Finance Management Report DRAFT June 2026

Stephen Bayley, Vanessa Fauth, Jeremy Payze

QUEENSTOWN LAKES DISTRICT COUNCIL

Key messages

QUEENSTOWN LAKES DISTRICT COUNCIL

FY Net Operating Surplus vs Budget

$0.8M F

Revenue $11.9M (4.8%) F
Expenditure $11.1M (4.0%) U

FY Capex Spend

$118.6M

81%

Key Messages – vs Forecast

- Net operating deficit is $3.3m Favourable to forecast,
  - Actual deficit ($27.9m) vs Forecast deficit ($31.4m)
- Final months end of year processes, including depreciation calculations account for the variance in operating forecast

YTD Financial Position

QUEENSTOWN LAKES DISTRICT COUNCIL

	YTD Actual $M	YTD Budget $M	*YTD Variance $M*
OPERATING REVENUE			
Total Operating Revenue	**260.0**	**248.1**	***11.9***
OPERATING EXPENDITURE			
Total Personnel Expenditure	62.3	62.8	*0.5*
Total Operating Expenditure	123.5	116.8	*-6.7*
Interest & Depreciation	102.1	97.2	*-4.9*
Total Operating Expenditure	**287.9**	**276.8**	***-11.1***
NET OPERATING SURPLUS/(DEFICIT)	**-27.9**	**-28.7**	***0.8***
CAPITAL REVENUE			
Income - Development Contributions	32.8	32.6	*0.2*
Income - Vested Assets	59.0	30.9	*28.1*
Income - Grants & Subsidies Capex	5.9	12.7	*-6.8*
Income - Dividends received	14.2	13.0	*1.2*
Income - Gain/(loss) on diposal of property, plant & equipment	8.7	1.4	*7.3*
Total Capital Revenue	**120.6**	**90.6**	***30.0***
TOTAL SURPLUS/(DEFICIT)	**92.7**	**61.9**	***30.8***

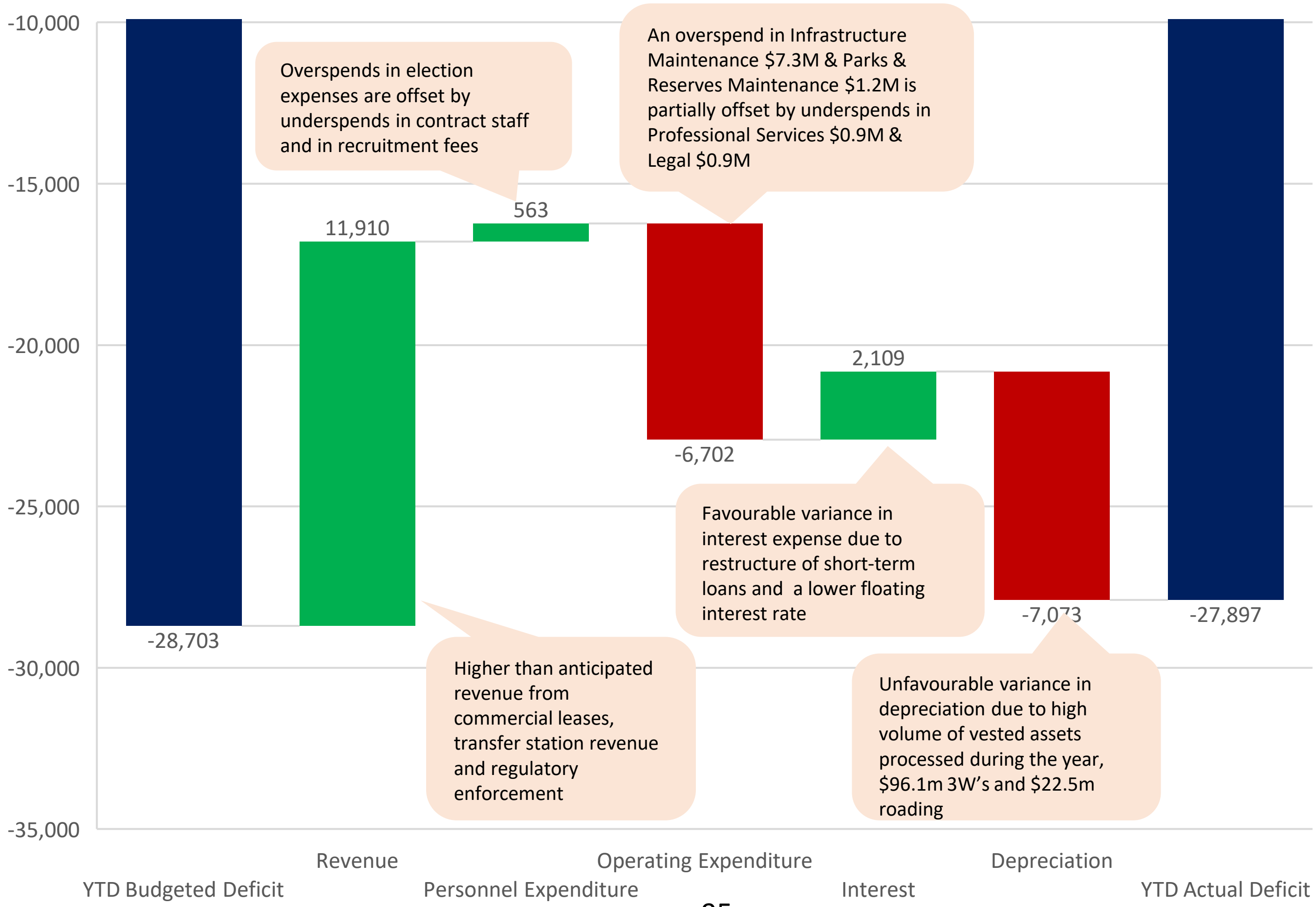
Operating Summary

QUEENSTOWN LAKES DISTRICT COUNCIL

What is driving the FY variance?

