Smart Finance Committee

10 September 2026

Report for Agenda Item | Rīpoata moto e Rāraki take [5]

Department: **Assurance, Finance & Risk**

Title | Taitara: **2026 YTD Financial Overview of Opex and Capex**

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to present the draft 2025/26 June Year to Date (YTD) Actual to Budget financial results, Capital Expenditure financial results, Debtors Analysis and Statement of Financial Position and to report on any significant transactions and/or variances to budget. These are preliminary results as the team continues to work through the year end and Annual Report processes.

Recommendation | Kā Tūtohuka

That the Smart Finance Committee:

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

Prepared by:	**Reviewed by:**	**Authorised by:**
Name: Vanessa Fauth	**Name:** Tanea Hawkins	**Name:** Katherine Harbrow
Title: Financial Controller	**Title:** Acting Finance Director	**Title:** General Manager, Assurance, Finance & Risk
Date: 4 August 2026	**Date:** 4 August 2026	**Date:** 18 August 2026

Context | Horopaki

1. The main objective of this report is to give the Smart Finance 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.

2. For the capital review, this is to provide a high-level overview for the year.

Analysis and Advice | Tatāritaka me kā Tohutohu

3. This report is for noting only. There are no options presented other than 'accepting' the recommendations of the Smart Finance Committee.

2025/26 June YTD Operational Expenditure Reporting Overview

4. The 2025/26 June YTD net operating deficit of $27.9M. Overall, this is a $0.8M favourable variance to the budget operating deficit of $28.7M. The draft result compares well to the latest forecasts. The most recent operating deficit forecast was $5.8M favourable. End of year accounting adjustments including higher depreciation charges, reduced the variance to $0.8M.

5. Further analysis is provided within Attachment A – June 2026 Finance Management Report.

2025/26 June YTD Capital Expenditure Reporting Overview

6. Overall year to date actual spend is $118.6M (81%) against a year-to-date adjusted budget of $146.4M and a prior end of year forecast of $120M.

7. High Level capex commentary and summary tables by grouping is included in the **June Finance Management Report PowerPoint.**

8. Further analysis and commentary on ongoing projects are included in the **Budget Carry Forwards from 2025/26** council paper.

2025/26 Statement of Financial Position Overview

9. Total net asset increase of $290.8M compared to $63.2M in 2025.

10. The Council's key financial covenant ratio of Net Debt/Total Revenue is 247.1% as at 30 June 2026. The FY26 limit is 280%.

2025/26 June Debtors Analysis Overview

11. Total outstanding debtors have decreased by $7.75M compared to June 2025, with decreases in Trade Receivables of $4.61M, and rates receivable of $3.45M.

12. Further in-depth commentary is provided within Attachment A June 2026 Finance Management Report.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

13. 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 high residual risk rating.

14. 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

15. 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 2025/26 financial year.

16. 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

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

Financial Implications | Kā Riteka ā-Pūtea

18. 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-Kīaka

19. 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.

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

Attachments | Kā Tāpirihaka

A	June 2026 Finance Management Report