

Audit, Finance & Risk Committee
14 June 2022

Report for Agenda Item | Rīpoata moto e Rāraki take [1]

Department: Finance, Legal & Regulatory

Title | Taitara

2021:22 March YTD Actual to March YTD Budget Financial Overview;
2021:22 March Capital Expenditure Reporting Overview;
2021:22 March Debtors Analysis;
2021:22 March Statement of Financial Position

PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO

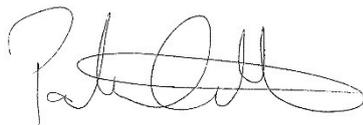
The purpose of this report is to present the 2021:22 March Year to Date (YTD) Actual to Budget financial results, Capital Expenditure financial results and March 22 Debtors Analysis and Statement of Financial Position and to report on any significant transactions and/or variances to budget.

RECOMMENDATION | NGĀ TŪTOHUNGA

That the Audit, Finance & Risk Committee:

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

Prepared by:



Paddy Cribb
Finance Manager

12/05/2022

Reviewed and Authorised by:



Stewart Burns
General Manager – Finance,
Legal & Regulatory
12/05/2022

CONTEXT | HORPOAKI

- 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

2021:22 March YTD Actuals to March YTD Budget Overview:

- 2 The 2021:22 March YTD net operating deficit (\$21.2M) shows as \$0.4M favourable variance to the budget operating deficit of (\$21.7M).
- 3 The March YTD revenue is \$7.6M under budget, down \$4.0M Operational income, \$1.8M Regulatory income, \$1.2M NZTA External Cost Recoveries, \$0.3M Grants and Subsidies and \$0.2M Consents income.
- 4 Reduction in revenue offset by \$7.0M favourable variance in expenditure with Interest \$3.1M under budget, as is Other expenditure \$2.0M, Professional services \$1.5M, Parks & Reserves maintenance \$1.4M, and Personnel Expenditure \$1.0M. Partially offset by overspends of \$2.3M in Legal Fees.
- 5 Further in-depth commentary is provided within Attachment A.

2021:22 March YTD Capital Expenditure Reporting Overview:

- 6 At the end of March 22, Council had 378 capital projects with an approved FY22 adjusted budget of \$209.6M. This is a \$37.6M decrease from the 2021:22 Annual Plan budget of \$247.2M. The \$37.6M decrease is made up of:
 - o \$38.1M of projects carried forward from 2021 (current projects)
 - o \$4.8M net increase via October Council meeting ten year plan adjustments
 - o (\$2.8M) net reduction for Lakeview via July Council meeting
 - o \$0.4M for the deposit for the purchase of Mount Iron Reserve Land
 - o \$0.2M for Lakes District Museum Council funding
 - o (\$61.3M) net reduction within the December reforecast council paper and (\$17.1M) net reduction within the April reforecast council paper
- 7 Overall year to date spend is \$115.3M (55%) against adjusted full year budget of \$209.6M.
- 8 Please note the Capital Expenditure reporting with projects is grouped by:
 - o 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 detailed in the following paragraphs.

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 (\$35.0M of the total \$63.4M) 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 Kā Huanui a Tāhuna 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 Construction is in progress on all streets and most are at the peak of construction. We have made progress claims towards the milestone below and monthly payments to Council are being made promptly.
- 31 July 22 – Park Street, Upper and Lower Beach Streets complete
- 16 Covid absenteeism and supply chain issues have caused, and continue to cause, minor delays potentially affecting the targeted completion of Beach Street by 31 July 2022.

