

Finance Management Report April 2025

AFR Committee – 8 July 2025

Key messages

YTD net operating surplus vs
budget

\$1.9M F
(5%)

▲1.1M from pm

Revenue **\$2.9M** (1.5%) F
Expenditure **\$0.9M** (0.4%) U

FY Forecast net operating
surplus

\$0.1M F
(0.3%)

▲\$0.08M from pm

Revenue **\$1.4M** (0.6%) F
Expenditure **\$1.2M** (0.5%) U

Forecast Capex Spend

\$134.4M
(88%)

▼\$2.9M / 2% from pm

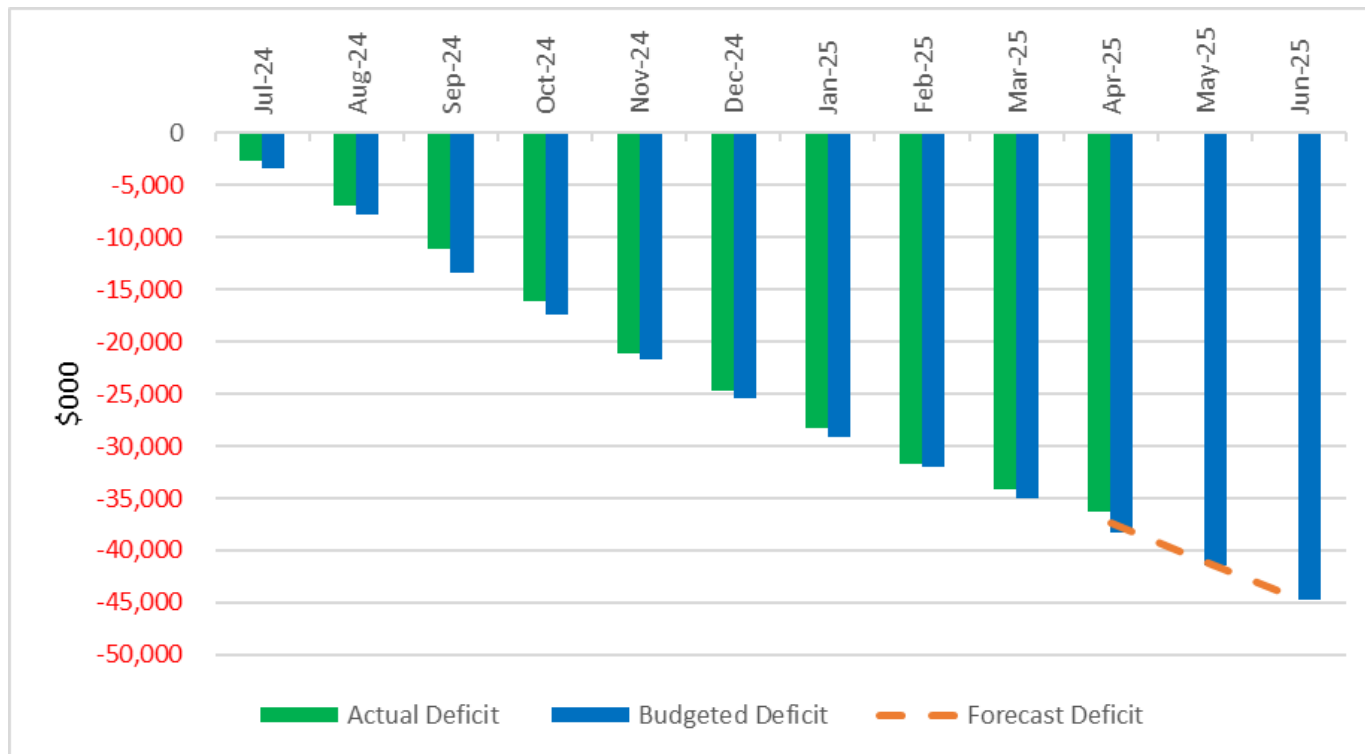
YTD capital spend \$107.2M
(87%)

YTD Financial Position

	YTD Actual \$M	YTD Budget \$M	YTD Variance \$M
OPERATING REVENUE			
Total Operating Revenue	188.3	185.4	2.9
OPERATING EXPENDITURE			
Total Personnel Expenditure	49.5	50.1	0.5
Total Operating Expenditure	94.2	93.0	-1.3
Interest	25.7	25.6	-0.2
Depreciation	55.0	55.0	-0.0
Total Operating Expenditure	224.5	223.6	-0.9
NET OPERATING SURPLUS/(DEFICIT)	-36.3	-38.2	1.9
CAPITAL REVENUE			
Income - Development Contributions	15.6	32.8	-17.2
Income - Vested Assets	28.4	28.4	0.0
Income - Grants & Subsidies Capex	12.9	11.2	1.7
Income - Dividends received	15.9	10.7	5.2
Income - Gain/(loss) on diposal of property, plant & equipment	1.2	0.0	1.2
Total Capital Revenue	74.0	83.1	-9.1
TOTAL SURPLUS/(DEFICIT)	37.7	44.9	-7.2

What is year end looking like?

