

**Audit, Finance & Risk Committee**  
**3 March 2021**

**Report for Agenda Item | Rīpoata mot e Rāraki take 1**

**Department: Finance, Legal & Regulatory**

**Title | Taitara** 2021:22 December YTD Actual to December YTD Budget Financial Overview; December Capital Expenditure Reporting Overview, December Debtors Analysis, December Statement of Financial Position

**PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO**

The purpose of this report is to present the 2021:22 December Year to Date (YTD) Actual to Budget financial results, Capital Expenditure financial results and December 21 Debtors Analysis and Statement of Financial Position and to report on any significant transactions and/or variances to budget.

**RECOMMENDATION | NGĀ TŪOHUNGA**

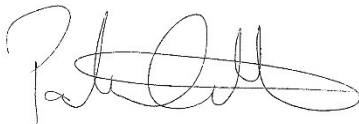
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Recommendations must be specific and precise and must be able to be given effect to. They must stand alone if read without the report.

That the Audit, Finance & Risk Committee:

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

Prepared by:



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Finance Manager  
11/02/2022

Reviewed and Authorised by:



Stewart Burns  
General Manager – Finance, Legal & Regulatory  
11/02/2022

## CONTEXT | HORPOAKI

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- 1 The main objective of this report is to give the Committee an overview of how the Council is performing from a financial perspective. The approach taken is one of management by exception, whereby officers are required to provide explanations when actual expenditure or revenue does not match the budget.

## ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU

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### **2021:22 December YTD Actuals to December YTD Budget Overview:**

- 2 The 2021:22 December YTD net operating deficit (\$14.2M) shows as \$0.2M favourable variance to the budget operating deficit of (\$14.4M).
- 3 The December YTD revenue is \$3.6M under budget, down \$1.3M Operational income, \$0.8M Regulatory income, \$0.8M NZTA External Cost Recoveries, \$0.3M Consents income and \$0.2M Grants and Subsidies.
- 4 Reduction in revenue offset by \$3.8M variance in expenditure with Interest \$2.0M under budget, as is Other expenditure \$1.1M, Parks & Reserves maintenance \$1.0M, Professional services \$1.0M, and Personal Expenditure \$0.3M. Partially offset by overspends of \$2.0M in Legal Fees, and \$0.3M in Insurance.
- 5 Further in-depth commentary is provided within attachment A.

### **2021:22 December YTD Capital Expenditure Reporting Overview:**

- 6 At the end of December 21, Council had 383 capital projects with an approved FY22 adjusted budget of \$226.6M. This is a \$20.7M decrease from the 2021:22 Annual Plan budget of \$247.2M. The \$20.6M decrease is made up of:
  - \$38.1M of projects carried forward from 21 (current projects)
  - \$4.8M net increase via October Council meeting ten year plan adjustments
  - (\$2.8M) net reduction for Lakeview via July Council meeting
  - \$0.4M for the deposit for the purchase of Mount Iron Reserve Land and
  - (\$61.3M) net reduction within the December reforecast council paper
- 7 Overall year to date spend is \$79.4M (35%) against adjusted full year budget of \$226.6M.
- 8 Please note the Capital Expenditure reporting with projects is grouped by:
  - High Profile Projects which are the key strategic/high profile/relationship projects Council has e.g. Shovel Ready/Crown Infrastructure Partners (CIP) projects and Central Government part funding, Manawa and Ngāi Tahu, Lakeview subdivision works and the Developer Agreement with Ninety Four Ltd, Tourism Infrastructure Funding (TIF) and 3 Waters Reform monies.

- Project Management Office (PMO) and The Renewals programmes have their own respective groupings.
  - Other projects which are the new capital projects not included in the above categories.
- 9 The intention of this grouping is to provide more disclosure on the PMO and the Renewals programmes which are in the delivery stages, to identify the key commitments Council has due to either external funding from Central Government or key relationships with Iwi (Manawa) and developers (Lakeview sub division) and to note the balance as Council business as usual projects.
- 10 Commentaries for the groupings are as follows:

### **High Profile Projects – CIP Crown Infrastructure Fund/Shovel Ready Projects: Queenstown Town Centre Street Upgrades**

- 11 The Queenstown Town Centre Street Upgrades project includes upgrades of the existing road reserve of Brecon Street, Rees Street, Beach Street and Park Street. The upgrades will include new 3 Waters services renewals, paving, street furniture, planting and lighting.
- 12 These streets were identified as high priority active travel routes within the town centre and are part of a larger transport programme for the Wakatipu.
- 13 Part funding (\$35M of the total \$63M) sourced from Crown Infrastructure Partners (CIP) requires monthly reporting and progress payment requests aligning to delivery milestone dates included within the funding agreement and subsequent amendments to agreement.
- 14 The Programme Alliance Agreement was signed on 17 September 21. An amendment to the original budget and delivery milestones within the CIP funding agreement, based on the approved Target Out-turn Cost, was approved on 24 November 20. This amendment included an increase in Co-Funding by QLDC of \$2.4M bringing the total budget to \$63.0M.
- 15 We have made progress claims towards the milestones below and monthly payments to Council are being made promptly.
- 23 December 21 – Beach St and Park Street paving complete
  - 31 July 22 – Park Street, Upper and Lower Beach Streets complete
- 16 We were unable to meet the 23 December 21 delivery milestone for the completion of paving due to paving crews in Auckland being delayed by COVID travel restrictions. CIP have confirmed that this will not affect payment of our monthly progress claim for December 21.

### **Queenstown Town Centre Arterial (Stage 1)**

- 17 The Queenstown Town Centre Arterial (Stage 1) project includes the development of a roading link from the intersection of Henry Street / Gorge Road/ Shotover Street to SH6A just east of the Suburb Street intersection. The work involves a combination of upgrading some existing road corridors and development of a completely new roading link from

Henry Street to the intersection of Melbourne Street and Beetham Street. The upgrade will include 3 Waters Renewals, signalised intersections, cul-de-sac turning heads, a pedestrian overpass, paving, traffic signals, line markings, street furniture, planting and lighting.

- 18 The project is the first of three stages and provides an alternative route around the periphery of the town centre to remove general traffic from Stanley Street, enabling the creation of a new Public Transport Hub and the ability for the town centre to grow. It is also part of a larger transport programme for the Wakatipu.
- 19 Part funding (\$50.0M of the total \$86.6M) sourced from Crown Infrastructure Partners requires monthly reporting and progress payment requests aligning to delivery milestone dates included within the funding agreement and subsequent amendments to agreement.
- 20 The Programme Alliance Agreement was signed on 17 September 21. An amendment to the original budget and delivery milestones within the CIP funding agreement, based on the approved Target Out-turn Cost, was approved on 24 November 20. This amendment included an increase in Co-Funding by QLDC of \$20.6M, bringing the total budget to \$86.6M.
- 21 We have made progress claims towards the milestones below and monthly payments to Council are being made promptly.
  - 27 September 21 – Commencement of Main Contract Works
  - 30 November 22 – Stage 1.2 Wastewater complete & Stage 1.1 Water (Frankton only) complete
- 22 There is risk of delays associated with land acquisition negotiations, but this is being mitigated by re-sequencing the construction programme.

#### **High Profile Projects: Lakeview Development:**

- 23 In 2017 the Council settled on several objectives for the land, which revolve around maximising financial return and minimising risk to ratepayers and developing a well-designed residential focused mixed-use precinct quickly and efficiently. In 2019, the Council executed a Development Agreement (DA) with a developer for development of serviced subdivision lots within the precinct.
- 24 The project scope includes the required site clearance and demolition works of the existing structures on site, followed by the construction of the required roading and services infrastructure necessary to deliver the subdivision. During the design process opportunities were identified to include additional scope adjacent to the site which could be delivered concurrently with Lakeview to enable financial efficiencies and to minimise disruption to the area and residents.
- 25 The Wakatipu Transport Programme Alliance and infrastructure team have provided an updated infrastructure works programme, after the consideration of scope and DA obligations. This current programme has the infrastructure works completion in early September 23.

- 26 Council is working towards meeting its obligations for timing to uplift title. At this point the current programme milestone is 30 December 2023. While there is a risk to manage around meeting the DA sunset date this risk can be mitigated by obtaining title(s) to the developers stage 1 (being lots 7 and 8) prior to the sunset date and before infrastructure works completion, through a “bonding” arrangement with the consenting team.
- 27 A draft-revised programme has been prepared, with the “bonding” arrangement, which could provide the stage 1 title(s) in April/June 22. This draft programme is being reviewed by the developer, with a view to amending the DA to enable commencement of (their stage 1) substantive construction in December 22. In effect, the “bonding” arrangement could bring forward the Stage 1 land payment(s), from the developer, by approximately 1 year (lot 8) and 2 years (lot 7) with respect to the current 2021/31 TYP income assumptions.
- 28 The current site clearance contract (Ryal Bush) closed out last month for hand over to the Wakatipu Transport Programme Alliance, who will complete remaining ACM removal on development lots. The property team has proposed, “capping” areas exposed on the hot pools site and plaza, not undertaking full ACM removal on this Reserve land. The property team are preparing a memo for ELT review detailing the site clearance status, including amended scope and financials, as at end of the Ryal Bush contract.

#### **High Profile Projects: Manawa (Project Connect and Civic Heart):**

- 29 In June 19, Council executed a partnering agreement (PA) with Ngāi Tahu Property Limited (NTP) for development of the Stanley Street site (the Site). The project delivery team is currently operating under a Terms of Reference (ToR) in order to meet Council’s obligations under the PA and specifically developing (with NTP) the Foundation Documents. Before any development can proceed, the following foundation documents need to be prepared:
- A programme which meets the needs of both Council and NTP;
  - A site development plan which provides sufficient detail to articulate the approach to each development on the site and the project as a whole; and
  - A feasibility model which develops sufficient detail to understand the costs, expenses and returns to each party in undertaking the development of all or part of the Site.
- 30 Agreement between the parties of key commercial terms, with respect to the feasibility model, has been unsuccessful to date however discussions with NTP regarding the commercial terms and programme are ongoing. Work on the wider site programme work streams continues with lead personnel from other related Council projects. There is a current focus to review delivery options for the Council office (Project Connect); and to integrate design of the balance of the site, with Stage 1 of the new arterial and CIP programme/commitments. The design team is yet to report on key Project Connect design elements which requires further exploration such as structural options, sustainable design, seismic importance level and costings. Council Workshops, regarding progress with NTP, are scheduled for 8th February and 8th March.

**High Profile Projects: 3 Waters Reform Stimulus Delivery Plan:**

31 The DIA funding completion date has been extended from 30 March 22 to 30 June 22. While the QLDC programme has experienced some slippage, all bar one of the projects are scheduled to be completed within the revised timeframe. The interim Hawea WWTP upgrade is forecast for completion in August, due to delays with the supply of the packaged treatment plant out of Italy. Approximately \$0.2M of funding is at risk due to these delays. For noting the Business Case for the permanent Hawea WWTP solution is about to go into preliminary design. The other risk project, the Park St WWPS upgrade, is in the final stages of design/approval and it is anticipated that construction can be completed prior to the deadline.