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 milestone below and monthly payments to Council are being made promptly.
 - 30 November 22 – Stage 1.2 Wastewater complete & Stage 1.1 Water (Frankton only) complete
- 22 The construction of underground services has commenced on Stage 1.1 (Frankton Rd to Beetham St) and Stage 1.2 (Beetham St to Gorge Rd) as detailed design has been completed. A full review and update of the construction programme and forecast cost against the approved Target Out-turn Cost (based on 30% design) is planned on receipt of the final land, consent & design information in July 2022.
- 23 The exercise to reforecast the cost of Stage 1.1 is largely complete, with integration of this into the master forecast underway. The forecast indicates the realisation of additional design progression and escalation costs. This exercise will follow into Stage 1.2 as the detailed design is received. In parallel, the forecast will be updated as procurement is complete.
- 24 Delays incurred due to land acquisition negotiations and supply chain issues (e.g. procurement of steel for retaining walls) have been mitigated by resequencing the programme methodology which will necessitate an amendment application to CIP to update the progress delivery milestones.

High Profile Projects: Lakeview Development:

- 25 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.

- 26 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.
- 27 The Kā Huanui a Tāhuna Programme Alliance commenced construction works in July 2021. The current programme has the infrastructure works completion in August 23. Kā Huanui a Tāhuna are currently reviewing their construction methodology and sequencing and there is the potential to reduce the duration of the overall programme by three to four months.
- 28 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.
- 29 A draft-revised programme has been prepared, with the “bonding” arrangement, which could provide the stage 1 title(s) prior to works completion. 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 early 2023. 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.
- 30 The current site clearance contract (Ryal Bush) has closed out 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):

- 31 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.
- 32 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. Councillors were briefed and direction sought on 17th May regarding progress with NTP.

High Profile Projects: 3 Waters Reform Stimulus Delivery Plan:

- 33 The 3 Waters Reforms Stimulus grant funding agreement requires all expenditure to be completed by 30 June 2022. The programme includes twenty discrete projects; thirteen of which have been completed, and seven of which remain in delivery. The Hawea Waste Water Treatment Plant interim upgrade (the largest project within the programme) continues to experience logistical delays associated with the off shore manufacture and delivery of the packaged side stream treatment unit, and is now forecasting completion in August 2022. In response to the delays experienced, additional projects have been substituted into the programme from the 2021/22 renewals programme, increasing the overall programme value to approx. \$10.5m. Accordingly, the forecast works completed by end June 2022 will fully utilise the funding allocation of \$9.5M from the DIA.

High Profile Projects: Tourism Infrastructure Fund (TIF):

- 34 TIF funded toilet projects complete including Glenorchy, Bendemeer, Lake Hayes Rowing club, Albert Town, Luggate Red Bridge, Kingston Reserve, Kingston SH6, Kerry Drive, Lake Wanaka. TIF 2 third party funding has been fully spent with the remainder of budget (\$400k) against TIF 2 Lake Wanaka being QLDC share and will be transferred to Wanaka Lakefront Development Plan and constructed as part of stage 2. Tif 3 Freedom Camping \$125k remaining budget to be spent by the end of the financial year on developing the responsible camping strategy and some signage.

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

- 35 Luggate Hall Replacement practical completion is expected by October 22. Installation of wall & roof panels were completed October. Window supply delay due to COVID/Shipping delays, installation now expected June. Cost increases of \$0.7M were approved at the 3rd 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.
- 36 516 Ladies Mile Community Centre recommended option to proceed with new forecast cost of \$3.7M was agreed at February 3rd Council meeting. Increased cost due to access way and parking which was previously assumed to be completed in conjunction with new Park & Ride. Detailed design to be completed by July with construction to follow 22/23.

Project Management Office (PMO) Commentary:

37 There are currently 29 projects with 21/22 budgets being delivered within the PMO delivery team. 9 projects have recently been completed or within the post construction lifecycle stage, 6 projects are in construction, 3 in construction procurement, 9 in detailed design, 1 in concept design and 1 on hold.

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

- Ballantyne Road Reseal – 21/22 budget \$1.7M 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 still to be installed.
- 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.
- Lucas Place Road Rehab – 21/22 budget \$1.8M with actuals of \$1.8M. Practical completion reached December 21.
- Lucas Place, Kawarau Place & Magnolia Place Storm Water Upgrades - 21/22 Budgets total \$3.0M with Actuals of \$3.0M. Practical completion Feb 2022.
- Bennett's Bluff Safety Improvements - Completed 20/21, in defects period. Minor cost reallocation \$20k included in the June reforecast to cover close out works.

