Hi Jim

As per my advice regarding the timing of this report please find attached a confidential report on the ZQNT procurement process, which has been prepared by Dr Steve Batstone. While I have agreed with Steve the scope of the report Steve was empowered to complete his report and undertake discussion and enquires across the entire organisation without any interference from myself or other staff.

It is with some intense disappointment that I have to advise that the Council's adherence to, and implementation of its Procurement Policy, and Procurement Guidelines has not been at all adequate in respect of the smaller (Under \$50,000) contracts, though as Steve's report notes there does not appear to have been any deliberate attempt to mislead or avoid the policy and guidelines. There are significant improvements to be made in the operation of this part of our policy and guidelines as well as the need to complete the review of these (already signalled last year) to ensure these meet current industry best practice.

I await your advice on the matter and would be happy to discuss this with yourself and Council at any time.

I want to confirm that we have also received yesterday an enquiry from the Office of the Auditor General following their receipt of a complaint to them regarding ZQNT. At this point they have raised a number of questions similar to those raised by Councilors and internally and we will be responding to them as well, and will keep you and councilors informed of that response as well.

Regards
 Mike

P.s the document is a PDF and I note in the concluding sentence in section 3 we refer to ZQNS, which is an obvious typo.

Mike Theelen | Chief Executive
 Queenstown Lakes District Council
 DD: +64 3 441 0471 | M: +64 21 997 637
 E: mike.theelen@qldc.govt.nz

 QUEENSTOWN
 LAKES DISTRICT
 COUNCIL
 www.qldc.govt.nz

 CONFIDENTIAL
 Report...21.pdf

Boulton tells Crux that there is no need for any external investigation and that Crux claims are “unsubstantiated” – all of Crux claims were accurate.

From: Jim Boulton
Sent: Thursday, 21 January 2021 2:29 PM
To: Peter Newport <Peter.newport@crux.org.nz>
Cc: Jack Barlow <Jack.Barlow@qldc.govt.nz>
Subject: RE: ZQN7 Investigation

Hello Peter

You have made a number of unsubstantiated claims in this matter. That does not warrant any external input.

The CEO has been asked to look into the matter, and I am satisfied that is appropriate. Councillors will be briefed on his findings. I have had no dialogue with Councillor MacDonald other than an advice to all councillors of my request of the CEO.

Regards

Jim Boulton OENZM | Mayor |
Queenstown Lakes District Council
M: +64 274 801 201
E: jim.boulton@qldc.govt.nz



Crux – QLDC emails advise staff to break rules.

<https://crux.org.nz/crux-news/qldc-consultants-emails-suggest-council-advice-to-ignore-policy/>

First Crux story Feb 2020

<https://crux.org.nz/crux-news/zqn-7-half-million-dollar-qldc-consultants-tangled-web/#:~:text=and%20commercial%20sensitivity,-ZQN,consultants%20between%202016%20and%202019.>

Ruth Stokes statement to Crux – via her lawyers – how did Mr Lind know Mrs Stokes was available if her company did not exist and had no website?

- *Was the work contested or offered through the GETS local government procurement system? What exactly was the procurement process? Mr Lind approached Mrs Stokes about the work.*

Full story

<https://crux.org.nz/crux-news/zqn-7-how-qldc-spent-505000-on-consultant-ruth-stokes/>

Mike Theelen briefs councillors to play down the OAG report saying “this has not been an investigation of Council and its actions.”

From: [Mike Theelen](#)
To: [zzDLQLDC Councillors](#); [Stuart McLauchlan](#); [Roger Wilson](#); [Bill Moran](#)
Cc: [zzDL Chief Executives Reports](#); [Geoff Mayman](#); [Naell Crosby-Roe](#); [Steve Batstone](#)
Subject: [ArcMail Restored] Advice from the OAG vis the Councils procurement process; confidential
Date: Tuesday, March 15, 2022 11:29:59 AM
Attachments: [image001.png](#)

Dear Councillors

I have been advised that the Office of the Auditor General intends to respond to the questions they posed to Council (some months ago) later this week. It's important to remind ourselves that this has not been an investigation of Council and its actions; the purpose of this process by the OAG was to determine whether an investigation is warranted.

I am advised that the OAG has reviewed the events and Council's response and has concluded that it will not be taking any further action. It notes the actions Council has already committed to and are underway to review procurement agreed to earlier this year, and suggests that our Auditors also continue to monitor progress on the review and update of the procurement policy and guidelines. The OAG also make a number of suggestions regarding improvements council can make.