**High Profile Projects: Tourism Infrastructure Fund (TIF):**

32 The majority of TIF toilet projects were completed 20/21 including Glenorchy, Bendemeer, Lake Hayes Rowing club, Albert Town, Luggate Red Bridge, Kingston Reserve, Kingston SH6, Kerry Drive and Lake Wanaka. Remainder of TIF funding assigned to TIF 2 Lake Wanaka (\$0.4M remaining budget) to be constructed as part of Wanaka Lakefront Development Plan stage 2 in March. TIF 3 Freedom Camping \$0.1M remaining budget to be spend this financial year on freedom camping strategy, and some signage.

**High Profile Projects: Luggate Hall Replacement & 516 Ladies Mile Community Centre:**

33 Luggate Hall Replacement practical completion is expected by July 22. Cost increases of \$0.7M were approved at the 3<sup>rd</sup> February Council meeting, required predominantly as a result of naturally occurring contaminated soils, along with windows/doors prices due to a supplier change plus Covid/escalation/time related delays.

34 516 Ladies Mile Community Centre recommended option to proceed with new forecast cost of \$3.7M was agreed at February 3<sup>rd</sup> Council meeting. Increased cost due to access way and parking which was previously assumed to be completed in conjunction with new Park & Ride. RFQ (Request for Quotation) out in February to complete detailed design. Construction forecast to commence by May.

**Project Management Office (PMO) Commentary:**

35 There are currently 31 projects with 21/22 budgets being delivered within the PMO delivery team. 6 projects have recently been completed or within the post construction lifecycle stage, 8 projects are in construction, 1 in construction procurement, 11 in detailed design, 4 in concept design and 1 on hold.

36 PMO projects that have recently been completed or in post construction include:

- Ballantyne Road Reseal – 21/22 budget \$1.8M with actuals of \$1.6M. Practical completion November 21. Project close out and defects period underway.
- Cardrona new Wastewater Pipeline - 21/22 budget \$0.5M with actuals of \$0.3M. The commissioning of the new WW pipelines, PS and WWTP is now complete. In defects period. Mobile generator to be purchased & fibre to be installed March 22.

- Lucas Place Road Rehab – 21/22 budget \$1.8M with actuals of \$1.8M. Practical completion reached December 21.
- Recreation Ground new WW Pump Station - 21/22 budget \$3.1M with actuals of \$2.8M. Practical completion December 21.
- Willow Place WWPS Rising Main upgrade - 21/22 budget of \$0.8M with actuals of \$0.7M. Practical completion for SP1 in July and SP2 October 22.
- Bennetts Bluff Safety Improvements - Completed 20/21, in defects period.  
All are forecast to be within existing budgets with some minor under spends already reallocated.

### 37 PMO Projects within the construction phase include:

- North Wanaka new WW conveyance scheme - YTD Budget \$0.5M with actuals of \$0.3M (Full year 21/22 budget \$5.5M). Stage 1 Revised price received 24th January (within 7% var to QS estimate) so recommendation to proceed. Stage 2 conveyance and waste water upgrades to Aubrey road (awaiting notice of requirement to proceed with pricing).
- Albert Town Retic Improvement (WS) - YTD Budget \$0.1M with actuals of \$0.0M (Full year 21/22 budget \$1.2M). To be delivered as part of North Wanaka Conveyance Scheme (WW). Received pricing December which is just above budget. Construction due to commence February 22 and run through to October 22.
- Shotover Country WS new WTP - YTD Budget \$2.4M with actuals of \$2.8M (Full year 21/22 budget \$5.2M). Programme delays experienced but practical completion expected August 22.
- Shotover Country Rising Main (bridge) - YTD Budget \$0.4M with actuals of \$0.2M (Full year 21/22 budget \$1.4M). Works have commenced on site October and due to be completed May 22.
- Western Wanaka Level of Service (WS) - YTD Budget \$0.6M with actuals of \$0.2M (Full year 21/22 budget \$5.4M). Contract awarded December 21 for construction. Forecast completion date October 22.

### 38 PMO Projects within the construction procurement phase include:

- Project Pure WWTP upgrade - December YTD budget \$0.7M with actuals of \$0.6M (21/22 Full year budget \$2.9M). Currently in procurement for construction. Contract award expected February 22. Increase in budget approved in December reforecast due to changes in project scope and cost escalation.

### 39 PMO Projects within the detailed design phase include:

- Kingston HIF Stormwater new scheme - YTD Budget \$0.1M with actuals of \$0.1M (Full year 21/22 budget \$0.4M). Design and procurement is being delivered by the developer and their representatives (Hadley Consultants). Design for stage one of stormwater undergoing final review. Construction to commence June 22.
- Stone St Upgrades (SW) - YTD Budget \$0.2M with actuals of \$0.1M (Full year 21/22 budget \$0.8M). Project delayed due to challenges in getting an approved concept design and obtaining approvals from OFGC (Otago Fish and Game Council) and

- easements over private land. Detailed design expected to be completed by June, with Construction to commence August/September 22.
- Wakatipu Active Travel Network (TR) - YTD Budget \$0.6M with actuals of \$0.5M (Full year 21/22 budget \$1.0M). Budget is for design only with no LTP funding for construction. Waka Kotahi have advised that the bridge may not be built, therefore the A8 route is at risk of not being buildable.
  - Marine Parade WWPS upgrades (WW) - YTD Budget \$0.2M with actuals of \$0.2M (Full year 21/22 budget \$0.5M). Concept design complete. Detailed design to be completed by June 22.
  - Project Shotover WWTP upgrade - YTD Budget \$0.4M with actuals of \$0.4M (Full year 21/22 budget \$0.6M). Draft detailed design completed, under peer review.
  - Kingston HIF Wastewater new scheme - YTD Budget \$0.3M with actuals of \$0.3M (Full year 21/22 budget \$0.9M). Currently on hold at the developed/detailed design gateway until the discharge consent is granted and the cost escalation is further tested. The Notice of Requirement (WWTP designation) application has been submitted to QLDC and is currently being considered. The land agreement work continues with valuations and draft easement agreements completed. Cost estimates from the Engineer and QS have now been tested using pre-construction tender submissions from our contractor panel. ELT agreed to proceed with design of this project knowing that debt for the later stages of this project can't be recovered based on the current funding model. Detailed design to commence February 22.
  - Glenorchy Reservoir upgrade - YTD Budget \$0.3M with actuals of \$0.1M (Full year 21/22 budget \$0.8M). Consent application has been formally notified. Project team preparing evidence ahead of hearing. Hoping to avoid hearing and have consent approved by December 31. Tender for construction Q3.
  - Glenorchy WS new WTP and building - YTD Budget \$0.1M with actuals of \$0.1M (Full year 21/22 budget \$0.8M). To be delivered in conjunction with Glenorchy New Bores & Water Treatment Plant. Pricing from tenders for construction received January 22. Risk of price increase (circa \$0.9M).
  - Beacon Point new Reservoir - YTD Budget \$0.2M with actuals of \$0.2M (Full year 21/22 budget \$1.7M). Use of adjacent 'water treatment plant' land for earthworks cut to stockpile being negotiated through land acquisition. All consents have been granted and all land has been acquired for the reservoir, but earthworks consent for cut to stockpile is still required. Design updates to be completed by Q1 22. Construction to commence in May 22. GHD are redesigning the tank foundation, to accept design liability, and under slab connections, to align to Quail Rise reservoir.
  - Kingston HIF Water Supply new scheme - YTD Budget \$0.4M with actuals of \$0.5M (Full year 21/22 budget \$1.4M). Detailed design approved in January 22. Agreed to move forward with construction procurement for stage 1 only. Construction of borehead to begin in March 2022. Construction of treatment plant to commence June 2022.
  - Quail Rise new Reservoir - YTD Budget \$0.4M with actuals of \$0.3M (Full year 21/22 budget \$0.7M). Budget from rising and falling main projects now consolidated. Preliminary to detailed design Gateway complete. Forecast cost significantly over budget. Alternative options being considered.



**40 PMO Projects within the concept design phase include:**

- Aubrey Rd Rec Reserve SW detention pond - YTD Budget \$0.2M with actuals of \$0.1M (Full year 21/22 budget \$0.3M). Detailed design to be completed June 22 with construction to commence July/August 2022.
- Hawea Wastewater Management (WW) - YTD Budget \$0.2M with actuals of \$0.3M (Full year 21/22 budget \$0.5M). Business case progressing. Preferred option (pipeline to Proj Pure) selected. Concept design commenced in January. Risk with land rights not secured.
- Luggate Water Supply Scheme (WS) - YTD Budget \$0.2M with actuals of \$0.2M (Full year 21/22 budget \$0.8M). Draft sale & purchase agreement being reviewed for land/easement acquisition. Detailed design to commence February 22. Construction start planned July 22 for Bores, Treatment & Reticulation.
- Luggate Reservoir Capacity (WS) - YTD Budget \$30k with actuals of \$30k (Full year 21/22 budget \$0.5M). Land purchase to likely transact by March 22. Valuations underway January 22 to agree S&P (minor risk of budget shortfall). Construction deferred beyond ten year period to manage overall funding and delivery constraints; land will be secured with the residual budget to ensure the initiative can be readily recommenced if/when the need arises.

41 The Bills Way Storm Water pipeline replacement project has been put on hold. ECG (Engineering Challenge Group) in January has confirmed will be referred back to the business case stage (Strategy & Asset Planning team) as not critical and cost/benefit unfavourable.

**Renewals Commentary:**

## Community Services Renewals:

- Community renewal budgets will be fully spent by the end of the financial year. There are upcoming material purchases for \$0.7M Alpine Aqualand plant and equipment including \$0.3M for a HVAC unit, \$0.2M on a ultraviolet water treatment unit, \$0.1M for spa waterproofing and retiling, and other items which have been specifically identified that make up the current budget underspend.

## Infrastructure Renewals:

- Building & Library renewals includes Gorge Rd Office Civic Building Renewal \$0.4M 21/22 budget (scheduled for construction January/February for roof remedial works whilst Chambers is not occupied) and Healthy Homes Upgrades \$0.7M 21/22 budget (likely to spend 21/22 pending procurement plans). Wanaka Library renewals \$0.5M 21/22 budget for weather tightness works is expected to be completed February 22.
- 3 Waters renewals spend is tracking to phased budget at \$2.9M year to date and is expected that 2021/22 budgets of \$6.1M will be fully spent.
- Transport renewal actuals are tracking \$0.3M behind year to date budget, but the majority of works are associated with sealed road resurfacing and unsealed road metalling which is programmed to occur through autumn. Contracts with Downer and Fulton Hogan

are in place to spend the 2021/22 budget of \$7.2M. Wanaka Airport Reseal \$1.3M budget programmed to be spent in March (potential overspend \$0.1M flagged which could be funded through reallocation from the rental carpark reseal project no longer required as NASA has decided not to take up the lease.