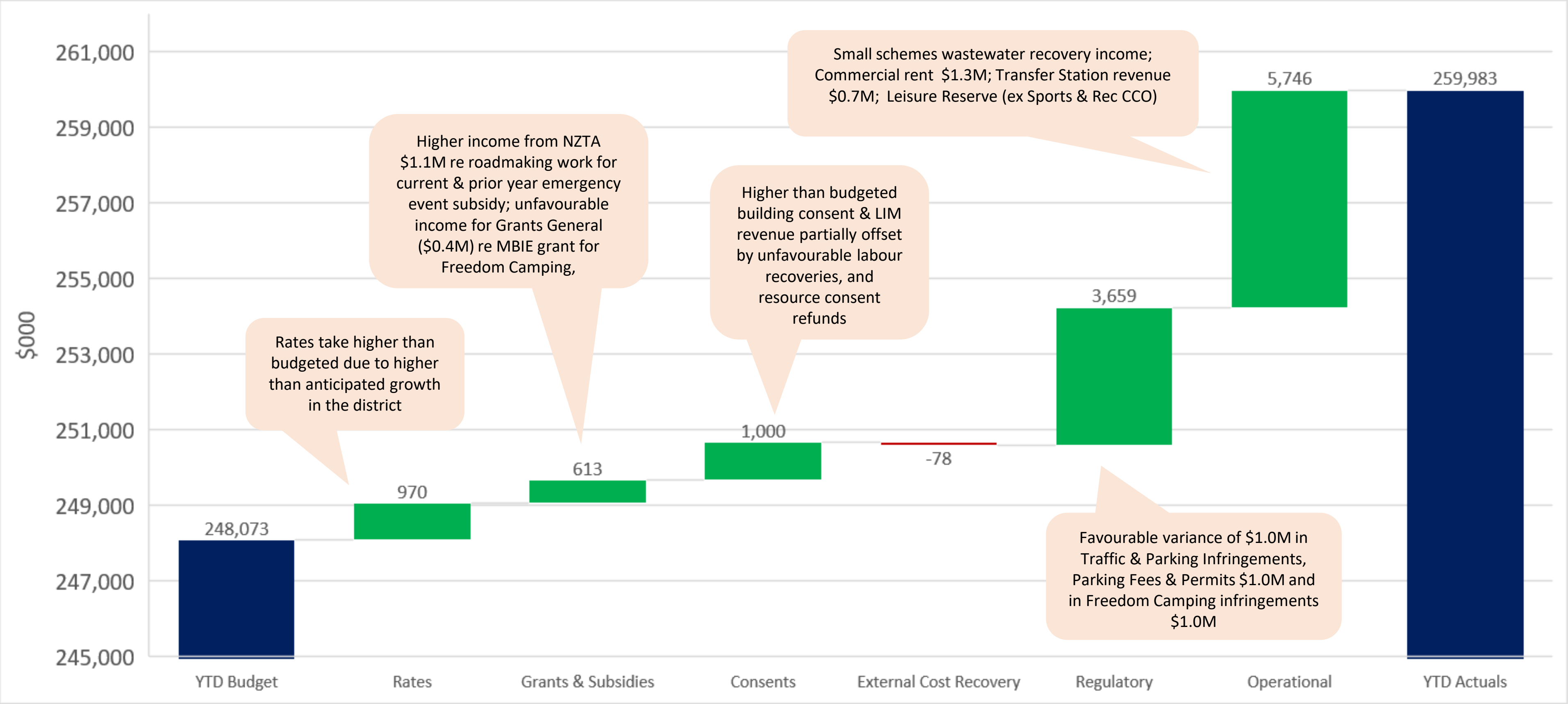
QUEENSTOWN LAKES DISTRICT COUNCIL

YTD Net Operating Surplus / (Deficit) – $28.7M U



Breakdown of the Revenue variance

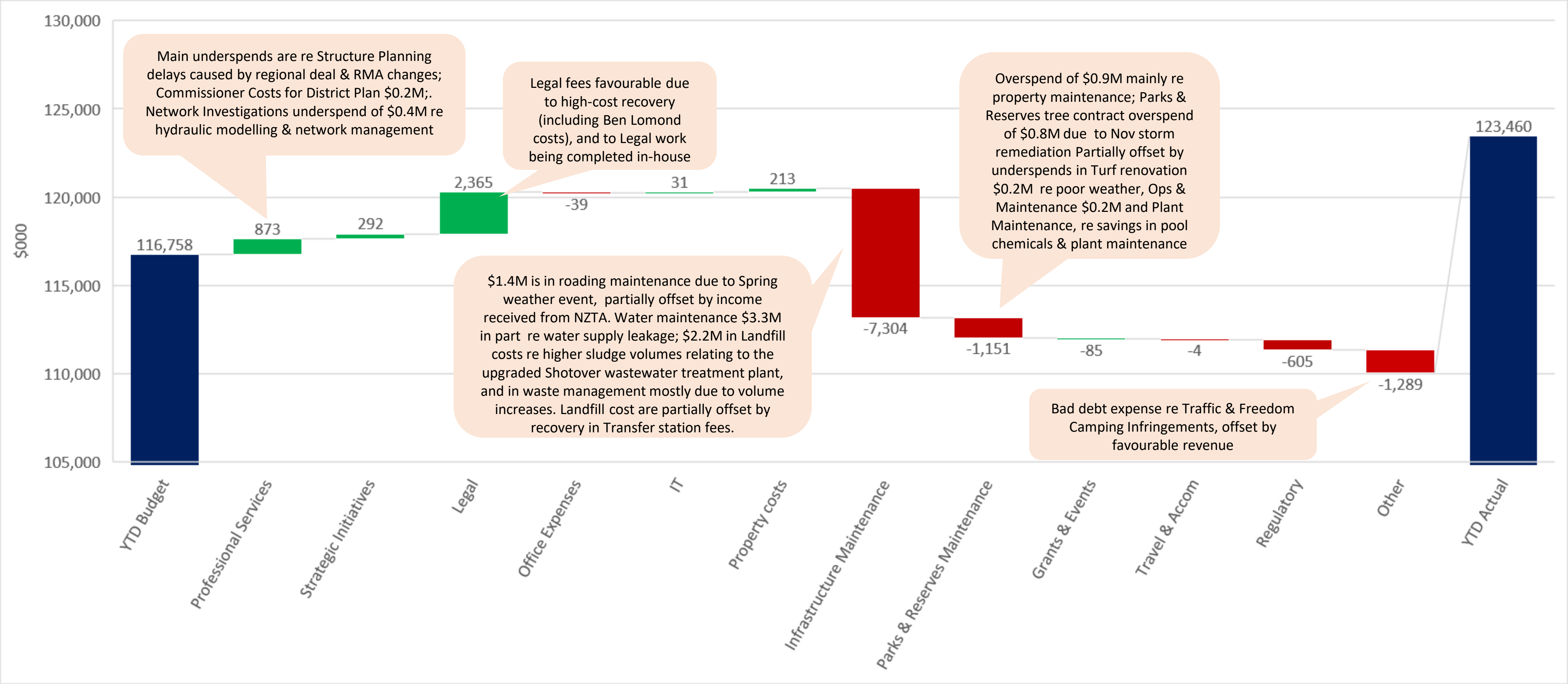
