

Full Council

4 September 2025

Report for Agenda Item | Rīpoata moto e Rāraki take [4]

Department: Assurance, Finance & Risk

Title | Taitara: Budget Carry Forwards from 2024/25

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to adjust the capital and operational budgets in the 2025/26 and 2026/27 financial years as a result of requests for unspent budget carry forwards from 2024/25 along with other adjustments to bring forward certain approved capital budgets from within the 2024-34 Long Term Plan (LTP), where spending has occurred in advance of budgeted timeframes in 2024/25.

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;
2. **Authorise** adjustments to the capital expenditure budgets in order to provide for:
 - a. net carry forwards of \$17.5M to the 2025/26 financial year;
 - b. offset with net brought forwards of \$0.4M from the 2026/27 financial year.
3. **Authorise** adjustments to the operational budgets in order to provide for carry forwards of \$1.1M to the 2025/26 financial year [Attachment B].

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13 August 2025

Reviewed and Authorised by:



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Title: GM Assurance, Finance & Risk
13 August 2025

Context | Horopaki

1. In many instances, it is not possible to complete all capital projects within annual plan time frames and many project lifecycles span naturally across multiple years. Where projects have not been completed by 30 June 2025, the budget manager must request that funding be carried forward from 2024/25 to complete a project. In some other cases where actuals are greater than budgeted in the current year but budget exists in future years, additional budget is required to be brought forward.
2. Reasons for the need to request budget carry forwards include:
 - There was a delayed start to the year with the LTP adoption in September, meaning there was only a 9 month timeframe in which to deliver much of the programme.
 - Reliance on accessing third party funding through lengthy approval processes. NZTA (New Zealand Transport Agency) subsidised budgets were not advised until September, followed by reprioritisation approval in December, which has meant re-working plans for years 1-3 across the subsidised and unsubsidised programme.
 - Dependencies with third parties including reliance on developer agreements and ability of those partners to participate within Council's planned timelines.
 - The Queenstown Airport Management Services Agreement timing has delayed delivery of Wānaka Airport projects. Queenstown Airport will now be leading the project management.
 - Timing and agreement of land acquisitions and consents.
 - Timing of approvals for new projects and budget adjustments throughout the year.
 - Comprehensive processes of community and stakeholder engagement in more significant projects to agree design solutions resulting in delays to subsequent development and implementation project phases.
 - Responding to weather related events and impact to programmed works.
 - Dependency on warmer season temperatures for roading reseal contracts to be completed.
 - Lengthy procurement tender process and limited contractor availability in the market.
 - Supply chain delays.
3. 2024/25 is the first year of the LTP which had a budget including carry forwards from 2023/24 of \$170.2M. After mid-year reforecasts and other adjustments approved by Council, the final adjusted 2024/25 budget was \$152.5M. Actual spend was \$132.5M (87%).

4. Budgets requested to be carried forward in this paper total \$23.2M offset with budgets requested to be brought forward from 2025/26 and 2026/27 of \$6.1M. The total net adjustment is \$17.1M which is split \$17.5M added to 2025/26 along with a \$0.4M reduction to 2026/27.
5. The total net capital budget to carry forward of \$17.1M this year compares favourably to prior years which totalled \$21.4M in 2023/24, \$45.5M in 2022/23 and \$42.3M in 2021/22.
6. The capital budgets requested to be carried forward are largely where there are payment commitments in place, which total \$47.8M per the attached report (including purchase order commitments of \$0.9M and contract commitments of \$42.2M).
7. For operational budgets, net carry forwards totalling \$1.1M are proposed. Carry forwards for opex are only sought where budget is for a discreet operational project, programme or initiative already approved which has not been completed & where no available budget is provided in 2025/26.
8. A summary of adjustments to capital budgets by programme is detailed in Attachment A.

Analysis and Advice | Tatāritaka me kā Tohutohu

9. The instructions given to budget managers regarding requests for carry forwards are as follows:
 - a. The amount of carry forward is limited to the total amount of unspent capital budgets for the activity in question.
 - b. Applications for carry forward must relate to the original approved project.
 - c. Budgets comprising provisions (with no defined projects) will not be considered for carry forward.
10. Most of the final carry forwards reflect the situation where the project is committed and is underway but incomplete at 30 June 2025.

Options

11. Option 1 Authorise the carry forwards/brought forward budgets and adjust the 2025/26 and 2026/27 budgets.

Advantages:

- Provides budget for previously approved projects in the year that the work is carried out;
- Allows for continuation of projects that are underway.

Disadvantages:

- None

Option 2 Do not authorise the carry forwards and do not adjust the 2025/26 and 2026/27 budgets.

Advantages:

- None

Disadvantages:

- Project delivery would be disrupted and a significant amount of reprioritisation work would delay the programme of works committed.

12. This report recommends **Option 1** for addressing the matter because it provides budget for previously approved projects and allows projects that are started to continue.

Significance and Engagement | Te Whakamahi i kā Whakaaro Hiraka

13. This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy 2024 because all of these projects were subject to the Annual Plan process, which requires the Special Consultative Process, and as such no wider consultation is required.