39 PMO Projects within the construction phase include:

- North Wanaka new WW conveyance scheme - YTD Budget \$0.9M with actuals of \$1.2M (Full year 21/22 budget \$3.1M). There are now effectively 2 stages to his project:
 - 1) The pump station on Beacon Point road: This is subject to a designation process with construction deferred.
 - 2) Remainder of the conveyance works and waste water upgrades to Aubrey road: Construction contract signed and works to commence May and run through to December 22.
- Albert Town Reticulation Improvement WS - YTD Budget \$0.1M with actuals of \$0 (Full year 21/22 budget \$1.2M). To be delivered as part of North Wanaka Conveyance Scheme (WW). Construction due to commence late Apr 22 and run through to Dec 22.
- Shotover Country WS new WTP - YTD Budget \$5.5M with actuals of \$5.3M (Full year 21/22 budget \$9.1M). Construction commenced in June 2021 and will run to Aug 2022. Potential risk due to uncertain bore yields. Additional bores may be required at additional cost.
- Shotover Country Rising Main (bridge) - YTD Budget \$0.8M with actuals of \$0.5M (Full year 21/22 budget \$1.4M). Construction commenced on site October 21 and due to be completed July 2022 with some minor works to follow by Jan 23.
- Western Wanaka Level of Service (WS) - YTD Budget \$2.2M with actuals of \$2.2M (Full year 21/22 budget \$5.4M). Construction commenced Jan 22. Forecast to complete Oct 2022.

- Project Pure WWTP upgrade - YTD Budget \$1.1M with actuals of \$0.8M (Full year 21/22 budget \$2.6M). Construction contract awarded March 2022. Construction to run April 22 to September 23. Some risk remains for cost escalation as some materials (steel) still subject to current market rates.

40 PMO Projects within the construction procurement phase include:

- Kingston HIF Water Supply new scheme - YTD Budget \$0.6M with actuals of \$0.5M (Full year 21/22 budget \$1.4M). Detailed design approved in Jan 2022. Agreed to move forward with construction procurement for stage 1 only. Construction of borehead to begin June 2022 (long term procurement only). Construction of treatment plant to commence August 2022.
- Glenorchy Reservoir upgrade - YTD Budget \$0.3M with actuals of \$0.2M (Full year 21/22 budget \$1.3M). Designation consent received May 22. Tender for construction May 22. Contract award likely July, with construction due to commence August. Tender estimate \$2.6M above total existing budget (incl \$0.6M contingency). To confirm if best to take to market prior to budget adjustment but likely to require CE memo approval to proceed.
- Glenorchy WS new WTP and building - YTD Budget \$0.4M with actuals of \$0.1M (Full year 21/22 budget \$0.8M). Design changes currently being finalised. Tender for construction to be completed by Jun 2022. Potential risk for cost escalation for tender to be above existing budget.

41 PMO Projects within the detailed design phase include:

- Kingston HIF Stormwater new scheme - YTD Budget \$0.2M 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. 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 August 22.
- Kingston HIF Wastewater new scheme - YTD Budget \$0.7M with actuals of \$0.4M (Full year 21/22 budget \$0.9M). Discharge consent granted. 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 delivery 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 commenced Apr 2022.
- Stone St Upgrades (SW) - YTD Budget \$0.3M with actuals of \$0.2M (Full year 21/22 budget \$0.8M). Detailed design expected to be completed by June. Construction to commence by September 22.
- Wakatipu Active Travel Network (TR) - YTD Budget \$0.8M with actuals of \$0.5M (Full year 21/22 budget \$1.0M). Design for 5 routes now completed. Route A8 (Lake Hayes, across Kawarau to Boyd bridge) was on hold until April. Now underway, to be completed September 22.

