

AGENDA/KAUPAPA

Information Reports



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MEMBERSHIP: Her Worship the Mayor Rehette Stoltz (Chair), Josh Wharehinga (Deputy Chair), Colin Alder, Andy Cranston, Larry Foster, Debbie Gregory, Ani Pahuru-Huriwai, Rawinia Parata, Aubrey Ria, Tony Robinson, Rob Telfer, Teddy Thompson, Rhona Tibble and Nick Tupara.

FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee

DATE: Thursday 2 March 2023

TIME: 9:00AM

AT: Te Ruma Kaunihera (Council Meeting Room), Awarua, Fitzherbert Street, Gisborne

AGENDA – OPEN SECTION

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Finance & Performance

Reports to:	Council
Chairperson:	Mayor Stoltz
Deputy Chairperson:	Cr Wharehinga
Membership:	Mayor and all Councillors
Quorum:	Half of the members when the number is even and a majority when the membership is uneven.
Meeting frequency:	Six weekly (or as required)

Purpose

To assist Council to oversee financial and non-financial performance, including the delivery of the Council's Capital Programme and oversight of the Council Control Trading Organisation.

To monitor Council activities and services performance against budget, Annual Plans, the Long Term Plan, Annual Reports and corporate and financial policies.

The Finance and Performance Committee also receives enforcement and compliance performance activity reporting to ensure financial and non-financial performance oversight of its regulatory functions.

Terms of Reference

- Set, monitor and review plans and financial measures, practices and policies; the sources of funds, banking arrangements, insurance, investment and debt criteria, future financial arrangements.
- Monitor the performance of Council's treasury function – including strategic, investment and enterprise assets.
- Set fees and charges for Council services (including parking), and ensure these do not conflict with fee setting procedures of Bylaws of the Long Term Plan process and which are not set through the making of Bylaws.
- Approve preferred suppliers for capital projects and contracts where the value of the contract exceeds staff delegations.
- Approve expenditure (including substituted capital expenditure) items that are provided for in the Long Term Plan or Annual Plan where the value of that expenditure exceeds that authority delegated to officers.

- Approve debt write-offs where those debt write-offs are not delegated to staff.
- Consider all matters regarding the Local Government Funding Agency (LGFA).
- Monitor and review Council's strategic investment and enterprise assets – including consideration of the operational and financial effectiveness of Council Organisations, Council Controlled Organisations and Council's Controlled Trading Organisation (CCTO).
- In relation to the CCTO:
 - develop and approve the draft Statement of Intent for the CCTO
 - undertake any reviews of CCTO and make recommendations on any proposed changes to CCTO governance arrangements
 - consider and approve changes to service delivery arrangements arising from the service delivery reviews required under Local Government Act 2002 (LGA) that are referred to the Committee by the Chief Executive.
- Monitor the operational performance of Council's activities and services against approved levels of service.
- Monitor the operational performance of Council's regulatory activities and in particular enforcement and compliance, financial and non-financial performance reporting.
- Review and approve business plans including any related fees, charges and expenditure (including capital expenditure).
- Review the delivery of services under section 17A of the LGA.
- Monitor the delivery of the Council's Capital Programme, including inquiring into any material discrepancies from planned expenditure.
- Implement and review Health and Safety practices to ensure compliance with Council's legal responsibilities.

Power to Act

To make all decisions necessary to fulfil the role and scope of the Committee subject to the limitations imposed.

To establish subcommittees, working parties and forums as required.

To appoint non-voting advisory members and/or Tangata Whenua representatives to assist the Committee.

Power to Recommend

To Council and/or any standing committee as it deems appropriate.

9. Reports of the Chief Executive and Staff for INFORMATION



23-33

Title: 23-33 Treasury Report - 31 December 2022

Section: Finance & Affordability

Prepared by: Chris Page - Team Leader Financial Services

Meeting Date: Thursday 2 March 2023

Legal: No

Financial: Yes

Significance: **Low**

Report to FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee for information

PURPOSE - TE TAKE

The purpose of this report is to report on the Council's interest rate exposure, debt, and cash position as of 31 December 2022 compared to forecasts and policy limits.

SUMMARY - HE WHAKARĀPOPOTOTANGA

The Council was compliant with its Treasury Policy as of 31 December 2022.

On 31 December 2022, the Council's external debt was \$110.7m against the full-year budget of \$142m.