FY revenue – $11.9M (4.8%) favourable



Operating Expenditure

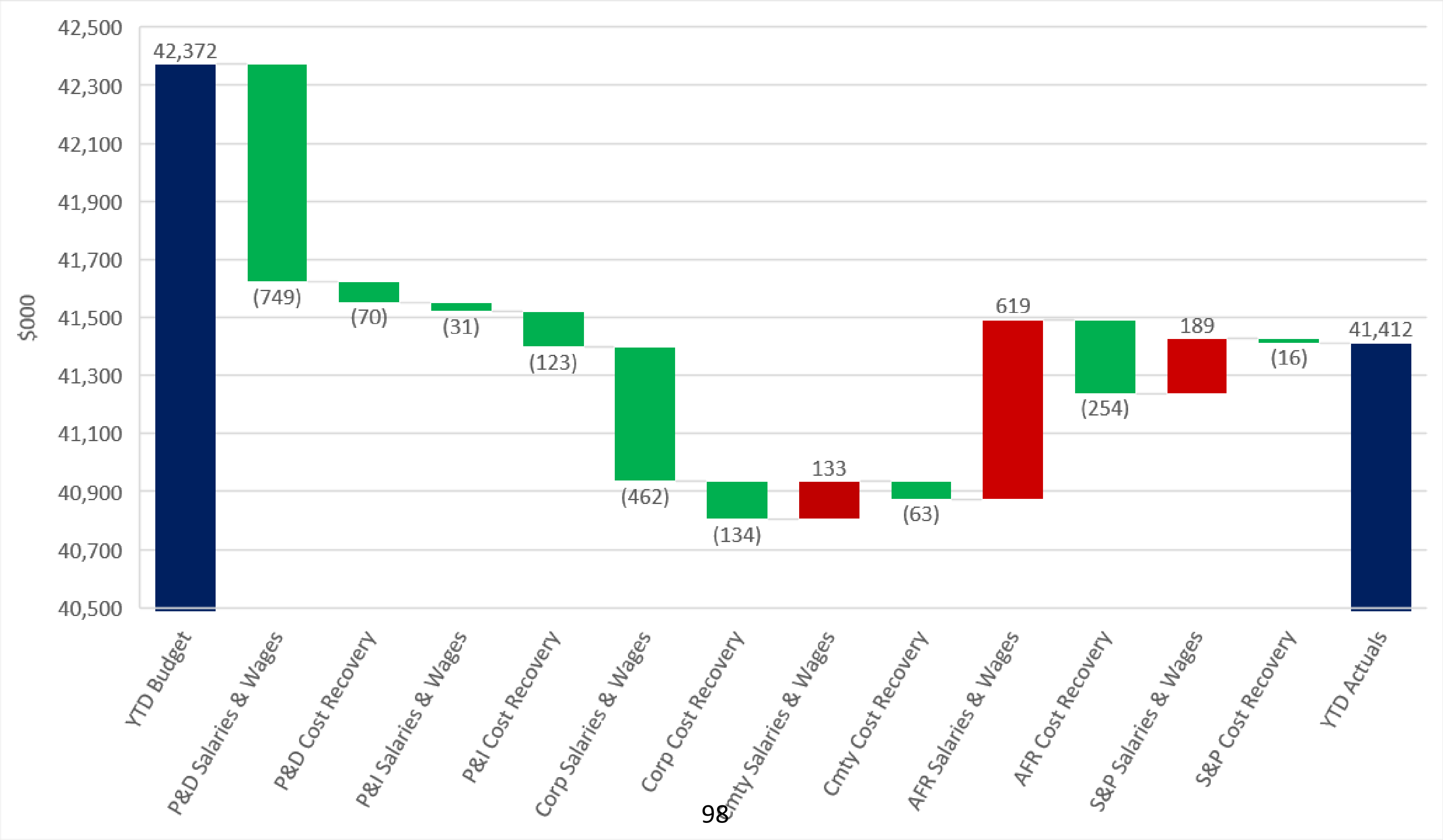
QUEENSTOWN LAKES DISTRICT COUNCIL

Operating Expenditure $6.7M (5.7%) overspent



