

Full Council

7 May 2026

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

Department: Assurance, Finance & Risk

Title | Taitara: 2025-26 Capital Works May 2026 Reforecast

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to seek approval of proposed amendments to Queenstown Lakes District Council's capital works programme budgets as set out in the 2025/26 Annual Plan.

Executive Summary | Whakarāpopototaka Matua

The purpose of this reforecast is predominantly for minor capital reallocations where current forecast spend to June 2026 exceeds existing budget, to ensure funds are spent where works are prioritised and to ensure any grants and subsidies are maximised within third party funded projects including New Zealand Transport Agency (NZTA) subsidies. No deferrals or brought forwards were considered as they will form part of the year end carry forward process, to be considered at 27 August 2026 Council meeting.

The current total 2025/26 approved adjusted capex budget is \$146.4M. There is a minor reduction of less than \$0.1M to the total budget proposed in this paper which reflects an adjustment to third party funding. The balance being transfers between projects in the current financial year only.

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report; and
2. **Approve** all proposed budget changes in accordance with Attachment A of the '2025/26 Capital Works - May Reforecast' report.

Prepared by:



Name: Jeremy Payze

Title: Senior Finance Business Partner - Projects
10 April 2026

Reviewed and Authorised by:



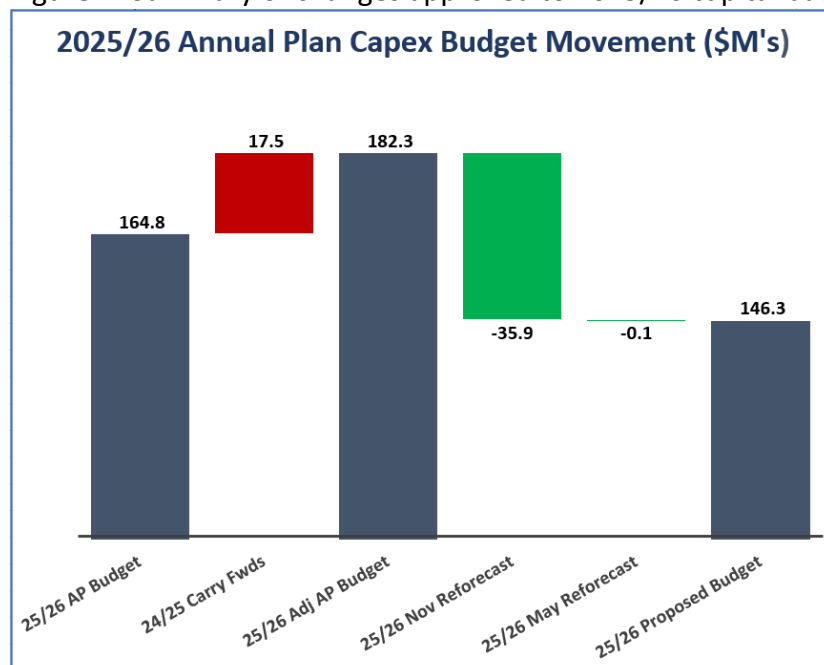
Name: Katherine Harbrow

Title: GM Assurance, Finance & Risk
10 April 2026

Context | Horopaki

1. Queenstown Lakes District Council (QLDC) uses a structured reforecasting process to ensure its capital expenditure is appropriately managed and transparently reported throughout the financial year. The reforecast process provides visibility of expected changes to the Annual Plan, reasons for such changes, and any arising risks or impacts. This report presents the second reforecast of the 2025/26 financial year.
2. The purpose of this reforecast is predominantly for minor capex reallocations where current forecast spend to June 2026 exceeds existing budget, to ensure funds are spent where works are prioritised and to ensure any subsidies are maximised within third party funded projects including NZTA subsidies. No deferrals or brought forwards (timing adjustments) were considered as they will form part of the year end carry forward process, to be considered at 27 August 2026 Council meeting.
3. The existing approved 2025/26 Annual Plan budget is \$146.4M which has been adjusted with \$17.5M of carry forwards from 2024/25 and reforecast reductions of \$35.9M in November.
4. There is only a minor reduction of \$0.1M to the total 2025/26 budget in this paper which reflects an adjustment to third party funded projects. The report is predominantly only transfers between projects in the current financial year.

Figure 1: Summary of changes approved to 2025/26 capital budgets (\$M):



Analysis and Advice | Tatāritaka me kā Tohutouhu

5. A detailed list by project of changes is shown in Attachment A. The following table summarises the proposed movement by programme.