Forecast Operating surplus **\$0.1M (0.3%) favourable against budgeted deficit of \$44.8m**



Forecast Income – **\$1.4M (0.6%) F**

- MFE Landfill levy **\$0.4m F**
- Traffic & Parking Infringements (net of bad debts) **\$0.9m F**
- NZTA funding re weather events **\$0.3m F** (incl \$0.8m re weather events)
- Internal capex recoveries re community Services **\$0.8m F**
- Lease revenue **\$0.8m F**
- Impact re Freedom Camping Bylaw **\$0.3m U**
- Paper Road Sale **\$0.8m U**
- Outdoor dining fees **\$0.2m U**

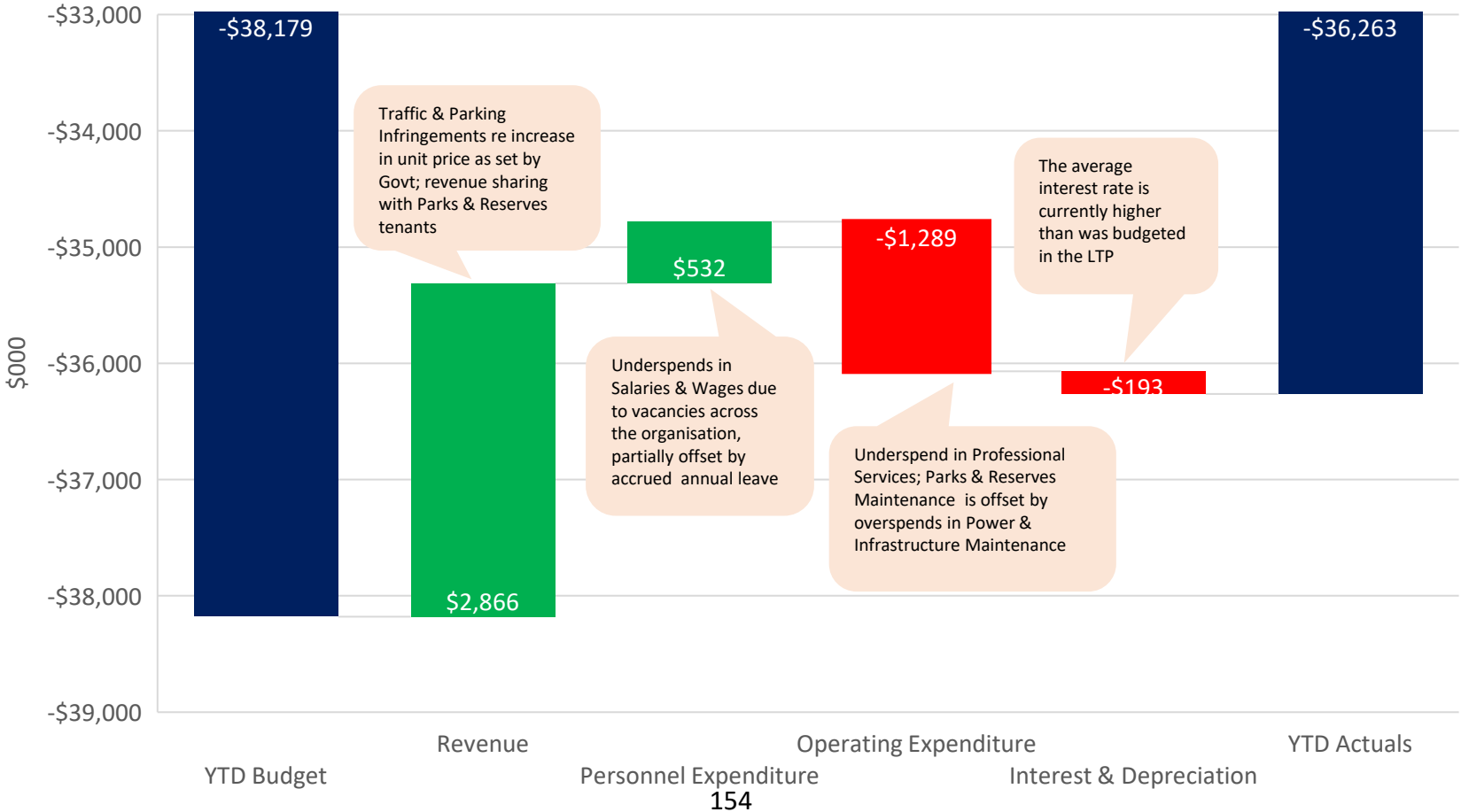
Forecast Expenditure – **\$1.2m (0.5%) overspend**

- Professional Services **\$3.3m F** (incl c/f of \$2.5m)
- Legal Fees **\$0.9m F** mostly re release of ZQN weathertightness provision (1.1m F)
- Parks & Reserves Maintenance **\$0.5m F**
- Salaries & Wages **\$0.5m**
- Power **\$1.0m U**
- Infrastructure Maintenance **\$5.6m U**
- Interest expense **\$0.2m U**