### **Other Capital Projects Commentary:**

#### *Community Services Other Projects:*

Year to date spend \$3.5M or 33% of the 21/22 annual budget of \$10.4M.

- Parks & Reserves includes the Wanaka Lakefront Development Plan which is \$0.8M behind on year to date spend vs budget (delayed due to the lengthy consultation period and construction tendering process). The tender for Stage 2 (South Beach) closed in January, with the aim for the selected contractor to start construction in March. Stage 5 (North Carpark) is in currently with the civil designer who is working on the detailed design, with construction to be completed by June 23.
- Campgrounds includes the Frankton Campground upgrade with it planned to open in March. Remaining budget to be paid as a contribution once the infrastructure is installed.
- Marine Parade Implementation sees construction going out to tender mid-March so start date yet to be determined. Replacing the existing 4 bay toilets, and installing a new 4 bay toilet by the playground as well as new paths, signage, turf and storm water drainage. TIF funding has been approved.
- Coronet Forest Revegetation. Currently working though new procurement and contract type for this value project, a PCG has been set up. ROI to go out March 22 and tender to go out late April/May for purchase of seedlings from a nursery, planting crew, noxious management and fencing of the site.

#### *Corporate Other Projects:*

42 Year to date spend \$0.2M or 14% of the 21/22 annual budget of \$1.5M.

43 Information Management are \$0.4M behind on year to date spend vs budget. ICT projects are expected to come in \$0.2M lower as the eLearning platform & self service kiosks will not be progressing this financial year. This is due to business reprioritisation and internal resource availability. ICT Network costs are expected to be \$0.1M lower than initially budgeted as alternative Internet of Things (IoT) platform options have come to market. Significant Enterprise System and ePlanning projects are programmed to be delivered later this financial year.

#### *Property & Infrastructure Other Projects:*

Year to date spend \$15.8M or 36% of the 21/22 annual budget of \$43.5M. Projects completed or currently in a construction phase consist of 41% or \$18.0M, with design making up 13% of projects with annual budgets totalling \$13.4M.

- Buildings includes the Artificial Turf Project (Practical completion reached October 2021), Mitre10 Youth & Community Centre (Lease agreement to come to council February along with fitout estimate which is well in excess of \$1.0M budget so likely deferral) and Ballantyne Rd Rec Centre Wastewater Site Prep (RFP closes end of January 22 for masterplan team).
- Waste Management includes the Wakatipu Transfer Station and Plant Upgrades (Consenting work stream underway with design procurement to be completed February 22 and detailed design to follow), Wanaka Waste Facilities (new compactor to be installed, pit to be modified and other minor upgrades to be spent Q3 with remaining budget to be spent on development options for the site), Zero Waste District Programme - Wakatipu & Wanaka (procuring for numerous minor projects likely by February, dependent on scoping of New Wakatipu Waste Facility Stage 1).
- Minor budgets within Storm Water include Catchment Management Plans Wakatipu (awaiting completion of hydraulic model March 22 before catchment management plans can begin) and Modelling Wakatipu (consultant panel agreement finalised so spend should be consistent to spend budget).
- Wastewater has expended \$11.4M (79%) of the full year budget of \$14.5M, due to the recently completed Cardrona New Wastewater Scheme. CBD to Frankton Wastewater reticulation has completed preliminary design, with design outputs to inform the working business case, which will be finalised for approval in Q3. Subject to business case approval, detailed design will be completed in 2022/23 and it is possible early physical works will commence within the next financial year also. Hanley's Farm PS Upgrade has procurement complete and contract in design. Construction by the developer is likely to run May through to October 22, so likely to require carry forward.
- Water Supply spend year to date of \$0.5M is low relative to the \$8.6M annual budget. Significant projects include the Cardrona New Water Supply Scheme 21/22 full year budget \$1.7M (tender for developer led design & build has closed and is currently being evaluated), Hanley's Farm new Reservoir & Hanley's Farm Pump Station & Rising/Falling mains (Coneburn) full year budget \$2.4M (developer agreement is drafted and under negotiation with Developer led design and construction likely to run April to December 2022) and BP Roundabout - Kawarau Bridge Reticulation Full year budget \$0.8M (to be delivered through NZUP Alliance programme with construction timing dependent on Waka Kotahi works).
- Transport spend year to date of \$2.1M is low relative to the \$13.6M annual budget. Initiation of the 3 year NLTP programme was delayed due to late confirmation by Waka Kotahi of approved budgets along with reclassification into new LCLR (Low Cost Low Risk) groupings including Road to Zero, Local Road Improvements, Walking & Cycling Improvements and Public Transport Improvements (including Ferries). Budgets were reallocated in the December reforecast to align with the new categories. For Minor Improvements projects, 21/22 budgets of \$5.7M are still programmed to be spent this financial year. Wakatipu Public Transport LCLR had \$1.0M brought forward to 21/22 through the December Reforecast to add to the existing \$1.0M budget (tender to be awarded February for bus stop improvements works to be completed by June subject to

Contractor availability). Wanaka Active Travel LCLR & Wanaka Pool to School Active Travel has a combined \$1.0M budget (fee proposals have been received in January for finalising design with construction likely to commence by April 22).

44 Further in-depth commentary is provided within attachment B.

**2020:21 December Debtors Analysis Overview:**

45 Total outstanding debtors (excluding rates) has increased by \$2.1M compared to December 20 with the majority of this increase in current debtors less than 30 days overdue due mainly to current debt with the two CIP month claims (\$3.0M) which is a result of increased work activity.

46 Aging debt (Debt greater than 30 days excluding rates) has decreased \$0.6m over the past 12 months due to improved debt collection process and system enhancements.

47 Outstanding rates have increased by \$960k which is an increase in both unpaid current year (\$723k) and arrears rates (\$237k). The current years increase is due to \$735k of penalties being charged for current year and arrears balances in Dec21.

48 There is 790 rate arrears properties with a combined value of \$2.3m outstanding. Major groupings is as follows – with the majority within Residential and Vacant Sections (\$1.3m, 53%);

- a. Residential at 310 properties is \$0.8m
- b. Vacant sections at 162 properties is \$0.5m
- c. Accommodation at 119 properties is \$0.3m
- d. Country Dwelling at 59 properties is \$0.3m
- e. Various Mixed Use at 52 properties is \$0.2m

49 Further in-depth commentary is provided within attachment C.

**2020:21 Statement of Financial Position Overview:**

50 Total increase in net assets compared to December 20 is \$71.1M which is made of the following significant movements:

- \$186M increase in property, plant & equipment from the revaluation of 3W infrastructural assets and asset additions in the FY21 year;
- Net increase in total borrowings of \$116.4M to fund the capital programme and a portion of current borrowings being repaid during the year \$14.6M decrease in other current liabilities for the reduction in legal claims provision due to a settlement payment in July.

51 Further in-depth commentary is provided within attachment D.

**Options**

- 52 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:
- 53 Option 1 The report is for noting, therefore no options are discussed.

**FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA**

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- 54 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.

**COUNCIL EFFECTS AND VIEWS | NGĀ WHAKAAWEAWE ME NGĀ TIROHANGA A TE KAUNIHERA**

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- 55 The following Council policies, strategies and bylaws were considered:

- Council Policies
- Strategies and Bylaws

- 56 The following Council policies, strategies and bylaws were considered:

- Long Term Plan 2021:2031
- Annual Plan 2021:2022
- Refer to online documents here: <http://www.gldc.govt.nz/policies>

- 57 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-KĀIKA**

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- 58 The recommended option:

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

**ATTACHMENTS | NGĀ TĀPIRIHANGA**

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A	Finance Management Report – 2021:22 December YTD Actual to December YTD Budget Financial Overview
B	Finance Management Report – 2021:22 December Capital Expenditure Reporting Overview
C	December 2021 Debtors Analysis
D	December 2021 Statement of Financial Position

## Finance Management Report

For the Period Ended 31-Dec-21

### Operating Expenditure and Revenue

Description	December 2021 Actual	December 2021 Adjusted Budget	Variance to Budget
<b>REVENUE</b>			
<u>Operating Revenue</u>			
Income - Rates	7,990,408	8,112,096	(121,688)
Income - Grants & Subsidies	462,186	462,025	161
Income - NZTA External Cost Recoveries	317,439	512,240	(194,802)
Income - Consents	921,580	906,978	14,603
Income - External Cost Recovery	31,079	78,133	(47,054)
Income - Regulatory	366,428	508,995	(142,567)
Income - Operational	1,705,648	2,293,300	(587,652)
<b>Total Operating Revenue</b>	<b>11,794,767</b>	<b>12,873,767</b>	<b>(1,079,000)</b>

% of Year Completed				50%
Year to date Actual	Year to date Adjusted Budget	Year to date Variance	Full Year Adjusted Budget	YTD Actuals to Full Year Budget
48,580,063	48,617,072	(37,009)	96,805,942	50%
3,041,342	3,252,851	(211,509)	6,447,423	47% 1*
2,228,760	3,073,442	(844,682)	6,146,884	36% 2*
6,367,071	6,641,170	(274,099)	12,558,418	51% 3*
425,883	468,796	(42,913)	937,592	45%
2,080,042	2,909,632	(829,590)	5,942,984	35% 4*
12,174,036	13,491,512	(1,317,476)	26,887,177	45% 5*
<b>74,897,197</b>	<b>78,454,475</b>	<b>(3,557,278)</b>	<b>155,726,420</b>	<b>48%</b>

### EXPENDITURE

<u>Personnel Expenditure</u>			
Expenditure - Salaries & Wages	3,445,295	3,473,770	28,475
Expenditure - Salaries & Wages Contract	346,352	250,445	(95,908)
Expenditure - Health Insurance	29,955	36,031	6,066
<b>Total Personnel Expenditure</b>	<b>3,821,612</b>	<b>3,760,245</b>	<b>(61,367)</b>

18,717,170	19,789,973	1,072,802	39,323,565	48% 6*
2,643,731	1,863,069	(780,662)	3,478,512	76% 7*
177,135	216,185	39,050	432,370	41%
<b>21,538,036</b>	<b>21,869,227</b>	<b>331,190</b>	<b>43,234,447</b>	<b>50%</b>

### Operating Expenditure

Expenditure - Professional Services	221,673	472,907	251,235
Expenditure - Legal	451,776	251,846	(199,930)
Expenditure - Stationery	18,219	32,870	14,651
Expenditure - IT & Phones	78,399	128,963	50,564
Expenditure - Commercial Rent	275,252	287,929	12,677
Expenditure - Vehicle	38,895	58,833	19,938
Expenditure - Power	247,296	310,101	62,805
Expenditure - Insurance	(69,659)	130,308	199,967
Expenditure - Infrastructure Maintenance	2,708,165	2,774,201	66,037
Expenditure - Parks & Reserves Maintenance	1,167,667	1,152,427	(15,240)
Expense - External Cost On Chargeable	39,057	78,133	39,076
Expenditure - Grants	502,660	496,256	(6,404)
Expenditure - Other	1,226,544	1,317,851	91,306
<b>Total Operating Expenditure</b>	<b>6,905,943</b>	<b>7,492,625</b>	<b>586,682</b>

