

Audit, Finance & Risk Committee

5 December 2024

Report for Agenda Item | Rīpoata moto e Rāraki take [3]

Department: Assurance, Finance & Risk

Title | Taitara: September YTD 2024 Financial Overview including the following reports

- 2024:25 September YTD Actual to September YTD Budget Financial Overview;
- 2024:25 September Capital Expenditure Reporting Overview;
- 2024:25 September Debtors Analysis;
- 2024:25 September Statement of Financial Position

Purpose of the Report | Te Take mō te Pūroko

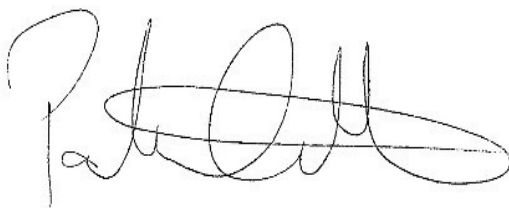
The purpose of this report is to present the 2024:25 September Year to Date (YTD) Actual to Budget financial results, Capital Expenditure financial results and September 2024 Debtors Analysis and Statement of Financial Position and to report on any significant transactions and/or variances to budget.

Recommendation | Kā Tūtohuka

That Audit, Finance & Risk Committee:

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

Prepared by:



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8 November 2024

Reviewed and Authorised by:



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8 November 2024

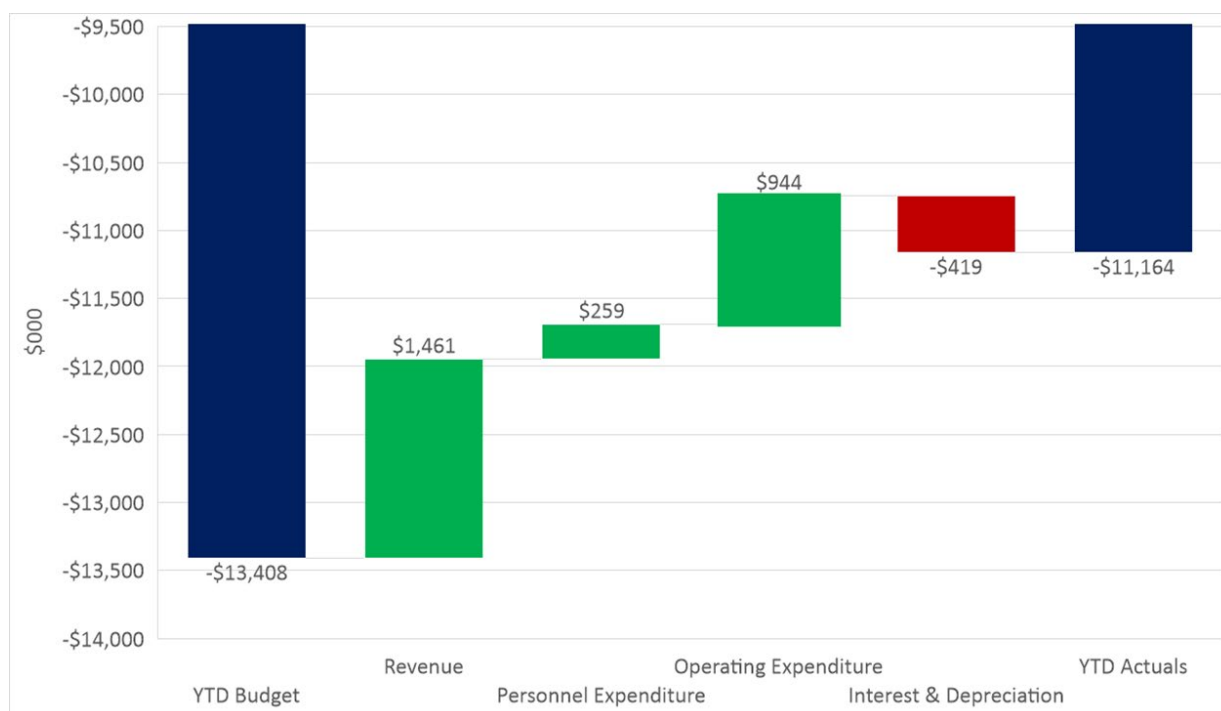
Context | Horopaki

1. The main objective of this report is to give the Audit, Finance & Risk Committee (the Committee) an overview of the Council’s year-to-date financial performance. The approach taken for the operational review is one of management by exception, whereby officers are required to provide explanations when actual expenditure or revenue does not match the budget. For the capital review, the approach taken is to provide a status update on key projects across the various programmes and activities, to provide assurance that the projects are being delivered within existing budgets or to highlight any potential financial risks.

Analysis and Advice | Tatāritaka me kā Tohutohu

2024:25 September YTD Actuals to September YTD Budget Overview:

2. The 2024:25 September YTD net operating deficit (\$11.2M) shows as \$2.2M favourable variance to the budget operating deficit of (\$13.4M).



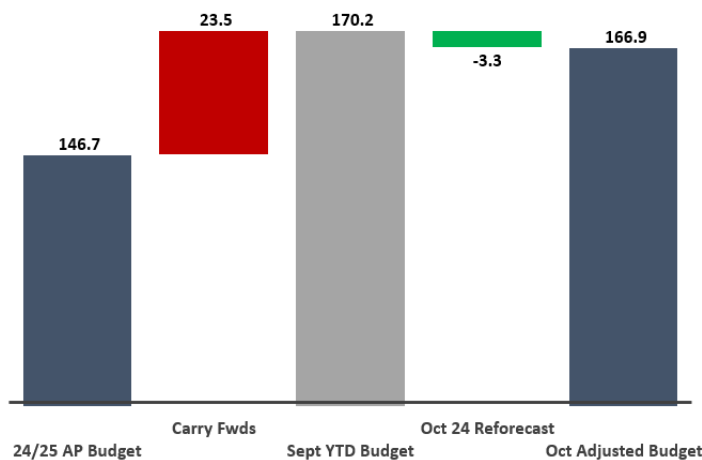
3. The September 2024 YTD revenue is \$1.5M favourable to budget.
 - Grants and Subsidies \$0.5M favourable
Due to timing with receiving NZTA/Waka Kotahi subsidies for roading maintenance work, and the Landfill Levy received from MBIE \$0.2M of which is offset by spend on waste management education.
 - Regulatory income \$0.2M favourable
Mainly relates to Parking fees & Permits and Traffic & Parking Infringements.

- Operational income \$1.0M favourable
Lease income \$0.3M favourable due to additional revenue from turnover rents, Road & Work Charge \$0.1M favourable relating to a paper road sale, and Other Income \$0.3M favourable mainly due to release of Street Front Bonds.
- 4. Total Personnel Expenditure is \$0.3M favourable to budget due to vacancies across the organisation.
- 5. Total Operating Expenditure \$0.9M favourable to budget.
 - Overspends on higher energy costs (\$0.2M) and Infrastructure costs (\$0.5M), mainly relating to Three Waters
 - Offset by underspends in Professional Services with \$0.6M relating to timing of spend on the programme of work across the organisation; Legal costs (\$0.3M) relating to District Plan which has hearings in March 2025, and Parks & Reserves Maintenance (\$0.3M) due to lower level of spend in the winter months.
- 6. Interest expenditure is \$0.4M unfavourable due to interest rates higher than the budget assumptions.
- 7. Overall, for the full financial year, Council is forecasting a \$0.7M unfavourable variance to the budgeted operating deficit.
- 8. This forecasted full year deficit is subject to on-going scrutiny by the Executive Leadership Team which is seeking actions to mitigate the deficit.
- 9. Further in-depth commentary is provided within Attachment A.

2024:25 September YTD Capital Expenditure Reporting Overview:

- 10. At the end of September 2024, Council had 338 capital projects with an approved 2024/25 adjusted budget of \$170.2M. This is a \$23.5M increase from the 2024/25 Annual Plan budget of \$146.7M.
- 11. The following figure 1 shows the movement from the annual plan budget of \$146.7M, with increases of \$23.5M from the budgets carried forward from 2023/24 offset with a \$3.3M reduction approved via the October 2024 Reforecast Council Paper. Note as the October Reforecast was approved after the September quarter end, the budget is still reported at \$170.2M for this September year to date quarter report.

Figure 1: Movement of 2024/25 Approved Capital Budget:



12. Overall year to date spend is \$25.7M (84%) against a year to date adjusted budget of \$30.6M. Forecast spend is \$157.2M (92%) of the full year budget of \$170.2M. The existing adjusted budget of \$170.2M does not yet include the reduction of \$3.3M since approved in October.
13. Please note the Capital Expenditure reporting with projects is grouped by:
 - High Profile Projects which are the key strategic/high profile/relationship projects Council has e.g., Shovel Ready/Crown Infrastructure Partners (CIP) projects and Central Government part funding, Lakeview subdivision works and the Developer Agreement with Ninety Four Ltd.
 - Project Management Office (PMO) and The Renewals programmes have their own respective groupings.
 - Other projects which are the new capital projects not included in the above categories.
14. The intention of this grouping is to provide more disclosure on the PMO and the Renewals programmes which are in the delivery stages, to identify the key commitments Council has due to either external funding from Central Government or key relationships including Iwi and developers and to note the balance as Council business as usual projects.
15. A traffic light system is used to highlight any areas of concern or potential financial risks which the committee should be made aware of. Attachment B (2024/25 September YTD Capital Expenditure Reporting Overview) includes the traffic lights in the forecast column. Any grouping that has an amber or red forecast cell, will be referenced in the corresponding section of the paper below as to the reason this has been flagged as a potential risk.
16. Commentaries for the groupings are as follows:

High Profile Projects - CIP Crown Infrastructure Fund / Queenstown Town Centre Street Upgrades

17. The September year to date spend is \$0.4M or 106% of the 2024/25 year to date budget of \$0.4M (full year budget \$2.4M). The 2024/25 forecast spend is in line with budget.

18. Post Practical Completion (10 November 2023), close-out of minor construction snags (minor faults and omissions) continues. In discussions with stakeholders, a number of these have been scheduled to occur after the ski season. This work is now underway. The Quality Assurance process continues to make good progress with 3 Waters 100% complete in all but Brecon St (97%) and Roothing in excess of 95% complete.
19. The Close-out report required by our funding agreement with Crown Infrastructure Partners (CIP) has been received and accepted by CIP. The full \$35M of CIP funding has now been received.
20. The project is entering the planning stage for Final Completion in 2025. Towards the end of that process QLDC will be in a stronger position to identify the final out-turn cost, including risk and appropriate levels of contingency to hold.

High Profile Projects - CIP Crown Infrastructure Fund / Arterial Stage 1

21. The September year to date spend is \$8.9M or 90% of the current year to date budget of \$9.8M (full year budget \$29.9M). The 2024/25 forecast spend is in line with budget.
22. The wet winter has caused some delays to the construction programme with the consequence that the opening of the main alignment of the Arterial road has been moved from December to 28 January 2025. However, the main alignment continues to be on track to be asphalted by the end of 2024. Works will also continue into the first quarter of 2025 with completion of the side roads.
23. Construction commenced on the Lower Ballarat Stormwater in October 2024 and will run in two stages (October to December 2024 and February to March 2025). This will connect the Queenstown Hill / Upper Ballarat system with Horn Creek outfall.
24. The reforecast undertaken by the Alliance earlier this year and the subsequent increased controls and governance from the Alliance means that the Cost to Complete has remained materially constant since February 2024. With underground works now largely complete, this also has a positive impact on the project's risk profile.
25. The goal is to achieve Practical Completion for the Arterial Stage 1 project by 30 June 2025.

