

# Finance Management Report December 2024

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## Net Operating Surplus/Deficit

- December YTD net operating surplus vs budget of **\$0.7m (2.8%)** favourable
- Forecast full year net operating deficit of **\$2.3m (5.1%)** unfavourable against budget. The main forecasted cost pressures are within Infrastructure Maintenance \$4.2m, and Power \$0.6m. Council also needs to be proactively managing costs in the FTE space.

## Capital Expenditure Summary

- YTD spend is \$60.7M (87%) vs YTD budget of \$70.0M
- Forecast full year spend of \$145.1M (95%) vs adjusted budget of \$152.5M. This is a \$5.8M increase from the 2024/25 Annual Plan budget of \$146.7M

# Risks & Opportunities FY25

*Risks & Opportunities not included in forecast figures due to level of uncertainty that have currently been signalled*

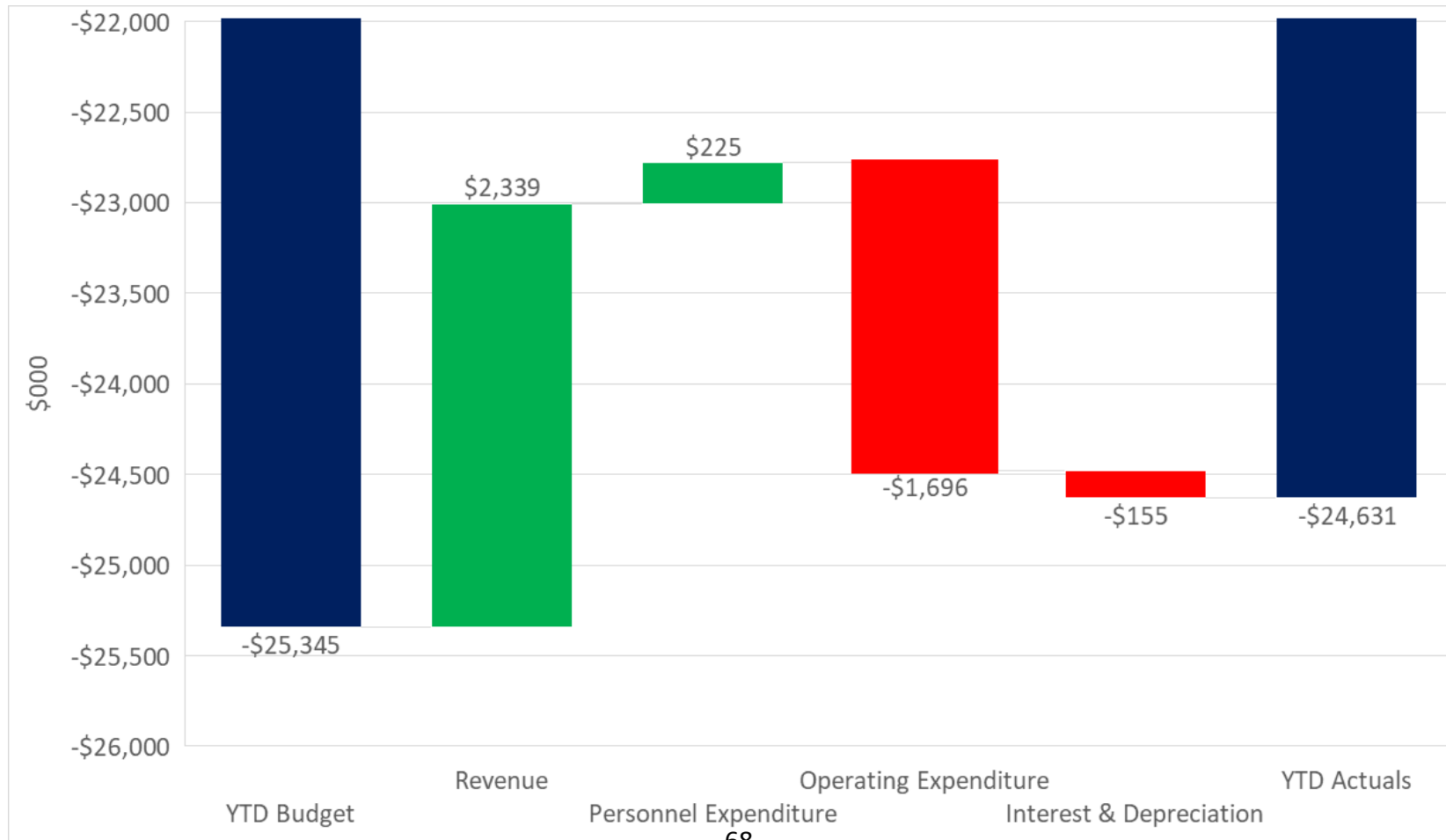
Risks	Estimated \$M
<i>Additional costs associated with weather events</i>	<i>\$1.0M</i>
<i>Legal costs associated with Skyline &amp; ZQN Apartments</i>	<i>TBD</i>