Salaries & Wages by Directorate

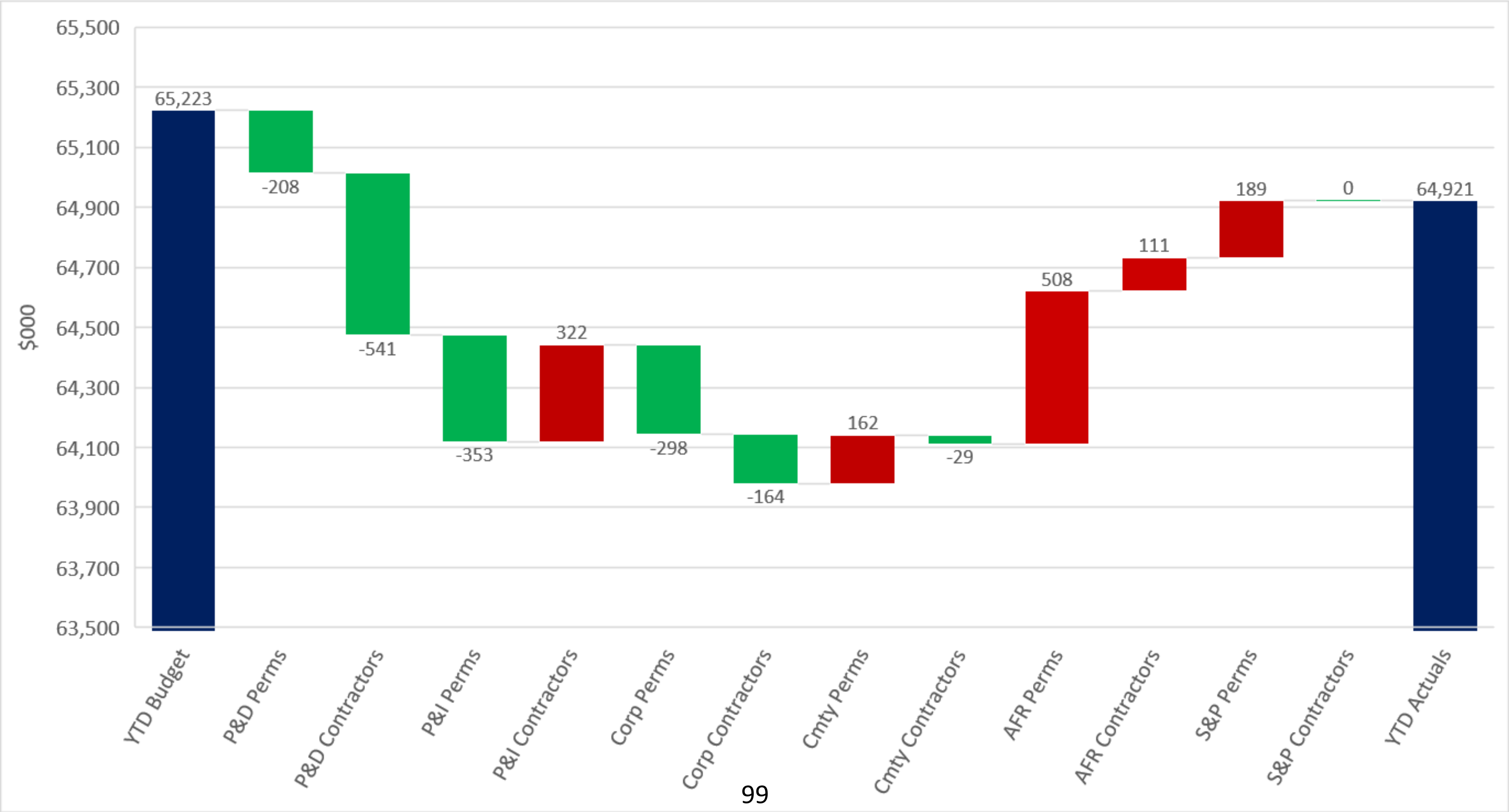
Salaries & Wages (net of cost recoveries) – $1.0M favourable (2.2%)



Salaries & Wages (Internal & Contract)