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

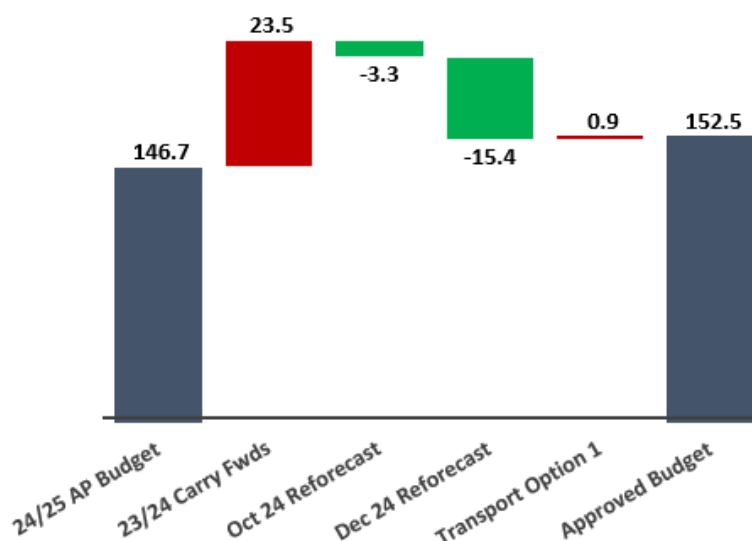
Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

15. 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. This matter relates to this risk because it provides for the delivery of Council's capital programme, which has been developed to meet the community's needs.

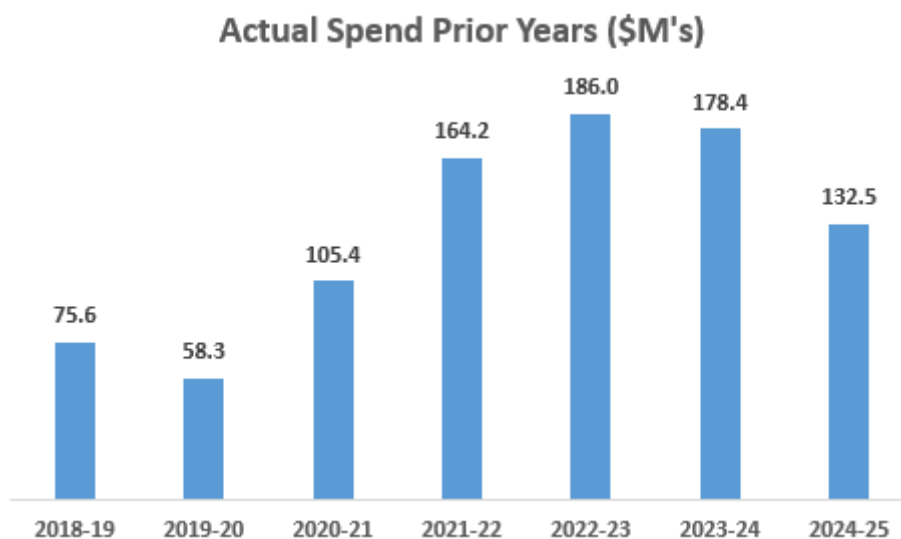
16. Approval of the recommended option will support the Council by allowing the risk to be avoided.

Financial Implications | Kā Riteka ā-Pūtea

17. The approved capital budget for the 2024/25 Annual Plan totalled \$146.7M. This was further supplemented by \$23.5M of carried forward budget from the 2023/24 financial year. Adjustments to this budget have been agreed throughout the year as highlighted in the following 'Figure 1' Chart. The final adjusted budget for 2024/25 was \$152.5M.



18. The actual expenditure in 2024/25 was \$132.5M, which was 87% of the adjusted budget of \$152.5M as at 30 June 2025.
19. The total of capital carry forwards requests from 2024/25 to 2025/26 and 2026/27 for approval now by Council is \$23.2M offset with brought forwards from 2025/26 and 2026/27 to 2024/25 of \$6.1M. Refer to Attachment A for the detailed breakdown.
20. The existing 2025/26 annual plan budget is \$164.8M which with these net adjustments of \$17.5M would bring the total up to \$182.3M. The existing 2026/27 annual plan budget is \$208.1M which with these adjustments of (\$0.4M) would bring the total down to \$207.7M.
21. Approved financial commitments for previously agreed contracts and purchase orders for the projects requested for carry forward sits at circa \$47.8M as at the end of July 2025. Spend in 2024/25 vs. prior years is shown in the following 'Figure 2' Chart.



**Note: 2024/25 lasted only 9 months due to delay in Long Term Plan approval.*

22. The total operational carry forward requests recommended by senior executives is \$1.1M. Carry forward requests for opex are only sought where the budget is for a discreet operational project, programme or initiative already approved which has not been completed and where no available budget is provided in 2025/26. These includes \$0.7M for Better Off Funding (\$0.7M added to consultants expenses offset with \$0.7M for Grants Revenue), \$0.6M for Strategic Growth Structure Plans, \$0.3M for Spatial Plans/Future Development Strategy, and \$0.3M for District Plan commissioner costs. A breakdown is included in Attachment B.
23. The financial impact on approved budgets for 2025/26 and 2026/27 is largely neutral as the approved funding from 2024/25 is also carried forward. The funding will be a mix of loans, transfers from reserves (depreciation, development contributions and land sales), Waka Kotahi NZTA subsidy, Crown Infrastructure Partner funding and rates.

Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

24. The following Council policies, strategies and bylaws were considered:
- Policy on Significance – Although the decision is in respect to strategic assets, namely, water supply infrastructure, sewage treatment plants and the roading network, the decision does not involve the transfer of ownership, sale or long term lease of these strategic assets. The policy of significance therefore does not apply.
 - LTP 2024-34
 - Annual Plan 2025/26 and 2026/27
25. The recommended option is consistent with the principles set out in the named policy/policies.

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

26. 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. The recommendation in this report is appropriate and within the ambit of Section 10 of the Act it would provide for good-quality local infrastructure, local public services, and performance of regulatory functions in a cost-effective way for households and businesses by providing budget for the completion of the 2022-23 Capital Programme.
27. The recommended option:
- Is consistent with the Council's plans and policies; and
 - Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council or transfer the ownership or control of a strategic asset to or from the Council.

Attachments | Kā Tāpirihaka

A	2024/25 Capital Project Carry Forwards
B	2024/25 Operational Carry Forwards