Opportunities	Estimated \$M
<i>Income received for recoverable costs</i>	<i>\$1.0</i>

# YTD Operating Summary

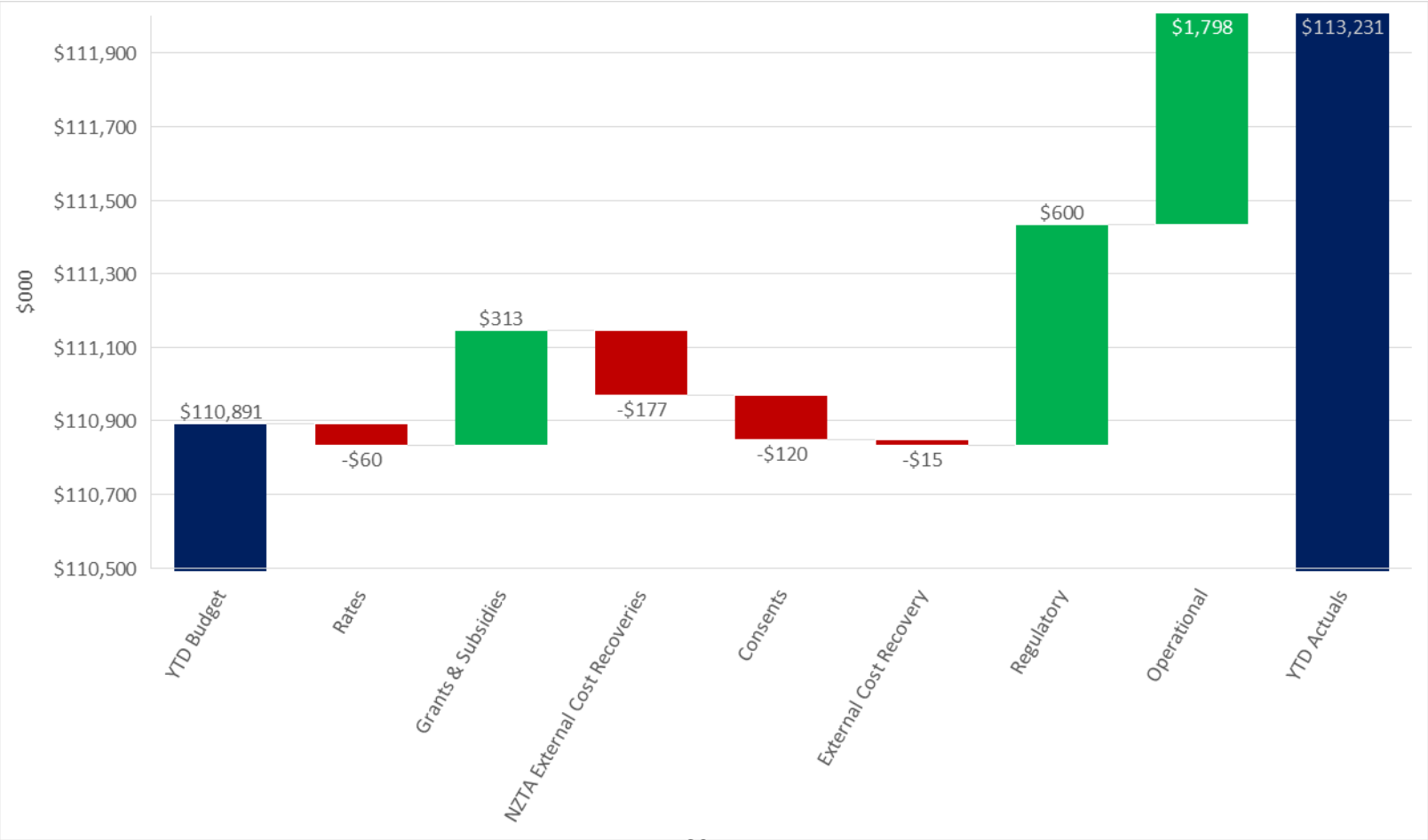
# Operating Summary by Category

YTD Net Operating Surplus / (Deficit) – **\$0.7m (2.8%) favourable**