- Marine Parade WWPS upgrades (WW) - YTD Budget \$0.4M with actuals of \$0.3M (Full year 21/22 budget \$0.5M). Detailed design to be completed by June 22.
- Aubrey Rd Rec Reserve SW detention pond - YTD Budget \$0.3M with actuals of \$0.1M (Full year 21/22 budget \$0.3M). Delays due to private landowner negotiations in relation to private development (expected May). Detailed design to be completed by June 22 with construction procurement to commence Q1 22/23. Some construction to commence Q2 with balance pending decision to defer to 23/24 (Internal submissions).
- Beacon Point new Reservoir - YTD Budget \$0.3M with actuals of \$0.3M (Full year 21/22 budget \$1.7M). Design updates completed February 22. Construction to commence in August 22 as per bid received from Fulton Hogan (ECI contract).
- Quail Rise new Reservoir - YTD Budget \$0.4M with actuals of \$0.5M (Full year 21/22 budget \$0.6M). Agreed to proceed with construction of earthworks (with tanks to be installed at a future date). Alternative options being considered for connection to state highway.
- Project Shotover WWPS upgrade - YTD Budget \$0.5M with actuals of \$0.7M (Full year 21/22 budget \$0.6M). Detailed design completed following peer review. \$0.2M to be reallocated in final June reforecast to cover additional scope identified in peer review.

42 PMO Projects within the concept design phase include:

- Luggate Water Supply Scheme - YTD Budget \$0.3M with actuals of \$0.3M (Full year 21/22 budget \$0.8M). Draft sale & purchase agreement being reviewed for land/easement acquisition. Detailed design to commence May 2022. Construction start planned Nov 2022.

43 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:

44 Community Services Renewals:

Year to date spend \$1.8M or 42% of the 21/22 annual budget of \$4.4M.

- The majority of community renewal budgets will be spent by the end of the financial year. There are upcoming material purchases for \$0.6M Alpine Aqualand plant and equipment including \$0.1M for an ultraviolet water treatment unit, \$0.2M hydroslide repairs, and \$0.1M for spa tiles to be completed during the May pool shutdown, and other items which have been specifically identified that make up the current budget underspend.
- QEC Changing Room Upgrade \$0.2M budget will require carry forward to deliver 22/23 (delayed due to venue bookings & materials availability). Additional funds of \$180k are requested to be transferred within the June reforecast to enable both changing rooms to be upgraded (previously a reduced scope was being pursued due to budget constraints).

45 Infrastructure Renewals:

Year to date spend \$5.7M or 37% of the 21/22 annual budget of \$15.6M.

- Building & Library renewals includes Gorge Rd Office Civic Building Renewal \$0.3M 21/22 budget (Roof remedial works completed and additional works identified to be completed May/June). Healthy Homes Upgrades \$0.2M 21/22 budget (Condition reporting complete and balance of funds \$0.5M deferred to 22/23 for construction). Wanaka Library renewals \$0.5M 21/22 budget for weather tightness works was completed in February 22 and design is now underway for the extension. Jetties/Ramps includes 13 projects which have had condition assessments including diving completed. Majority of 21/22 budget \$1.2M will require carry forward to 22/23 to complete upgrades.
- 3 Waters renewals spend of \$2.5M is tracking \$0.7M behind phased budget at \$3.2M year to date but it is expected that the majority of 2021/22 budgets of \$6.1M will be fully spent.
- Transport renewal actuals are tracking \$1.5M behind year to date budget of \$3.6M. Rolling contract with Downer to spend \$2.7M target cost. Additional \$2.1M contract to Downer for resurfacing programmed for completion by Apr (\$1.5M claimed with \$0.2M to follow in April, exclusive of \$0.4M carry forward likely). Wanaka Airport Reseal had \$1.0M previously deferred to 22/23 due to contractor availability. There is \$0.5M remaining 21/22 budget across Wanaka Airport projects and \$0.4M is forecast to be spent.