High Profile Projects - Lakeview Development

26. The September year to date spend totals \$0.2M or 66% of the current year to date budget of \$0.3M (full year budget \$1.7M).
27. The project scope includes the required site clearance and demolition works of the existing structures on site, followed by the construction of the required roading and services infrastructure necessary to deliver the subdivision. During the design process opportunities

were identified to include additional scope (ancillary works) adjacent to the site which could be delivered concurrently with Lakeview subdivision works to enable financial efficiencies and to minimise disruption to the area and residents.

28. The budget for this financial year is associated with, budget related to stormwater swale and cut-off drain works either direct by QLDC or through an agreement with the Developer, finalisation of demolition works on Lot 9 including management of asbestos within soils, Alliance costs associated with close out of defects, landscape maintenance and handover to QLDC.
29. The subdivision works required for land titles are complete and Land Information New Zealand (LINZ) has issued title(s). The subdivision consenting approval made provision for deferral (for practical construction reasons) of some stormwater works included as a covenant on three of the land titles. The deferred stormwater works can be integrated into the Developers stage 1 and 2 buildings and will be subject to design and agreement on the allocation of costs between the parties.
30. There remains an existing risk of additional costs over the initial subdivision and ancillary works package estimate, due to costs associated with an extension of time claim by the Alliance currently under review by the Project Alliance Board (PAB). Any additional costs are currently being met within the existing Lakeview subdivision works budgets but may require adjustment depending on the allocation of any costs between the subdivision works and ancillary projects.
31. An update on the Lakeview development progress and key milestones is provided in the separate Lakeview report provided to the Audit, Finance & Risk Committee.

Project Management Office (PMO) Commentary:

32. The September year to date spend for the Property & Infrastructure PMO is \$11.0M or 96% of the current year to date budget of \$11.5M (full year budget \$71.0M). The 2024/25 forecast is \$63.6M which is 90% of the full year budget.
33. There are currently 26 Property & Infrastructure projects with 2024/25 budgets being delivered within the PMO delivery team. 7 projects have recently been completed or within the post construction lifecycle stage, 8 projects are in construction, 5 are in detailed design and 6 in the concept design or investigation phase.
34. PMO projects that have recently been completed or are in post construction include:
 - **Project Pure Upgrade** - YTD Budget \$66k with Actuals of \$20k (Full year budget \$136k) - Construction commenced April 2022 and commissioning was completed March 2024. Final close out works underway.

- **Beacon Point New Reservoir** - YTD Budget \$NIL with Actuals of \$NIL (Full year budget \$237k) - Main Reservoir tank works completed December 2023. Landscaping work continuing in 2024 following construction of the screening bund.
- **Shotover Country New Water Treatment Plant** - YTD Budget \$27k with Actuals of \$10k (Full year budget \$118k) - Physical works complete. Practical completion issued January 2024. Budget was carried forward for generator replacement and old water treatment plant decommission.
- **Western Wānaka Level of Service WS** - YTD Budget \$396k with Actuals of \$377k (Full year budget \$761k) - HEB contract complete with final completion certificate granted and retentions released. Alpha Series Stage 3 85% complete, final construction and sign off expected November 2024.
- **Paetara Aspiring Central** - YTD Budget \$83k with Actuals of \$60k (Full year budget \$268k) - Balance of 24/25 budget for Basketball hoops, completed early October 2024.
- **Arthurs Point to CBD Active Travel** - YTD Budget \$200k with Actuals of \$159k (Full year budget \$714k) - Construction commenced September 2023 and main works completed May 2024. Balance of 100% Transport Choices funding for close out works and final road safety audit variations.
- **PAC – Performing Arts Centre** - YTD Budget \$155k with Actuals of \$222k (Full year budget \$219k) - QPAC removal, site clearance and remedial works complete.

35. PMO Projects within the construction phase include:

- **Project Shotover Wastewater Treatment Plant Upgrade** - YTD Budget \$5.8M with Actuals of \$5.4M (Full year budget \$18.4M) - Construction commenced August 2023 and due to be completed December 2025.
- **North Wānaka Conveyance (WW)** - YTD Budget \$24k with Actuals of \$24k (Full year budget \$256k) - Stage 1 completed June 2023. Stage 2 pump station still in consenting stage, subject to resolution of Resource Consent mediation. Expect resolution of mediation in early 2025.
- **CBD to Frankton Conveyance (WW)** - YTD Budget \$256k with Actuals of \$237k (Full year budget \$2.9M) - Sewer relining works forecast to be completed end of 2024. Detailed design is planned for completion in January 2025 and construction is planned to start around July/August 2025. Currently planning to defer \$1.9M to year 4 to align forecast spend with revised to market date for construction as part of the December reforecast.
- **Cardrona Reticulation (WS)** - YTD Budget \$66k with Actuals of \$191k (Full year budget \$685k) - Practical completion issued September 2024. Forecast surplus circa \$180k.
- **Compliance Response - UV Treatment (WS)** - YTD Budget \$1.8M with Actuals of \$2.1M (Full year budget \$11.2M) - Fernhill, Western Intake and Beacon Pt UV treatment now completed. Wanaka Airport and Glenorchy are planned for completion by the end of 2024. Two Mile upgrades are scheduled for completion mid-2025 and Corbridge is due for completion early 2025. Note the FY25 project budget was increased to \$13.2M through the October reforecast to provide for a more permanent water treatment solution in Luggate; enabling earlier delivery of planned investment and reducing overall water supply budget requirements in Luggate over the LTP24 ten-year period (a separate Luggate Scheme Upgrade budget was reduced).

- **Demand Management - Hāwea (WS)** - YTD Budget \$339k with Actuals of \$31k (Full Year Budget \$3.5M) - Meter installation commenced October 2024, on track for completion within December 2024. Network integration and commissioning is programmed for completion by April 2025, followed by a 24 month monitoring period. It is expected this project will be completed with a material surplus. Options to repurpose this project's Infrastructure Acceleration Funding to the Upper Clutha Conveyance Scheme (WW) project will be explored with the funder in due course.
- **Kingston HIF New Storm Water Scheme** - YTD Budget \$78k with Actuals of \$81k (Full year budget \$7.6M) - Detailed design is complete and the earthworks consent has been granted. Procurement for construction is largely complete with final negotiations underway with the preferred tenderer. Construction is planned to start in November 2024 and is scheduled for completion by early 2026. *Noted as amber traffic light: the FY25 project budget was adjusted to \$5.8M through the October reforecast to realign the forecast with approved annual budgets. Due to favourable tender pricing, a further \$1M will be deferred to future stages via the December 2024 reforecast.*
- **Kingston HIF New Water Supply Scheme** - YTD Budget \$354k with Actuals of \$124k (Full year budget \$9.2M). Stage 1 construction started in August 2024 and includes construction of a new water treatment plant, reservoir, and rising and falling water supply main. The works are scheduled for completion by the end of 2025. Currently planning to defer \$762k from year 1 to 2 and \$2.4M future stages via the December reforecast. Deferral reflects (a) longer than anticipated duration to negotiate the terms of the construction contract, and (b) favourable pricing for current stage.

36. PMO Projects within the detailed design phase include:

- **Kingston HIF New Scheme (WW)** - YTD Budget \$617k with Actuals of \$500k (Full year budget \$731k) - Detailed design is underway and is expected to be completed late 2024 / early 2025.
- **Upper Clutha Conveyance Scheme (WW)** - YTD Budget \$543k with Actuals of \$798k (Full year budget \$3.9M) - Detailed design is due for completion early December 2024. Construction tender to be released early December with construction planned to start mid-2025. Currently planning on deferring \$1.7m from year 1 to year 5. Deferral to align with revised to market date for construction.
- **Robins Road Conveyance Upgrade (WW)** - YTD Budget \$187k with Actuals of \$94k (Full year budget \$2.7M) - Detailed design is underway, with construction forecast to commence early 2025.
- **Hanleys Farm Pump Station (WW)** - YTD Budget \$19k with Actuals of \$32k (Full year budget \$269k) - Detailed design completed June 24. The consent is currently being processed. Construction is due to commence early 2025 and be complete by June 2025. Currently planning on requesting a bring forward of around \$1.2M from year 2 as part of the December reforecast.
- **Public Transport Assets Whakatipu** - YTD Budget \$220k with Actuals of \$196k (Full year budget \$741k) - Tranche 3 design contract was awarded but placed on hold pending decision on local share allocation of transport budgets (as not funded by NLTP). Prioritisation of Transportation expenditure will be considered by Council in December.

37. PMO Projects within the investigation/scoping/concept design phases include:

- **Wānaka New Waste Facilities (WM)** - Geotech site investigations completed in August. A project business case is in development, with concept design for the preferred option due for completion in December 2024. Development of a business case and extended investigations/design period (relative to original forecast) are due to QLDC's recent acquisition of the adjacent Ballantyne Rd site – supporting alternative configuration options that need to be explored to ensure best value for money and optimal use of both sites. On completion of concept design QLDC will be in a position to reconfirm expected project cost; it is anticipated that the budget will need to be increased through a future prioritisation process. Implementation is now expected to commence in 25/26. *Noted as red traffic light: A deferral of \$3.4M has since been approved in the October Reforecast. Further planning for this project is required, meaning forecast expenditure is now expected to occur later than anticipated.*
- **Shotover Disposal Field (WW)** - YTD Budget \$70k with Actuals of \$191k (Full year budget \$351k) - An initial assessment has been completed via Beca to assess the root cause of issues and provide advice around the biological fouling observed. A designer has now been engaged to lead the development of a business case and design of a solution.
- **Rockabilly Gully Erosion Protection (SW)** - YTD Budget \$15k with Actuals of \$17k (Full year budget \$500k) - A technical options report is underway with concept design of a preferred solution planned for completion in March 2025. The balance of current year budget will be deferred to complete detailed design.
- **Hāwea Level of Service Improvements (WS)** - YTD Budget \$25k with Actuals of \$3k (Full year budget \$1.7M) - A scope assessment contract is imminent for works required to upgrade the Scotts Beach Borefield pump.
- **Filtration Queenstown & Wānaka (WS)** - Combined YTD Budget \$19k with NIL Actuals (Full Year Budget \$105k) - Scoping to commence Q3 of the current financial year with design planned in year 2 and physical works planned in year 3.

Renewals Commentary:

38. Total September year to date actual spend is \$2.6M or 72% of the year-to-date budget of \$3.6M. Full Year Budget \$29.1M with a forecast spend of \$28.9M.

Community Services Renewals:

39. Year to date spend \$578k or 64% of the September year to date budget of \$896k. Full year budget \$6.3M with a forecast spend in line with budget.

40. **Parks & Reserves** - \$4.1M full year budget includes \$253k for Parks Roding Renewals (programme currently being developed in advance of sealing season), \$480k for Tracks & Trails Renewals (Whakatipu package to include Gibbston Valley Stage 2 and Swain Bridge Corner Improvement with majority of works anticipated January to June 2025 subject to landowner

alignment negotiations with NZTA; Wānaka full project scope pending prioritisation with Upper Clutha Tracks Trust).

