

Audit, Finance & Risk Committee

8 July 2025

Report for Agenda Item | Rīpoata moto e Rāraki take [8]

Department: Assurance, Finance & Risk

Title | Taitara: April YTD 2025 Financial Overview

Purpose of the Report | Te Take mō te Pūroko

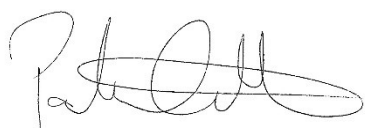
The purpose of this report is to present the 2024/25 April Year to Date (YTD) Actual to Budget financial results, Capital Expenditure financial results, April 2025 Debtors Analysis and Statement of Financial Position and to report on any significant transactions and/or variances to budget.

Recommendation | Kā Tūtohuka

That Audit, Finance & Risk Committee:

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

Prepared by:



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Title: Finance Director
18 June 2025

Reviewed and Authorised by:



Name: Katherine Harbrow
Title: GM Finance, Assurance & Risk
18 June 2025

Context | Horopaki

1. The main objective of this report is to give the Audit, Finance & Risk 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

2. This report is for noting only so there are no options presented.




2024/25 April YTD Operational Expenditure Reporting Overview:

2. The 2024/25 April YTD net operating deficit of (\$36.3M) is a \$1.9M favourable variance to the budget operating deficit of (\$38.2M).
3. There is a full year forecast \$0.1M favourable variance to the budgeted operating deficit. The main drivers are favourable variances in Income and Professional Fee Expenditure, which are partially offset by forecast overspends in Infrastructure maintenance \$5.6M and Power \$1.0M.
4. Further analysis is provided within **Attachment A – April 2025 Finance Management Report**

2024/25 April YTD Capital Expenditure Reporting Overview:

5. At the end of December 2024, Council had 355 capital projects with an approved 2024/25 adjusted budget of \$152.5M. This is a \$5.8M increase from the 2024/25 Annual Plan budget of \$146.7M.
6. Overall year to date actual spend is \$107.2M (87%) against a year to date adjusted budget of \$123.1M. Forecast spend is \$134.4M (88%) of the full year adjusted budget of \$152.5M.
7. Please note that 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.
8. 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.
9. A traffic light system has been introduced to highlight any areas of concern or potential financial risks (such as significant forecast variances to budget), which the committee should be made aware of. **Attachment B Finance YTD Capex Project Report Jul 2024 to Apr 2025** includes the traffic lights in the forecast column. formatting has now been applied to the forecast % spend of current year budget as per the following table:

| Forecast Range | |
|----------------|---|
| 90-105% |  |
| 80-89% |  |
| <80% |  |

10. The majority of projects which are tagged as amber or red relate to timing of delivery with carry forwards anticipated to be required to complete in 2025/26. There are a number of reasons for the delay in spending which include:
- The late adoption of the 2024-34 LTP in September 2024
 - The late confirmation of the NZTA subsidised programme and subsequent reprioritisation of local share budgets approved in December
 - For Wānaka Airport, time taken to work through responsibilities within the Management Services Agreement for capex delivery with Queenstown Airport Corporation
 - The time taken to procure and approve and award the new 8-year Facilities Maintenance and Renewals Contract which will now commence in July
 - Timing of Whakatipu Transport Programme Alliance Storm water works on Ballarat Street which has deferred sealing works of Stanley Street carpark to 25/26.
11. Detailed in-depth financial commentary on key projects is provided within **Attachment B. Finance YTD Capex Project Report Jul 2024 to Apr 2025** and summarised in the *April 2025 Finance Management Report*.

2024/25 Statement of Financial Position Overview:

12. Total net asset decrease of (\$56.5M) compared to April 2024.

13. The Council's key financial covenant ratio of Net Debt/Total Revenue is 266.6% at 30 April 2025. The FY25 limit is 285%.

2024/25 April Debtors Analysis Overview:

14. Total outstanding debtors have decreased by \$6.3M compared to April 2024, with a \$1.2M decrease in Trade & other receivables and decrease in NZTA receivables of \$3.7M mainly due to the lower funding receivable from NZTA.
15. Further in-depth commentary is provided within **Attachment A April 2025 Finance Management Report**.
16. The report is for noting.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

17. This matter relates to the Financial risk category. It is associated with RISK10013 Unexpected change in cost or funding within the QLDC Risk Register. This risk has been assessed as having a very high residual risk rating.
18. 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

19. This matter is of low 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 and capital budgets for the 2024/25 financial year.
20. 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

21. Not required as the matter is of low significance as noted above.

Financial Implications | Kā Riteka ā-Pūtea

22. 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

23. Section 10 of the Local Government Act 2002 (the Act) 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.

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

Attachments | Kā Tāpirihaka

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|---|--|
| A | April 2025 Finance Management Report |
| B | Finance YTD Capex Project Report July 2024 to April 2025 |