Interest rate cover is \$36m for the month of December 2022 and the Council also has \$8.5m of forward start swaps in place. This is in line with Council's Treasury Strategy to keep within our minimum fixed/floated interest rate cover. At the end of December 2022, our fixed-rate cover was 57% of our debt forecast (Council policy is 40-90%).

Currently Council has 46% of its debt facilities maturing in 0-3 years (Council policy is 15-60%), 37% in 3-7 years (Council policy is 25-85%), and 17% in 7 years plus (Council policy is 0-40%).

Council is looking at opportunities to prefund maturing core debt. New loan funding which relates to expenditure for Three Waters assets is being taken with a maturity around 1 July 2024 to coincide with the transition of assets to Entity C.

The decisions or matters in this report are considered to be of **Low** significance in accordance with the Council's Significance and Engagement Policy.

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

- 1. Notes the contents of this report.**

Authorised by:

Pauline Foreman - Chief Financial Officer

Keywords: Treasury Report 31 December 2022

TREASURY REPORT 31 December 2022

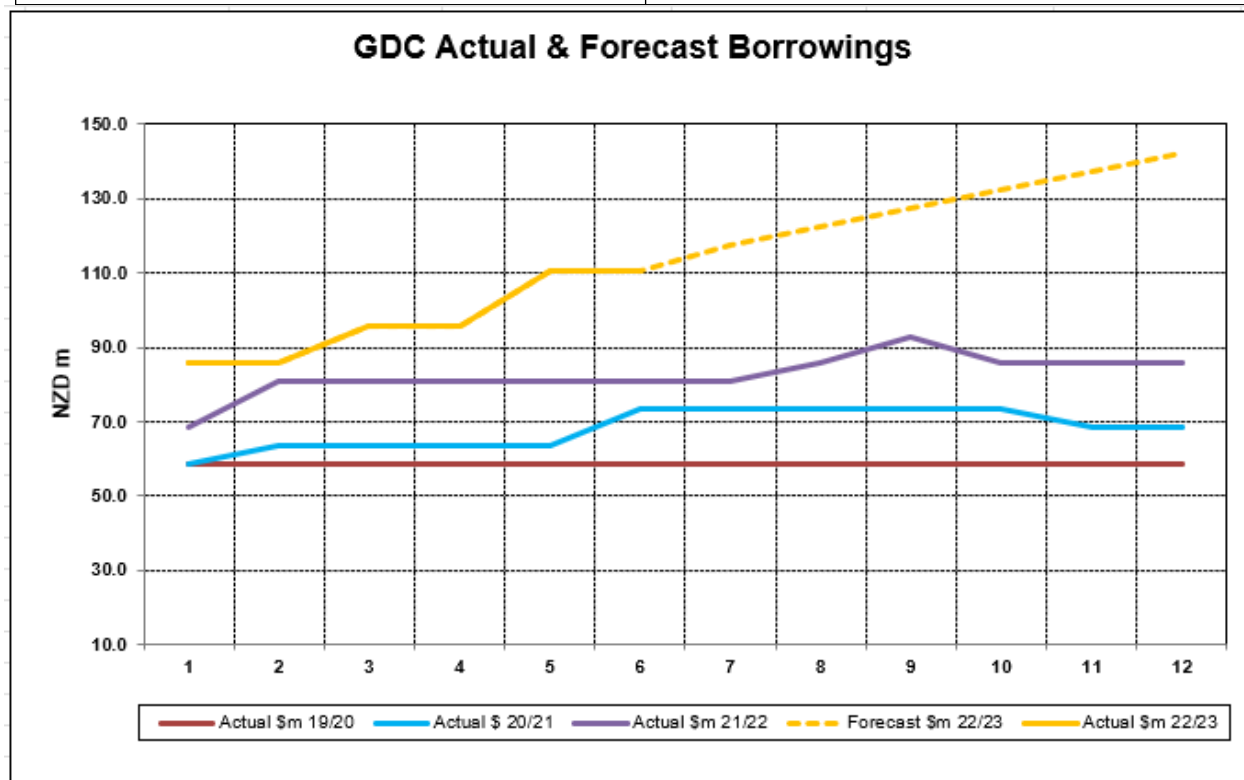
Detailed Reports

Cash Management (General Funds)				
Deposit/Loan	Rate	S&P Rating	Maturity	Amount
Westpac Bank Balance - WPB	0.25%	AA-	Current	\$1.7m
Money Market Deposit - WPB	4.25%	AA-	Current	\$10.4m
Short Term Deposit - ANZ	4.25%	AA-	Current	\$0