QUEENSTOWN LAKES DISTRICT COUNCIL

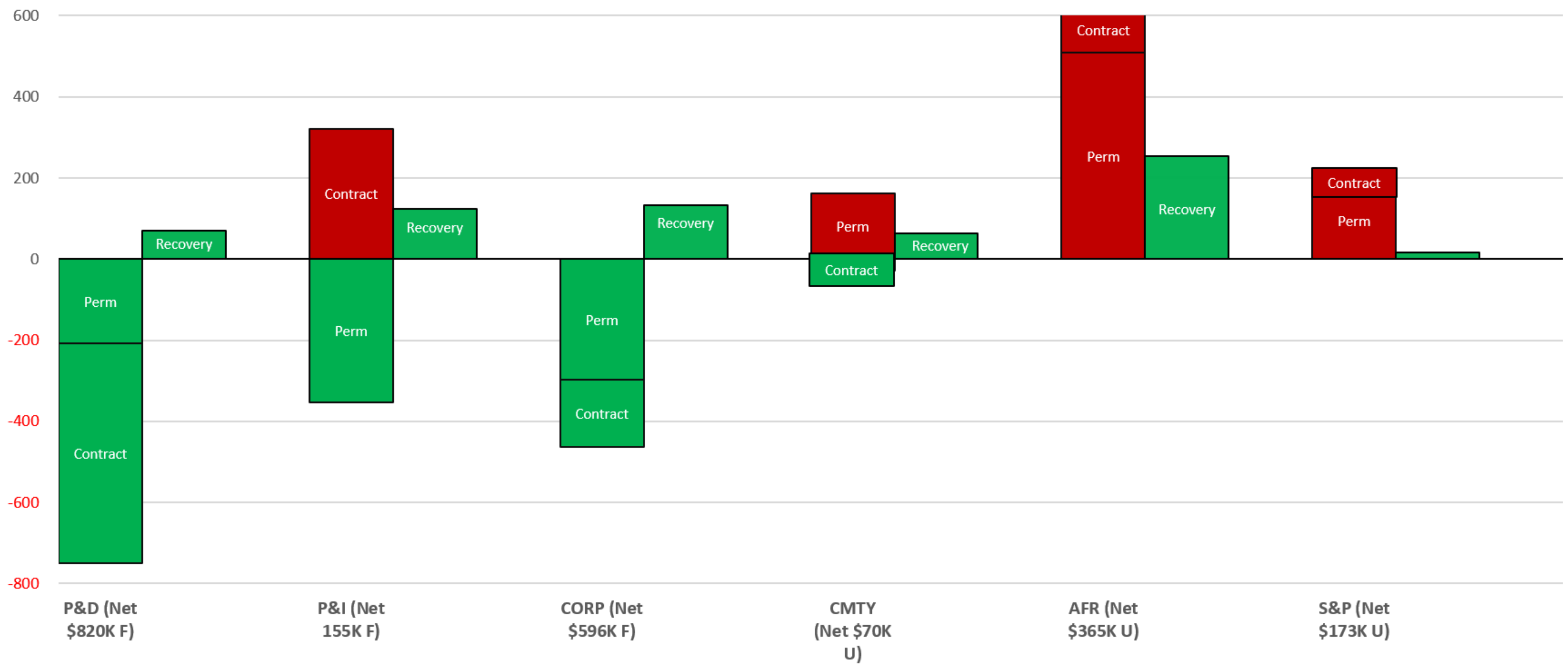
Salaries & Wages (Internal & Contract) – $0.3M favourable (0.5%)



Salaries & Wages (Internal & Contract)

QUEENSTOWN LAKES DISTRICT COUNCIL

Net Salaries & Wages– $1.0M favourable (2.3%)



Capital Expenditure Summary

QUEENSTOWN LAKES DISTRICT COUNCIL

25/26 Capex Delivery

QUEENSTOWN LAKES DISTRICT COUNCIL

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

YTD Spend vs YTD Budget

$118.6M / 81%

▼2% change from pm

Grouping	YTD Budget	YTD Actuals	YTD Var	% Spent
High Profile	2.4	-0.8	3.2	-31%
PMO INF	70.8	65.2	5.6	92%
Renewals	31.0	26.0	5.0	84%
Other New Capital	42.1	28.1	14.0	67%
QLDC Total	**146.4**	**118.6**	**27.8**	**81%**

Full Year Forecast

$118.6M / 81%

▼$2.4M (1%) from pm

Grouping	FY Budget	FY Forecast	FY Var	% Fcast
High Profile	2.4	-0.9	3.3	-36%
PMO INF	70.8	64.5	6.2	91%
Renewals	31.0	27.6	3.4	89%
Other New Capita	42.1	28.7	13.4	68%
QLDC Total	**146.4**	**120.0**	**26.4**	**82%**

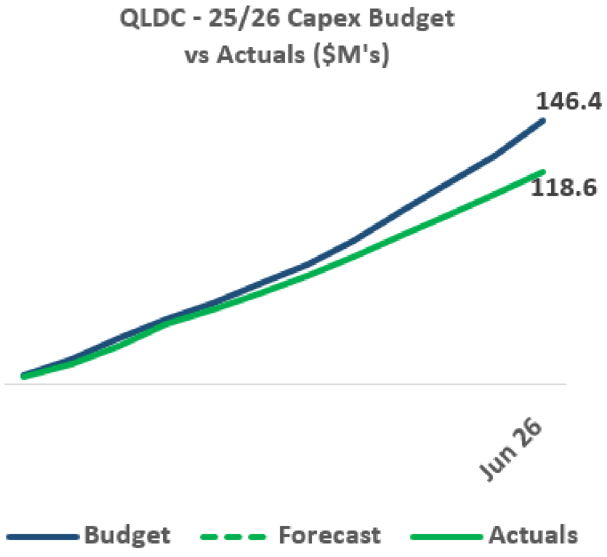
Reductions in forecast from prior month due to timing include:

> $0.7M Kingston new Scheme WW (delay in land acquisition)

> $0.5M Robins Road WW (tunneling machine failures)

> $0.4M Renewals Queenstown WS (Resourcing/timing)

> $0.3M Renewals Upper Clutha SW (Resourcing/timing)



- June Spend - $13.1M
- YTD Avg per Month - $9.9M

Impacts on Capex Renewals

QLDC Total Renewals actuals $26.2M which is $5.0M (16%) below budget of $31.2M

> **<u>Infrastructure Renewals</u> actuals $21.1M which is $3.8M (15%) below budget of $24.9M:**

- Buildings $0.8M - $0.7M due to Wanaka Airport deferred spend due to Warbirds Over Wanaka & $0.3M within Waterways Structure Renewals (Bobs Cove Jetty community consultation on remediation ongoing).
- Transport $0.6M - $0.5M road metalling budget to be ringfenced for carry forward to 2026/27 for rehab construction.
- Waste Management $1.0M - $0.6M within Existing Whakatipu Waste Facilities (initial tender and negotiations underway to procure works to complete 26/27) and $0.2M within Existing Waste Site Consenting (assessment of environmental impacts ongoing).

> **<u>Community Services Renewals</u> actuals $5.1M which is $1.2M (19%) below budget of $6.3M:**

- Parks & Reserves $1.1M underspend - $0.3M carry forward required for Fernhill playground (design to be completed 25/26 followed by construction 26/27) and $0.7M carry forward expected for Parks Structures re Arrowtown River anniversary loop foot bridges with construction expected from July to August 2026 along with Grandview Bridge in Wanaka.

Renewals Summary Table		Full Year			
Directorate	Programme	2025/26 Budget	2025/26 Actuals	2025/26 Var	% Spent
Infrastructure		**24.9**	**21.1**	**3.8**	**85%**
	Buildings & Other	4.4	3.6	0.8	81%
	Transport	10.6	10.0	0.6	94%
	Waste Management	2.5	1.5	1.0	61%
	3 Waters	7.4	6.0	1.4	81%
Community Services		**6.3**	**5.1**	**1.2**	**81%**
	Libraries	0.6	0.6	-0.0	100%
	Parks and Reserves	4.6	3.5	1.1	77%
	Venues and Facilities	1.1	1.0	0.1	88%
	Total Renewals	**31.2**	**26.2**	**5.0**	**84%**

Impacts on Capex New Capital

QUEENSTOWN LAKES DISTRICT COUNCIL

QLDC Total New Capital Actuals $92.3M which is $22.8M (20%) below budget of $115.1M

> **Infrastructure New Capital actuals $82.1M which is $18.6M (18%) below budget of $100.7M:**

- Buildings ($1.6M) - Wanaka Airport Compliance & Upgrades $1.1M carry fwd required as per QAC programme (delay due to Warbirds Over Wanaka). $0.3M c/f required for Paetara Aspiring HVAC.
- Transport ($4.1M) - Underspend of $1.9M for Arterial Stage One. Actuals relative to budget are influenced by the Alliance credit to QLDC offsetting project expenditure, with some misalignment between the timing of the credit and the timing of project expenditure. This will be resolved through 2026/27 expenditure reporting as project close out costs are reflected and contingency is carried into the defects period. Carry forward of $0.4M for Minor Improvements unsub Whakatipu and $0.9M Gorge Rd/Robins Rd Active Travel Unsub for construction 26/27.
- Waste Management ($1.0M) – Carry fwds required of $0.7M for Wanaka Waste Facilities and $0.2M for Zero Waste programme (for community composting agreed grants).
- 3 Waters ($11.9M) - Includes $2.9M above budget due to accelerated timing of works for CBD to Frankton Conveyance and $1.2M for Kingston New SW Scheme (budget brought fwd at YE). Offset with carry fwds of $2.9M for Upper Clutha WW Conveyance Scheme, $1.9M for Frankton Rd Watermain Upgrade, $1.0M for Lakeview Dev SW (contribution for swales), $2.5M for Kingston new WW Scheme, $2.3M for Robins Road WW Upgrade,$1.7M for Filtration Queenstown/Wanaka, $0.3M for Compliance Response UV Treatment, $1.2M for Telemetry, $0.5M for North Wanaka WW Conveyance Stage 2 and $0.4M for Asset Access Formalisation.