1,482,732	2,507,240	1,024,508	5,084,681	29% 8*
3,524,082	1,511,075	(2,013,008)	3,022,149	117% 9*
149,808	197,219	47,411	394,437	38%
411,194	525,972	114,777	1,007,691	41%
1,562,112	1,727,576	165,464	3,455,149	45% 10*
358,471	352,998	(5,473)	706,000	51%
1,687,770	1,868,957	181,187	3,656,725	46% 11*
1,040,561	781,848	(258,714)	1,563,700	67% 12*
17,257,210	17,350,207	92,997	34,394,914	50%
5,153,260	6,178,493	1,025,233	12,417,139	42% 13*
410,864	468,796	57,932	937,592	44%
3,950,100	3,910,857	(39,243)	8,443,549	47%
6,523,780	7,588,748	1,064,969	16,981,449	38% 14*
<b>43,511,944</b>	<b>44,969,984</b>	<b>1,458,040</b>	<b>92,065,175</b>	<b>47%</b>

### Interest and Depreciation

Expenditure - Interest	412,192	746,747	334,555
Expenditure - Depreciation	3,578,663	3,578,663	0
<b>Total Interest and Depreciation</b>	<b>3,990,855</b>	<b>4,325,410</b>	<b>334,555</b>

2,478,365	4,480,480	2,002,115	8,960,960	28% 15*
21,519,893	21,519,264	(629)	42,899,010	50%
<b>23,998,258</b>	<b>25,999,744</b>	<b>2,001,486</b>	<b>51,859,970</b>	<b>46%</b>

<b>Total Expenditure</b>	<b>14,718,411</b>	<b>15,578,280</b>	<b>859,869</b>
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<b>89,048,238</b>	<b>92,838,955</b>	<b>3,790,717</b>	<b>187,159,591</b>	<b>48%</b>
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<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>(2,923,643)</b>	<b>(2,704,513)</b>	<b>(219,130)</b>
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<b>(14,151,041)</b>	<b>(14,384,480)</b>	<b>233,439</b>	<b>(31,433,171)</b>
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### Capital Revenue and Expenditure

Description	December 2021 Actual	December 2021 Adjusted Budget	Variance to Budget
<u>Capital Revenue</u>			
Income - Development Contributions	2,147,878	1,112,881	1,034,997
Income - Vested Assets	0	0	0
Income - Grants & Subsidies Capex	3,153,401	4,953,144	(1,799,743)
Income - Grants & Subsidies	0	0	0
<b>Total Capital Revenue</b>	<b>5,301,279</b>	<b>6,066,025</b>	<b>(764,746)</b>

9,046,946	6,677,288	2,369,659	13,354,575	68% 16*
0	0	0	19,600,000	0%
18,878,864	29,718,864	(10,840,000)	59,437,726	32% 17*
2,579,799	0	2,579,799	0	0%
<b>30,505,610</b>	<b>36,396,152</b>	<b>(5,890,542)</b>	<b>92,392,301</b>	<b>33%</b>

<u>Capital Expenditure</u>			
Projects/Asset Purchases	10,899,613	13,253,539	2,353,926
Debt Repayment	0	0	0
<b>Total Capital Expenditure</b>	<b>10,899,613</b>	<b>13,253,539</b>	<b>2,353,926</b>

79,444,379	82,144,145	2,699,767	226,568,731	35% 18*
0	0	0	16,890,000	
<b>79,444,379</b>	<b>82,144,145</b>	<b>2,699,767</b>	<b>243,458,731</b>	

<b>NET CAPITAL FUNDING REQUIRED</b>	<b>5,598,334</b>	<b>7,187,514</b>	<b>3,118,673</b>
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<b>48,938,769</b>	<b>45,747,994</b>	<b>8,590,308</b>	<b>151,066,430</b>
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### External Borrowing

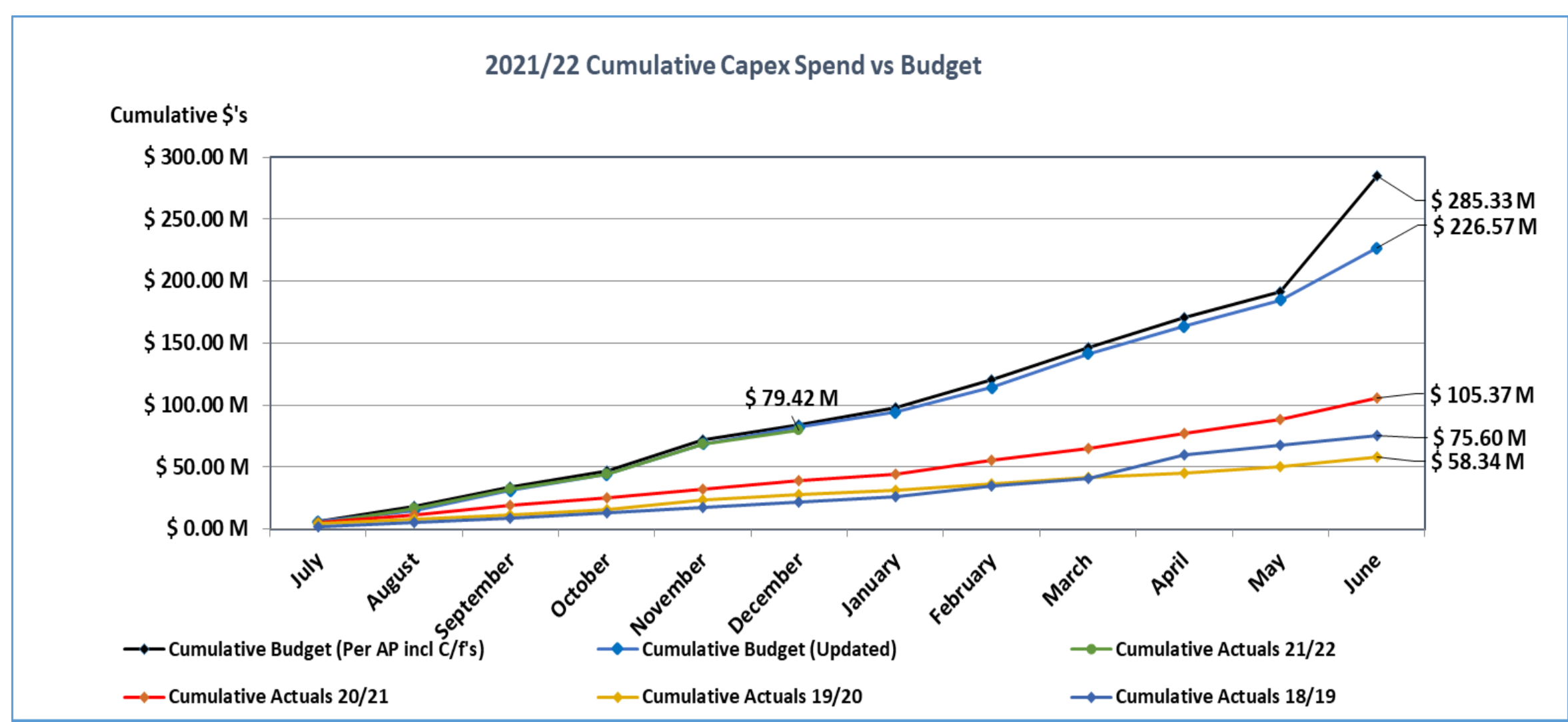
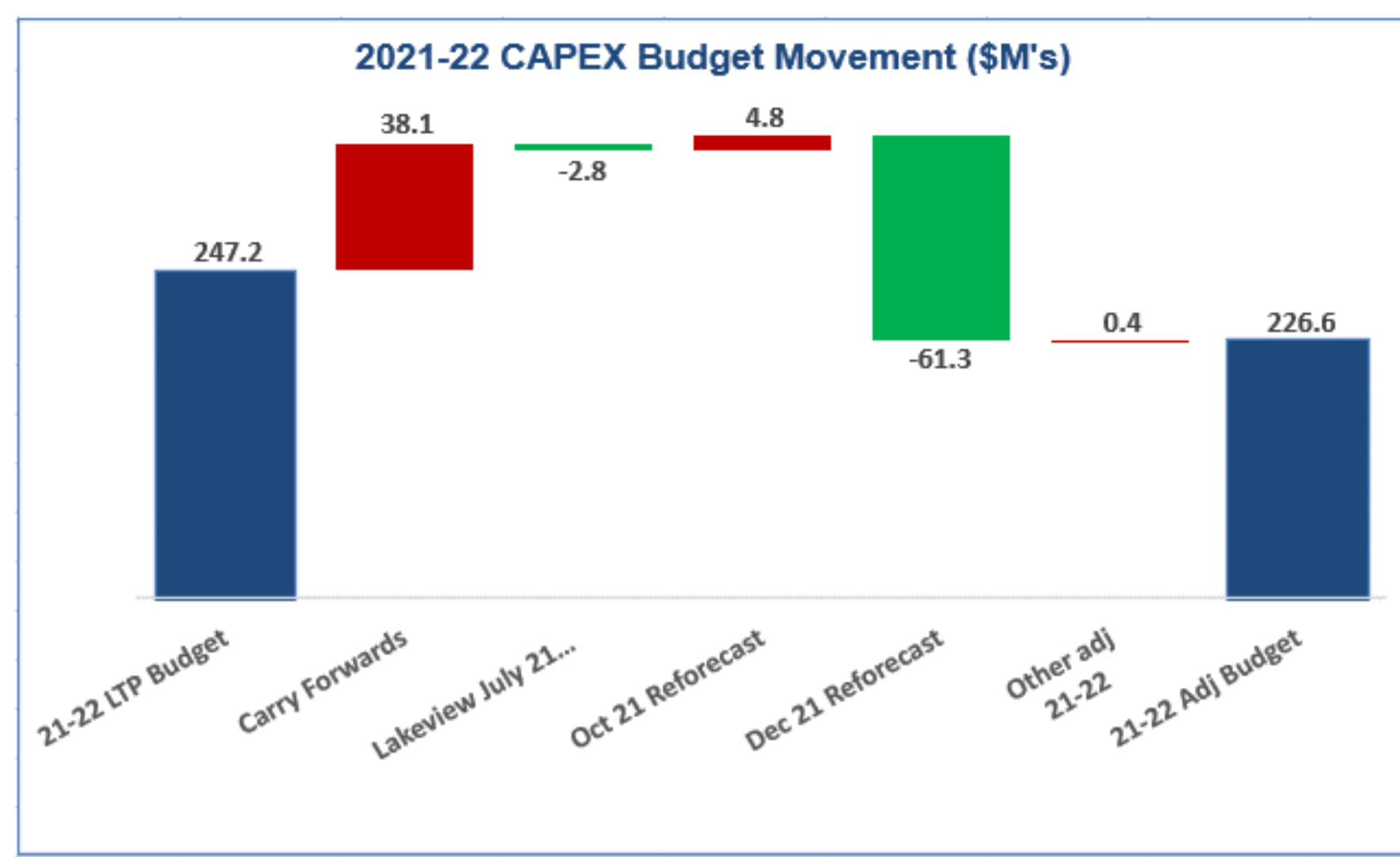
Loans	268,023,000		
<b>Total Borrowing</b>	<b>268,023,000</b>		