Operating Summary

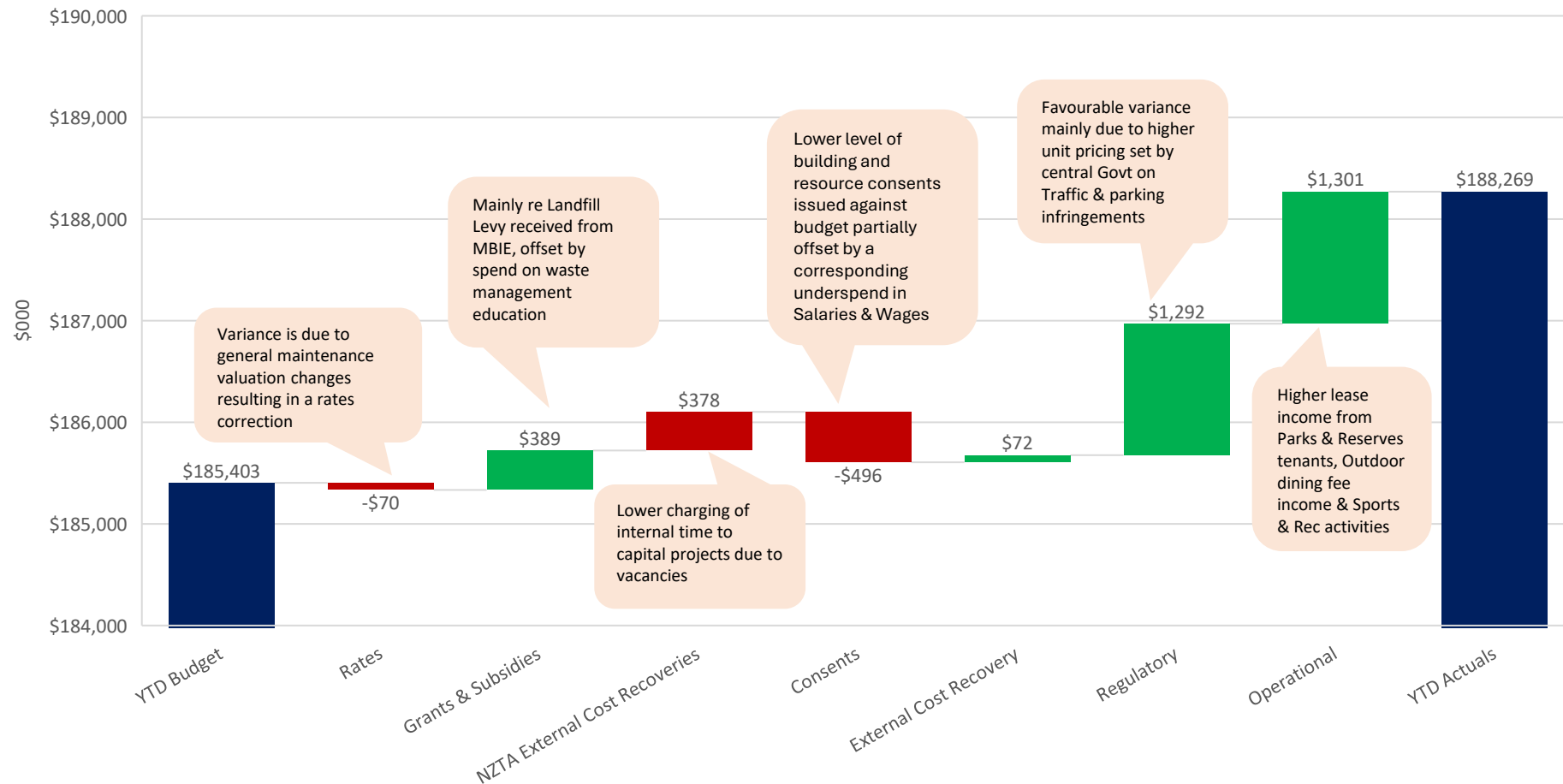
What's driving the YTD variance?

YTD Net Operating Surplus / (Deficit) – **\$1.9M (5.0%) favourable**
\$0.8m (2.4%) F in Mar