41. Playground Renewals \$500k budget includes McBride Park flying fox and a new playground in Hāwea Flat (reprioritised from Yr 3 of LTP to this year after condition assessments on Wānaka based playgrounds undertaken). Street Sweeper purchase circa \$330k likely to be completed (or deposit paid) by December. \$350k for Sports Field Lighting Renewals Whakatipu has procurement underway October.
42. **Venues & Facilities** - \$1.6M full year budget includes \$685k for QEC Events Equipment and Fit Out renewals (tender for indoor court retractable grandstand procurement closed October 2), \$253k for QEC Alpine Aqualand plant and equipment renewals and \$413k for QEC Alpine Aqualand Building Renewals predominantly required for completed hydroslide strengthening works.
43. **Libraries** - \$584k full year budget is programmed to spend on library stock, shelving replacements, furniture and minor equipment.

Property & Infrastructure Renewals:

44. Year to date spend \$2.0M or 74% of the September year to date budget of \$2.7M. Full year budget of \$22.8M with a forecast spend of \$22.5M.
45. **Buildings, Camp Grounds & Library** renewals has actual spend of \$174k vs year to date budget of \$285k (Full year budget \$3.0M) - Wānaka Airport Renewals \$978k full year budget is pending prioritisation and a RFP for a programme/project manager. Waterways structures renewals (full year budget \$765k) is awaiting consent and pricing for Bobs Cove, Kingston and Sunshine Bay jetties with upgrades likely to commence by Q3/4. Queenstown Bay Masterplan \$155k budget likely to be deferred to 2025/26 as unlikely will find resource to undertake 2024/25. *Noted as amber traffic light due to resourcing and associated timing of works potentially taking longer than anticipated.*
46. **3 Waters** renewals spend of \$1.4M is tracking to year-to-date budget \$1.3M. Works programmed to spend full year budget of \$6.9M with some reallocation between projects. Minor surplus in Wanaka Airport Stormwater expected as completed.
47. **Transport** renewal actuals are \$402k against a year-to-date budget of \$742k (full year budget \$9.8M). The majority of works \$6.2M are associated with sealed road resurfacing, rebabs and unsealed road metalling which is programmed for delivery through autumn with contracts in place.
48. **Waste Management** renewals \$23k spend against a year-to-date budget of \$225k (full year budget \$1.2M). Proposal received for minor upgrades required at the Existing Whakatipu Waste Facilities Site including rollers/belts anticipated Q2/3. MRF prelim assessment/design for Frankton Transfer station underway. Quote received for \$300k for kiosk at Frankton station

(under review for prioritisation with other works). Existing Waste Site Consenting ongoing. The landfill consent expires 2032. The RFP tender evaluation for the existing Victoria Flats landfill re-consenting has been completed with a recommendation report being drafted. Tucker Beach consent application lodged September 2024. Planners are commissioning a report to review the plan. Balance of works involves a concession on DOC land which is likely to take 10 months.

Other Capital Projects Commentary:

49. Total Other Capital Projects September year to date actual spend is \$2.5M or 52% of the year-to-date budget of \$4.8M. Full Year Budget \$36.1M with a forecast spend of \$30.7M. *Overall forecast noted as amber traffic light as forecast spend to budget of 85% due to timing of works taking longer than anticipated. Some projects will require deferral into 2025/26 including circa \$1.0M for New Waste Facilities due to the length of time required for planning activities.*

Community Services Other Projects:

50. Year to date spend \$943k or 33% of the September year to date budget of \$1.7M. Full year budget of \$8.6M with a forecast spend of \$7.8M.

51. **Buildings** budget \$141k for 516 Ladies Mile demolition of house completed July. The forecast includes an additional \$711k for Ballantyne Road Site Remediation as per budget approved to be brought forward since in the October 2024 Reforecast.

52. **Parks & Reserves** \$7.1M full year budget includes \$1.9M for Wānaka Lakefront Development Plan Stage 5 (estimated construction completion date November 2024); \$1.8M for Coronet Forest Revegetation (work programme progressing in line with planting contractor agreed schedule) and \$1.1M for Glenorchy Carpark & Marina Improvements (construction commenced in August 2024 and expected to be completed by November 2025).

53. **Rockfall Mitigation** full year budget of \$600k for design & consenting. Procurement of the rockfall mitigation plan is anticipated Q3/4. Forecast spend for the current year is now \$100k with a deferral to be included in the December 2024 Reforecast to year 2 & 3. *Noted as amber traffic light due to timing change and as there is no budget in LTP for physical works.*

Corporate Other Projects:

54. Year to date spend \$143k or 535% of the September year to date budget of \$412k. Full year budget of \$2.0M.

55. **Information Management** full year budget of \$1.8M includes \$892k for Enterprise System improvements (planned for consultants supporting TechOne and resource backfill to support the TechOne CiA transition programme) and \$475k for ICT Projects (program includes unspecified technology changes, ESX hosts, backup server replacement, eLearning platform, cloud maturity (Azure) and external digital signage at QEC and Wānaka Recreation Centre).

Property & Infrastructure Other Projects:

56. Year to date spend \$1.4M or 53% of the September year to date budget of \$2.7M. Full year budget of \$25.4M with a forecast spend of \$21.1M.
57. **Buildings** \$1.7M full year budget includes \$892k for Wanaka Airport Compliance (programme development underway with spend unlikely until early 2025 following prioritisation and RFP for a programme/project manager); \$264k for Luggate Memorial Centre Replacement (opened in December 2022 but awaiting final storm water defects/issues procurement to be undertaken by December 2024 for contractor to complete final works along with HVAC improvements); and \$245k for EV Charging Stations (awaiting RFP and quotes October 2024 for installation of QLDC internal charging stations for QEC and Ardmore St).
58. **Waste Management** \$2.4M full year budget includes \$1.5M for New Waste Facilities. A report will be taken to the November Infrastructure Committee to confirm the next steps for the MRF solution.
59. The Zero Waste District Programme annual budget of \$522k has service agreements in place which will incur milestone payments including for Resourceful Communities, Wanaka Community Workshop, Wastebusters, Kiwi Harvest, Zero Waste Event work, WAO Circular Economy Programme, Sustainable Queenstown Waste Minimisation Project, Plastic Free Wanaka. The actuals are offset with accruals from 23/24 for prior year agreements.
60. *Waste Management Other Projects grouping noted as red traffic light due to later timing of spend now anticipated for the New Waste Facilities due to the lengthy planning process required. A deferral of circa \$1.0M is likely in the December Reforecast.*
61. Minor budgets totaling \$1.3M within **Storm Water** include Catchment Management Plans (version 1 due to be finalized November 2024), Compliance Plans (commencement pending ORC confirmation of future stormwater consent requirements), Planning Inputs (to update Storm Water Models & complete flood maps) and minor improvements which is partly held for reactive works.
62. **Wastewater** full year budget of \$8.3M includes \$5.9M for the Project Pure Aeration Grid Renewal. A design and build contract agreed, with design likely to be completed February 25. Construction is likely to commence by March 2025 to align with low flows into treatment plant and forecast to be completed by December 2025.
63. Historic Land Encroachments acquisition process is underway. Costs of acquisition are expected to be higher than budgeted and will be addressed through a future reforecast.
64. Southwest Wānaka Conveyance Scheme's current year budget of \$472k has since been reduced to \$150k via deferral in the October reforecast. This project has been placed on hold to provide for wider scheme investigation and planning activity to occur. Interim network upgrades to maintain service levels in line with growth are being scoped.

65. Wastewater Telemetry was programmed in the LTP to commence in year 2, but has since had \$541k approved via the October Reforecast to progress the transition from the current SCADA system to a modern and fit for purpose system, noting the current SCADA platform becomes unsupported from 2027.
66. *Wastewater Other Projects grouping noted as amber traffic light due to timing of spend, which will be adjusted via the October and December Reforecast process to align with annual anticipated cashflow.*
67. **Water Supply** full year budget of \$2.1M spread across 38 projects including minor improvements, demand management, telemetry and master planning.
68. The Water Supply Telemetry budget of \$95k has since had a \$541k brought forward budget approved via the October Reforecast to progress the transition from the current SCADA system to a modern and fit for purpose system, noting the current SCADA platform becomes unsupported from 2027.
69. The Capell Ave Watermain Extension has been put on hold due to the dependency with roading extension which was not funded by NZTA as anticipated, and subsequently the budget of \$454k has since been approved to be deferred to Y2 in the October 2024 Reforecast.
70. *Water Supply Other Projects grouping noted as amber traffic light due to timing of spend, which has since been adjusted via the October 2024 Reforecast process to align with annual anticipated cashflow.*
71. **Transport** \$8.4M full year budget includes \$4.6M for the Roothing Minor Improvements Programme. This is no longer funded by NZTA aside from \$1.2M for Ballantyne Road at 51%. Prioritisation of the remaining 49% local share of transportation expenditure will be considered by Council in December.
72. The Capell Ave Road Extension current year budget of \$1.2M has been placed on hold due to funding not received in the NLTP. An adjustment has since been approved to defer to Year 2 via the October 2024 Reforecast. Prioritisation of Transportation expenditure will be considered by Council in December.
73. Since the initial release of the NLTP 2024-27 subsidised programme in September, additional funding at 76% has been approved by NZTA for Shepherds Creek, Crown Range, and Bennetts Bluff resilience works. Individual budgets for the Crown Range and Bennetts Bluff projects will be established via the December reforecast, and options for investment of the surplus local share released as a result of the enhanced funding rate will be presented to Council in December as part of the broader transportation reprioritisation options report.
74. Wānaka Schools to Pool Active Travel year to date spend is \$342k against the remaining budget of \$52k. Repurposing of surplus Arthurs Point to Queenstown Active Travel 100% Transport

Choices funding has been negotiated, partially offsetting an overspend on this project and providing for the delivery of additional scope items. The adjustment will be addressed in the December Reforecast.

75. *Transport Other Projects grouping noted as amber traffic light due to the dependency on NZTA funding and reprioritisation required to manage the overall budgets within the approved net cost within the LTP. Local share budget realignment has since been approved at the October 24 Council Meeting with options for prioritisation of Transport funding to be presented to Council in December.*

76. Further in-depth financial commentary on key projects is provided within attachment B.

2024/25 September Debtors Analysis Overview:

77. Total outstanding debtors have decreased by \$3.2M compared to September 2023, with a (\$4.1M) decrease in rates receivable due to the timing difference of installment 1 due date offset by a \$0.9M increase in trade and other receivables.

78. There has been a \$0.6M increase in prior years rates arrears overdue

79. As at 30 September 2024 there were 2,919 properties in arrears for prior year rates overdue, which is a huge reduction compared to the 3,434 properties that were in arrears in July 2024 totalling \$7.1M.

80. In October 2024 letters were sent to 2,148 ratepayers with arrears outstanding from 30 June 2024 with immediate impact on overall arrears. Payment plans continue to be agreed, with 129 active plans in place for arrears debt.

81. Total outstanding development contributions have increased by \$4.0M compared to September 2023 however only \$1.7M of this increase is within the >90days outstanding aging bracket. Work has started to actively manage this debt.

82. Further in-depth commentary is provided within attachment C.

2024/25 Statement of Financial Position Overview.

83. Total increase of \$19.1M in net assets compared to September 2023 is made up of the following significant movements:

- a. \$171.9M increase in property, plant & equipment from capital works and additions in the FY24 year, offset with a \$41.6M revaluation decrease of 3W infrastructural assets and;
- b. Net increase in total borrowings of (\$130.1M) to fund the capital programme.

84. Overall council's key financial covenant ratio of Net Debt/Total Revenue is currently calculated at 265.1% at September 2024. This is higher than the 2024/25 Long Term Plan ratio of 263.0% but lower than June 2024 at 271.3%. The borrowing limit is set at 285%. To note this calculation uses annualised revenue figures.