			342,400,000
			<b>342,400,000</b>

### Commentary - Operational

<b>*1 Income - Grants &amp; Subsidies</b> - \$212k unfavourable variance with NZTA subsidy roading maintenance costs due to timing.
<b>*2 Income - NZTA External Cost Recoveries</b> - The \$845k unfavourable variance is mainly within Infrastructure and is due to lower internal time allocations to CAPEX projects of \$769k, due in part to staff vacancies and lower than assumed internal time allocations.
<b>*3 Income - Consents</b> - Unfavourable variance of \$274k of which \$332k is within Planning & Development. Resource Consents \$557k unfavourable due to lower recoverable hours \$417k (hours 19% lower than budgeted), driven partly by the onboarding of new resources in Q1. In addition, there have been some credits issued as historical account queries are worked through (\$153k). This has been partially offset by Engineering Consents \$146k favourable with a greater than budgeted level of recoverable hours (20% higher than budget).
<b>*4 Income - Regulatory</b> - \$830k below budget. Legal and Regulatory \$614k unfavourable with Parking fees and permits \$386k below, this is 65% of prior years actuals YTD due to tourism downturn/lockdowns. Campervan infringements \$157k below, driven by international border delays and lockdown restrictions (54 campervan infringements issued YTD vs 1,273 to YTD Dec 19/20 (pre covid). Premise registrations \$106k under as a result of business suspensions and level 4 & 3 restrictions. Infrastructure Parking income \$294k unfavourable due to lower volume driven by lockdowns and international border delays.
<b>*5 Income - Operational</b> - \$1.3m unfavourable - Community Services \$1.1m below with Parks & Reserves \$757k down, \$317k due to low forestry volumes, the balance being offset by higher yield prices relative to prior year, which have been dropping since July, Community Property \$425k unfavourable due to lower lease rental income (mainly Wakatipu due to Skyline which is based on 20-21 actuals). Venue hire revenue lower by \$267k mainly due to the delayed opening of the Mitre 10 centre. - Finance \$354k lower with net interest driven by BNZ factoring position - Infrastructure \$125k favourable. \$370k lower Refuse income, due to lower volumes as a result of lockdowns earlier in the year. This has been offset by a 3W grant received from DIA \$419k - to be reclassified to '17 Income - Grants & Subsidies Capex' in January. - Property \$336k unfavourable due to lower lease rental income with Wanaka Airport \$279k driven mainly by lower Nasa income. Commercial licence fees are lower by \$141k largely due to Lakeview base rent reduction due to the ongoing development on this site. - Corporate \$337k favourable variance in Corporate, driven mainly by income for Economic Development \$210k being unbudgeted income relating to Welcoming Communities and Lifetime value of a visitor and \$146k Civil Defense from MBIE - COVID recovery. Income offset by expenditure.
<b>*6 Expenditure - Salaries and Wages</b> - \$1.1m lower with favourable variances in Infrastructure & Property of \$565k, Planning & Development \$387k, Corporate \$129k, and Finance, Legal & Regulatory \$86k, Community \$93k higher than budget. The favourable variance is being driven mainly by 67 (Nov: 55) vacancies across all directorates, an increase of 12 since last month.
<b>*7 Expenditure - Salaries and Wages Contract</b> - \$781k above budget with \$653k unfavourable in Planning & Development to cover vacancies, \$356k in Resource Consents and \$222k in Building Services. The balance is spread across a number of directorates.
<b>*8 Expenditure - Professional Services</b> - \$1.0m lower with \$616k favourable in Infrastructure of \$324k within Roading and \$263k within 3 Waters due to timing. Corporate \$366k with \$224k favourable in Other Consultants and \$105k in Policy and Performance due to timing of projects within Spatial plan.
<b>*9 Expenditure - Legal</b> - \$2.0m unfavourable with \$1.8k unfavourable weather tightness variance in Building Services.
<b>*10 Expenditure - Commercial Rent</b> - \$165k favourable with \$284k favourable in Community Services as the Mitre 10 Community centre in Wanaka building lease has not started. Lease negotiations have been completed and will be presented to Council in February.
<b>*11 Expenditure - Power</b> - \$181k favourable due to the delay of the Mitre 10 Community Centre lease, lower Lakeview utilisation and a number of smaller variances across 3W infrastructure.
<b>*12 Expenditure - Insurance</b> - \$259k adverse due to an increase in premiums following the renewal of the policy.
<b>*13 Expenditure - Parks &amp; Reserves Maintenance</b> - \$1.0m favourable largely within Community Services (\$915k). \$335k lower stumpage costs relating to reduced forestry output (offset by unfavourable revenue variance due to August covid lockdown and poor weather in July), and \$184k favourable Parks and Reserves Open Space contract costs due to Covid in August and the timing of maintenance. \$229k favourable building and grounds maintenance mainly due to timing of preventative maintenance to be co-ordinated by the Property team.
<b>*14 Expenditure - Other</b> - \$1.1m favourable due largely to timing. \$626k in Planning & Development due mainly to favourable District Plan commissioner costs and \$188k in Corporate mainly due to HR Staff Training.
<b>*15 Expenditure - Interest</b> - Interest expense is favourable by \$2.0m due to lower than expected interest rates and timing of capex spend which is mainly within the Property & Infrastructure space where the interest budget is phased straight line and has not been adjusted for projects deferred timing of delivery. Balance made up of a number of smaller items across other directorates.
<b>*16 Income - Development Contributions</b> - \$2.4m favourable. \$1.6m favourable within Infrastructure roading \$2.4m higher, partially offset by \$0.8m unfavourable in 3 Waters. Community Parks & Reserves \$0.7m favourable.
<b>*17 Income - Grants &amp; Subsidies Capex</b> \$10.9m unfavourable - \$5.0m within NZTA Subsidy target income has reduced as a result of lower than expected Waka Kotahi funding along with the late notification of NLTP budgets in September, which coupled with changes to Waka Kotahi activities, has caused a delay with developing the 3 year work programme to align with funding approved. Budgets will be more closely aligned through the December 2021 reforecast and the Capex subsidy budget will be adjusted down following council approval in February 2022. - \$6.0m within CIP Subsidy - Queenstown Town Centre Arterials CIP - The Target Outturn Cost (TOC) estimate based on the 30% detailed design was approved in December 2021. The main contract works construction is progressing in line with the CIP funding agreement amendment milestones which were approved on 24 November 2021. Queenstown Street Upgrades CIP - Construction is continuing on Brecon St, Park St and Beach St. Works will be commencing in Rees St in early March 2022. Hotops cycle path is being removed from the Alliance scope of work, as resolved at the 16 December Council Meeting, and a discussion with CIP regarding the reduction in scope is scheduled for February. Construction is progressing in line with the CIP funding agreement amendment milestones, which were approved on 24 November 2021. \$9.5M cost (\$5.3M income) deferred in Dec reforecast and the CIP subsidy budget will be adjusted down following council approval in February 2022.
<b>*18 Projects - Capital Expenditure</b> - \$79.4m year to date spend vs budget of \$82.1m. Main project spend this month included \$2.9m Queenstown Street Upgrades CIP, \$1.3m Qtn Town Centre Arterials - Stage 1, \$0.8m Shotover Country WS new WTP, \$0.6m 3 Waters Reform Stimulus Delivery Plan and \$0.4m on the purchase of Mt Iron Reserve Land.

Finance Quarterly CAPEX Project Report - July 2021 to December 2021



Programme	2021/22 Actuals Dec YTD	2021/22 Budget Dec YTD	Variance YTD	% of budget Spent	2021/22 Full Year Adjusted Budget	Comments
<b>HIGH PROFILE PROJECTS</b>						
Manawa - Project Connect & Civic Heart	73,469	132,134	58,665	56%	407,027	<b>Project Connect &amp; Civic Heart:</b> The QLDC Project team is engaging Ngai Tahu on commercial negotiations. There is a current focus to review delivery options for the Council office (Project Connect); and to integrate design of the balance of the site with Stage 1 of the new arterial including the proposed overpass. Council Workshops regarding progress with NTP on Manawa, are scheduled for 8th February and 8th March.
TIF - Tourism Infrastructure Fund	215,731	280,981	65,250	77%	773,230	Majority of TIF toilet projects complete 20/21 including Glenorchy, Bendemeer, Lake Hayes Rowing club, Albert Town, Luggate Red Bridge, Kingston Reserve, Kingston SH6, Kerry Drive, Lake Wanaka. Remainder of TIF funding assigned to TIF 2 Lake Wanaka (\$406k remaining budget) to be constructed as part of stage 2 in March. TIF 3 Freedom Camping \$125k remaining budget to be spend by the end of the financial year on developing the responsible camping strategy and some signage.
Luggate Hall Replacement	1,468,549	1,758,094	289,545	84%	4,566,982	Installation of wall & roof panels completed October. Window supply delay due to Covid - installation expected April. Increase in budget (\$702k) approved in Dec Reforecast predominantly due to contaminated soils and windows/doors due to supplier change along with escalation/time related delays. Practical completion estimate Jul 22
516 Ladies Mile Community Centre	66,203	76,809	10,606	86%	3,660,000	Recommended option to proceed with new forecast cost of \$3.7M agreed at Feb 3rd Council meeting. Increased cost due to access way and parking which was previously assumed to be completed in conjunction with new Park & Ride. RFQ (Request for Quotation) out in Feb to complete detailed design. Construction forecast to commence May.
CIP - Crown Infrastructure Fund	27,027,509	26,637,292	(390,218)	101%	68,613,588	<b>Queenstown Town Centre Arterials - CIP Stage 1</b> - The Target Outturn Cost (TOC) estimate based on the 30% detailed design was approved in December 2021. The main contract works construction is progressing in line with the CIP funding agreement amendment milestones which were approved on 24 November 2021. <b>Queenstown Street Upgrades - CIP</b> - Construction is continuing on Brecon St, Park St and Beach St. Works will be commencing in Rees St in early March 2022. Hotops cycle path is being removed from the Alliance scope of work, as resolved at the 16 December Council Meeting and a discussion with CIP regarding the reduction in scope is scheduled for February. Construction is progressing in line with the CIP funding agreement amendment milestones, which were approved on 24 November 2021.
3 Waters Reform Stimulus Delivery Plan	2,848,384	2,977,865	129,481	96%	7,722,117	The DIA funding completion date has been extended from 30 March 2022 to 30 June 2022. While the QLDC programme has experienced some slippage, all bar one of the projects are scheduled to be completed within the revised timeframe. The Hawea WWTP upgrade is forecast for completion in August, due to delays with the supply of the packaged treatment plant out of Italy. Approximately \$175k of funding is at risk due to these delays. The other risk project, the Park St WWPS upgrade, is in the final stages of design/approval and it is anticipated that construction can be completed prior to the deadline.
Lakeview Development - Site Clearance	1,112,442	1,096,877	(15,564)	101%	2,523,879	Clearance contract works with Ryal Bush complete as of October 2021 with final claim due in January 2022. Site has been handed over to WTPA (Wakatipu Transport Programme Alliance) who will complete remaining ACM removal on development lots. Update to come to PCG on budget to be reallocated to INF for future ACM (Asbestos Containing Material) clearance under WTPA.
Lakeview Development - Subdivision Works	4,555,493	5,367,509	812,016	85%	14,011,410	The Wakatipu Transport Programme Alliance and infrastructure team have provided an updated infrastructure works programme, after the consideration of scope and DA obligations. This current programme has the infrastructure works completion in early September 2023.
Lakeview Ancillary	1,140,700	1,325,793	185,093	86%	2,068,984	
<b>TOTAL - HIGH PROFILE</b>	<b>38,508,480</b>	<b>39,653,354</b>	<b>1,144,874</b>	<b>97%</b>	<b>104,347,217</b>	