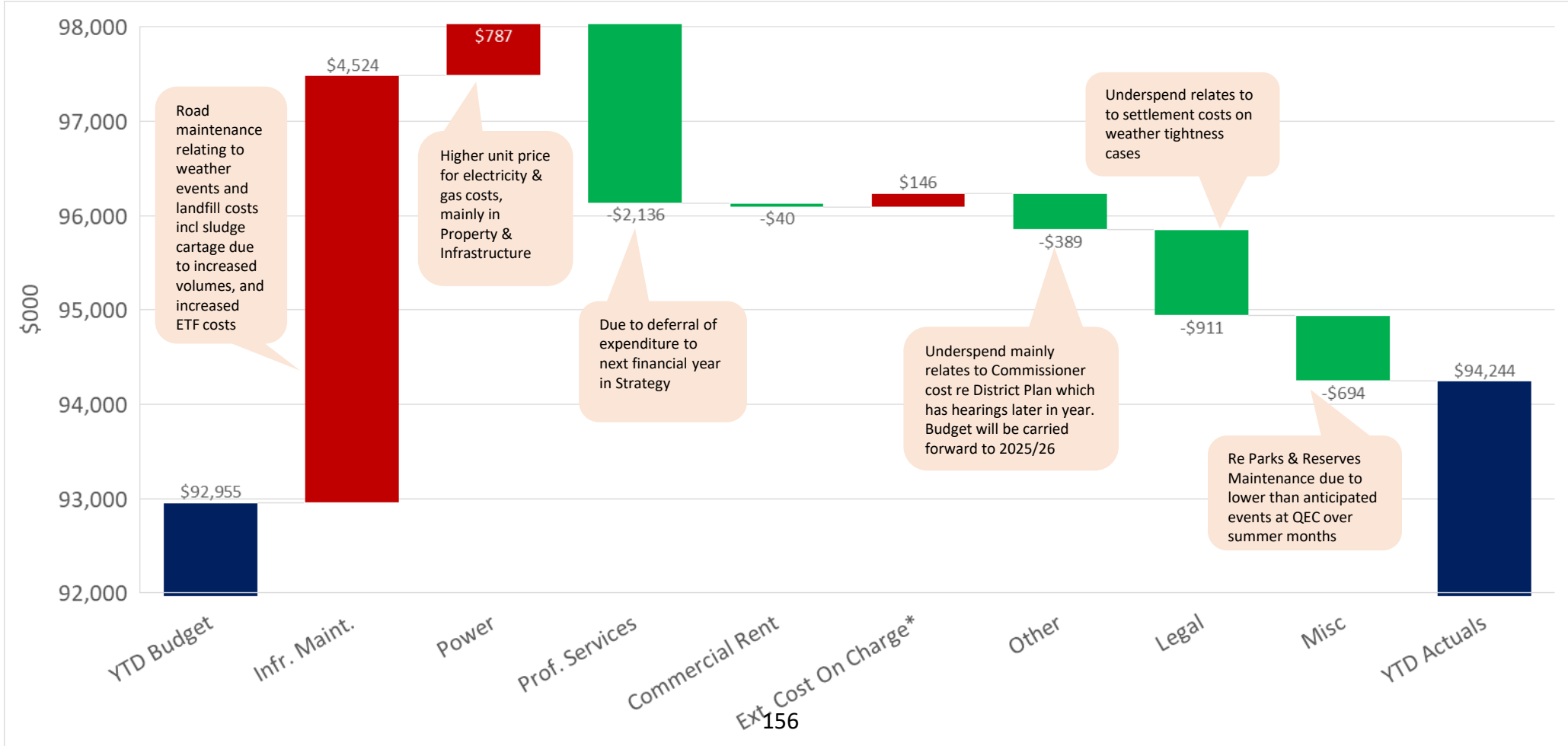
Breakdown of the revenue variance

YTD revenue – **\$2.9M (1.6%)** favourable



Operating Expenditure

Operating Expenditure (excl Interest & Depreciation) - **\$1.3m (1.4%) overspent**



Capital Expenditure Summary

Is 24/25 Capex Delivery on Track?

YTD Actuals

\$107.2M / 87%

▲1% from pm

Grouping	YTD Budget	YTD Actuals	YTD Var	% Spent	Change from pm
High Profile	30.0	29.9	0.1	100%	▲4%
PMO	43.6	43.5	0.1	100%	▼1%
Renewals	25.1	16.8	8.3	67%	▼1%
Other Projects	24.5	17.0	7.4	70%	▲3%
QLDC Total	123.1	107.2	16.0	87%	▲1%

Forecast Spend

\$134.4M / 88%

▼\$2.9M / 2% from pm

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

Grouping	FY Budget	FY Forecast	FY Var	% Fcast	Change from pm
High Profile	34.0	33.5	0.5	99%	▲2%
PMO	54.5	51.4	3.1	94%	▼1%
Renewals	31.2	25.1	6.1	80%	▼3%
Other Projects	32.8	24.4	8.5	74%	▼6%
QLDC Total	152.5	134.4	18.2	88%	▼2%

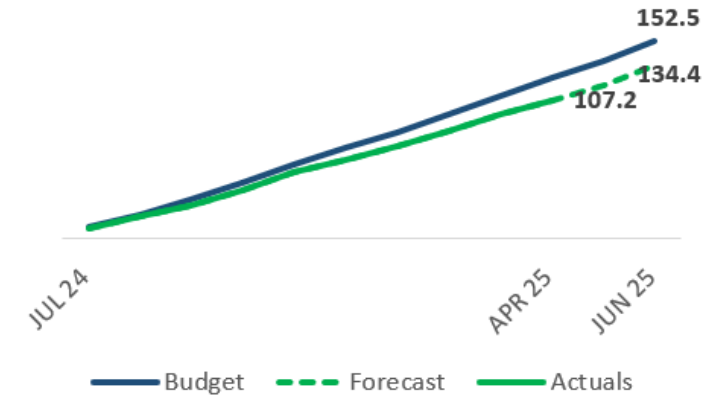
- **Renewals** forecast reduced 3% to 80%, trending towards red.
- **Other New Capital** forecast has also dropped 6% to 74% from prior month so now tagged as red (below 80%).