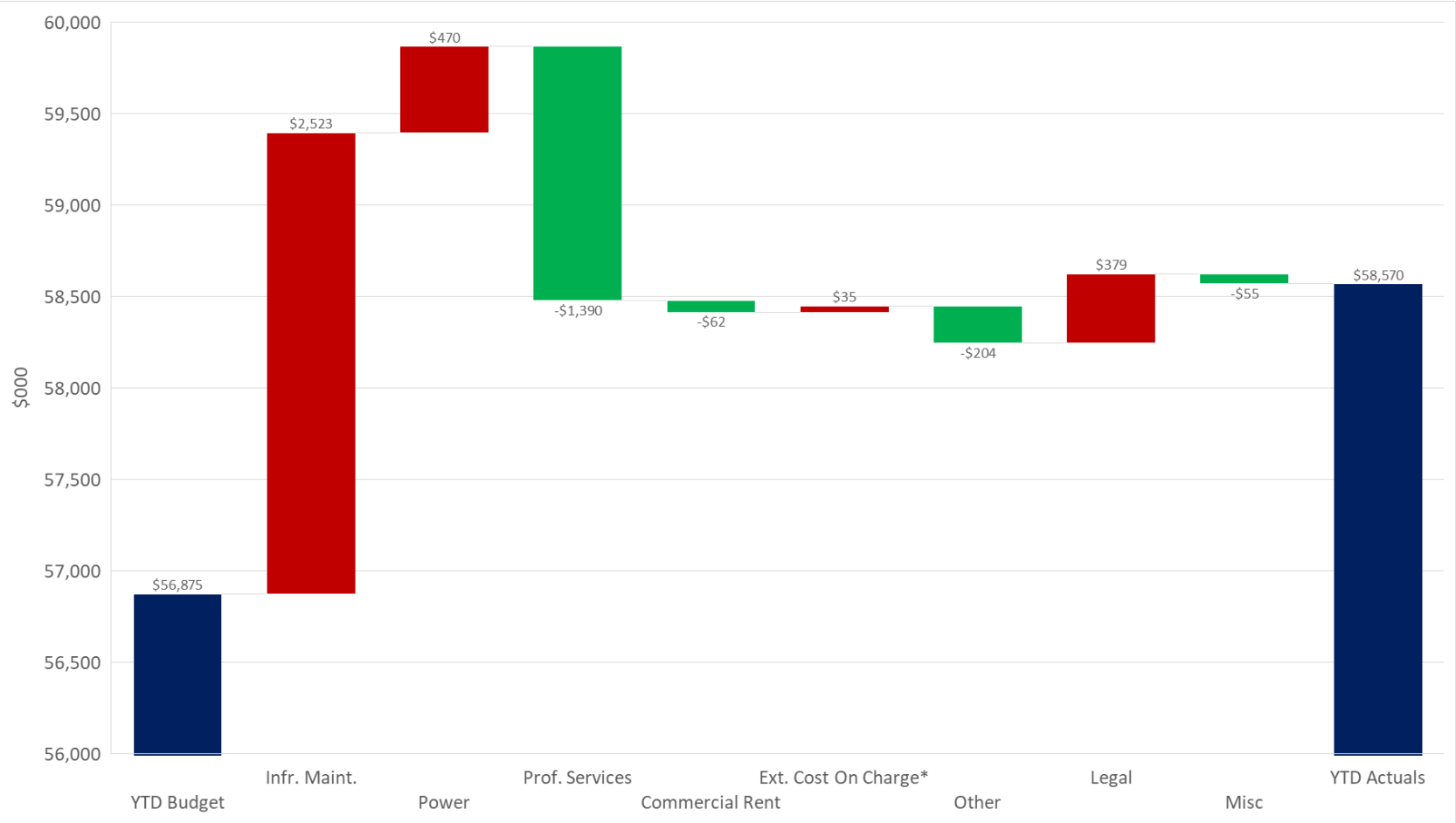
# Revenue Analysis YTD

YTD revenue – \$2.3m (2.1%) favourable



# Operating Expenditure

Operating Expenditure (excl Interest & Depreciation) - **\$1.7m (3.0%) overspent**