85. Further in-depth commentary is provided within attachment D.

86. The report is for noting; therefore no options are discussed.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

87. This matter relates to the Financial risk category. It is associated with RISK10014 Ineffective Financial Strategy within the QLDC Risk Register. This risk has been assessed as having a moderate residual risk rating.

88. The approval of the recommended option will allow Council to retain the risk at its current level. This will be achieved by noting this report the Committee gives the public confidence that the financial performance of Council is considered to review this risk is effective in the reporting period.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

89. This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy 2024 because of councils ability to manage its annual plan net operational budget for the 2023/24 financial year.

90. The persons who are affected by or interested in this matter are the residents and ratepayers of the Queenstown Lakes district community.

Māori Consultation | Iwi Rūnaka

91. Consultation is not required or necessary on this matter.

Financial Implications | Kā Riteka ā-Pūtea

92. As the review of the financial results is an administrative matter, there are no budget or cost implications arising from this report. No anomalies have been identified and it is not proposed to make any significant changes to any internal practices or procedures.

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

93. Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b)

to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. This report explains how QLDC are delivering financially against the expectations set out in the annual plan. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act.

94. The recommended option is consistent with the Council's plans and policies.

Attachments | Kā Tāpirihaka

A	Finance Management Report – 2024/25 September YTD Actual to September YTD Budget Financial Overview.
B	Finance Management Report – 2024/25 September YTD Capital Expenditure Reporting Overview
C	September 2024 Debtors Analysis
D	September 2024 Statement of Financial Position

Attachment A: Finance Management Report – 2024/25 September YTD Actual to September YTD Budget Financial Overview

Description	Aug-24		Variance to Budget	Year to date		Year to date Variance	Full Year Adjusted Budget	YTD Actuals to Full Year Budget
	Actual	Adjusted Budget		Actual	Adjusted Budget			
REVENUE								
<u>Operating Revenue</u>								
Income - Rates	12,362,169	12,500,794	(138,625)	37,238,827	37,402,381	(163,554)	150,410,325	25%
Income - Grants & Subsidies	907,123	635,325	271,797	2,489,819	2,044,705	445,114	9,358,819	27% *1
Income - NZTA External Cost Recoveries	499,537	497,000	2,537	1,440,024	1,491,000	(50,976)	5,964,000	24%
Income - Consents	1,523,284	1,468,733	54,551	4,524,753	4,406,198	118,555	17,624,792	26% *2
Income - External Cost Recovery	69,927	101,192	(31,264)	241,428	303,575	(62,147)	1,214,299	20%
Income - Regulatory	757,505	623,087	134,418	2,604,633	2,396,919	207,714	7,814,489	33% *3
Income - Operational	2,752,650	1,868,301	884,349	8,221,416	7,255,412	966,004	32,464,332	25% *4
Total Operating Revenue	18,872,194	17,694,431	1,177,763	56,760,901	55,300,190	1,460,711	224,851,056	25%
EXPENDITURE								
<u>Personnel Expenditure</u>								
Expenditure - Salaries & Wages	4,190,644	4,331,273	140,629	13,294,527	13,599,014	304,487	53,843,409	25% *5
Expenditure - Salaries & Wages Contract	450,314	442,308	(8,005)	1,371,305	1,326,925	(44,379)	5,607,701	24%
Expenditure - Health Insurance	35,000	45,351	10,351	137,588	136,053	(1,535)	544,212	25%
Total Personnel Expenditure	4,675,958	4,818,932	142,975	14,803,420	15,061,992	258,572	59,995,322	25%
<u>Operating Expenditure</u>								
Expenditure - Professional Services	447,854	547,609	99,755	1,199,059	1,792,827	593,768	8,569,355	14% *6
Expenditure - Legal	375,534	360,534	(15,000)	826,594	1,081,603	255,009	4,326,413	19% *7
Expenditure - Stationery	39,368	32,594	(6,774)	155,669	97,782	(57,887)	391,130	40% *8
Expenditure - IT & Phones	(9,852)	74,070	83,923	174,436	222,210	47,775	888,842	20%
Expenditure - Commercial Rent	426,568	391,158	(35,410)	1,165,054	1,173,474	8,419	4,693,894	25%
Expenditure - Vehicle	86,562	81,445	(5,117)	236,731	244,336	7,605	1,027,345	23%
Expenditure - Power	483,812	462,883	(20,928)	1,531,178	1,381,030	(150,148)	4,893,774	31% *9
Expenditure - Insurance	301,057	295,196	(5,861)	931,761	886,104	(45,657)	3,545,997	26%
Expenditure - Infrastructure Maintenance	3,863,745	3,685,351	(178,394)	11,572,240	11,106,054	(466,186)	42,546,356	27% *10
Expenditure - Parks & Reserves Maintenance	671,946	882,800	210,855	2,235,765	2,573,341	337,576	11,281,655	20% *11
Expenditure - External Cost On Chargeable	76,859	101,163	24,304	254,926	303,490	48,563	1,213,960	21%
Expenditure - Grants	1,035,153	1,044,333	9,180	2,877,878	3,019,283	141,405	9,205,516	31% *12
Expenditure - Other	1,402,421	1,665,227	262,806	4,748,163	4,971,855	223,692	21,215,610	22% *13
Total Operating Expenditure	9,201,026	9,624,365	423,340	27,909,454	28,853,390	943,936	113,799,847	25%
<u>Interest and Depreciation</u>								
Expenditure - Interest	3,708,222	3,289,703	(418,520)	8,708,574	8,290,055	(418,519)	30,002,107	29% *14
Expenditure - Depreciation	5,500,987	5,500,987	0	16,502,962	16,502,962	0	66,011,849	25%
Total Interest and Depreciation	9,209,210	8,790,690	(418,520)	25,211,536	24,793,017	(418,519)	96,013,956	26%
Total Expenditure	23,086,193	23,233,988	147,794	67,924,410	68,708,399	783,989	269,809,125	25%
NET OPERATING SURPLUS/(DEFICIT)	(4,213,999)	(5,539,557)	1,325,557	(11,163,509)	(13,408,209)	2,244,700	(44,958,069)	

Capital Revenue and Expenditure

Description	Aug-24		Variance to Budget	Year to date		Year to date Variance	Full Year Adjusted Budget	YTD Actuals to Full Year Budget
	Actual	Adjusted Budget		Actual	Adjusted Budget			
<u>Capital Revenue</u>								
Income - Development Contributions	2,045,154	3,276,204	(1,231,049)	6,709,625	9,828,611	(3,118,986)	39,314,442	17% *15
Income - Vested Assets	0	0	0	0	0	0	30,235,437	0%
Income - Grants & Subsidies Capex	1,116,907	1,119,813	(2,906)	3,088,329	3,359,438	(271,109)	13,437,752	23% *16
Income - Dividends received	0	0	0	10,682,174	10,737,000	(54,826)	10,737,000	99%
Income - Gain/(loss) on disposal of property, plant & equipment	0	0	0	760,000	0	760,000	0	0% *17
Total Capital Revenue	3,162,062	4,396,016	(1,233,955)	21,240,128	23,925,049	(2,684,920)	93,724,631	33%
<u>Capital Expenditure</u>								
Projects/Asset Purchases	8,917,185	11,669,183	2,751,998	25,674,857	30,563,185	4,888,328	170,206,977	15% *18
Debt Repayment	0	0	0	0	0	0	0	
Total Capital Expenditure	8,975,471	11,669,183	2,693,712	25,733,143	30,563,185	4,830,042	170,206,977	
NET CAPITAL FUNDING REQUIRED	5,813,410	7,273,167	3,927,667	4,493,015	6,638,136	7,514,962	76,482,346	
<u>External Borrowing</u>								
Loans	0			690,131,000			661,380,000	
Total Borrowing	0			690,131,000			661,380,000	

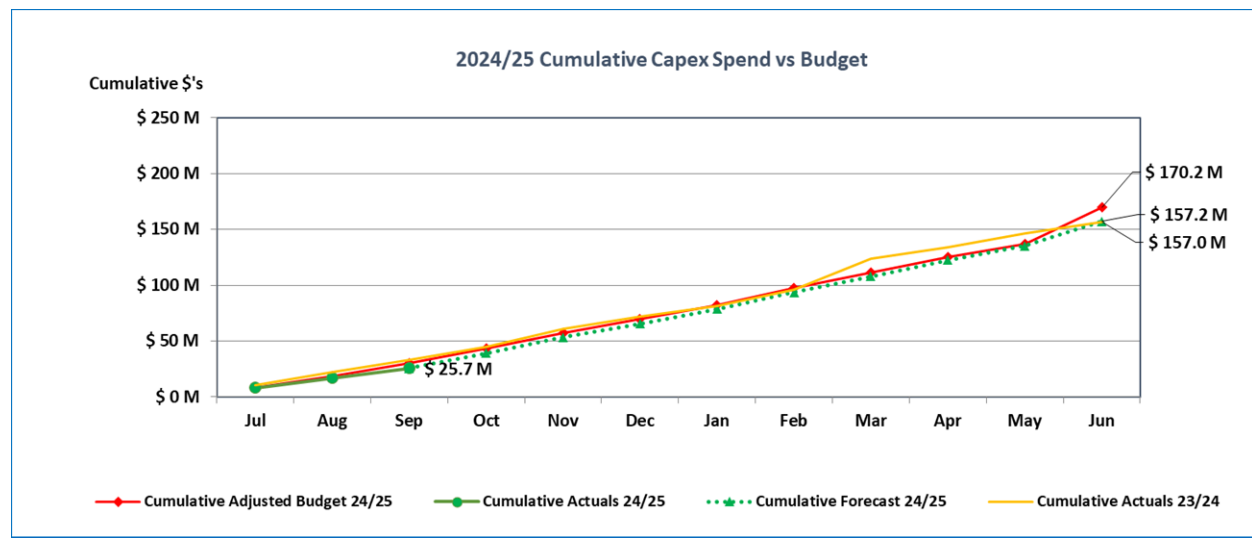
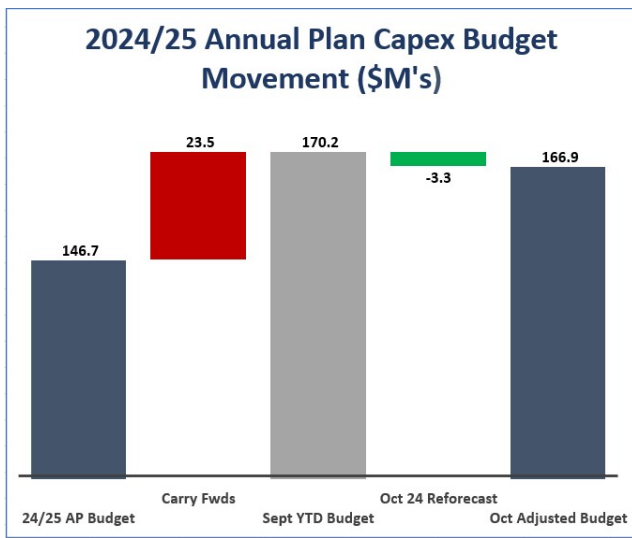
Variance commentary