I do not have a copy of their final correspondence but will share this as soon as I do. This will need to remain confidential pending the public release by the OAG

My understanding is that they intend to publish the letter to Council on their website, and we will prepare a statement as this is likely to attract some media attention.

mike

Mike Theelen | Chief Executive
Queenstown Lakes District Council
DD: +64 3 441 0471 | M: +64 21 997 637
E: mike.theelen@qldc.govt.nz



[Crux story – meltdown Hundreds of payments affected.](#)

<https://crux.org.nz/crux-news/meltdown-hundreds-of-qldc-payments-affected-by-procurement-fiasco/>

[QLDC report – council cannot operate day to day if procurement rules followed](#)

<https://crux.org.nz/assets/1-interim-procurement-guidelines-covering-report.pdf>

Extract from staff report:

ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU Existing Activities Deemed Compliant with the Guidelines 7 Literal interpretation of the Guidelines may be

problematic for a number of areas of general operations. 8 Arguably caught by the literal interpretation of the Guidelines are payments for noncontrollable spend, such statutory payments (eg IRD, ACC, MBIE, ORC, etc) and grants (eg Destination Queenstown, Lake Wanaka Tourism, Wilding Conifer Control, etc). For clarity these payments should not be captured by the Guidelines as they do not represent a situation where Council undertakes a procurement per se. 9 There are also activities, existing procurement methods and contract types that may be prevented from operating as intended due to the wording within the Guidelines. The majority of these activities and methods have been through robust, open market, procurement processes (either by QLDC or Central Government).

Procurement issues affect 300 purchase orders a month – 4% of QLDC’s total spend ...

16 In the 2019/20 financial year the following purchase orders (PO’s) were issued:

2019/20 Purchase Order Summary			
Spend Bracket	PO's issued	To Suppliers	For \$
Less than \$50k	3411	1036	\$14m
Less than \$25k	3213	1002	\$9.4m
Less than \$10k	2950	939	\$5.3m

17 At the “Less than \$10k” line above (and putting aside lower levels of activity in December and January) this equates to some 300 PO’s a month. This equates to approximately 4% of our procurement spend.

Staff report

3 In parallel, the Mayor’s recent report on procurement practice, and specifically ZQN.7, refocused attention on the Policy and the Guidelines and the common misconception by staff that direct appointing lower value contracts without a competitive process or documented and approved departure, was acceptable.

Staff say QLDC can’t operate if the guidelines are followed. Extraordinary emergency meeting needed.

On further investigation staff believe that it is not practicable to operate the organisation under the current Guidelines and that interim changes are needed in advance of the AFRC March meeting.

One example of around 20 emails denying that QLDC has broken council procurement rules – from Comms person Jack Barlow .. this one is dated **December 8, 2020**.

Hi Peter,

Please find answers to your questions, which can be attributed to QLDC Chief Executive Mike Theelen, below.

Many thanks,

Jack

QLDC allowed its own policies and guidelines to be broken when ZQN7 was retained to review multiple laws in 2018.

QLDC's procurement policies have not been broken. We have noted on multiple occasions to you the one instance where we did breach the policy to the value of \$2000. We have also previously advised that QLDC's procurement guidelines are in the process of being reviewed and updated to improve clarity and reflect current procurement best practice.

Ratepayers money has therefore been spent without proper processes or approvals in hiring two former QLDC managers - personally known to Mr Lind and one of whom being a very close family connection of Mayor Jim Boulton.

We dispute your assertion regarding the lack of proper process. Neither former employee was hired individually; instead, a company they were involved in was contracted to provide services. The correct processes and approvals were followed. The connection with Mayor Boulton is irrelevant as he had no role in this procurement process.

QLDC in responding to Crux media and LGOIMA enquiries has consistently denied any breach of policy or guidelines when knowledge of your own rules would have made it clear that these rules had been broken. Therefore we believe that QLDC has not been truthful, open or transparent in your responses to date.

QLDC has supplied an extensive amount of information on the topic over the course of several months, via both our media channel and through LGOIMA responses. We have also made key staff available for interviews. We strongly disagree with any suggestion of being untruthful or not transparent.

Further, you have used a complaint to the Media Council in an attempt to further stall and delay - even shut down - Crux enquiries on this matter.

Once again we dispute your allegation, and it is something we disagree with in the strongest possible terms. There were errors in Crux's reporting, and the Media Council upheld key parts of QLDC's complaint.

Further, a number of senior managers at Executive Leadership level would have been well aware of the work by Ms Stokes and Ms Paterson and condoned, even hid from public view, the near total lack of compliance with QLDC's own policies designed to protect the interests of the ratepayer. This is an assertion made by you without any foundation. Again, we disagree in the strongest possible terms.

As previously advised, Meaghan Miller was not involved in the procurement process.

As for your other queries:

- Regarding QLDC's procurement manager: In recognition of the increased capital investment programme in the 2018-2028 Ten Year Plan, and the desire to further develop procurement capability cross the organisation, QLDC created the new role of Commercial & Procurement Manager. Geoff Mayman started in that role in September 2018.
- Regarding your direct appointment query: we will be treating this as a LGOIMA. Our LGOIMA team will be in touch.