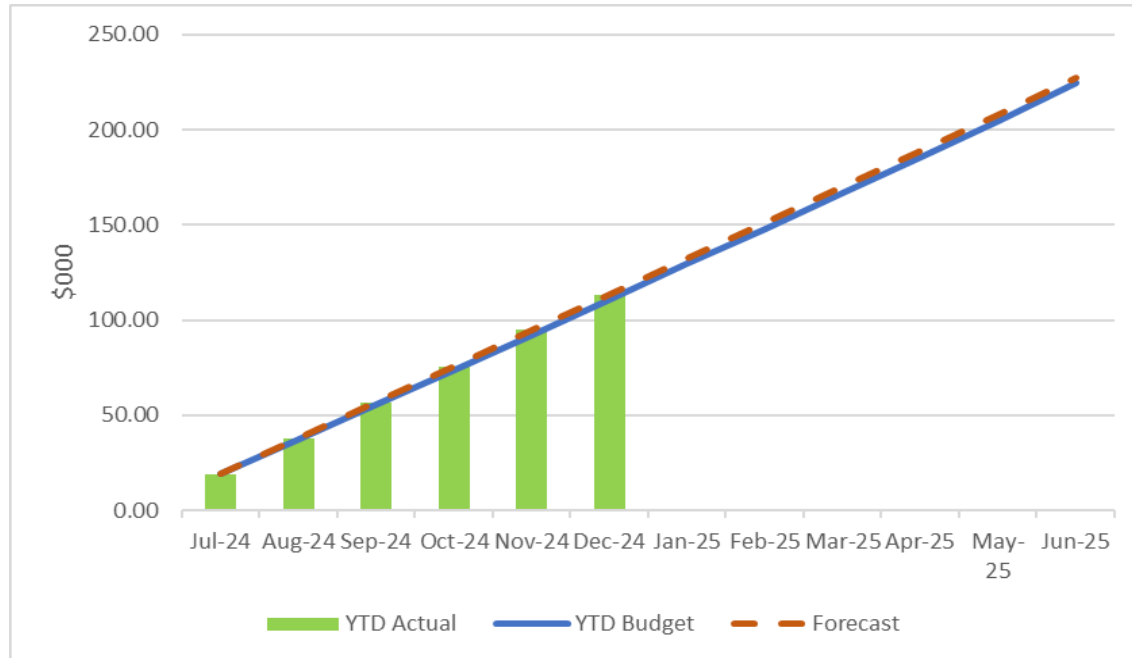
\*Indicates complete / partial offset in income



# Operating Forecast

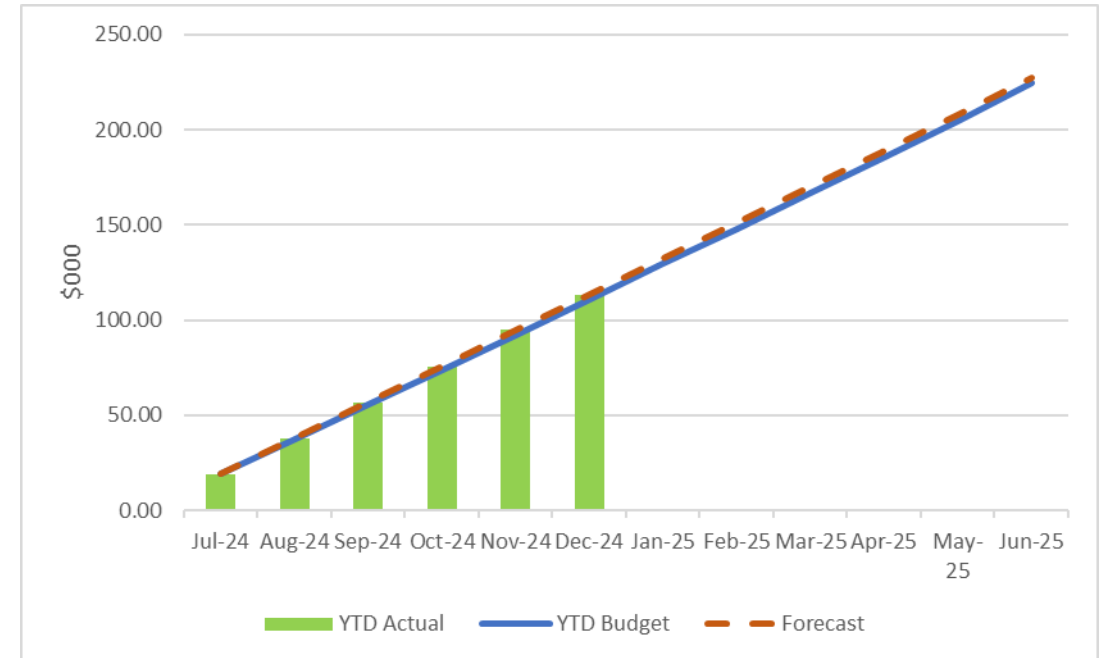
## Forecast Income – \$2.2m (1.0%) favourable