*1 Income - Grants & Subsidies - \$0.4m favourable
Variance relates to Landfill Levy received from MBIE (\$0.2m) which is offset by spend on waste management education; NZTA subsidised opex (\$0.2m) is a timing variance only; \$0.1m favourable variance re Income from MHUD is offset by equivalent expense
*2 Income - Consents - \$0.1m favourable
Higher than budgeted number of resource consents processed due to level of activity, partly offset by an increase in contractor staff utilised for consent processing
*3 Income - Regulatory - \$0.2m favourable
Mainly relates to favourable variances in Parking fees & Permits and Traffic & Parking Infringements. There will be a reduction in revenue due to the Freedom Camping Bylaw being revoked, which will be offset by an increase in parking infringements revenue due to fee increase from 1 October 2024.
*4 Income - Operational - \$1.0m favourable
Lease income \$0.3m favourable due to revenue sharing with Parks & Reserves tenants, Road & Work Charge re paper road sale \$0.1m favourable, Other Income \$0.3m favourable re income mainly due to release of Street Front Bonds
*5 Expenditure - Salaries & Wages - \$0.3m favourable
Underspend relates to vacancies across the organisation
*6 Expenditure - Professional Services - \$0.6m favourable
Mainly relates to timing of spend on the programme of work across the organisation
*7 Expenditure - Legal Fees - \$0.3m favourable
Underspend mainly relates to timing of spend re District Plan which has hearings in 2025
*8 Expenditure - Stationery \$0.1 unfavourable
The variance is due to the LTP consultant documents being produced for all ratepayers
*9 Power - \$0.2m unfavourable
Overspend is mainly in Property & Infrastructure, and is due to increased cost of electricity

<p>*10 Infrastructure Maintenance - \$0.5m unfavourable Landfill Costs \$0.2m unfavourable variance, due to additional costs of reducing the solid content of the reactor in the water treatment plant. This unfavourable variance is expected to increase. Water Maintenance \$0.2m unfavourable variance Road Maintenance Internal Time Costs \$0.1m unfavourable due to the NZTA programme of work being ahead of budget</p>
<p>*11 Parks & Reserves Maintenance - \$0.3m favourable Building & Garden Maintenance \$0.1m favourable variance Parks & Reserves Maintenance \$0.1m unfavourable Turf Maintenance \$0.2m favourable due to lower levels of spend during winter months</p>
<p>*12 Expenditure - Grants - \$0.1m favourable Underspend mainly in Grants - General, due to timing of invoicing from relevant entities</p>
<p>*13 Expenditure - Other - \$0.2m favourable Relates to expenditure in various categories across the organisation. Underspends in Commissioner expense (\$0.2m), Service Contracts (\$0.1m) are partially offset by unfavourable variances in Bad Debt expenses (\$0.2m), spend related to Climate Action (\$0.1m)</p>
<p>*14 Interest - \$0.4m unfavourable The average interest rate is currently higher than was budgeted in the Long Term Plan. Whilst interest rates are expected to reduce throughout the year, there is still a risk of an unfavourable variance at year end.</p>
<p>*15 Development Contributions - \$3.1m unfavourable Due to its nature, the timing of this income is difficult to estimate. Higher contribution rates will commence from 1 October 2024, but there is still a risk of an unfavourable variance at year end.</p>
<p>*16 Income - Grants & Subsidies Capex \$0.3m unfavourable \$3.1m year to date funding received vs budget of \$3.4m. Variance of \$0.3m includes \$1.8m unfavourable for NZTA/Waka Kotahi Capex subsidy (late timing of approved NZTA/NLTP subsidised projects along with reduced funding and in some cases no funding approved for LTP projects anticipated) offset with \$1.1m favourable for CIP projects due to timing of subsidised roading construction works and \$0.4m received for other capital grants.</p>
<p>*17 Gain on Sale of Property, Plant & Equipment - \$0.8m favourable Variance due to NZTA Land Purchase of Golf Course realignment re Frankton Bus Hub Improvement Project</p>
<p>*18 Expenditure - Capital Projects \$4.9m favourable \$25.7M spend vs YTD budget of \$30.6M. Main project spend this month includes \$2.8M for Queenstown Centre Arterials - Stage 1, \$1.4M for Project Shotover Wastewater Treatment Plant Upgrade, \$0.9M for Compliance Response UV Treatment WS, \$0.4M for Wanaka Lakefront Development Plan Stage 5 and \$0.3M for Kingston new Wastewater Scheme. The Council meeting on 24/10/2024 approved the forecasted capital programme for 2024/25 which will be reduced by \$3.28m</p>

Attachment B: Finance Management Report – 2024/25 September YTD Capital Expenditure Reporting Overview

Finance YTD CAPEX Project Report - July to September 2024



Note as the October Reforecast was approved after the September quarter end, the budget is still reported at \$170.2M for this September year to date quarter report.

Programme	2024/25 Actuals Sept YTD	2024/25 Budget Sept YTD	Variance YTD	% of YTD Budget Spent	2024/25 Full Year Adjusted Budget	% of Full Year Budget Spent	Comments	2024/25 Forecast	2024/25 Forecast Variance	2024/25 Forecast % of Adj Budget
HIGH PROFILE PROJECTS										
CIP - Crown Infrastructure Fund	9,297,257	10,223,175	925,918	91%	32,299,363	29%	Arterial Stage 1 - The wet winter has caused some delays to the construction programme with the consequence that the opening of the main alignment of the Arterial road has been moved from December to 28 January 2025. However, the main alignment continues to be on track to be asphalted by the end of 2024. Works will also continue into the first quarter of 2025 with completion of the side roads. The Lower Ballarat Stormwater is scheduled to start construction in October 2024 and run in two stages (October to December 2024 and February to March 2025). This will connect the Queenstown Hill / Upper Ballarat system with Horn Creek outfall. Queenstown Street Upgrades - Post Practical Completion (10 November 2023), close-out of minor construction snags (minor faults and omissions) continues. In discussions with stakeholders, a number of these have been scheduled to occur after the ski season. This work is now underway. The Quality Assurance process continues to make good progress with 3 Waters 100% complete in all but Brecon St (97%) and Roading in excess of 95% complete. The Close-out report required by our funding agreement with Crown Infrastructure Partners (CIP) has been received and accepted by CIP. The full \$35M of CIP funding has now been received.	32,310,790	11,427	100%
Lakeview Development - Subdivision Works	210	192,910	192,700	0%	1,118,797	0%	The subdivision works required for land titles are complete and Land Information New Zealand (LINZ) has issued title(s). The subdivision consenting approval made provision for deferral (for practical construction reasons) of some stormwater works included as a covenant on three of the land titles. The deferred stormwater works can be integrated into the Developers stage 1 and 2 buildings and will be subject to design and agreement on the allocation of costs between the parties.	1,118,797	0	100%
Lakeview Development - Site Clearance	207,074	120,055	(87,019)	172%	568,941	36%	A site clearance budget surplus has been allocated to additional projects to remove cabins on reserve land next to the cemetery and completing the outstanding site remediation after winter (reseeding and earthworks).	568,941	0	100%
TOTAL - HIGH PROFILE	9,504,542	10,536,140	1,031,598	90%	33,987,100	28%		33,998,527	11,427	100%

PMO - PROJECT MANAGEMENT OFFICE										
NEW CAPITAL										
Waste Management	70,800	144,508	73,707	49%	3,872,650	2%	Wanaka New Waste Facilities (WM) YTD Budget \$145k with Actuals of \$71k (Full year budget \$3.9M) - Geotech site investigations completed in August. A project business case is in development, with concept design for the preferred option due for completion in December 2024. Development of a business case and extended investigations/design period (relative to original forecast) are due to QLDC's recent acquisition of the adjacent Ballantyne Rd site - supporting alternative configuration options that need to be explored to ensure best value for money and optimal use of both sites. On completion of concept design QLDC will be in a position to reconfirm	500,000	-3,372,650	13%
Storm Water	97,552	93,475	(4,077)	104%	8,084,427	1%	Kingston New Scheme (SW) YTD Budget \$78k with Actuals of \$81k (Full year budget \$7.6M) - Detailed design is complete and the earthworks consent has been granted. Procurement for construction is largely complete with final negotiations underway with the preferred tenderer. Construction is planned to start in November 2024 and is scheduled for completion by early 2026. NB: the FY25 project budget was adjusted to \$5.75M through the October reforecast. Rockabill Gully Erosion Protection (SW) YTD Budget \$15k with Actuals of \$17k (Full year budget \$500k) - A technical options report is underway with concept design of a preferred solution planned for completion in March 2025. The balance of current year budget will be deferred to complete detailed design.	6,241,955	-1,842,473	77%
Waste Water	7,334,107	7,596,144	262,037	97%	29,636,407	25%	Project Shotover Stage 3 (WW) YTD Budget \$5.8M with Actuals of \$5.4M (Full year budget \$18.4M) - Physical works commenced Aug 2023 and due to be completed Dec 2025. Upper Clutha Conveyance Scheme (WW) YTD Budget \$543k with Actuals of \$798k (Full year budget \$3.9M) - Detailed design is due for completion early December 2024. Construction tender to be released early December with construction planned to start mid-2025. Currently planning on deferring \$1.7m from year 1 to year 5. Deferral to align with revised to market date for construction. CBD to Frankton Conveyance (WW) YTD Budget \$256k with Actuals of \$237k (Full year budget \$2.9M) - Sewer relining works forecast to be completed end of 2024. Detailed design is planned for completion in January 2025 and construction is planned to start around July/August 2025. Currently planning to defer \$1.9M to year 4 to align general spend with revised to market date for construction as part of the December reforecast. Kingston New Scheme (WW) YTD Budget \$617k with Actuals of \$500k (Full year budget \$731k) - Detailed design is underway and is expected to be completed late 2024 / early 2025. Robins Road Conveyance Upgrade (WW) YTD Budget \$187k with Actuals of \$94k (Full year budget \$2.7M) - Detailed design is underway, with construction forecast to commence early 2025. Shotover Disposal Field (WW) YTD Budget \$70k with Actuals of \$191k (Full year budget \$351k) - An initial assessment has been completed via Beca to assess the root cause of issues and provide advice around the biological fouling observed. A designer has now been engaged to lead the development of a business case and design of a solution. Hanleys Farm Pump Station (WW) YTD Budget \$19k with Actuals of \$32k (Full year budget \$269k) - Detailed design completed June 24. The consent is currently being processed. Construction is due to commence early 2025 and be complete by June 2025. Currently planning on requesting a bring forward of \$1.2m from year 2 as part of the December reforecast. North Wanaka Conveyance Stage 2 (WW) YTD Budget \$24k with Actuals of \$24k (Full year budget \$256k) - Stage 1 completed June 2023. Stage 2 pump station still in consenting stage, subject to resolution of Resource Consent mediation. Expect resolution of mediation in early 2025.	31,964,602	2,328,195	108%
Water Supply	2,894,566	3,041,501	146,935	95%	27,453,744	11%	Compliance Response - UV Treatment (WS) YTD Budget \$1.8M with Actuals of \$2.1M (Full year budget \$11.2M) - Fernhill, Western Intake and Beacon Pt UV treatment now completed. Wanaka Airport and Glenorchy are planned for completion by the end of 2024. Two Mile upgrades are scheduled for completion mid-2025 and Corbridge is due for completion early 2025. Note the FY25 project budget was increased to \$13.2M through the October reforecast to provide for a more permanent water treatment solution in Luggate; enabling earlier delivery of planned investment and reducing overall water supply budget requirements in Luggate over the LTP24 ten-year period (a separate Luggate Scheme Upgrade budget was reduced). Kingston New Scheme (WS) YTD Budget \$354k with Actuals of \$124k (Full year budget \$9.2M) - Stage 1 construction started in August 2024 and includes construction of a new water treatment plant, reservoir, and rising and falling water supply main. The works are scheduled for completion by the end of 2025. Currently planning to defer \$762k from year 1 to 2 and \$2.4M future stages via the December reforecast. Deferral reflects (a) longer than anticipated duration to negotiate the terms of the construction contract, and (b) favourable pricing for current stage. Demand Mgt - Hawea (WS) YTD Budget \$339k with Actuals of \$31k (Full year budget \$3.5M) - Meter installation commenced October 2024, on track for completion within December 2024. Network integration and commissioning is programmed for completion by April 2025, followed by a 24 month monitoring period. It is expected this project will be completed with a material surplus. Options to repurpose this project's Infrastructure Acceleration Funding to the Upper Clutha Conveyance Scheme (WW) project will be explored with the funder in due course. Hawea Los Improvements (WS) YTD Budget \$25k with Actuals of \$3k (Full year budget \$1.7M) - Scope assessment contract imminent for works required to upgrade a pump at the Scotts Beach Borefield. Western Wanaka Level of Service (WS) YTD Budget \$396k with Actuals of \$377k (Full year budget \$761k) - HEB contract complete with final completion certificate granted and retentions released. Alpha Series Stage 3 85% complete, final construction and sign off expected November 2024. Cardrona Reticulation (WS) YTD Budget \$66k with Actuals of \$191k (Full year budget \$685k) - Practical completion issued Sept 24. Forecast surplus circa \$180k. Public Transport Assets - Whakatipu (TR) YTD Budget \$220k with Actuals of \$196k (Full year budget \$741k) - Tranche 3 design contract was awarded but placed on hold pending decision on local share allocation of transport budgets (as not funded by NLTP). Prioritisation of Transportation expenditure will be considered by Council in December. Arthurs Point to CBD Active Travel (TR) YTD Budget \$200k with Actuals of \$159k (Full year budget \$714k) - Construction commenced September 2023 and main works completed May 2024. Balance of 100% Transport Choices funding for close out works and final road safety audit variations.	23,420,494	-4,033,250	85%
Buildings	281,587	238,044	(43,544)	118%	487,361	58%	Paetara Aspiring Central YTD Budget \$83k with Actuals of \$60k (Full year budget \$268k) - Balance of 24/25 budget for Basketball hoops, completed early Oct 2024. PAC - Performing Arts Centre YTD Budget \$155k with Actuals of \$222k (Full year budget \$219k) - QPAC removal, site clearance and remedial works complete.	427,362	-60,000	88%
Total	11,032,350	11,533,671	501,321	96%	70,989,816	16%		63,606,337	-7,383,480	90%
TOTAL - PMO	11,032,350	11,533,671	501,321	96%	70,989,816	16%		63,606,337	-7,383,480	90%