PMO - PROJECT MANAGEMENT OFFICE						
Programme	2021/22 Actuals Dec YTD	2021/22 Budget Dec YTD	Variance YTD	% of budget Spent	2021/22 Full Year Adjusted Budget	Comments
<b>NEW CAPITAL</b>						
Storm Water	2,738,851	3,759,607	1,020,755	73%	4,664,509	<b>Lucas Place, Kawarau Place &amp; Magnolia Place (SW)</b> - YTD Budget \$3.2M with Actuals of \$2.4M. Practical completion expected Feb 2022 within existing budget. <b>Stone Street Upgrades (SW)</b> - YTD Budget \$118k with Actuals of \$158k. Project delayed due to challenges in getting an approved concept design and obtaining approvals from OFGC (Otago Fish and Game Council) and easements over private land. Detailed design expected to be completed by June, with Construction to commence Aug/Sept 2022. <b>Kingston HIF Stormwater New Scheme</b> - YTD Budget \$131k with Actuals of \$100k. Design and procurement is being delivered by the developer and their representatives (Hadley Consultants). Design for stage one of stormwater undergoing final review. This includes a larger box culvert down the length of Oxford Street from the housing development to Lake Wakatipu. Consent lodged for Stormwater earthworks. Construction to commence Jun 2022.
Waste Water	6,000,195	6,466,146	465,951	93%	15,389,809	<b>Cardrona new Wastewater Pipeline</b> - YTD Budget \$375k with Actuals of \$298k. The commissioning of the new WW pipelines, PS and WWTP is now complete within budget. <b>Willow Place WWPS Rising Main upgrade</b> - YTD Budget \$744k with Actuals of \$736k. Construction completed end of 2021 within existing budget. <b>Recreation Ground new WW Pump Station</b> - YTD Budget \$3.0M with Actuals of \$2.8M. Construction completed end of 2021 within existing budget. <b>Kingston HIF Wastewater new scheme</b> - YTD Budget \$282k with actuals of \$255k. Currently on hold at the developed/detailed design gateway until the discharge consent is granted and the cost escalation is further tested. The Notice of Requirement (WWTP designation) application has been submitted to QLDC and is currently being considered. The land agreement work continues with valuations and draft easement agreements completed. Cost estimates from the Engineer and QS have now been tested using pre-construction tender submissions from our contractor panel. ELT agreed to proceed with design of this project knowing that debt for the later stages of this project can not be recovered based on the current funding model. Detailed design to commence Feb 2022. <b>Project Pure WWTP Upgrade</b> - YTD budget \$678k with actuals of \$647k. Currently in procurement for construction with contract award expected in Feb 2022. Increase in budget approved in Dec reforecast due to changes in project scope and cost escalation. <b>North Wanaka new WW conveyance scheme</b> - YTD Budget \$527k with Actuals of \$329k. A competitive market tender process was completed in December 2020 but the project did not proceed to implementation at the time due to LGOIMA issues and the need for a review of the Consenting requirements to deliver the pump station. There are now effectively 2 stages to his project: 1) the pump station on Beacon Point road and associated works nearby (affected residents unhappy and have threatened litigation proceedings, media responses and frustration to contract. Compliance with the noises standards is another issue which is currently being worked through and legal advice indicates a resource consent is needed to exceed the noise and vibration standards. Obtaining this consent will delay the installation of the pump station by 6 months to 18 months. The business case is being reviewed for alternative locations and to test the criteria for justification. Recent legal advice and a decision by QLDC management is that the best pathway to authorising the project is by way of a designation of pump station site on Beacon point road. The designation process is underway with a target date of Jan 2022 for lodgement of a notice of Requirement). Revised price received 24th Jan (within 7% var to QS estimate) so recommendation to proceed. 2) the rest of the conveyance works and waste water upgrades to Aubrey road (currently out for pricing with a target of contract execution late November 2021 and construction start early 2022). <b>Marine Parade WWPS upgrades (WW)</b> - YTD Budget \$241k with actuals of \$236k (Full year 21/22 budget \$542k). Concept design complete. Detailed design to be completed by June 22. <b>Hawea Wastewater Management (WW)</b> - YTD Budget \$209 with Actuals of \$271. Business case progressing. Preferred option (pipeline to Proj Pure) selected. Concept design commenced in Jan. Risk with land rights not secured.
Water Supply	4,767,316	4,980,393	213,078	96%	20,238,581	<b>Western Wanaka Level of Service (WS)</b> - YTD budget \$563k with actuals of \$243k. Contract awarded Dec 2021 for construction. Contract programme forecast to complete Oct 2022. <b>Beacon Point new Reservoir</b> - YTD budget of \$203k with actuals of \$190k. Use of adjacent 'water treatment plant' land for earthworks cut to stockpile being negotiated through land acquisition. All consents have been granted and all land has been acquired for the reservoir, but earthworks consent for cut to stockpile is still required. Design updates to be completed by Q1 2022. Construction to commence in May 22. <b>Glenorchy Reservoir upgrade</b> - YTD Budget \$295k with actuals of \$140k (Full year 21/22 budget \$774k). Consent approval due Feb 22. Tender for construction Mar 22. <b>Glenorchy WS new WTP and building</b> - YTD Budget \$69k with actuals of \$74k (Full year 21/22 budget \$809k). To be delivered in conjunction with WTP (separate to Gy New Bores). Design changes currently being finalised. Tender for construction Apr-Jun 2022. <b>Shotover Country WS new WTP</b> - YTD Budget \$2.4M with actuals of \$2.8M (Full year 21/22 budget \$5.2M). Programme delays experienced but practical completion expected August 2022. <b>Shotover Country Rising Main (bridge)</b> - YTD Budget \$380k with actuals of \$220k (Full year 21/22 budget \$1.4M). Works have commenced on site October and due to be completed June 2022. <b>Luggate Water Supply Upgrades (WS)</b> - YTD budget \$173k with spend of \$151k. In prelim design phase. Draft sale & purchase agreement being reviewed for land/easement acquisition. Detailed design to commence Feb 2022. Construction start planned July 2022. <b>Quail Rise new Reservoir (now combined with Quail Rise Rising &amp; Falling Main projects)</b> - YTD budget \$368k with actuals of \$283k. Budget from rising and falling main projects now consolidated. Preliminary to detailed design Gateway complete. Designation without notification target date Feb 2022. If successful (would save \$150k). Forecast cost significantly over budget. Alternative options being considered. <b>Kingston HIF Water Supply new scheme</b> - YTD budget \$446k with actuals of \$473k. Detailed design approved in Jan 2022. Agreed to move forward with construction procurement for stage 1 only. Construction of borehead to begin in March 2022. Construction of treatment plant to commence June 2022. <b>Albert Town Retic Improvement (WS)</b> - YTD Budget \$50k with actuals of \$0k (Full year 21/22 budget \$1.2M). To be delivered as part of North Wanaka Conveyance Scheme (WW). Received pricing Dec which is just above budget. Construction due to commence Feb 22 and run through to Oct 22. <b>Luggate Reservoir Capacity (WS)</b> - YTD Budget \$30k with actuals of \$30k (Full year 21/22 budget \$495k). Land purchase to likely transact by March 2022. Valuations underway Jan 22 to agree S&P (minor risk of budget shortfall). Construction deferred beyond ten year period to manage overall funding and delivery constraints; land will be secured with the residual budget to ensure the initiative can be readily recommenced if/when the need arises.
Transport	2,075,585	2,349,524	273,939	88%	2,763,156	<b>Ballantyne Road Reseal</b> - YTD budget \$1.8M with actuals of \$1.6M. Practical completion end of Nov 2021. Project close out and defects period underway. <b>Wakatipu Active Travel Network (Stage 2)</b> - YTD budget \$598k with actuals of \$466k. Route A8 property negotiations and route confirmation. NZTA have advised that the bridge may not be built, therefore the route is at risk of not being buildable. Budget is for design only with no LTP funding for construction.
3 Waters	649	-	(649)	0%	-	Programme Management Costs reallocated to projects monthly
<b>Total</b>	<b>15,582,595</b>	<b>17,555,669</b>	<b>1,973,075</b>	<b>89%</b>	<b>43,056,056</b>	
<b>RENEWALS</b>						
Transport	1,768,171	1,753,245	(14,926)	101%	1,753,245	<b>Lucas Place Road Rehab</b> - YTD budget \$1.8M with actuals of \$1.8M. Practical completion Dec 2021. Forecast within budget (minor reapporionment in Jan to SW)
<b>Total</b>	<b>1,768,171</b>	<b>1,753,245</b>	<b>(14,926)</b>	<b>101%</b>	<b>1,753,245</b>	
<b>TOTAL - PMO</b>	<b>17,350,766</b>	<b>19,308,915</b>	<b>1,958,149</b>	<b>90%</b>	<b>44,809,301</b>	