MFE Landfill levy \$0.4m; Traffic & Parking Infringements \$1.1m, Lease revenue \$0.6m offsets unfavourable variances re Freedom Camping Bylaw \$0.3m; NZTA funding \$0.3m



## Forecast Expenditure – \$4.5m (1.7%) overspent

Forecast overspends in Power (\$0.7m), Infrastructure Maintenance (\$4.2m); Legal \$0.4m offset forecast underspend in Professional Services \$0.7m



# Capital Expenditure Summary

# Capital Expenditure - Key messages

**\$152.5m**

## 2024/25 Current Adjusted Budget

*The LTP Year 1 budget was \$146.7M which has been adjusted with \$23.5M of carry forwards from 2023/24; reforecast reductions of \$3.3M in October and \$15.4M in December; along with a \$0.9M increase in the Transport Options December council paper.*

**\$144.3M**

## Total Forecast Spend to June 2025

*QLDC projects are forecasting to spend \$144.3M to June 24 or 95% of council's \$152.5M capex budget which is via:*

- High Profile Projects \$33.3m (Dec YTD actuals is \$20.3M)
- PMO \$52.1M (Dec YTD actuals is \$25.4M)
- Renewals \$30.1M (dec YTD actuals is \$7.3M)
- Other Projects \$28.8M (Dec YTD actuals is \$7.6M)
- For noting: delayed adoption of the LTP along with approval of the NLTP Transport subsidised programme has meant many projects were unable to commence procurement and commit to contracts, causing a delay in commencement of spend.

**\$111.1M / \$33.3M**

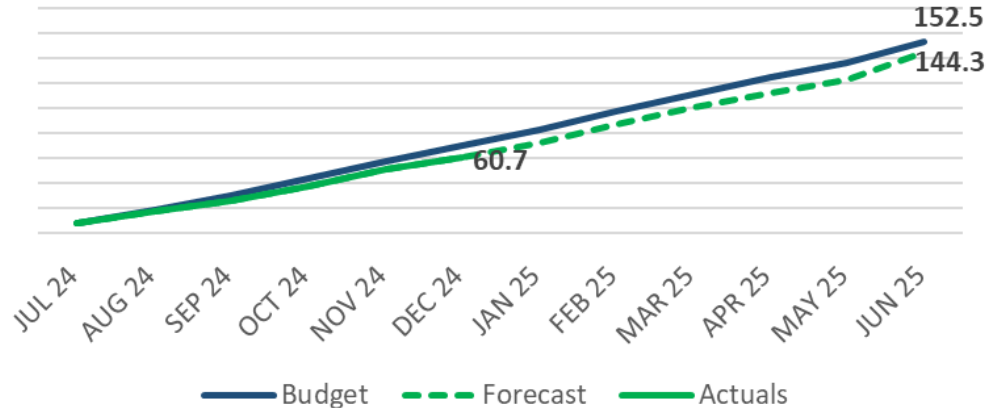
## QLDC Vs The Alliance Total Forecast Spend

*Excluding the Alliance led projects, forecast spend for QLDC projects is \$111.1M or 77% of the total forecast spend of \$144.3M.*

*The Alliance is forecasting to spend \$33.3M or 23% of the total spend for 24/25.*

# Capital Expenditure – Dec 2024 YTD

## QLDC - 24/25 Capex Budget vs Actuals (\$M's)



## Summary

- **24/25 forecast capex spend of \$144.3M is \$8.2M (5%) below** the 2024/25 adjusted budget of \$152.5M. Year to date spend is \$60.7M which is 87% of the year to date budget of \$70.0M.
- There is a final 2024/25 capex reforecast planned to go to the council in May. This is mainly just for reallocations of unders and overs (as any further timing adjustments across years can just be dealt with through the year end carry forward / brought forward process).