Figure 2: Summary of changes proposed to 2025-26 capital budgets by programme:

Programme	Total Change	Summary Change Comments
Buildings	0	Minor reallocations across community halls, council offices and EV Charging stations.
Knowledge Management	310,996	Additional budget transferred to cover fixed term internal resource capex recoveries for TechOne CIA software transition programme
Other	-255,996	Surplus budget for Procurement System and Priority Growth Corridors, reallocated to Knowledge Management Enterprise System Improvements and Ladies Mile Water Supply & Wastewater.
Parks and Reserves	91,000	Plus minor transfers for prioritised parks and venues projects. Net change movement due to transfer from QEC Events Equipment & Fit out Renewals to Sports Fields Lighting Renewals Whakatipu.
Venues and Facilities	-91,000	
Transport	88,704	Increase for additional new subsidised funding approved by NZTA for new School Speed Zone Signage across Whakatipu & Upper Clutha.
Waste Management	-110,000	Surplus budget for Asset Management Planning, reallocated to Knowledge Management Enterprise System Improvements.
Waste Water	-1,060,000	Adjustments across the 3W Renewals and Minor Improvement projects to reflect actuals and commitments based on priority projects.
Water Supply	961,000	
Total Change	-65,296	

6. This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.

Options

7. Option 1 Approve the changes to the 2025/26 proposed capital works programme as proposed in Attachment A.

Advantages:

- Ensures Council's capital expenditure is aligned to the most up to date project forecasting. This alignment ensures the allocation of resourcing and expenditure is optimised, overspends and underspends are appropriately managed, and forward planning is based on the most accurate information available.
- Ensures Council remains agile and able to respond to changed circumstances by realigning and signalling early what its preferred programme is as circumstances change.

Disadvantages:

- Changes to the timing, cost, and/or completion of some previously approved projects may be perceived as disadvantageous by the community and supply market.

8. Option 2 Do not approve the changes (do nothing option).

Advantages:

- Maintains the existing programme which was signalled to be delivered.

Disadvantages:

- Investment will not be prioritised to the greatest area of need, and planned projects that do not have sufficient budget will be at high risk of failure.
- Council would be in the less favourable financial position to address the emerging cost and other issues faced with delivering on the current programme.

9. Option 3 Approve only some of the changes to the 2025/26 proposed capital works programme.

Advantages:

- Provides some ability to manage the impacts of variations to current budget and, where possible, the opportunity to take steps to manage capital expenditure inline with overall annual budgets.

Disadvantages:

- As per option one, though potentially to a lesser extent depending on what projects are approved for reprioritisation.

10. This report recommends **Option 1** for addressing the matter. This allows Council to maintain a more accurate forecast across years, ensuring that Council has a sound base for the 2025/26 Annual Plan and associated Long Term Plan budget setting processes and to maintain debt levels within prescribed funding parameters.

11. Adjusting the budgets as identified in Attachment A will ensure Council can continue to deliver the agreed programmes in the Long Term Plan, maximise external funding and respond to delivery critical works required.

[Consultation Process | Hātepe Matapaki](#)

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

12. This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy 2024 because the proposed adjustments are not assessed as having a material impact to the district's environment or people, and will improve alignment of planned expenditure to central government expectations and QLDC's funding constraints.

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. The approval of the recommended option will support the Council by allowing the risk to be avoided. This shall be achieved by reprioritisation of funding to ensure delivery of projects as set out in the Long Term Plan and Annual Plan.

Financial Implications | Kā Riteka ā-Pūtea

15. Approval of the recommended option will be a minor reduction of \$0.1M to the total 2025/26 capital expenditure budget of \$146.4M. Timing adjustments will be considered through the year end carry forward process.

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

16. The recommended option is consistent with the principles set out in QLDC's Significance and Engagement Policy. Although the decision is in respect to strategic assets (namely three waters, transport, and community services infrastructure), the decision does not involve the transfer of ownership, sale, or long-term lease of these assets.
17. This report considers changes to budgets that were consulted and approved through the 2024-34 Long Term Plan adoption and 2025-26 Annual Plan process.

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

18. 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 recommended adjustments will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by ensuring that the right projects are completed at the right time.
19. The recommended option:
 - Can be implemented through current funding under the Long Term Plan;
 - Is consistent with QLDC'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 QLDC, or transfer the ownership or control of a strategic asset to or from QLDC.

Attachments | Kā Tāpirihaka

A	2025-26 Capital Works May Reforecast
---	--------------------------------------