



ROTORUA
LAKES COUNCIL

Rotorua Lakes Council

Financial Update - August 2026

Financial Update to 31 August 2026

Operational Revenue

\$741k
favourable

Operational revenue is ahead of budget, supported by parks improvement grant funding

Capital Revenue

\$1.6m un-
favourable

Excludes the timing impact of capital revenue.

Expenditure

\$1.3m
favourable

Operational expenditure is slightly below budget due to timing of program delivery & contract commencement

Capital Program

\$11.7m
delivered

Capital programs currently underway, with a number of large projects in close out phase

Debt

\$484m net
debt

Gross debt is \$526m and net cash on hand is \$42m

Forward look

- **Elevated fuel price**
- **Re-forecast underway**

YTD Operating Surplus

KEY MESSAGE

Council has commenced the 2026/27 financial year in a positive position, with an operating surplus of \$491k

Figures in \$000's	Year To Date		
	Actual	Budget	Variance - Favorable / (Unfavorable)
Income			
Fees & Charges	3,726	3,616	110
Rates	42,808	42,756	52
Investment Income	227	124	103
Development & Financial Contributions	299	1,009	(710)
Subsidies & Grants - Capital	1,772	2,624	(853)
Subsidies & Grants - Operational	1,422	946	476
Total Income	50,253	51,075	(822)
Opex			
Administration Expense	884	934	50
Finance Cost	20	167	147
Maintenance	198	493	295
Operating Expenses	10,536	11,125	589
Staff Costs	8,943	8,814	(129)
Utilities	527	715	188
Depreciation	7,937	7,999	62
Interest Cost	3,531	3,641	110
Total Opex	32,575	33,888	1,313
Total Operating Surplus / (Deficit)	17,678	17,187	491

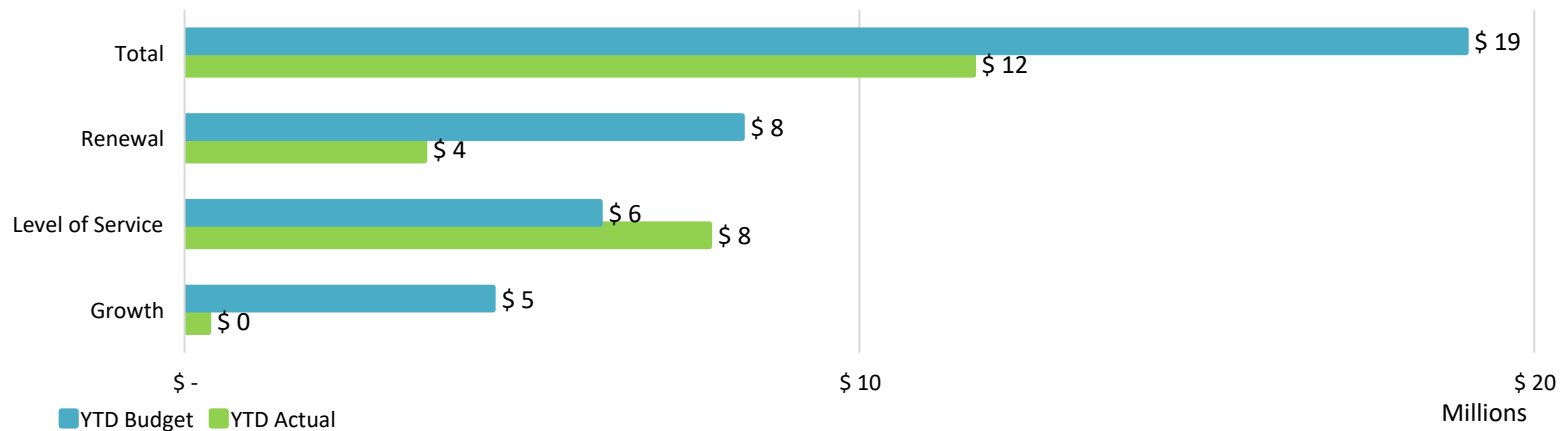
FORECAST UPDATE

Some forecast movement is expected over the coming weeks as contract procurement and programme planning are completed. The timing of delivery and contract commencement will continue to be refined by teams.

YTD Capital Delivery

KEY MESSAGE

Capital spend is tracking \$7m behind budget as projects move from planning phase into delivery phase

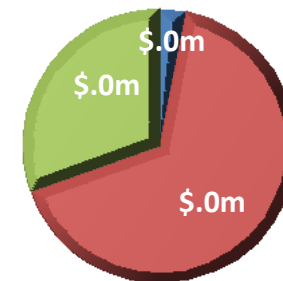


FORECAST UPDATE

Reforecasting is underway to align budgets with delivery schedules and project milestones.

YTD ACTUAL \$12M

■ Growth ■ Level of Service ■ Renewal



Fuel Budget Pressure

KEY MESSAGE

Ongoing elevated fuel price is forecast to exceed fuel budget by approx. \$340k

\$340k

Forecast budget pressure

75%

Fuel used by Parks and Three Waters

PRIMARY DRIVER

Higher market prices, not increased demand

Service	Operational response	Outcome	Impact
Parks	Reduce mowing frequency; stop scheduled non-CBD garden maintenance; reduce rural janitorial servicing.	Priority reserves and sports fields retained; actual saving may be lower than modelled.	Lower presentation standards, more complaints and recovery cost when service resumes.
Three Waters	Reduce routine inspections and flushing; use SCADA; combine grounds visits.	About 15% saving only; reactive demand remains dominant.	Water safety, consent, asset failure and stormwater response risks.
All other	Continue to identify opportunities to reduce discretionary travel. The majority of remaining expenditure relates to statutory inspection and compliance activities that are required to maintain service delivery and meet regulatory obligations.	Statutory inspection programmes will be maintained, ensuring Council continues to meet compliance requirements and deliver revenue-generating inspection services.	No significant service impacts have been identified. However, reductions to statutory inspection activity would likely result in a corresponding loss of revenue and could impact Council's ability to meet its regulatory obligations.

Questions?