High Level Summary					Year to Date			Forecast			Cash Flow (Jan '25 - Jun '25)		
Programme	2024/25 Budget	2024/25 Actuals	2024/25 Var	% Spent	2024/25 Budget	2024/25 Var	% Spent	2024/25 Forecast	Forecast Var	% Fcast	Remaining Spend	Req Avg/Mnt	YTD Avg/Mnt
High Profile	34.0	20.3	13.7	60%	22.2	1.9	91%	33.3	0.7	98%	13.0	2.2	3.4
PMO - Project Management Office	55.2	25.4	29.7	46%	25.1	-0.4	101%	52.1	3.1	94%	26.6	4.4	4.2
Renewals	30.7	7.3	23.4	24%	10.1	2.7	73%	30.2	0.5	98%	22.9	3.8	1.2
Other - New Capital Projects	32.6	7.6	25.1	23%	12.6	5.1	60%	28.8	3.9	88%	21.2	3.5	1.3
	152.5	60.7	91.8	40%	70.0	9.3	87%	144.3	8.2	95%	83.7	13.9	10.1

# Capex - Traffic Lights Explained

- **High Profile 24/25 Forecast in line with budget of \$34.0M** - The forecast assumes the pain/gain share **credit anticipated of \$11.0M** from the Kā Huanui a Tāhuna (Whakatipu Transport Programme Alliance) will not be received until 25/26, following practical completion expected by June 2025.
- **PMO 24/25 Forecast \$3.1M (6%) below budget** - Predominantly timing differences with carry forwards estimated of:
  - > \$2.2M for Kingston new Stormwater Scheme (construction due to commence Feb 2025 and is scheduled for completion by Dec 2025);
  - > \$2.1M for Robins Road Wastewater (Detailed design is underway, with construction forecast to commence early 2025);**Offset with** an estimate brought forward required of:
  - > \$1.6M for Project Shotover WWTP (physical works due to be completed Dec 2025).
- **Renewals Forecast to spend full Budget** – spend lower than planned YTD but a large portion of works as always are planned within the summer road sealing season.
- **Other New Capital Projects 24/25 Forecast \$3.7M (11%) below budget** - Overall forecast for other new capital projects noted as amber traffic light, due to timing of year to date works taking longer than anticipated (60% of YTD budget spent). However, the 2024/25 year-end forecast at 88% remains well placed to come within target.
  - \$0.8M underspend/surplus forecast for Wanaka Lakefront Development Stage 5 due to a large number of competitive tenders received (PCG in January to agree reallocation);
  - \$1.0M 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 which will be closing the carpark Feb-Apr 2025).

# Balance Sheet & Debtors

# Statement of Financial Position

As at 31 December 2024

	Actual Dec-24 \$'000	Actual Dec-23 \$'000	Year on Year Movement \$'000
<b>Current assets</b>			
Cash and Cash Equivalents	24,601	16,893	7,707
Trade and other receivables from non-exchange transactions	19,982	22,363	(2,381)
Trade and other receivables from exchange transactions	11,421	7,479	3,942
Inventories	106	97	10
Other Financial Assets	2,984	1,155	1,829
Other current assets	10,585	12,229	(1,645)
Assets held for Sale	5,259	4,455	804
<b>Total current assets</b>	<b>74,937</b>	<b>64,672</b>	<b>10,265</b>
<b>Non-current assets</b>			
Investment in subsidiaries	5,412	5,412	-
Other financial assets	14,048	14,362	(314)
Property, plant and equipment	3,085,002	2,989,221	95,780
Intangible assets	7,948	5,953	1,994
Investment property	54,210	53,150	1,060
Development property	19,519	19,447	73
<b>Total non-current assets</b>	<b>3,186,139</b>	<b>3,087,545</b>	<b>98,594</b>
<b>Total assets</b>	<b>3,261,076</b>	<b>3,152,217</b>	<b>108,860</b>
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	39,222	41,426	(2,204)
Borrowings	173,468	95,000	78,468
Other current liabilities	93,516	79,312	14,205
Employee entitlements	4,138	3,733	405
<b>Total current liabilities</b>	<b>310,344</b>	<b>219,470</b>	<b>90,874</b>
<b>Non-current liabilities</b>			
Borrowings	515,370	487,732	27,638
<b>Total non-current liabilities</b>	<b>515,370</b>	<b>487,732</b>	<b>27,638</b>
<b>Total liabilities</b>	<b>825,714</b>	<b>707,202</b>	<b>118,512</b>
<b>Net assets</b>	<b>2,435,362</b>	<b>2,445,015</b>	<b>(9,653)</b>
<b>Equity</b>			
Reserves	1,653,369	1,681,547	(28,178)
Accumulated funds	781,993	763,468	18,525
<b>Total equity attributable to Council</b>	<b>2,435,362</b>	<b>2,445,015</b>	<b>(9,653)</b>