See following slides for a breakdown of key projects which are impacting the forecast underspend for Renewals & Other New Capital.

Remaining Forecast

\$27.2M

20% of Forecast Spend



- Required Monthly Spend May-Jun - \$13.6
- April Spend - \$11.4M
- Avg Monthly Spend YTD - \$10.7M

Impacts on Capex Renewals

QLDC Total Renewals forecast \$6.1M (20%) below budget

> Infrastructure Renewals forecast \$5.7M (23%) below budget:

- Buildings/Libraries/Venues (\$2.4M) - Carry fwds required due to \$0.7M within Wanaka Airport (QAC to lead project management following MSA agreement), \$0.4M for Waterways Structures (awaiting completion of detailed design following contract signed March) & \$0.9M across various venues (Memorial Hall, QEC & Lake Wanaka Centre building renewals (contractor appointed and works underway but will require carried forward into 25/26 to complete).
- Transport (\$2.4M) - \$1.5M carry forward required due to reprogramming of Glenda Drive Resurfacing to spring 25/26. \$0.6M carry forward required for Cardrona Valley Rd 3.0-4.0 Rehab construction. \$0.5M due to the Transport Model Replacement (funds were brought forward in an earlier reforecast but delayed procurement for additional model build & data collection contract which will require carry forward back to 25/26).
- Waste Management (\$0.8M) - incl Wakatipu Transfer station (deferred to ensure value for money following pricing for resurfacing and kiosk), Existing Waste Site Consenting (timing delay due to requirements for additional technical specialist assessments) and Community Composting (funds committed to community groups but 80% uplift not expected until 25/26).

> Community Services Renewals forecast \$0.4M (6%) below budget:

- Parks & Reserves (\$0.4M) - incl carry fwds anticipated of \$0.2M for Playground Renewals Wanaka for Hawea playground and \$0.1M for Toilet Renewals Wanaka (construction underway 24/25 but due to be completed 25/26)

Renewals Summary Table		Full Year				Year to Date			Total Forecast			
Directorate	Programme	2024/25 Budget	2024/25 Actuals	2024/25 Var	% Spent	2024/25 Budget	2024/25 Var	% Spent	2024/25 Forecast	Forecast Var	% Fcast	
Infrastructure		24.4	12.8	11.6	52%	20.3	7.5	63%	18.7	5.7	76%	●
	Buildings, Camp Grds, Libraries, Venues	4.7	1.4	3.4	29%	3.5	2.1	39%	2.3	2.4	48%	●
	Transport	11.3	6.2	5.1	55%	10.0	3.8	62%	8.9	2.4	78%	●
	Waste Management	1.4	0.2	1.2	15%	1.2	1.0	18%	0.6	0.8	43%	●
	3 Waters	6.9	5.0	1.9	72%	5.6	0.6	89%	6.9	0.0	100%	●
Community Services		6.8	4.0	2.8	58%	4.8	0.9	82%	6.4	0.4	94%	●
	Libraries	0.6	0.4	0.2	71%	0.5	0.0	91%	0.6	0.0	100%	●
	Parks and Reserves	4.3	2.2	2.1	52%	3.4	1.2	66%	3.9	0.4	91%	●
	Venues and Facilities	1.9	1.3	0.6	69%	1.0	-0.3	134%	1.9	0.0	100%	●
	Total Renewals	31.2	16.8	14.4	54%	25.1	8.3	67%	25.1	6.1	80%	●

Impacts on Capex New Capital

QLDC Total New Capital forecast \$12.0M (10%) below budget

> Infrastructure New Capital forecast \$10.6M (9%) below budget:

- Buildings/Venues/NA (\$1.3M) - Carry fwds anticipated of \$0.9M for Wanaka Airport Compliance (QAC to lead project management following MSA agreement), \$0.2M for Luggate Hall (Construction commencement delayed to 25/26 to align with sealing season) and \$0.2M for EV Charging Stations.
- Waste Management (\$0.4M) – Organic Waste & Zero Waste \$0.3M carry forward required (agreements in place for community groups but uplift not expected until 25/26). \$0.4M brought forward expected for Wanaka Waste Facilities offset with \$0.4M carry forward for New Waste Facilities.
- 3 Waters (\$7.2M) – Carry fwds required of \$1.1M for Lakeview Dev SW (Contribution to developer for swale 25/26), \$2.4M for Kingston new scheme SW (construction underway), \$2.1M for Robins Road Conveyance Upgrade (budget uplift under review) and \$0.6M for Compliance Response UV Treatment (Luggate delayed due to planning & design changes).