Debt position

External (Public) Debt	31 Dec 2022	30 Sep 2022
Opening Balance	\$97.7m	\$85.7m
Plus: Long Term Loans Raised	\$15.0m	\$10.0m
Less: Long Term Loans Repaid	-	-
Plus/(less): Movement in Short Term Loans	(\$2m)	\$2.0m
Total External Debt	\$110.7m	\$97.7m

December 2022	September 2022
\$110.7m	\$97.7m



BACKGROUND - HE WHAKAMĀRAMA

1. Council's Treasury Management Policy is a focus on a 'corridor style' approach. The corridor approach refers to an upper limit and a lower limit within which Council needs to fall to be within policy.
2. This approach is more flexible and is typically a better fit for councils with increasing debt over longer than a ten year plus time horizon. The policy strategically aligns the interest rate risk management framework within the Long-Term Plan (LTP) and associated debt path.
3. PricewaterhouseCoopers (PwC) are engaged by the Council to monitor, review, and give advice over the Council's Treasury management. Monthly meetings assist us to match our treasury strategies' alliance with current market conditions.

DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

4. On 31 December 2022, Council's external debt was \$110.7m; against the full year budget of \$142m.
5. Total external debt is \$110.7m. Borrower notes of \$2.3m. This offsets this debt balance which results in a debt level of \$108.4m.
6. In the Local Government Funding Agency (LGFA) November 2022 tender, Council drew down \$5m of new long-term debt and \$10m of new short-term debt relating to impending capital expenditure on the Wastewater Treatment Plant. This was raised as short-term to coincide with the transfer of Three Waters assets to Entity C on 1 July 2024.
7. The table below shows the Council's Loan Funding Facilities:

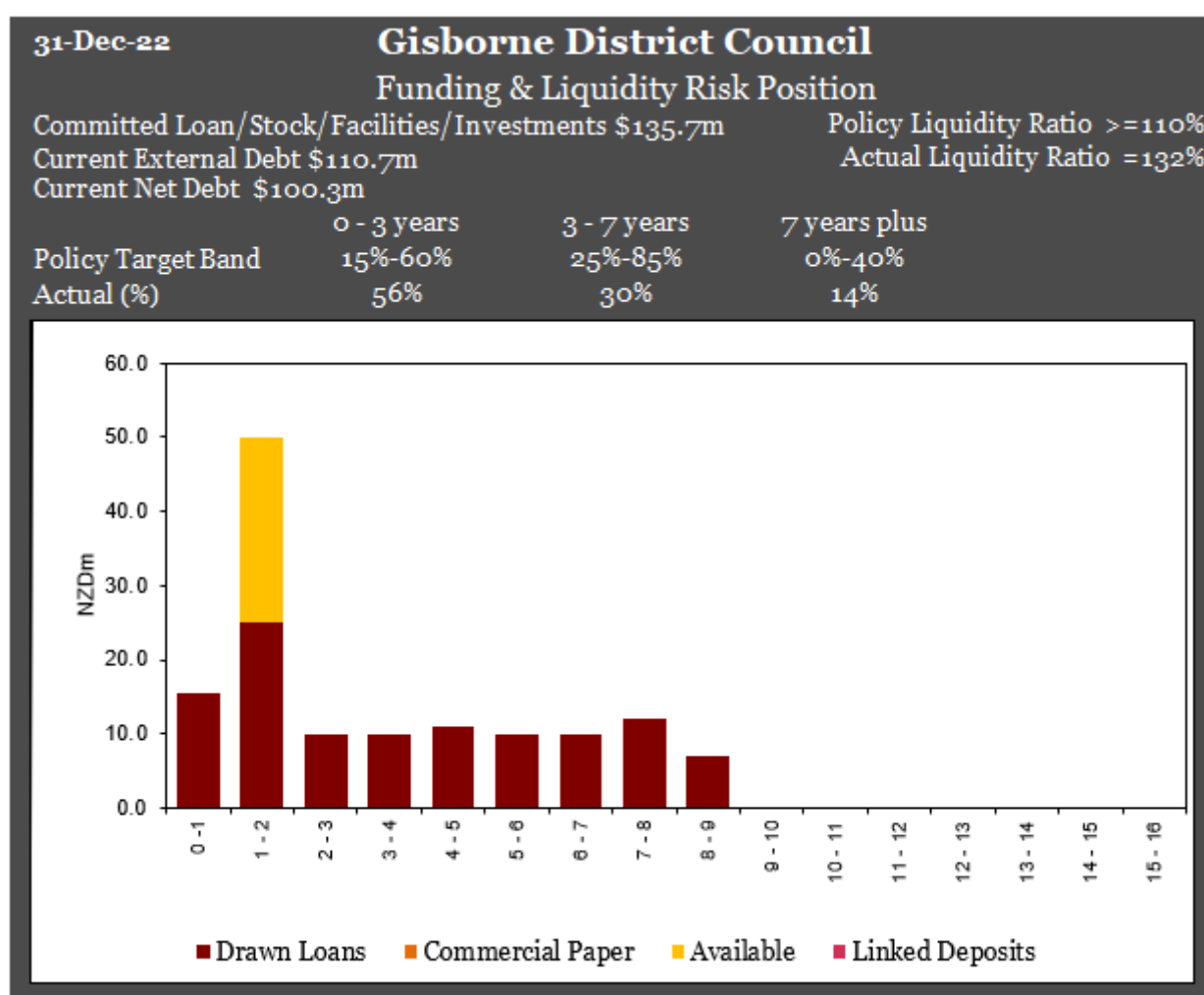
Table 1 – Loan Funding Facilities as of 31 December 2022