Other Capital Projects Commentary:

46 Community Services Other Projects:

Year to date spend \$4.1M or 45% of the 21/22 annual budget of \$9.1M.

- Parks & Reserves includes the Wanaka Lakefront Development Plan which is \$0.5M behind on year to date spend vs budget (delayed due to the lengthy consultation period and construction tendering process). Stage 2 (South Beach) construction started in April 22 and is expected to be completed in October 22. Stage 5 (North Carpark) is at the detailed design stage, construction begins in 22/23 and is 50% TIF funded.
- Marine Parade Implementation \$0.3M spent of \$1.2M full year budget. Construction going out to tender May 2022, construction to start in August 2022. 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 \$11k spent of \$0.3M full year budget. Currently working though new procurement and contract type for this value project, a PCG has been set up. Tender to go out early 22/23 for purchase of seedlings from a nursery, planting crew, noxious management and fencing of the site.

47 Corporate Other Projects:

Year to date spend \$0.4M or 34% of the 21/22 annual budget of \$1.2M.

- Information Management are \$0.7M behind on year to date spend vs budget. ICT projects have tech change deliverables scheduled before year end. GIS Software and projects have had spend delayed for ePlanning solution implementation due to a lengthy procurement process and terms are currently being negotiated, however we expect that the costs of \$60k will fall into 22/23. ICT Network costs have the majority of spend for network improvement projects to come through in May and June 2022. Significant Enterprise System works are committed for Tech One Ci to CiA financials migration and cash receipting implementation.

48 Property & Infrastructure Other Projects:

- Year to date spend \$17.8M or 52% of the 21/22 annual budget of \$34.0M. Buildings YTD Budget \$1.5M with actuals of \$1.0M (full year budget \$2.4M). Includes the Artificial Turf Project (practical completion reached October 2021), Mitre10 Youth & Community Centre (lease agreement confirmed at the April council meeting, with fitout estimate \$4.2M to be approved via AP 22/23 internal submissions) and Ballantyne Rd Rec Centre Wastewater Site Prep (masterplan contract awarded March with remediation plan to follow).
- Waste Management YTD Budget \$1.2M with actuals of \$0.9M (full year budget \$2.0M). Includes the Wakatipu Transfer Station and Plant Upgrades (consenting work stream and site assessment work ongoing, intending to go to market for design by June 22), Wanaka Waste Facilities (new compactor to be installed May 22, pit currently in manufacture, remaining budget to be spent on development options for the site), Zero Waste District Programme Wakatipu & Wanaka (procuring for numerous minor projects in May/June, forecast \$75k across Wakatipu/Wanaka to be spent by June).
- Minor budgets (\$0.8M 21/22 full year budget) within Storm Water include Modelling Wakatipu (consultant panel agreement finalised so spend should be consistent to spend budget) and SH6 Glenda Dr Extension SW (brought forward in the December reforecast to begin investigations but dependent on timing of NZUP design programme which is still to be confirmed).
- Wastewater YTD Budget \$12.2M with actuals of \$12.0M (full year budget \$14.6M). \$11.0M of the budget and actuals relate to the Cardrona New Wastewater Scheme, completed in November 21. CBD to Frankton Wastewater reticulation has completed preliminary design and subject to business case approval, detailed design will be completed in 22/23 with possible early physical works to commence within the next financial year also. Hanley's Farm PS Upgrade detailed design is likely to be completed by June 22 with construction now to be completed by QLDC and likely to run August to December 22 so will required budget to be carried forward.
- Water Supply YTD Budget \$2.1M with actuals of \$1.0M (full year budget \$4.9M). Significant projects include the Hanley's Farm new Reservoir & Hanley's Farm Pump Station & Rising/Falling mains Coneburn full year budget \$0.3M (developer agreement is drafted and under negotiation with payment due on completion by developer 22/23), 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), Beacon Pt new Water Treatment Plant Land full year 21/22 budget \$0.9M (land purchase signed conditional agreement Nov 21, deposit paid and balance of payment likely by June 22); and Luggate Reservoir Capacity WS full year 21/22 budget \$0.5M (Land purchase to likely transact by May 2022, valuations received March 22 to agree Sale & Purchase, with negotiations still to be agreed with landowner). Construction has been 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.