> Community Services New Capital forecast \$0.5M (6%) below budget:

- Venues & Facilities (\$0.2M) - Carry fwds anticipated of \$0.2M for QEC indoor Courts and \$0.2M for Memorial Hall Building Renewals.

> Corporate New Capital forecast \$1.0M (50%) below budget:

- Info Management (\$0.8M) - Carry fwds anticipated of \$0.5M to support business analyst improvements and \$0.2M across ICT projects (QEC Digital Signage & ESX Hosts replacement) & \$0.1M for ICT Network (Aerial Photography). \$0.1M Libraries IT (due to property project delays).

New Capital Summary Table		Full Year				Year to Date			Total Forecast			
Directorate	Programme	2024/25 Budget	2024/25 Actuals	2024/25 Var	% Spent	2024/25 Budget	2024/25 Var	% Spent	2024/25 Forecast	Forecast Var	% Fcast	
Infrastructure		111.6	84.3	27.3	76%	90.9	6.6	93%	101.0	10.6	91%	
	Buildings, Venues & NA	3.1	1.3	1.7	44%	2.4	1.0	57%	1.8	1.3	57%	
	Transport	41.8	35.6	6.3	85%	35.9	0.3	99%	40.2	1.6	96%	
	Waste Management	1.9	0.7	1.2	37%	1.6	0.9	45%	1.5	0.4	78%	
	3 Waters	64.8	46.7	18.1	72%	51.1	4.4	91%	57.5	7.2	89%	
Community Services		7.7	5.4	2.4	69%	5.6	0.2	96%	7.3	0.5	94%	
	Buildings	0.9	0.2	0.6	29%	0.6	0.4	40%	0.9	-0.0	101%	
	Parks and Reserves	5.5	4.2	1.3	76%	4.0	-0.2	106%	5.2	0.3	94%	
	Venues and Facilities	1.4	0.9	0.5	67%	1.0	0.1	91%	1.2	0.2	88%	
Corporate Services		2.0	0.7	1.3	36%	1.5	0.8	48%	1.0	1.0	50%	
	Information Management	1.8	0.7	1.1	39%	1.4	0.7	52%	1.0	0.8	54%	
	Libraries	0.2	0.0	0.1	5%	0.1	0.1	7%	0.0	0.1	5%	
	Total New Capital	121.3	90.4	30.9	75%	98.0	7.6	92%	109.3	12.0	90%	

Capex – AF&R Reporting Grouping

● High Profile 24/25 Forecast \$0.5M (1%) below budget of \$33.5M

- Assumed the Lakeview SW contribution of \$1.1M will be 25/26.
- Street Upgrades forecast \$1.0M below budget (any final surplus can be confirmed once final snagging is completed).
- Arterial forecast \$1.6M / 5% greater than 24/25 budget (practical completion expected by June). FY26 onwards, spend will be offset by the Alliance pain share (credit to actuals).

● PMO 24/25 Forecast \$3.1M (6%) below budget of \$54.5M - Predominantly timing differences with carry fwds estimated of:

- \$2.4M for Kingston new Stormwater Scheme (construction has commenced Mar 2025 and is scheduled for completion by Dec 2025);
- \$2.1M for Robins Road Wastewater (delayed construction commencement due to consenting requirements), note most recent estimate indicates an increase to the project budget will be required and will be presented to Council for consideration prior to contract award in FY26;
- \$0.4M for Upper Clutha Conveyance Scheme (project ahead of schedule, but a delayed land payment has resulted in a required carry forward);
- \$0.6M for Compliance Response UV Treatment (delays arising from planning and design changes for Luggate WS scheme improvements);

Offset with an estimate brought forward required of:

- \$2.2M for Project Shotover WWTP (physical works remain on track to be completed Dec 2025).
- \$1.5M for Project Shotover Disposal Field.
- \$1.0M for Kingston Water Supply (Reservoir construction progressing ahead of schedule).