Bank		This Month	Available Facility	Unutilised Facility
ANZ (Bank Facility)		-	\$15.0m	\$15.0m
WPB (Bank Facility)		-	\$10.0m	\$10.0m
LGFA (Debenture Stock)		\$110.7m	\$110.7m	-
LGFA Borrower Notes		(\$2.3m)	-	-
Total Debt	A	\$108.4m	\$135.7m	\$25.0m
Short Term Deposit	B	\$10.4m	\$10.4m	-
Total Debt less short-term deposit	A - B	\$98.0m	\$125.3m	\$25.0m

8. The following graph and table show the Council's current debt maturity profile:

Table 2 – Council's current debt maturity profile

Maturity Profile	Borrowing	Borrowing	Facilities	Facilities (Excluding Deposits)	Policy	Compliance
0 – 3 years	\$50.5m	46%	\$75.5m	56%	15–60%	✓
3 – 7 years	\$41.0m	37%	\$41.0m	30%	25–85%	✓
7+ years	\$19.2m	17%	\$19.2m	14%	0–40%	✓
Total	\$110.7m	100%	\$135.7m	100%		



9. The following graph and table show the Council's Interest Rate Risk Policy:

Interest rate risk timeline

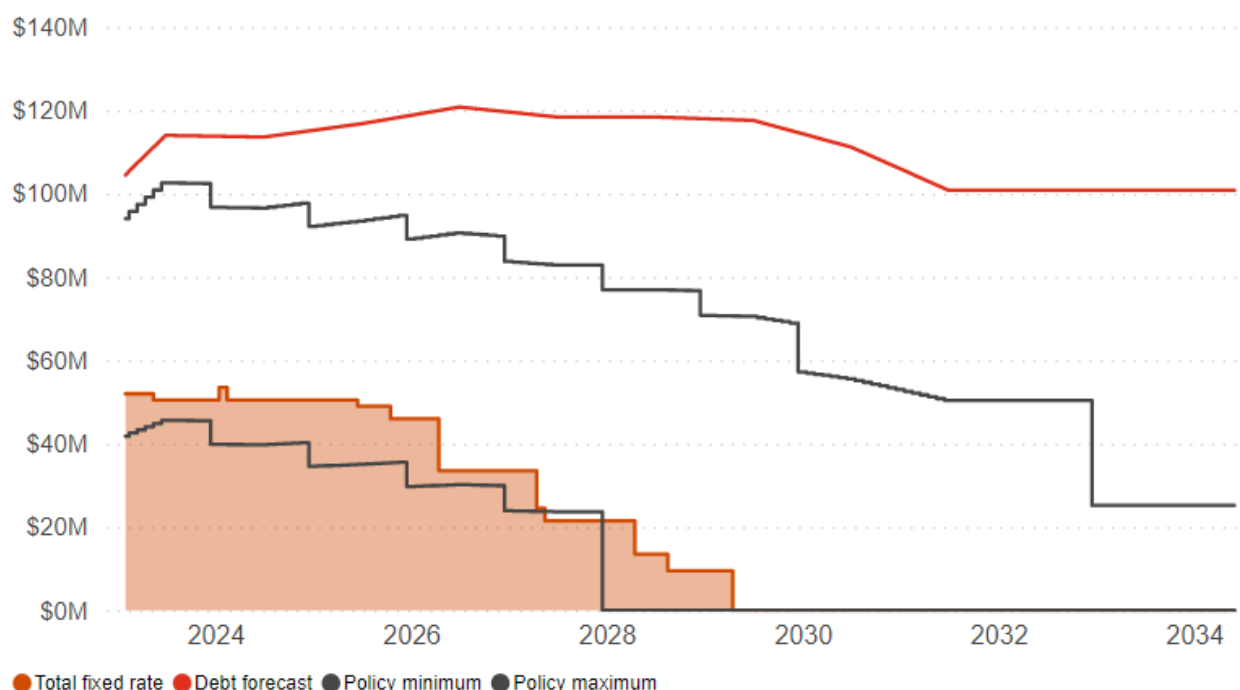
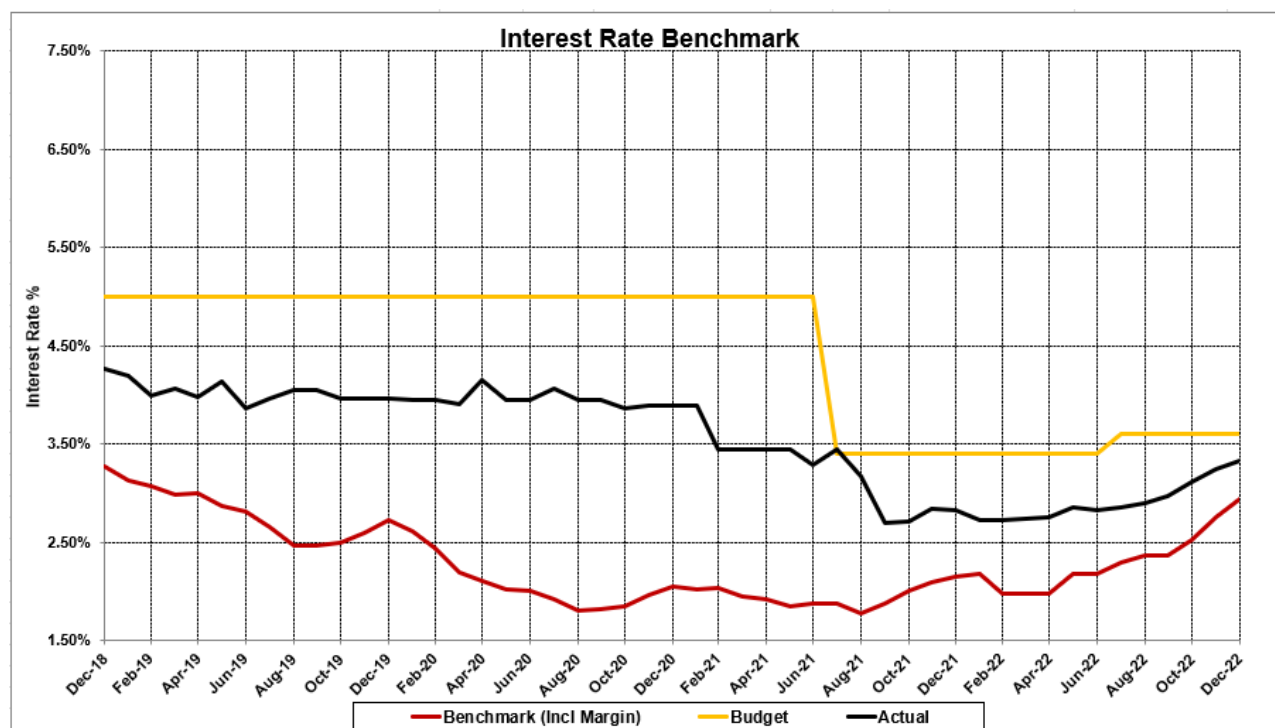