RENEWALS										
COMMUNITY SERVICES										
Libraries	95,256	140,174	44,918	68%	584,000	16%	Library Stock - District Wide YTD Budget \$108k with Actuals of \$92k (Full year budget \$419k) - Programmed to spend 24/25 Whakatipu Libraries minor equipment YTD Budget \$7k with Actuals of \$2k (Full year budget \$30k) - Arrowtown Library study area improvements; Glenorchy Library shelving improvements; Qn Library furniture upgrade and shelving improvements. Upper Clutha Libraries Furniture & Equip YTD Budget \$5k with Actuals of \$1k (Full year budget \$30k) - Hawea Library furniture upgrade, Wanaka Library AV storage, shelving improvements, Returns Bin Paetara. Frankton Libraries minor equipment YTD Budget \$6k with Actuals of \$0k (Full year budget \$30k) - Frankton Library furniture improvements incl study area improvements; Kingston shelving improvements. Libraries World Language Collections YTD Budget \$5k with Actuals of \$0k (Full year budget \$25k) - Programmed to spend 24/25. Libraries Collection Develop districtwide YTD Budget \$9k with Actuals of \$0k (Full year budget \$50k) - Planned for purchase of digital technology, sewing machines etc for Library of Things	584,000	0	100%
Parks and Reserves	234,406	565,750	331,344	41%	4,084,023	6%	Tracks and Trails Renewals YTD Budget \$4k with Actuals of \$8k (Full Year Budget \$480k) - Wakatipu package to include Gibbston Valley Stage 2 and Swain Bridge Corner Improvement. Majority of works anticipated Jan-Jun 25 subject to landowner alignment negotiations with NZTA. Wanaka Full project scope pending prioritisation with Upper Clutha Tracks Trust. Tree Planting Programme YTD Budget \$33k with Actuals of \$42k (Full Year Budget \$300k) - Continuation of planting programme as per arborists schedule. Playground Renewals YTD Budget \$130k with Actuals of \$24k (Full year budget \$500k) - Wakatipu focus McBride Park flying fox. Wanaka focus Hawea playground (exact location to be determined). Parks Roading Renewals YTD Budget \$0k with Actuals of \$2k (Full year budget \$412k) - Programme currently being developed in advance of sealing season. Street Sweeper Renewal - Wanaka YTD Budget \$19k with Actuals of \$0k (Full year budget \$331k) - Purchase likely to be completed (or deposit paid) by December, subject to procurement. Sports Field Lighting Renewals Whakatipu YTD Budget \$10k with Actuals of \$8k (Full year budget \$350k) - Tender for lighting procurement to go out Oct 24. Toilet Renewals - YTD Budget \$31k with Actuals of \$22k (Full year budget \$200k) - Scope confirmed and awarded to GBN for a December delivery.	4,182,798	98,775	102%
Venues and Facilities	247,977	189,710	(58,267)	131%	1,603,354	15%	QEC Alpine Aqualand Plant&Equip Renewals YTD Budget \$54k with Actuals of \$64k (Full year budget \$253k) - \$0.4M to be split between here and QEC Alpine Aqualand Building Renewals, for completed hydroslide strengthening works. QEC Events equipment and fit out renewal YTD Budget \$0k with Actuals of \$9k (Full year budget \$685k) - Tender for indoor court retractable grandstand procurement closed Oct 24. QEC Alpine Aqualand - Building Renewals YTD Budget with Actuals of (Full year budget \$413k) - \$0.4M to be split between here and QEC Alpine Aqualand P&E Renewals for completed hydroslide strengthening works.	1,603,354	0	100%
Total	577,638	895,634	317,995	64%	6,271,378	9%		6,370,153	98,775	102%

INFRASTRUCTURE

Programme	2024/25 Actuals Sept YTD	2024/25 Budget Sept YTD	Variance YTD	% of YTD Budget Spent	2024/25 Full Year Adjusted Budget	% of Full Year Budget Spent	Comments	2024/25 Forecast	2024/25 Forecast Variance	2024/25 Forecast % of Adj Budget
Buildings	158,644	268,916	110,272	59%	2,844,408	6%	Wanaka Airport Renewals YTD Budget \$98k with Actuals of \$1k (Full year budget \$978k) - Programme development underway. Spend unlikely until early 2025 following prioritisation and RFP for programme/project manager. Waterways structures renewals YTD Budget \$77k with Actuals of \$10k (Full year budget \$765k) - Planned consenting and QS cost for Bobs Cove, Kingston and Sunshine Bay underway with upgrades likely to commence by Q3/4. Queenstown Bay Masterplan YTD Budget \$0k with Actuals of \$0k (Full year budget \$155k) - To be deferred to 25/26 in the Dec Reforecast. Unlikely will find resource to undertake 24/25. QLDC Office FF&E Renewals YTD Budget \$16k with Actuals of \$15k (Full year budget \$155k) - Minor renewals as required. Potential to be utilised for more office space fitout.	2,645,753	-198,655	93%
Camp Grounds	-	6,210	6,210	0%	62,100	0%	Campgrounds - Minor Capex YTD Budget \$6 with Actuals of \$0 (Full Year Budget \$62k) - Reactive budget. No works identified/required at present.	62,100	0	100%
Libraries	15,329	10,198	(5,131)	150%	101,983	15%	Libraries Building Renewals YTD Budget \$10k with Actuals of \$15k (Full Year Budget \$102k) - Awaiting appointment of FMM (Facilities Maintenance Management) contract out for procurement Oct.	101,983	0	100%
Transport	402,296	741,880	339,585	54%	9,825,482	4%	Sealed rd resurfacing YTD Budget \$6k with Actuals of \$20k (Full Year Budget \$4.2M) - Downer contract programmed for completion Jan-Apr 25. Sealed road pavement rehab YTD Budget \$0k with Actuals of \$80k (Full Year Budget \$1.6M) - Works programmed for Jan-Apr 25 Sealing season. Unsealed road metalling YTD Budget \$294k with Actuals of \$15k (Full year budget \$1.6M) - Rolling Downer contract to complete works. Cardrona Valley Rd 3.0-4.0 Rehab (TR) YTD Budget \$0k with Actuals of \$0k (Full year budget \$618k) - Contract ongoing from 23/24 programme of works.	9,695,693	-129,790	99%
Venues and Facilities	73,903	187,829	113,926	39%	1,878,291	4%	Qtn Memorial Hall - Building Renewals YTD Budget \$61k with Actuals of \$6k (Full year budget \$612k) - Awaiting appointment of FMM (Facilities Maintenance Management) contract out for procurement Oct 24. QEC - Building Renewals YTD Budget \$41k with Actuals of \$34k (Full year budget \$414k) - Awaiting appointment of FMM (Facilities Maintenance Management) contract out for procurement Oct 24. Lake Wanaka Centre - Building Renewals YTD Budget \$30k with Actuals of \$0k (Full year budget \$296k) - Awaiting appointment of FMM (Facilities Maintenance Management) contract out for procurement Oct 24.	1,878,291	0	100%
Waste Management	22,928	225,190	202,262	10%	1,227,909	2%	Existing Wakatipu Waste Facilities (WM) YTD Budget \$99k with Actuals of \$0k (Full year budget \$544k) - Proposal received from Waste Management on upgrades required. Rollers/belts anticipated Q2/3. MRF prelim assessment/design for Frankton Transfer station underway. Received quote for \$300k for kiosk at Frankton station (under review for prioritisation with other works). Existing Waste Site Consenting (WM) YTD Budget \$108k with Actuals of \$16k (Full year budget \$553k) - Landfill consent expires 2032. Morrison Low engaged to draft RFP for existing Victoria Flats landfill re-consenting, which closed Sept 24. Tender evaluation is completed with recommendation report being drafted. Tucker Beach consent application lodged Sept 24. Planners are commissioning a report to review the plan. Balance of works involves a concession on DOC land which is likely to take 10 months.	1,317,391	89,483	107%
Storm Water	32,585	241,618	209,032	13%	1,310,020	2%	3 Waters Renewals YTD Budget \$1.3M with Actuals of \$1.4M (Full Year Budget \$6.9M) - Renewals Works programmed to spend full 24/25 budget. Minor surplus in Wanaka Airport Stormwater as completed.	1,250,020	-60,000	95%
Waste Water	561,885	733,514	171,629	77%	4,031,933	14%		4,031,933	0	100%
Water Supply	760,884	331,727	(429,157)	229%	1,522,402	50%		1,522,402	0	100%
Not Applicable	3,600	1,035	(2,565)	348%	10,350	35%	Wanaka Car Pound Renewals YTD Budget \$1k with Actuals of \$4k (Full year budget \$10k) - Awaiting quotes for entire property renewals programme	10,350	0	0
Total	2,032,054	2,748,118	716,063	74%	22,814,879	9%		22,515,917	-298,962	99%
TOTAL - RENEWALS	2,609,693	3,643,752	1,034,059	72%	29,086,257	9%		28,886,069	-200,187	99%