## Borrowing Limit

Net debt/Operating income to be <285%  
December 2024 annualised is at **258.1%**

**\$688.8M** of total borrowings  
**\$173.5M** of this is current

Decrease of (\$9.7M) in net assets vs December 2023 mainly due to:

- \$7.7M increase in cash due to the first rates instalment being delayed due to the LTP. Excess cash is on term deposit
- \$95.8M increase in Property, plant & equipment from capital works and additions
- (\$106.1M) net increase in borrowings to fund the capital programme
- (\$13.9M) increase in rates in advance liability balance. Rates invoiced for the full year and then are released to the P&L monthly. Rates are higher in FY25 than FY24 hence a larger rates in advance liability

# Debtors Analysis

As at 31 December 2024	Council		
	Dec-24 \$'000	Dec-23 \$'000	Variance \$'000
<b>Age analysis</b>	<b>Council</b>		
<b>Trade and all other receivables (excluding rates/DC's)</b>	<b>Dec-24 \$'000</b>	<b>Dec-23 \$'000</b>	<b>Variance \$'000</b>
Current (0-30 days)	11,486	13,231	(1,745)
31-60 days *	731	845	(114)
61-90 days *	1,165	298	867
90 days + *	6,101	5,739	362
	<b>19,483</b>	<b>20,113</b>	<b>(630)</b>
<b>Development Contributions</b>	<b>Dec-24 \$'000</b>	<b>Dec-23 \$'000</b>	<b>Variance \$'000</b>
Current (0-30 days)	513	797	(284)
31-60 days *	1,315	175	1,139
61-90 days *	88	19	70
90 days + *	3,740	1,503	2,236
	<b>5,655</b>	<b>2,494</b>	<b>3,161</b>
<b>Rates receivables</b>	<b>Dec-24 \$'000</b>	<b>Dec-23 \$'000</b>	<b>Variance \$'000</b>
Current year rates (overdue) *	7,646	6,840	805
Previous years rates *	2,635	3,426	(792)
	<b>10,280</b>	<b>10,266</b>	<b>14</b>
<b>Allowance for doubtful debts</b>	<b>(4,015)</b>	<b>(3,030)</b>	<b>(986)</b>
<b>Total receivables</b>	<b>31,403</b>	<b>29,844</b>	<b>1,560</b>

\* Amounts are considered past due.

## Key variances:

### Trade & Other Receivables:

- Current receivables lower due to lower invoicing to NZTA for subsidies

### Rates receivables:

- \$2.6M of rates in arrears are \$4.5M lower than Jul24 and \$0.8M lower than Dec23
  - Total of 721 properties in arrears (3,434 as at 31 July 2024)
  - 35% residential, 23% vacant sections, 11% country dwelling, 9% accommodation and 6% commercial (all similar % to July 2024)
- Reminder letters sent to rate holders in October and December
- In January 2025, 262 calls on banks have been submitted

### Development Contributions:

- Increase in size of and aging of Development Contributions – new credit controller starting March 2025 and working with P&D team to reduce this debt
- There are five large development contribution invoices outstanding that are >\$200k, two of which were >\$1M (Compared to only 3 >\$200k for Dec23 with the largest being \$0.3M).
- There are 159 development contributions outstanding as at 31 December 2024, 127 of these are >90days overdue, compared to only 125 and 99 >90 days overdue at Dec23.