Table 3 – Council's Interest Rate Risk Policy

Debt Period Ending	Minimum %	Maximum %	Actual	Compliant (Y/N)
Current	40%	90%	76%	Yes
Year 1	40%	90%	76%	Yes
Year 2	35%	85%	64%	Yes
Year 3	30%	80%	51%	Yes
Year 4	25%	75%	42%	Yes
Year 5	20%	70%	41%	Yes
Year 6	0%	65%	29%	Yes
Year 7	0%	60%	20%	Yes
Year 8	0%	50%	8%	Yes
Year 9	0%	50%	0%	Yes
Year 10	0%	50%	0%	Yes
Year 11	0%	25%	0%	Yes
Year 12	0%	25%	0%	Yes
Year 13	0%	25%	0%	Yes
Year 14	0%	25%	0%	Yes
Year 15	0%	20%	0%	Yes

10. Council currently has \$36m of interest rate cover in place, along with forward start swaps of \$8.5m.

Table 4 – Council's Cost of Funds



11. The above graph shows the actual weighted average cost of funds for December at 3.33%, which is higher than the 2.44% benchmark rate, however, more in line with the budget rate used throughout the 2021–2031 Long Term Plan of 3.60%.
12. The Budget (Yellow line) is the interest rate used in the 2022/23 budget and throughout the LTP 2021–2031, based on a set of assumptions around debt levels, capital spends income and expected Official Cash Rate (OCR) changes.
13. The Benchmark (red line) refers to a basket of interest rate swaps Council uses to benchmark against, assuming no interest management in place.
14. The Actual (black line) is the weighted average cost of the Council's debt – including bank margins, interest rate swaps and line fees. The actual line fluctuations is based on the debt levels and short-term cash requirements.

Table 5 – Interest Costs

	YTD Actual Dec 2022	YTD Budget Dec 2022	YTD Actual Dec 2021
Interest Cost	\$1.9m	\$2.2m	\$1.1m
Fair Value of Swaps	\$1.9m		(\$1.9m)

15. The fair value of swaps is the bank's current market pricing (as of 31 December 2022) of the difference between the 90-day swap rates and the fixed rate of the swap for the duration of the swap.
16. Swaps are a mechanism used to minimise risk. Council fixes rates so we know what we have to pay. If the swap "fixed rate" is higher than the current floating rates the bank benefits and if the swap "fixed rate" is lower than the current floating rates Council benefits.

Counterparty Credit Risk

17. Policy Credit Limit (NZ\$) per New Zealand Registered bank for interest rate risk management instruments only. All counterparty banks are Standard & Poor's AA-rated.
18. Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where Council is a party.

Table 6 – Council's counterparty credit risk

Bank	Notional	Credit Exposure	Compliance
ANZ	\$44.5m	\$4.36m	Within Policy
WBC	\$0	\$0	Within Policy

Table 7 – Borrowing Limit Compliance as of 31 December 2022

Ratio/Covenant	Policy Compliance	Current Position
Net debt as a % of income = <130%	✓	67%
Net interest as a % of income <10%	✓	2%
Total debt per capita <\$2,800	✓	\$2,080
Net external debt per rateable unit <\$4,400	✓	\$4,251
Net interest as a % of rates income <10%	✓	5%
Liquidity over existing external debt >=110%	✓	133%

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

Consideration of consistency with and impact on the Regional Land Transport Plan and its implementation

Overall Process: Low Significance

This Report: Low Significance

Impacts on Council's delivery of its Financial Strategy and Long Term Plan

Overall Process: Low Significance

This Report: Low Significance

Inconsistency with Council's current strategy and policy

Overall Process: Low Significance

This Report: Low Significance

The effects on all or a large part of the Gisborne district

Overall Process: Low Significance

This Report: Low Significance

The effects on individuals or specific communities

Overall Process: Low Significance

This Report: Low Significance

The level or history of public interest in the matter or issue

Overall Process: Low Significance

This Report: Low Significance

19. The decisions or matters in this report are considered to be of Low significance in accordance with Council's Significance and Engagement Policy.