Programme	2021/22 Actuals Dec YTD	2021/22 Budget Dec YTD	Variance YTD	% of budget Spent	2021/22 Full Year Adjusted Budget	Comments
<b>RENEWALS</b>						
<b>COMMUNITY SERVICES</b>						
Libraries	11,874	24,047	12,173	49%	51,700	Libraries - Full year budget relates to Wakatipu and Upper Clutha furniture and fittings and will be fully spent by the end of the financial year.
Parks and Reserves	705,612	863,217	157,605	82%	2,880,908	Parks & Reserves - Relates to 28 projects. Of note - Possible shortage of trees for the tree planting programmes and glutton replacement faces supply chain issues due to delays with Covid. Otherwise are expecting the projects to be completed and within budget by the end of the financial year.
Venues and Facilities	435,799	387,012	(48,787)	113%	1,786,476	Venues and Facilities - Many of the projects are in the procurement stage having their spend been already itemised, e.g. Alpine Aqualand/Gym plant and equipment. Or for the facility renewals the Facilities Manager is scoping out the coordination of the renewals work to buildings. May be delays to the QEC changing room upgrades due to having to wait until later in the year for less operational disruption and due to securing a building company.
<b>Total</b>	<b>1,153,284</b>	<b>1,274,275</b>	<b>120,991</b>		<b>4,719,084</b>	
<b>INFRASTRUCTURE</b>						
Buildings	236,093	472,024	235,931	50%	2,482,360	Gorge Rd Office Civic Building - Renewal - YTD budget \$0 with actuals of \$16k. Scheduled to be constructed Jan/Feb for roof remedial works whilst Chambers is not occupied. Healthy Homes - YTD budget \$289k with actuals of \$111k. Condition reporting complete. Thirteen properties in Arrowtown & Wanaka along with Lakeview Lynch block to be upgraded. Likely to spend 21/22 (pending procurement plans)
Camp Grounds	-	-	0	0%	63,074	No Camp ground works identified/required at present (mostly lessee responsibility for improvements)
Libraries	296,723	112,277	(184,446)	264%	665,040	Wanaka Library Building - YTD budget \$108k with actuals of \$296k. Contractor site established 18 October to undertake weather tightness works. Estimated completion Feb 2022. Library still in operation except reduced parking facilities around the library.
Transport	496,473	775,713	279,240	64%	7,175,173	Roading Contract Renewals - Budgets reduced in Dec reforecast to align with NZTA approved budgets. Rolling contract with Downer to spend target cost exclusive of resurfacing, which the tender was awarded Oct and programmed for completion Jan-Apr.
Solid Waste	115,357	181,533	66,176	64%	823,832	Existing Wakatipu Waste Facilities - YTD budget \$182k with actuals of \$108k. \$99k spent on polisher at materials recovery facility. Procurement request approved for upgrades (circa \$110k) to be spent Q3. Solid Waste Large Assets Renewals - \$200k annual budget with no plans to spend at present. Potential surplus in April reforecast depending if no breakages or could be allocated to proj 001180 (Existing Waste Facilities) if required. Public Litter Bins: Order to be placed Feb to spend \$150k annual bin replacement budget.
Storm Water	183,450	178,435	(5,015)	103%	1,047,674	Storm Water Renewals - YTD budget \$178k with actuals of \$183k. 3 Waters Renewals Works programmed to spend 21/22
Waste Water	918,211	680,226	(237,985)	135%	2,873,148	Waste Water Renewals - YTD budget \$680k with actuals of \$918k. 3 Waters Renewals Works programmed to spend 21/22
Water Supply	643,927	485,425	(158,502)	133%	2,166,667	Water Supply Renewals Wakatipu - YTD budget \$485k with actuals of \$644k. 3 Waters Renewals Works programmed to spend 21/22
<b>Total</b>	<b>2,890,234</b>	<b>2,885,632</b>	<b>(4,603)</b>	<b>100%</b>	<b>17,296,967</b>	
<b>TOTAL - RENEWALS</b>	<b>4,043,519</b>	<b>4,159,907</b>	<b>116,388</b>	<b>97%</b>	<b>22,016,052</b>	
<b>OTHER CAPITAL PROJECTS</b>						
<b>COMMUNITY SERVICES</b>						
Libraries	143,292	124,779	(18,514)	115%	318,743	Wakatipu library service - Relates to library stock. Full year budget expected to be spent, and currently tracking in line as expected.
Parks and Reserves	3,291,697	2,327,100	(964,597)	141%	8,572,457	Wanaka Lakefront Development Plan: The tender for Stage 2 (South Beach) closed in January, with the aim for the selected contractor to start construction in March. Stage 5 (North Carpark) is in currently with the civil designer who is working on the detailed design - Stage 5 to be completed by June 2023. Coronet Forest Revegetation: Working through new procurement and contract type for this value project, PCG has been set up. Tender to go out March 2022. Marine Parade Implementation: Construction going out to tender mid February so construction start date yet to be determined. Replacing the existing 4 bay toilets, and installing a new 4 bay toilet by the play ground as well as new paths, signage, turf and storm water drainage. TIF funding has been approved. Mt Iron Capex Improvements: Working through the sale and purchase agreement for the land. This years budget for the installation of fencing. Frankton Campground Upgrade: Camp ground is planned to be open by mid February. Queenstown Gardens Development complete. Wanaka Showgrounds Fields Development: \$280k deferred to 22/23 as unable to undertake upgrades this financial year as the grounds are being used by sports and the Wanaka Show. Lake Hayes Estate park improvements to be deferred also to bundle procurement with other works.
Venues and Facilities	22,903	262,810	239,907	9%	1,526,925	QEC - Master Plan Development: During Feb, to seek a PM to pick up the draft concept masterplan and implement the feedback received from consultation in 2020. Then develop the Masterplan into a final version to be presented to Council for approval mid 22. QEC - New Indoor Court: Concept Design - Furthering the concept design is dependent on the master plan development, and confirming the sequence for implementation of the various masterplan projects. To procure a design team in early 2022. Design work completed this calendar year so project 'hammer ready' should an opportunity come up to bring the construction forward.
<b>Total</b>	<b>3,457,893</b>	<b>2,714,689</b>	<b>(743,203)</b>	<b>127%</b>	<b>10,418,125</b>	
<b>CORPORATE SERVICES</b>						
Information Management	126,866	526,977	400,111	24%	1,247,400	ICT Projects - YTD Budget of \$184k with actuals of \$22k - Work scheduled to be delivered by 30/06/22 for Tech changes. eLearning & Self service kiosks will not be progressing this FY expecting \$200k ICT Network - YTD Budget of \$90k with actuals of \$1k - Work scheduled to be delivered by 30/06/22 for Network improvement projects. IoT Platform establishment (Cloud) now expected to be \$120k lower. GIS Software & Projects - YTD Budget of \$50k with actuals of \$4k - Work scheduled to be delivered by 30/06/22 for ePlanning solution implementation scheduled expecting \$20k underspend. Enterprise System - YTD Budget of \$119k with actuals of \$37k - Work scheduled to be delivered by 30/06/22 for TechnologyOne Ci to CIA Financials migration and Enterprise Cash Receipting implementation.
Libraries	84,235	98,157	13,922	86%	176,000	Library Systems - YTD budget \$98k with YTD Actuals of \$84k for Video Conferencing, Improved internet connection, Self Check out Station & Online payments. Spend is dependent on availability of the business to engage.
Not Applicable	-	10,000	10,000	0%	30,000	Emergency Management - YTD Budget \$10k with no actual spend - For purchase of VHF Radio Equipment and EOC IT upgrade. Emergency Mangement Officers in the process of arranging purchase.
<b>Total</b>	<b>211,101</b>	<b>635,134</b>	<b>424,033</b>	<b>33%</b>	<b>1,453,400</b>	
<b>INFRASTRUCTURE</b>						
Buildings	900,868	1,009,034	108,166	89%	3,092,145	Artificial Turf Programme - YTD budget \$894k with actuals of \$721k. Practical completion as at end of Oct 21. Final claim in Jan 22. Defects to close out. Mitre10 Youth & Community Centre - YTD budget \$52k with actuals of \$55k. Lease agreement to come to council Feb along with fitout estimate which is well in excess of \$1.0M budget. Likely deferral. Ballantyne Rd Rec Centre - WW Site Prep - YTD budget \$50k with actuals of \$18k. RFP closes end of Jan 22 for masterplan team. Remediation plan to follow. Likely deferral.
Solid Waste	751,258	857,526	106,269	88%	2,330,000	New Wakatipu Waste Facilities (WM) - YTD budget \$392k with actuals of \$293k. Consenting workstream underway. Design procurement to be completed Feb 22. Detailed design to follow early 2022. Wanaka Waste Facilities (WM) - YTD budget \$423k with actuals of \$412. New compactor to be installed, pit to be modified (currently in manufacture). Procurement request approved for upgrades (circa \$40k) to be spent Q3. Remaining budget to be spent on development options for the site. Zero Waste District Programme - Wakatipu & Wanaka - YTD budget \$0k with actuals of \$3k. Procuring for numerous minor projects likely by Feb. \$300k budget to be spent end of 21/22. Dependent on scoping of New Wakatipu Waste Facility Stage 1.
Storm Water	105,708	122,908	17,200	86%	1,056,800	Catchment Mgt Plans - Wakatipu (SW) - YTD budget \$0 with actuals of \$3k. Awaiting completion of hydraulic model (estimated Mar 22) before catchment management plans can begin. Budget to also be used for Horne Creek feasibility study. Internal resource project manager left so may not spend full (\$256k) budget. Modelling - Wakatipu (SW) - YTD budget \$96k with actuals of \$26k. Consultant panel agreement finalised so spend should be consistent to spend (\$247k) budget.
Waste Water	11,406,478	11,589,846	183,367	98%	14,526,896	Cardrona New Wastewater Scheme - YTD budget \$11.0M with actuals of \$10.9M. Developers have built and project completed. CBD to Frankton Wastewater reticulation - YTD budget \$317k with actuals of \$199k. Preliminary design is complete. Design outputs will inform the working business case, which will be finalised for approval in Q3. Subject to business case approval, detailed design will be completed in 2022/23, and it is possible early physical works will commence within the next financial year also. Hanley's Farm PS Upgrade (WW) - YTD budget \$0 with actuals of \$3k. 21/22 budget increased to \$1.2M in Dec Reforecast. Procurement complete and contract in design. Construction by developer likely to run May to Oct 22, likely for carry forward.
Water Supply	500,158	554,739	54,580	90%	8,629,731	Cardrona New Water Supply Scheme - YTD budget \$23k with actuals of \$100k. Full year budget \$1.7M. Tender for design & build has closed and is currently being evaluated, anticipating award in March. Contract to be executed by March with construction Apr-Dec 2022. Wanaka Water Treatment (WS) - YTD budget \$0 with actuals of \$29k. Reduced to \$500k in Dec reforecast. Water treatment trials ongoing. Preferred treatment technology to be confirmed prior to physical works commencing. (Solution to be confirmed includes Beacon Point WTP or additional WTP in Western Intake). Business case consultant to be engaged Feb (\$50k) for first stage, with additional \$200k following. Hanley's Farm new Reservoir (Coneburn) & Hanley's Farm PS & Ris/Fall mains (Coneburn) - YTD budget \$24k with actuals of \$16k. Full year budget \$2.4M. Developer led design and construction. Developer agreement is drafted and under negotiation. Majority of 21/22 funds will be a contribution to built assets. Payment would be on completion by developer. Construction likely to run Apr-Dec 22. Likely carry forward. BP Roundabout - Kawarau Bridge Retic(WS) - YTD budget \$20k with actuals of \$26k. Full year budget \$0.8M. To be delivered through NZUP Alliance programme. Increased through Dec Reforecast. Construction timing dependent on Waka Kotahi works (likely within the next 6 months)
Transport	2,137,830	1,488,578	(649,252)	144%	13,564,887	Minor improvement/LCLR projects - YTD budget \$0.9M with actuals of \$1.5M. Initiation of 3 year NLTP programme delayed due to late confirmation by Waka Kotahi of approved budgets along with reclassification into new LCLR groupings including Road to Zero, Local Road Improvements, Walking & Cycling Improvements and Public Transport Improvements (incl Ferries). Budgets reallocated in the December reforecast to align with new categories. Stantec have been engaged with programming and budgets are still forecast to be spent this financial year. Queenstown Parking Improvements - YTD budget \$82k with actuals of \$78k. Lakeview temp parking option agreed and consent currently being progressed. Comprehensive parking management strategy to be completed, then data gathering/studies to be completed districtwide. HIF Quail Rise to Hawthorne Dr Stage 1 - YTD budget \$11k with actuals of \$12k. Being negotiated to be delivered under the alliance agreement with NZUP. Awaiting agreement from developer to proceed. Wakatipu Public Transport LCLR (TR) - YTD budget \$337k with actuals of \$326k. \$1M b/f to Y1 in Dec Rfcst. Tender to be awarded Feb for works Feb-Jun. Will need to confirm Contractor availability and forecast to inform quantity of works able to be delivered 21/22 vs 22/23 but on track to spend at this stage. Wanaka Active Travel LCLR & Wanaka Pool to School Active Travel - YTD budget \$0 with actuals of \$0. Design philosophy completed. Fee proposals have been received in Jan for finalising design. Construction likely to commence by April 2022. Forecast \$0.5M across the two projects (\$1.0M budget) 21/22 with balance to be completed 22/23.
Not Applicable	-	-	0	0%	250,000	QTN Priority Growth Corridors (IN) - \$200k budget added in Dec reforecast to establish scope and team for development of an integrated infrastructure investment programme. Resilient Infrastructure Networks (IN) - \$50k remaining budget unspent. Proposal likely to be accepted Feb to commence work
<b>Total</b>	<b>15,802,300</b>	<b>15,622,631</b>	<b>(179,669)</b>	<b>101%</b>	<b>43,450,458</b>	
<b>LEGAL &amp; REGULATORY</b>						
Not Applicable	48,069	49,516	1,447	97%	74,178	Regulatory - YTD budget \$50k with YTD actuals of \$48k. Further spend for Body Cameras and Hand held ticketing devices before year end. Could potentially be a \$10k underspend at year end for ticketing devices due to reduced demand on parking.
<b>Total</b>	<b>48,069</b>	<b>49,516</b>	<b>1,447</b>	<b>97%</b>	<b>74,178</b>	
<b>TOTAL - OTHER NEW CAPITA</b>	<b>19,519,364</b>	<b>19,021,970</b>	<b>(497,393)</b>		<b>55,396,161</b>	
<b>TOTAL</b>	<b>79,422,127</b>	<b>82,144,145</b>	<b>2,722,018</b>	<b>97%</b>	<b>226,568,731</b>	