OTHER CAPITAL PROJECTS										
COMMUNITY SERVICES										
Buildings	147,835	141,000	(6,835)	105%	141,007	0%	516 Ladies Mile Stage 1 YTD Budget \$141k with Actuals of \$141k (Full year budget \$141k) - Demolition of house completed July 24. Ballantyne Rd Site Remediation Works YTD Budget \$0k with Actuals of \$7k (Full year budget \$0k) - Budget brought forward \$711k since confirmed at the 24th Oct Council meeting to remediate and complete earthworks on the Ballantyne Road site within the next 9-16 months.	852,475	711,468	605%
Parks and Reserves	707,077	1,487,813	780,736	48%	7,050,139	10%	Rockfall Mitigation YTD Budget \$40k with Actuals of \$0k (Full year budget \$600k) - Procurement of rockfall mitigation plan anticipated Q3/4. Budget for design & consenting only (no budget in LTP for physical works). Part deferral to be included in the Dec reforecast as works ongoing into 26/27. Coronet Forest Revegetation YTD Budget \$232k with Actuals of \$7k (Full year budget \$1.8M) - Fencing programmed July to Nov 24, spraying Sept & Mar, site prep Oct-Feb, planting Mar-May. Total 24/25 forecast \$1.15M (deferral of \$0.64M anticipated in line with programme agreed upon contract signing). Wanaka Lakefront Development Plan Stg 5 YTD Budget \$600k with Actuals of \$394k (Full year budget \$1.9M) - Contract for construction commenced in July 24 and expected completion Nov 24. Forecast spend \$1.1M (surplus \$0.8M anticipated). With 7 respondents to the tender, pricing was considerably more competitive than anticipated. Glenorchy Carpark & Marina Improvements YTD Budget \$500k with Actuals of \$179k (Full year budget \$1.1M) - Contract for construction commenced in Aug 24 and expected completion Nov 24. Forecast in line with budget.	5,562,616	-1,487,523	79%
Venues and Facilities	88,209	73,599	(14,610)	120%	1,363,814	6%	QEC Outdoor netball/tennis court resurf YTD Budget \$51k with Actuals of \$47k (Full year budget \$1.0M) - Tender for QEC courts procurement to go out Oct 24. Balance likely to be used for Hawea basketball courts pending procurement. QEC Indoor Courts, Carpark, Sports Field YTD Budget \$0 with Actuals of \$1k (Full year budget \$250k) - Scoping underway. Council Workshop 29th Oct, to confirm release of RFP for design team.	1,363,814	0	100%
Total	943,121	1,702,412	759,291	55%	8,554,960	11%		7,778,905	-776,055	91%
CORPORATE SERVICES										
Information Management	143,322	375,334	232,012	38%	1,817,000	8%	Enterprise System YTD Budget \$207k with Actuals of \$99k (Full year budget \$975k) - Planned for Consultants supporting TechOne and resource backfill to support the TechOne CIA transition programme. ICT Projects YTD Budget \$86k with Actuals of \$7k (Full year budget \$475k) - Planned for unspecified technology changes, ESX hosts, backup server replacement, eLearning platform, cloud maturity (Azure) and external digital signage at QEC and WRC. Expecting savings of \$115k due to the digital screens project upgrade being in Wanaka only.	1,567,800	-249,200	86%
Libraries	-	37,090	37,090	0%	204,000	0%	Library PC's, Scanners, faxes - Library YTD Budget \$37 with Actuals of \$0 (Full year budget \$204k) - First stage planning in progress for ICT suite at Wanaka Library. Increased resourcing of Loanable Technology in place. 3D printers currently being researched for purchasing for main libraries. Online booking system and Digital Repository not started yet.	154,000	-50,000	75%
Total	143,322	412,424	269,102	35%	2,021,000	7%		1,721,800	-299,200	85%
INFRASTRUCTURE										
Buildings	245,430	167,283	(78,148)	147%	1,672,827	15%	Wanaka Airport Compliance YTD Budget \$89k with Actuals of \$1k (Full year budget \$892k) - Programme development underway. Spend unlikely until early 2025 following prioritisation and RFP for programme/project manager. Luggate Hall Replacement YTD Budget \$26k with Actuals of \$20k (Full year budget \$264k) - Practical completion Nov 22. Storm water defects/issues procurement to be undertaken by Dec 24 for contractor to complete final works. HVAC improvements planned Dec. EV Charging Stations YTD Budget \$25k with Actuals of \$4k (Full year budget \$245k) - Awaiting RFP and quotes Oct 24 for installation of QLDC internal charging stations for QEC and Ardmore St.	1,514,136	-158,691	91%
Waste Management	345,894	277,716	(68,178)	-125%	2,368,059	-15%	New Waste Facilities YTD Budget \$275k with Actuals of \$27k (Full year budget \$1.5M) - Report to go to Nov INF Committee to confirm the next steps for the MRF solution. Budget to be part deferred in the Dec reforecast. Zero Waste Programme YTD Budget \$-64k with Actuals of \$-174k (Full year budget \$522k) - Service agreements in place which will incur milestone payments (Resourceful communities, Wanaka Community Workshop, Wastebusters, Kiwi Harvest, Zero Waste Event work, WAO Circular Economy Programme, Sustainable Qtn Waste min project, Plastic Free Wanaka. Offset with accruals from 23/24. Catchment Mgt Plans - Wakatipu & Wanaka YTD Budget \$36k with Actuals of \$14k (Full Year Budget \$175k) - Catchment management plans (version 1) due to be finalised Nov 24. Compliance Plans - Wakatipu & Wanaka YTD Budget \$0k with Actuals of \$0k (Full year budget \$288k) - Project commencement pending ORC confirmation of future stormwater consent requirements. Minor Improvements - Wakatipu & Wanaka YTD Budget \$38k with Actuals of \$0k (Full Year Budget \$211k) - Programme development underway. Partly to be used for reactive works. Planning Inputs - Wakatipu & Wanaka YTD Budget \$33k with Actuals of \$72k (Full Year Budget \$456k) - 24/25 budget committed to update SW models & complete flood maps.	1,395,589	-972,500	59%
Storm Water	132,171	127,995	(4,176)	103%	1,343,016	10%	Project Pure Aeration Grid Renewal YTD Budget \$1.1M with Actuals of \$30k (Full year budget \$5.9M) - Design and build contract agreed. Design likely to be completed Feb 25 with construction to commence Mar 25 to align with low flows into treatment plant. Completion estimated Dec 25. Deferral of budget to 25/26 is to be included in the Dec Reforecast to align with cashflow. Historic Land Encroachments YTD Budget \$6k with Actuals of \$5k (Full year budget \$690k) - Land acquisition process underway. Costs of acquisition expected to be higher than budgeted and will be addressed through the December reforecast. Frankton Beach to Shotover Conveyance WW YTD Budget \$13k with Actuals of \$3k (Full year budget \$305k) - Project presently being scoped for initiation in Q3 of FY25. Some funding being held to leverage an opportunity for early delivery of a section of pipeline; if this is not required a deferral of some funding is possible through a future FY adjustment process. Southwest Wanaka Conveyance Scheme YTD Budget \$11k with Actuals of \$1k (Full year budget \$472k) - Tender for procurement completed but put on hold until masterplan completed. Linked with proj 000989 (Masterplanning Wanaka). Interim network upgrades to maintain service levels in line with growth are being scoped. Deferral of FY25 funding since approved in the October reforecast. Telemetry YTD Budget \$0k with Actuals of \$0k (Full year budget \$0k) - Budget increase \$541k since approved in the October Reforecast. The additional budget will enable work to progress the transition from the current SCADA system to a modern and fit for purpose system, noting the current SCADA platform becomes unsupported from 2027.	1,228,958	-114,058	92%
Waste Water	177,336	1,284,476	1,107,140	14%	8,305,510	2%		6,585,204	-1,720,306	79%
Water Supply	301,335	206,177	(95,158)	146%	2,109,877	14%	Capell Ave Watermain Extension YTD Budget \$0k with Actuals of \$0k (Full year budget \$454k) - Project on hold due to the dependency with the roading extension, to be deferred to Y2 as per the Oct Reforecast. Beacon Point Supply Upgrades YTD Budget \$4k with Actuals of \$5k (Full year budget \$206k) - Project pending initiation, expected to commence FY25 Q3. Hawea Scheme Upgrades YTD Budget \$2k with Actuals of \$6k (Full year budget \$218k) - Project pending initiation, expected to commence FY25 Q3. A deferral in a future FY adjustment process is now anticipated. Luggate Reservoir Capacity YTD Budget \$21k with Actuals of \$184k (Full year budget \$200k) - Land purchase settlement completed Sept 2024. Project to be placed on hold to be re-initiated in line with approved LTP24 budget. Telemetry YTD Budget \$17k with Actuals of \$0k (Full year budget \$95k) - Budget increase \$475k since approved in the October Reforecast. The additional budget will enable work to progress the transition from the current SCADA system to a modern and fit for purpose system, noting the current SCADA platform becomes unsupported from 2027.	2,495,130	385,253	118%
Transport	851,528	493,363	(358,165)	173%	8,355,552	10%	Road to Zero Minor Improvements Programme LCLR YTD Budget \$129k with Actuals of \$293k (Full year budget \$4.6M) - No longer funded by NZTA aside from \$1.2M for Ballantyne Road. Prioritisation of Transportation expenditure will be considered by Council in December. Wanaka Pool to School Active Travel YTD Budget \$51k with Actuals of \$342k (Full year budget \$52k) - Repurposing of surplus Arthurs Point to Queenstown Active Travel Transport Choices funding has been negotiated, partially offsetting an overspend on this project + providing for the delivery of additional scope items. Capell Ave Road Extension (TR) YTD Budget \$0k with Actuals of \$0k (Full year budget \$1.2M) - Project on hold due to no funding in the NLP. Approval to be deferred to Y2 via the Oct Reforecast. Prioritisation of Transportation expenditure will be considered by Council in December. Resilience - Wakatipu & Wanaka YTD Budget \$46k with Actuals of \$8k (Full year budget \$519k) - Recently confirmed 75% NZTA funding for Crown Range & Bennetts Bluff resilience works. Procurement imminent. Individual project budgets will be established via the December reforecast. Shotover River Bridge AP Duplication YTD Budget \$40k with Actuals of \$0k (Full year budget \$309k) - Not funded by NZTA. Prioritisation of Transportation expenditure will be considered by Council in December.	7,238,496	-1,117,055	87%
Venues and Facilities	10,105	1,481	(8,624)	682%	14,807	68%	Building Management System YTD Budget \$1k with Actuals of \$10k (Full year budget \$15k) - Project complete, with final commissioning in process	14,807	0	100%
Not Applicable	69,819	153,971	84,152	45%	1,244,407	6%	Whakatipu Priority Growth Corridors YTD Budget \$143k with Actuals of \$58k (Full year budget \$1.0M) - Programme manager resource awaiting recruitment. Scoping delayed until early 2025. Wanaka Airport Masterplan YTD Budget \$11k with Actuals of \$11k (Full year budget \$106k) - Draft Capital Plan and Functional Strategy delivered and integrated into LTP. Part 139 compliance deliverables have triggered the need to review WKA management structure and the current services agreement in place. Investigative work underway to explore alternatives.	675,157	-569,250	54%
Infrastructure Total	1,441,830	2,712,461	1,270,630	53%	25,414,054	6%		21,147,447	-4,266,607	83%
Assurance, Finance & Risk										
Not Applicable	-	22,326	22,326	0%	153,791	0%	Procurement Systems (IN) YTD Budget \$0k with Actuals of \$0k (Full year budget \$123k) - 23/24 for QLDC wide procurement strategy implementation. Awaiting recruitment of a Procurement Manager. Budget needed but not utilised until 24/25. Handheld Devices - Parking, Freedom Camp YTD Budget \$0 with Actuals of \$0 (Full year budget \$31k) - Parking device equipment upgrade anticipated by Feb/Mar 25.	31,000	-122,791	20%
Assurance, Finance & Risk Total	-	22,326	22,326	0%	153,791	0%		31,000	-122,791	20%
TOTAL - OTHER NEW CAP	2,528,273	4,849,622	2,321,349	52%	36,143,805	7%		30,679,152	-5,464,652	85%
TOTAL	25,674,857	30,563,185	4,888,328	84%	170,206,978	15%		157,170,086	-13,036,892	92%