Title: 23-19 Financial Report - 31 December 2022

Section: Finance & Affordability

Prepared by: Mary Davis - Management Accountant Team Leader

Meeting Date: Thursday 2 March 2023

Legal: No Financial: Yes Significance: **Low**

Report to FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee for information

PURPOSE - TE TAKE

The purpose of this report is to provide a high-level overview of Council's financial results for the period ended 31 December 2022.

SUMMARY - HE WHAKARĀPOPOTOTANGA

The report covers the Council's financial performance for the period ended 31 December 2022. It includes commentary against a year to date (YTD) Annual Plan on the Statement of Comprehensive Revenue and Expenses and Capital Expenditure.

For the six months ending 31 December, Council has a net surplus of \$12.3m, lower by \$990k that was expected in the YTD Annual Plan. The main driver for the lower-than-expected net surplus is due to the local share of the roading emergency reinstatement costs that have been incurred to date. Only 87% emergency works completed is covered by grants from Waka Kotahi, the remaining 13% is left to Council to fund the local share. This equates to unbudgeted shortfall of \$850k. The remainder of the lower-than-expected net surplus, is due to costs arising from the removal of woody debris on our beaches.

A summary of the key financial indicators for December year to date:

- YTD total revenue is \$83.4m, favourably \$10.3m above the Annual Plan. This is mostly due to receiving additional operational grants from Waka Kotahi for the reinstatement of roading emergency works.
- The YTD total expenditure is \$71.2m, unfavourably \$11.3m above the YTD Annual Plan. The increase is mostly due to "Operating Activities" where it is \$11.3m above the YTD Plan. This higher expenditure is due to \$12.5m of roading emergency reinstatement work, against the full year budget provision of \$2m. Also, included within operating expenditure, is \$302k of unbudgeted costs relating to woody debris and clean-up that occurred on our beaches.
- The capital expenditure for December YTD is \$42.4m or 85% of the YTD budget. Last year for the same period we completed \$34.3m of capital works. This year's expenditure relates mostly to the construction cost of Kiwa Pools and Wastewater Treatment Plant.

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

- 1. Notes the contents of this report.**

Authorised by:

Pauline Foreman - Chief Financial Officer

Keywords: financial report, financial performance, annual plan, emergency works, waka Kotahi, kiwa pools, capital works, wastewater treatment plant

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

Consideration of consistency with and impact on the Regional Land Transport Plan and its implementation

Overall Process: Low Significance

This Report: Low Significance

Impacts on Council's delivery of its Financial Strategy and Long Term Plan

Overall Process: Low Significance

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Overall Process: Low Significance

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The effects on all or a large part of the Gisborne district

Overall Process: Low Significance

This Report: Low Significance

The effects on individuals or specific communities

Overall Process: Low Significance

This Report: Low Significance

The level or history of public interest in the matter or issue

Overall Process: Low Significance

This Report: Low Significance

1. The decisions or matters in this report are considered to be of Low significance in accordance with Council's Significance and Engagement Policy.

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - Financial Report 31 December [23-19.1 - 12 pages]



**Council
Summary Financial Report**

December 2022

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Statement of Comprehensive Revenue and Expenses
For the Period Ended 31 December 2022

	Note	Dec-22 Actual \$000s	Year to date Budget \$000s	Variance \$000s	Full Year Budget \$000s
REVENUE FROM NON-EXCHANGE TRANSACTIONS					
Grants and Subsidies - Operational	1	16,900	6,453	10,447	12,885
Grants, Donations, Subsidies and Contributions - Capital	2	20,437	21,346	(909)	44,535
Other Non Exchange Revenue	3	531	1,083	(551)	2,170
General Rates And Uniform Annual General Charge		12,124	12,057	67	24,113
Targeted Rates		23,135	23,135	(0)	46,270
REVENUE FROM EXCHANGE TRANSACTIONS					
Development and Financial Contributions		1,436	1,293	143	1,622
Other Revenue	4	6,036	5,944	92	11,645
Targeted Water Rates		1,467	1,797	(330)	3,594
Dividends		5	133	(128)	1,600
Interest Received		257	0	257	0
Other Gains/(Losses)	5	1,073	(116)	1,188	(231)
Total Revenue		83,400	73,124	10,276	148,205
EXPENSES					
Employee Benefit Expenses	6	14,030	14,570	540	30,672
Expenditure on Operating Activities	7	42,072	30,733	(11,339)	61,205
Depreciation and Amortisation	8	13,124	12,453	(670)	24,907
Financing Costs	9	1,925	2,129	204	4,482
Total Expenses		71,151	59,885	(11,266)	121,266
Net Surplus/(Deficit) Before Taxation		12,249	13,239	(990)	26,939
Subvention payment		0	0	0	600
Net Surplus/(Deficit)		12,249	13,239	(990)	27,539
Gains/(Losses) on Property Revaluation	10	(0)	0	0	62,321
TOTAL COMPREHENSIVE REVENUE AND EXPENSES		12,249	13,239	(990)	89,860
CAPITAL EXPENDITURE		42,411	49,808	(7,397)	99,198