# Debtors Analysis

As at 31 December 2021	Council		
	Dec-21 \$'000	Dec-20 \$'000	Variance \$'000
<b>From non-exchange transactions</b>			
Trade receivables	1,845	2,246	(401) *1
Infringement receivables	2,084	2,247	(163)
Rates receivables	7,180	6,220	960 *2
New Zealand Transport Agency	1,668	1,357	311
Other	14	24	(10)
Allowance for doubtful debts	(1,866)	(1,886)	20
	<b>10,925</b>	<b>10,208</b>	<b>717</b>
<b>From exchange transactions</b>			
Trade receivables	8,526	6,305	2,221 *3
Other	1,770	1,617	153
Allowance for doubtful debts	(1,061)	(1,140)	79
	<b>9,235</b>	<b>6,782</b>	<b>2,453</b>
	<b>20,160</b>	<b>16,990</b>	<b>3,170</b>
<b>Age analysis</b>			
<b>Trade and other receivables (excluding rates)</b>			
Current (0-30 days)	10,894	8,163	2,731 *4
31-60 days *	273	825	(552)
61-90 days *	164	354	(190)
90 days + *	4,576	4,454	122
	<b>15,907</b>	<b>13,796</b>	<b>2,111</b>
<b>Rates receivables</b>			
Current year rates (overdue) *	4,891	4,167	723 *2
Previous years rates *	2,289	2,053	237 *2
	<b>7,180</b>	<b>6,220</b>	<b>960</b>
Allowance for doubtful debts	(2,927)	(3,026)	99
	<b>20,160</b>	<b>16,990</b>	<b>3,170</b>

\* Amounts are considered past due.

## Commentary

- \*1 Decrease in non-exchange debtors relates to a \$373k decrease in outstanding development contribution invoices. The movement is made up of a \$865k decrease in <90days overdue offset by a \$492k increase in >90days overdue.
- \*2 Increase in rates receivable relates to both an increase in current years rates overdue and rates arrears. This increase in current year rates is partly due to an increase in the number of rateable properties in the district (28,470 FY22 compared to 27,292 FY21). There are a total of 790 properties in arrears (720 as at Dec20) with the majority of these being rated as residential. There were 418 arrears letters sent to various banks in December for properties with mortgages and final demands will be made on these in March 2022. Legal action for those non-mortgaged properties is currently being considered. To note, rates arrears has decreased by \$2.1m from July 2021 and there has been a further reduction as at Feb22 down to \$2.07m and 667 properties.
- \*3 Increase in exchange debtors relates to a \$3m subsidy invoice to Crown Infrastructure Partners for the Queenstown Street upgrades and Arterials monthly claim (\$0 in Dec 2020)
- \*4 Increase in the current aging of debtors relates to a \$3m subsidy invoice to Crown Infrastructure Partners as noted above. We are continuing to see a decrease in overdue invoices through improvements in our debt collection process with automatic emailing of statements, payment plan options and use of debt collection when required.

## Statement of Financial Position (Council only)

As at 31 December 2021	Actual Dec-21 \$'000	Actual Dec-20 \$'000	Actual Variance \$'000	Long Term Plan Jun-22 \$'000	Actual Jun-21 \$'000
<b>Current assets</b>					
Cash and cash equivalents	25,987	18,635	7,352 *1	3,512	1,007
Trade and other receivables from non-exchange transactions	10,698	6,685	4,013 *2	7,684	16,175
Trade and other receivables from exchange transactions	11,868	10,146	1,722 *2	11,391	13,014
Inventories	38	49	(11)	53	44
Other financial assets	13,000	10,013	2,987 *3	15	-
Other current assets	4,663	3,591	1,072 *4	2,278	3,705
<b>Total current assets</b>	<b>66,254</b>	<b>49,119</b>	<b>17,135</b>	<b>24,933</b>	<b>33,945</b>
<b>Non-current assets</b>					
Investment in subsidiaries	5,412	5,412	-	8,907	5,412
Other financial assets	4,628	3,198	1,430 *3	-	3,628
Property, plant and equipment	2,171,519	1,985,687	185,832 *5	2,178,820	2,093,383
Forestry Assets	950	1,467	(517)	-	950
Intangible assets	5,065	5,495	(430)	-	4,989
Investment property	47,335	58,160	(10,825) *6	60,877	47,335
Development property	15,802	11,266	4,536 *7	11,266	15,766
<b>Total non-current assets</b>	<b>2,250,711</b>	<b>2,070,685</b>	<b>180,026</b>	<b>2,259,870</b>	<b>2,171,463</b>
<b>Total assets</b>	<b>2,316,965</b>	<b>2,119,804</b>	<b>197,161</b>	<b>2,284,802</b>	<b>2,205,408</b>
<b>Current liabilities</b>					
Trade and other payables from exchange transactions	76,406	38,594	37,812 *8	24,656	51,914
Borrowings	25,005	47,682	(22,677) *9	103,000	25,005
Other financial liabilities	1,382	1,248	134	-	1,382
Other current liabilities	12,573	27,180	(14,607) *10	36,525	47,534
Employee entitlements	3,671	3,328	343	-	2,840
<b>Total current liabilities</b>	<b>119,037</b>	<b>118,032</b>	<b>1,005</b>	<b>164,181</b>	<b>128,675</b>
<b>Non-current liabilities</b>					
Borrowings	241,762	102,689	139,073 *9	239,371	136,918
Other financial liabilities	2,780	5,876	(3,096) *11	-	2,780
Other non-current liabilities	-	10,876	(10,876) *12	-	-
<b>Total non-current liabilities</b>	<b>244,542</b>	<b>119,441</b>	<b>125,101</b>	<b>239,371</b>	<b>139,698</b>
<b>Total liabilities</b>	<b>363,579</b>	<b>237,473</b>	<b>126,106</b>	<b>403,552</b>	<b>268,373</b>
<b>Net assets</b>	<b>1,953,386</b>	<b>1,882,331</b>	<b>71,055</b>	<b>1,881,250</b>	<b>1,937,035</b>
<b>Equity</b>					
Reserves	1,192,655	1,146,551	46,104	1,099,465	1,192,656
Accumulated funds	760,731	735,780	24,951	781,785	744,379
<b>Total equity attributable to Council</b>	<b>1,953,386</b>	<b>1,882,331</b>	<b>71,055</b>	<b>1,881,250</b>	<b>1,937,035</b>

### Commentary

- \*1 Movement in cash on hand relates to timing of creditor payments and funding received from MBIE for Kickstart grant initiatives which is yet to be paid out to recipients.
- \*2 Refer to Debtors Analysis for commentary.
- \*3 Current portion is an increase in term deposits and non-current relates to additional LGFA borrower notes. The \$13m relates to MBIE funding that was received that was not able to be paid out as soon as planned due to Covid delays so has been put on term deposit.
- \*4 Increase in prepayments which relates to \$2m ETS Carbon Credits prepaid for July21 to June22.
- \*5 Movement includes \$46m revaluation movement for 3 waters infrastructural assets and \$150m of additions for the year ended 30 June 2021 reduced with depreciation expense which is \$20m for the FY22 to Dec2021.
- \*6 Investment property year end revaluation increase of \$1.8m offset with future Lakeview lots and reserve land transferred to development property and PPE.
- \*7 Increase for recognition of Lakeview future lots transferred from investment property.
- \*8 Trade creditors make up \$11.4m of this balance compared to \$10.3m at Dec '20 which is consistent with the increase in capex spend in the FY22. There is also \$28m of MBIE kickstart grants funding received which will be paid out to successful applicants in the coming months which is recognised as a current liability.
- \*9 Increase in total borrowing to fund capital programme and a \$20m portion of the current borrowings being repaid during the year.
- \*10 Reduction in provision for legal claims due to settlement payment in July 2021.
- \*11 Reduction to recognise the FY21 movement in interest rate swaps.
- \*12 Removal of previously recognised Wanaka Airport long term lease.

Borrowing Limits (%)	Actual Dec-21	Long Term Plan Jun-22	Borrowing Limit	Actual Dec-20	Actual Jun-21
Interest Expense/Rates < 30% (2020/21: < 30%)	5.4%	7.9%	30.0%	4.5%	4.9%
Interest Expense/Total Revenue < 20% (2020/21: < 20%)	3.5%	5.1%	20.0%	2.7%	3.1%
Net Debt/Total Revenue < 300% (2020/21: < 280%)	160.7%	227.3%	300.0%	89.3%	114.4%

- Measure is well within the borrowing limit
- Measure is within 5% of the borrowing limit
- Measure is outside of the borrowing limit