> **Community Services New Capital Actuals $7.7M which is $4.4M (36%) below budget of $12.1M:**

- Buildings ($1.7M) - 516 Ladies Mile delays to current year spend due to land use discussions and underground infrastructure works undertaken (Carry forward of $1.6M required).
- Venues & Facilities ($2.0M) - $0.9M carry fwd for QEC, Wanaka and Arrowtown Pool Energy Upgrades (request for information from market out May to test preferred option of air sourced heatpump). $0.8M carry forward for Queenstown New Sports Fields (only design undertaken 25/26).
- Parks ($0.7M) - Carry forwards of:
  $0.3M for Sunshine Bay erosion control,
  $0.3M for Merton Playground
  & $0.2M for Wanaka Skatepark Lighting

> **Corporate Services Actuals $2.5M which is $0.2M 8% above budget of $2.3M**

- Knowledge Management $0.2M additional spend for internal time capex recoveries

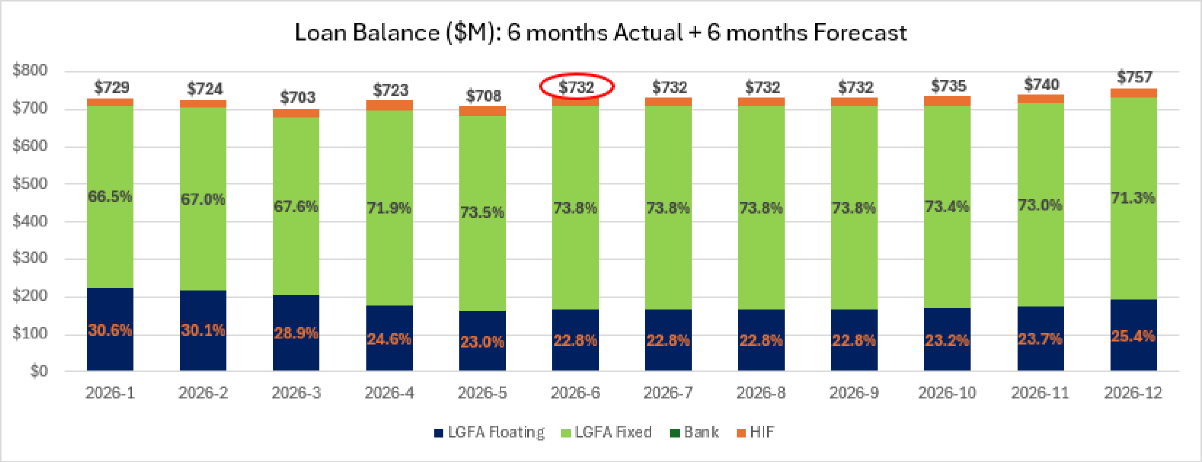
New Capital Summary Table		Full Year			
Directorate	Programme	2025/26 Budget	2025/26 Actuals	2025/26 Var	% Spent
Infrastructure		**100.7**	**82.1**	**18.6**	**82%**
	Buildings & Other	4.2	2.7	1.6	63%
	Transport	7.2	3.2	4.1	44%
	Waste Management	2.6	1.5	1.0	59%
	3 Waters	86.6	74.7	11.9	86%
Community Services		**12.1**	**7.7**	**4.4**	**64%**
	Buildings	3.9	2.3	1.7	58%
	Parks and Reserves	4.8	4.0	0.7	85%
	Venues and Facilities	3.4	1.4	2.0	42%
Corporate Services		**2.3**	**2.5**	**-0.2**	**108%**
	Information Management	2.3	2.4	-0.2	107%
	Libraries	0.0	0.0	-0.0	162%
	Total New Capital	**115.1**	**92.3**	**22.8**	**80%**