● Renewals Forecast \$6.1M (20%) below budget of \$31.2M - Breakdown per previous slide

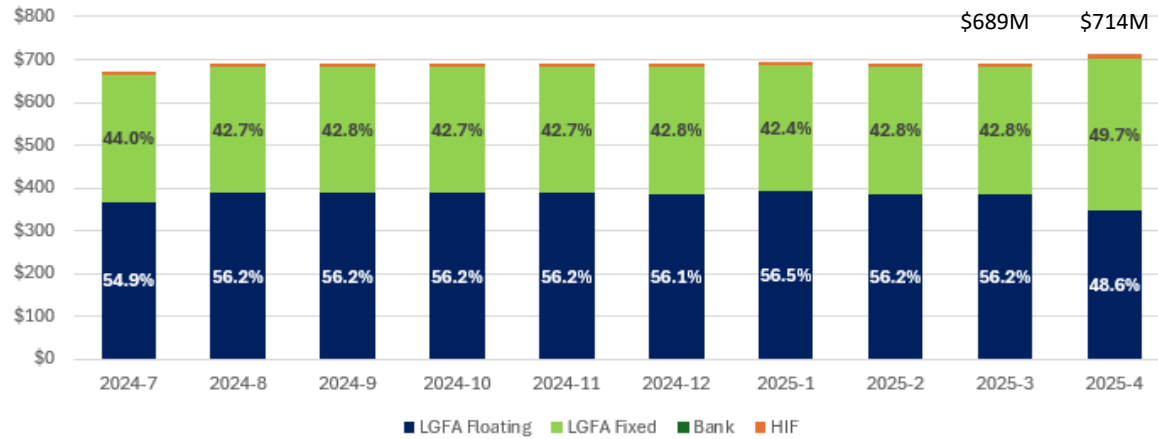
● Other New Capital Projects Forecast \$8.5M (26%) below budget of \$32.8M - Drop in forecast by 6% from prior month.

- \$0.7M estimated to require carry forward for Stanley St Site Works Temp Parking (final sealing construction works now to be completed Oct 2025 due to Ballarat St stormwater works).
- \$0.9M estimated to require carry forward for Wanaka Airport Compliance (QAC to lead project management following MSA agreement)
- \$0.5M estimated carry forward required for Transport Unsub Minor Improvements (due to delayed confirmation of NZTA sub programme and options considered).
- \$0.6M estimated carry forward required for Project Pure Aeration Grid (Construction underway Mar 2025 to align with low flows into treatment plant).

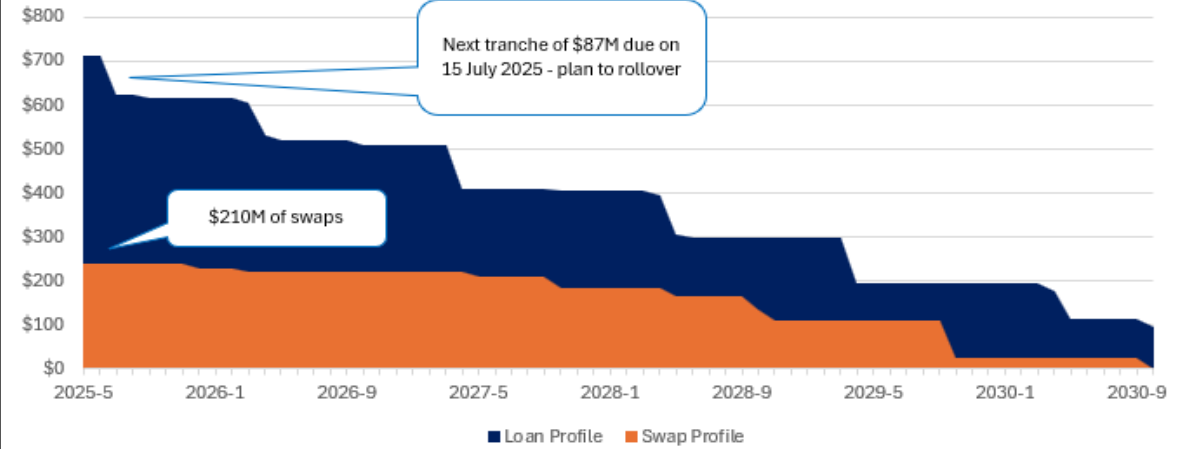
Statement of Financial Position & Debtors

Treasury Dashboard

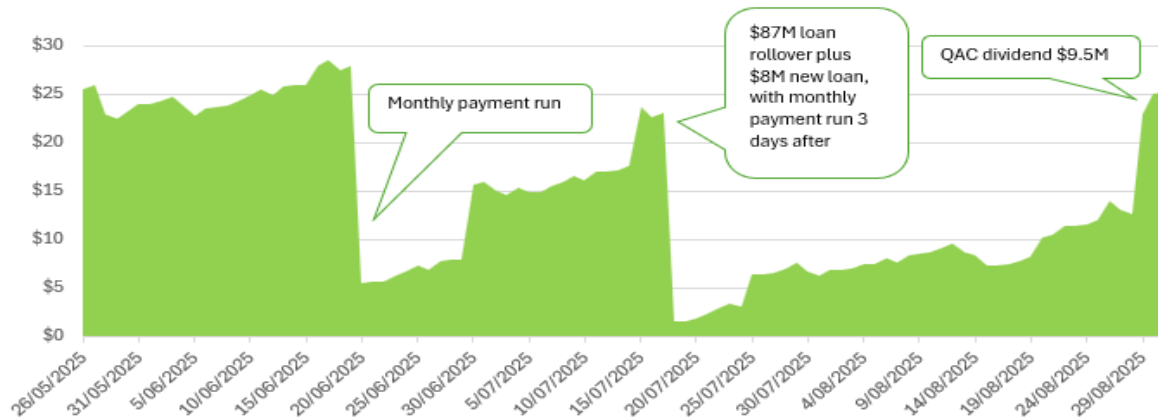
FY25 Actual Loan Balance (\$M)