Attachment C: September 2024 Debtors Analysis

Debtors Analysis

As at 30 September 2024	Council		
	Sep-24 \$'000	Sep-23 \$'000	Variance \$'000
From non-exchange transactions			
Trade receivables	8,662	8,884	(222)
Infringement receivables	2,881	2,614	267
Rates receivables	5,605	9,705	(4,100) *1
New Zealand Transport Agency	812	1,604	(793) *2
Other	437	333	104
Allowance for doubtful debts	(2,332)	(2,019)	(313)
	<u>16,065</u>	<u>21,121</u>	<u>(5,056)</u>
From exchange transactions			
Trade receivables	10,004	7,292	2,712 *3
Other	2,242	2,626	(384)
Allowance for doubtful debts	(1,368)	(896)	(472)
	<u>10,878</u>	<u>9,022</u>	<u>1,856</u>
	<u>26,943</u>	<u>30,144</u>	<u>(3,201)</u>
Age analysis			
Trade and other receivables (excluding rates/DC's)			
Current (0-30 days)	10,114	14,961	(4,847) *4
31-60 days *	1,795	1,504	291
61-90 days *	364	376	(12)
90 days + *	5,837	3,622	2,214 *5
	<u>18,110</u>	<u>20,463</u>	<u>(2,353)</u>
Development Contributions			
Current (0-30 days)	2,192	875	1,317 *6
31-60 days *	388	605	(217)
61-90 days *	1,326	83	1,243 *6
90 days + *	3,022	1,327	1,694 *6
	<u>6,928</u>	<u>2,891</u>	<u>4,037</u>
Rates receivables			
Current year rates (overdue) *	-	4,731	(4,731) *1
Previous years rates *	5,605	4,974	631 *1
	<u>5,605</u>	<u>9,705</u>	<u>(4,100)</u>
Allowance for doubtful debts	(3,700)	(2,914)	(785)
Total receivables	<u>26,943</u>	<u>30,144</u>	<u>(3,201)</u>

* Amounts are considered past due.

Commentary

Non-Exchange

*1 Total rates outstanding balance has decreased by \$4.1M which is made up of a \$4.7M decrease in current years unpaid rates and a \$0.6M increase in previous years rates arrears.

The due date for instalment 1 this financial year is the 25th of October 2024, so as at 30 September there were no current years rates unpaid that are overdue, compared to last year when the instalment 1 due date was 30 September.

As at 30 September 2024 there were 2,919 properties in arrears for prior year rates overdue, which is a huge reduction compared to the 3,434 properties that were in arrears in July 2024 totalling \$7.1M.

In October letters were sent to 2148 ratepayers with arrears outstanding from 30 June 2024 with immediate impact on overall arrears outstanding. Payment plans continue to be agreed with 129 active plans in place for arrears debt. To note there were only 32 active payment plans in October 2023 which shows the increase in follow up of our arrears debt.

Of the 2,919 properties in arrears 39% are rated as residential, 17% vacant sections, 12% accommodation, and 10% country dwelling and 5% commercial (percentage based on \$ values). The September 2023 arrears breakdown was similar at 36% residential, 15% vacant sections, 13% country dwelling, 12% accommodation and 7% commercial.

*2 NZTA receivable is \$793k less than September last year as claims have been less this financial owing to the late confirmation of NLTP/NZTA transport subsidised programme in September. The new government does not support minor improvements and active travel which has reduced what we are able to claim.

Exchange

*3 Trade receivables from exchange transactions have increased by \$2.7M which is made up of an increase in development contributions of \$4.0M offset with a decrease in other receivables of \$1.3M. There were 3 large outstanding DC's totalling \$2.2M that were within the current and 60days outstanding age bracket. The decrease in other receivables is due to NZTA outstanding invoicing being \$3.1M in September 2023 compared to \$0.7M in September 2024. Both of these are within the current aging category.

Age analysis

*4 Large reduction in current debtors relates to the monthly CIP (Crown Infrastructure Partners) claim for the Arterials and Street Upgrades work. September 2023 accrual was \$5.8M for both the Arterials and Street Upgrades compared to September 2024 which was only an accrual for the Arterials work totalling \$1.6M. The Street upgrades project has since reached practical completion + the percentage claimed per month for Arterial has decreased due to the extension of time and increase in cost that was approved at the April 2023 council meeting.

*5 The increase in aged debtors >90days overdue relates mostly to consent debtors. There are 49 outstanding consent debtor accounts with >\$10k unpaid, 5 of which are >\$50k. Of the 10 largest outstanding accounts, 3 have subsequently paid, 1 is formally disputed and 2 are with debt collection.

*6 There were eight large development contribution invoices outstanding that are >\$200k (Compared to only 2 >\$200k for Sept23). Two of these are within the current aging bracket totalling \$1.6M, one within the 30days overdue for \$0.3M, two within the 60days overdue totalling \$0.9M and three that are >90days overdue totalling \$0.8M. To note 3 of these have subsequently been paid, and 1 has been cancelled. In total there are 178 development contributions outstanding as at 30 September 2024, 128 of these are >90days overdue, compared to only 151 and 87 >90 days overdue as at 30 Sept 2023.

Attachment D: September 2024 Statement of Financial Position

Statement of Financial Position

As at 30 September 2024

	Actual 30/09/2024 \$'000	Actual 30/09/2023 \$'000	Year on Year Movement \$'000	Annual Plan Jun-25 \$'000	Actual Jun-24 \$'000
Current assets					
Cash and Cash Equivalents	13,755	20,471	(6,716) *1	3,500	8,031
Trade and other receivables from non-exchange transactions	16,065	21,121	(5,056) *2	16,253	18,073
Trade and other receivables from exchange transactions	10,878	9,022	1,856 *2	11,331	20,057
Inventories	82	82	(0)	59	78
Other Financial Assets	2,984	1,155	1,829 *3	614	2,984
Other current assets	8,930	11,267	(2,337) *4	10,157	9,634
Assets held for Sale	6,368	4,455	1,913 *5	4,928	6,351
Total current assets	59,062	67,574	(8,511)	46,842	65,208
Non-current assets					
Investment in subsidiaries	5,412	5,412	-	5,412	5,412
Other financial assets	14,048	12,612	1,436 *6	16,761	12,708
Property, plant and equipment	3,086,107	2,914,257	171,850 *7	3,426,450	3,076,764
Intangible assets	7,756	5,721	2,035 *8	12,173	7,557
Investment property	54,210	53,150	1,060 *9	66,134	54,210
Development property	19,500	19,414	87	19,372	19,501
Total non-current assets	3,187,034	3,010,566	176,468	3,546,302	3,176,152
Total assets	3,246,097	3,078,140	167,957	3,593,144	3,241,360
Current liabilities					
Trade and other payables from exchange transactions	40,388	43,065	(2,677) *10	52,427	47,449
Borrowings	174,468	109,000	65,468 *11	10,285	146,468
Other current liabilities	136,102	115,194	20,908 *12	198,414	8,246
Employee entitlements	3,430	2,922	508	3,788	3,985
Total current liabilities	354,388	270,182	84,206	264,914	206,148
Non-current liabilities					
Borrowings	515,372	450,732	64,640 *11	462,966	505,372
Total non-current liabilities	515,372	450,732	64,640	462,966	505,372
Total liabilities	869,760	720,914	148,846	727,880	711,520
Net assets	2,376,337	2,357,226	19,111	2,865,263	2,529,840
Equity					
Reserves	1,653,369	1,681,547	(28,178)	1,838,035	1,653,341
Accumulated funds	722,967	675,679	47,289	1,027,229	576,499
Total equity attributable to Council	2,376,337	2,357,226	19,111	2,865,263	2,229,840

Commentary

- *1 Movement in cash on hand relates to timing of the availability of cash at month end. Variance is within the Main bank account and Short term deposits account which holds any surplus cash to generate interest.
- *2 Refer to Debtors Analysis for commentary.
- *3 Increase of \$1.8M to September 2023 relates to current interest rate swaps and the timing of when these financial instruments were transacted.
- *4 The \$2.3M decrease in other current assets includes \$1.8M reduction in prepayments for prepaid QLDC and ORC rates on QLDC owned properties as the rates due date for the 2025 financial year is not until October, compared to September in prior years.
- *5 There has been an additional \$1.9M reclassified as assets held for sale at 30 June 2024 including \$1.6M for the Commonage land.
- *6 There has been a \$4.4M increase in the LGFA borrower note balance from \$10.8M to \$15.2M. The balance increased as each Council that borrows from LGFA must subscribe to an amount equal to 2.5% of the total borrowings from LGFA by that Council. The LGFA will redeem borrower notes when the Council's related borrowings are repaid. This is offset by a \$3.0M decrease in interest rate swaps balance.
- *7 Movement includes asset capitalisations during the year offset by a \$41.6M revaluation decrease as at 30 June 2024 year end, a \$26.5M decrease in the capital work in progress balance compared to September 2023 and the remaining variance an increase in the accumulated depreciation balance.
- *8 There have been additions to intangible assets of \$4.3M including the WIP balance, offset by an additional \$2.2M amortised for the year.
- *9 Movement relates to the annual investment property revaluation at the 30 June 2024 year end.
- *10 There is a \$2.3M decrease in the monthly trade payables balance as at 30 September, \$1.2M decrease in expenditure accruals as Sept23 included an accrual for the unplanned maintenance expenditure for the significant weather events. This is offset with a \$0.9M increase in subdivision bonds held.
- *11 There is an increase in total borrowings of \$130.1M to fund the capital programme.
- *12 The movement includes a \$20.6M increase in the rates in advance balance. Rates for the year are invoiced for the full year when struck and are released to the profit and loss monthly. Rates revenue has increased from \$144M (GST incl) for the 2024 financial year to \$171M (GST incl) for the 2025 financial year.

Borrowing Limits (%)	Actual Sep-24	Long Term Plan Jun-25	Borrowing Limit	Actual Jun-24
Interest Expense/Rates < 30% (2023/24: < 30%)	23.4% ●	20.1%	30.0%	25.3%
Interest Expense/Total Revenue < 20% (2023/24: < 20%)	12.3% ●	12.3%	20.0%	13.4%
Net Debt/Total Revenue (annualised) < 285% (2023/24: < 290%)	265.1% ●	263.0%	285.0%	271.3%

Measure is within the borrowing limit ●
Measure is within 5% of the borrowing limit ●
Measure is outside of the borrowing limit ●