Cardrona New Water Supply Scheme 21/22 full year budget reduced to \$0.2M. Tender has identified a cost in excess of LTP budget circa \$10.0M. Briefed Council at a workshop and if the project is approved by Council it will need a special consultative procedure (SCP). The formal decision to proceed with the SCP will be at the 2nd June Council Meeting. Following that will be submissions and hearings 8th August for council resolution to proceed.

- Transport YTD Budget \$3.2M with actuals of \$2.6M (full year budget \$8.8M). Significant projects include Queenstown Parking Improvements \$1.5M budget with spend of \$0.1M (Lakeview temp parking forecast \$1.0M with construction to commence in April and be complete by June 2022 with balance to be spent on districtwide parking strategy, studies and survey). Road to Zero / Minor Improvement Programme Low Cost Low Risk projects 21/22 full year budget \$2.5M with actuals of \$1.8M (Year 1 budgets adjusted to represent a focus on planning and design with delivery of physical works across years 2 and 3). Wakatipu Public Transport LCLR \$2.0M full year budget with spend of \$0.4M (tender awarded end February, construction commenced March, forecast now \$1.0M spend by June with \$1.0M balance likely to carry forward to 22/23).

49 Further in-depth commentary is provided within Attachment B.

2020:21 March Debtors Analysis Overview:

- 50 Total outstanding debtors (excluding rates) has increased by \$2.2M compared to March 21 with the majority of this increase in current debtors less than 30 days. This relates to the subsidy invoice to Crown Infrastructure Partners for the Queenstown Street Upgrades and Arterials monthly claim for \$5.1m (\$0.8M March 21)
- 51 Aging debt (Debt greater than 90 days overdue excluding rates) has decreased \$0.3M over the past 12 months. This is due to continued improvements in our debt collection process with automatic emailing of statements, payment plan options and use of debt collection when required.
- 52 Outstanding rates have increased by \$0.1M. The majority of rates arrears debt is within residential and vacant section properties and just under half are mortgaged properties. 9 of the 10 largest rates arrears are freehold properties.

- 53 There are 486 rate arrears properties with a combined value of \$1.6M outstanding. Major groupings is as follows – with the majority within Residential and Vacant Sections (\$0.9m, 53%);
- a. Residential at 178 properties is \$0.6M
 - b. Vacant sections at 103 properties is \$0.3M
 - c. Accommodation at 81 properties is \$0.2M
 - d. Country Dwelling at 42 properties is \$0.2M
 - e. Primary Industry at 21 properties is \$0.1m
 - f. Commercial at 17 properties is \$0.1m
 - g. Other various including Mixed Use and Residential plus Flat at 44 properties is \$0.2M
- 54 Further in-depth commentary is provided within Attachment C.

2021:22 Statement of Financial Position Overview:

- 55 Total increase in net assets compared to Mar 21 is \$68.8M which is made of the following significant movements:
- \$192.0M 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 \$136M to fund the capital programme.
- 56 Further in-depth commentary is provided within Attachment D.

Options

Option 1 This report is for noting only and therefore no options are discussed.

FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

- 57 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

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

Council Policies, Strategies and Bylaws

- 59 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.qldc.govt.nz/policies>

60 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

61 The recommended option:

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

ATTACHMENTS | NGĀ TĀPIRIHANGA

A	Finance Management Report – 2021:22 March YTD Actual to March YTD Budget Financial Overview
B	Finance Management Report – 2021:22 March Capital Expenditure Reporting Overview
C	March 2022 Debtors Analysis
D	March 2022 Statement of Financial Position