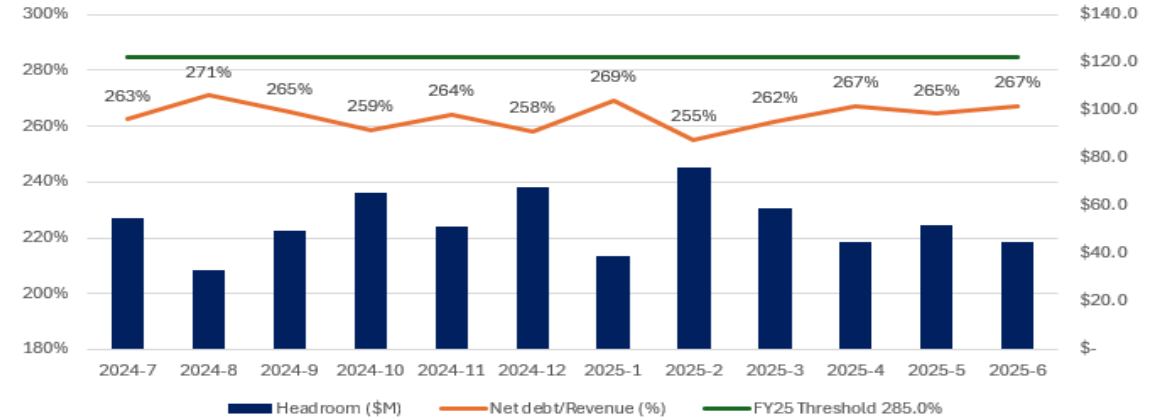
Loan and Swap Maturity Profile (\$M)



3 Month Cashflow Forecast (\$M)



Debt vs Revenue: FY25 Monthly



Statement of Financial Position

As at 30 April 2025	Actual \$M	Variance to Pr Yr \$M
Current Assets	45.3	(3.8)
Non-current Assets	3,242.1	28.5
Total Assets	3,287.4	24.7
Current Liabilities	255.4	89.8
Non-current Liabilities	529.2	(8.6)
Total Liabilities	784.5	81.2
Net Assets & Liabilities	2,502.9	(56.5)
Equity		
Reserves	1,653.4	(28.2)
Accumulated funds	849.5	(28.3)
Total equity attributable to Council	2,502.9	(56.5)

Key variances vs prior year:

Assets:

- \$23.1M increase in Property, Plant & Equipment includes:
 - \$70.0M asset additions & WIP
 - \$28.3M 3Water vested assets
 - Partially offset by:
 - (\$25.0M) FY24 3Water asset revaluation decrease
 - (\$50.0M) FY25 YTD depreciation

Liabilities:

- \$80.0M net increase in total borrowings for new assets

Borrowing Limits %'s	Actual Apr-25		LTP Jun-25	Limit	Actual Jun-24
Interest Expense / Rates <30% (FY24: <30%)	20.1%	●	20.1%	30.0%	25.3%
Interest Expense / Total Revenue <20% (FY24: <20%)	9.7%	●	12.3%	20.0%	13.4%
Net Debt / Total Revenue <285% (FY24: 290%)	267.3%	●	263.0%	285.0%	271.3%

Debtors Analysis

<u>Age analysis</u>	Apr-25 \$'000	Apr-24 \$'000	Variance \$'000
All other receivables			
90 days +	7,355	5,122	2,234
	15,790	20,703	(4,913)
Allowance for doubtful debts	(4,266)	(3,474)	(792)
Development Contributions			
90 days +	2,878	1,624	1,254
	5,968	6,616	(648)
Rates receivables			
Previous years rates arrears	1,336	1,719	(383)
	7,562	7,498	63
Total receivables	25,054	31,343	(6,290)

Key variances:

All other receivables (Trade & Other Receivables):

- \$2.6M of the 90days overdue balance relates to vehicle infringements, \$2.8M for consenting invoices, \$0.3M for property debtors and the rest for other sundry debtors (aged debt allowed for in doubtful debts)

Development Contributions:

- P&D assisted to analyse >90 days debt:
 - \$1.4M **chase** – Finance to work out how to process and timing of follow up letters
 - \$0.9M **payment plan** – agreements in place to pay
 - \$0.5M further **investigation** for P&D or Finance to check amount raised or review case in more detail
- There are 166 DC invoices outstanding as at 30 April 2025 of which 135 are >90 days overdue

Rates receivables:

- Continued favourable movement year on year
- Total 264 properties in arrears, -100 properties and \$392k less than March 2025 (To note: 3,434 properties and \$7.1M as at July 2024)