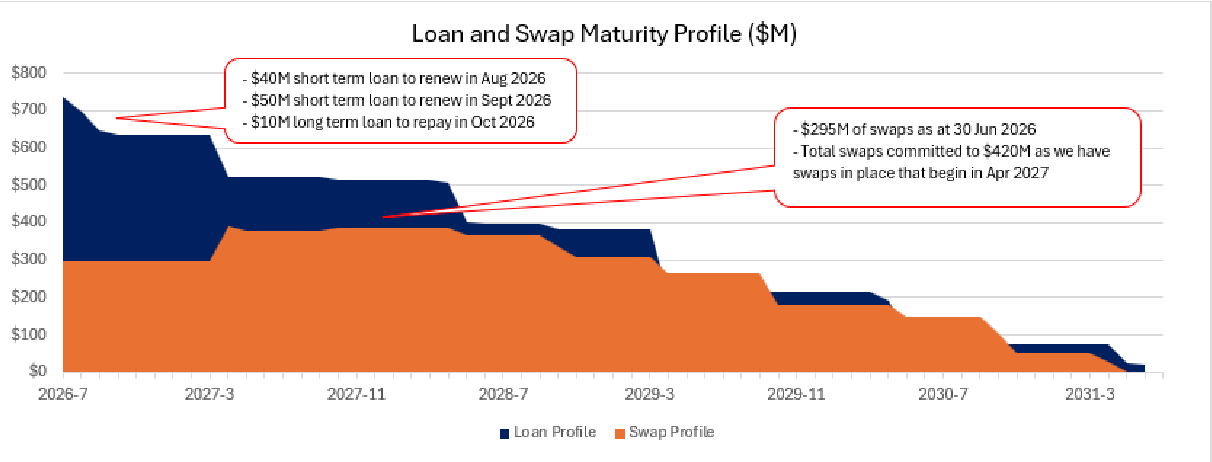
Statement of Financial Position

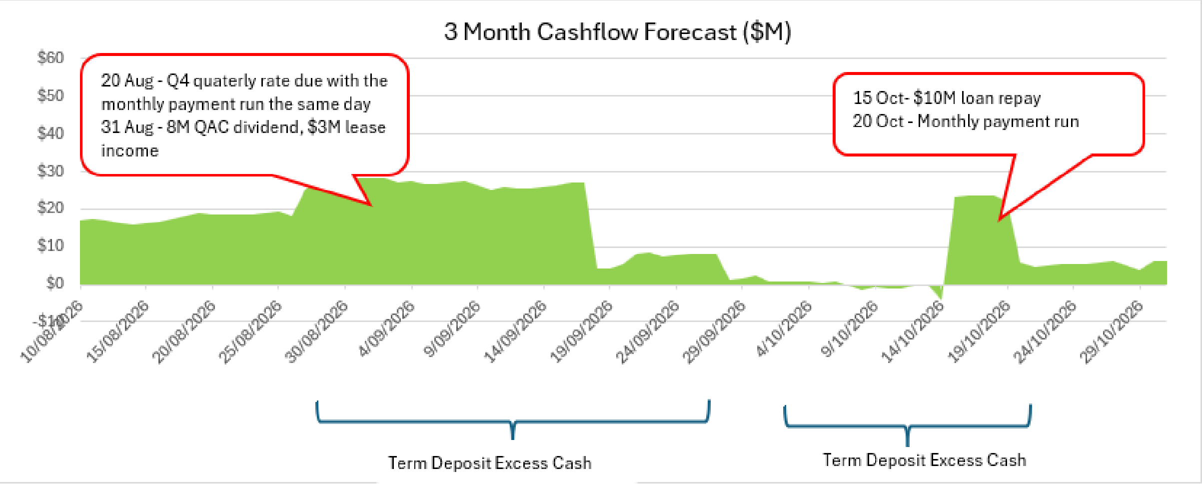
QUEENSTOWN
LAKES DISTRICT
COUNCIL

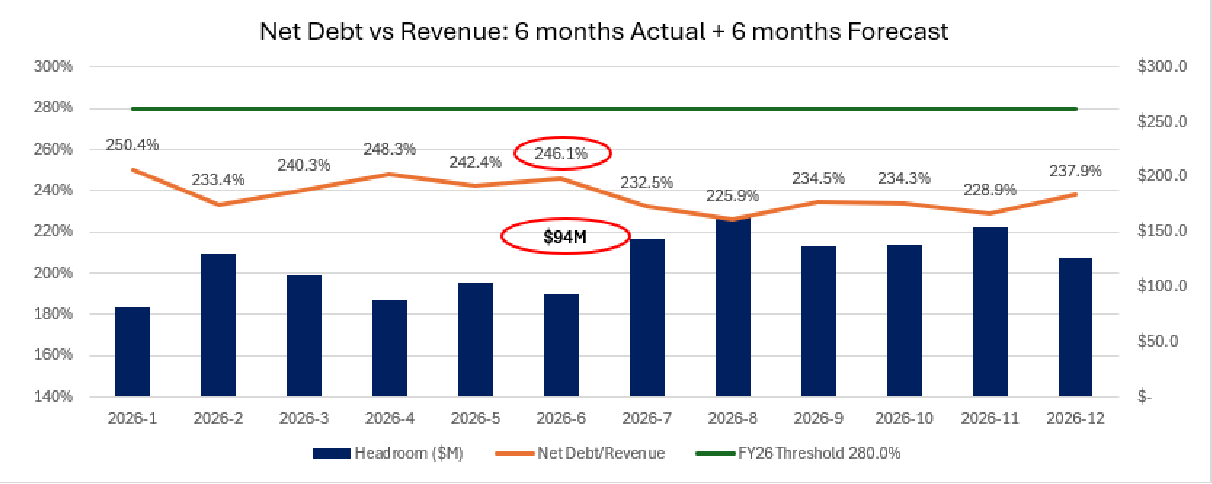
Treasury Dashboard

QUEENSTOWN LAKES DISTRICT COUNCIL









Debtors Analysis

QUEENSTOWN LAKES DISTRICT COUNCIL

As at 30 Jun 2026	Actual $'000	Variance to Pr Yr - inc/(dec) $'000
Aged Debtor Analysis		
90 days +	4,927	(2,179)
Total Trade & Other Receivables	**21,380**	(4,610)
Allowance for doubtful debts	(3,919)	379
Previous years rates arrears	659	(260)
Total Rates Receivables	**6,348**	(3,449)
Total Receivables	**28,485**	(7,747)

Trade and other receivables:
$2.9M of the 90 days overdue relates to vehicle infringements. The remainder consists of consenting, sundry and property debtors. This aged debt is accounted for within the $3.9M provision for doubtful debts.

Rates:
106 properties in arrears at 30 Jun (35 less than last month and 26 less than June '25)

We are actively chasing this debt

Statement of Financial Position

QUEENSTOWN LAKES DISTRICT COUNCIL

Statement of Financial Position				
	Council 2026	Council Budget	Council 2025	Variance to Pr Yr
As at 30 June 2026	$'000	$'000	$'000	$'000
Total current assets	65,658	43,137	50,567	15,091
Total non-current assets	3,713,011	3,796,468	3,369,863	343,148
Total assets	3,778,669	3,839,605	3,420,430	358,239
Total current liabilities	277,374	249,540	245,613	31,761
Total non-current liabilities	512,245	539,854	519,811	(7,566)
Total liabilities	789,619	789,394	765,424	24,195
Net assets	2,989,050	3,050,211	2,655,006	334,044
Equity				
Reserves	1,941,213	1,900,748	1,742,145	199,068
Accumulated funds	1,047,837	1,149,463	912,861	134,976
Total equity attributable to Council	2,989,050	3,050,211	2,655,006	334,044

Draft numbers to 30 June 2026 from Annual Report