Notes to the Statement of Comprehensive Revenue and Expense

01 Grants and Subsidies – Operational

Most of this revenue comes from roading subsidies through Waka Kotahi and the Provincial Growth Fund (PGF). This financial year we recover 67% of roading maintenance costs (excluding emergency works) from Waka Kotahi. Higher subsidies of 87% are received for high impact roading emergency works including the 2020 flood events.

Tracking \$10.5m favourably over YTD budget due to roading subsidies related to the June 21, March/April 2022 and November 2022 flood events.

02 Grants, Donations, Subsidies and Contributions – Capital

The capital grants expected to be received this year are from Waka Kotahi for roading renewals, PGF for the roading resilience programme and capital grant funding for projects such as Kiwa Pools, Waipaoa Stop bank and Waingake restoration, capital grants are \$909k lower than expected, due to timing of the capital works.

03 Other Non-Exchange Revenue (Includes penalties, infringement fees, court enforcement fees, and other fees)

Revenue is lower than budget due mostly to lower revenue received from “rates penalties” on outstanding annual rates balances where it has been removed and ceases to be applied. This penalty is referred to as P2 under section 58(1)b of the Local Government (Rating) Act 2002. (Reference **22-82** at Finance and Performance Committee 1 June 2022).

04 Other Revenue (Rent income, lease income, and all other fees and charges)

Other revenue includes fees and charges such as dog registration fees, rents, parking fees and trade waste charges.

05 Other Gains/(losses)

Other Gains/losses includes gains or losses includes recognition of gains or losses arising from disposal of assets and financial accounting recognitions (such as interest rate swaps). December YTD actuals relates to an accounting gain based on the movements in fair value of interest rate swaps. This gain may or may not eventuate when the swaps are finally realised in the future.

06 Employee Benefit Expenses

Employee Benefit expenses Employee Benefit YTD expenses are under budget due to several vacancies.

07 Expenditure on Operating Activities

Overall expenditure is over YTD annual plan by \$11.3m. This is mainly due to roading reinstatement emergency works \$12.5m, against the full year budget provision of \$2m. Also, included in the YTD actuals is \$300k of unbudgeted costs relating to woody debris clean up (work that occurred from Oct to December 2022 period).

08 Depreciation and Amortisation

The depreciation for the year is based on estimates, revised based on revaluations that occurred at 30 June 2022. Actual depreciation may move slightly after estimated growth movements have been factored for the 2022/23 financial year.

09 Financing Costs

Financing costs are lower than the YTD budget due to the timing of the capital projects.

10 Capital Expenditure

Capital expenditure for December YTD is \$42.4m (85%) against YTD budget. More information regarding capital projects can be found under "Notes to Capital Expenditure" below.

Statement of Financial Position
For the Period Ended December 2022

	Notes	YTD Actual \$000s	Full Year Budget \$000s
CURRENT ASSETS			
Cash & Bank	01	11,269	19,575
Non Exchange Trade and Other Receivables	02	3,995	8,806
Exchange Trade and Other Receivables	03	9,315	9,182
Inventories	04	120	38
Investments		599	0
Non Current Assets Held for Resale	05	80	80
Total Current Assets		25,377	37,682
CURRENT LIABILITIES			
Deposits Held	06	583	498
Trade and Other Payables	07	19,291	35,744
Employee Benefits and Suspense	08	3,091	2,754
Borrowings	09	15,500	7,100
Provisions for Other Liabilities	10	85	279
Derivative Financial Instruments	11	0	1,116
Total Current Liabilities		38,550	47,491
Total Net Working Capital		(13,173)	(9,808)
NON CURRENT ASSETS			
Trade and Other Receivables		1,340	0
Property Plant and Equipment	12	2,834,074	2,666,688
Intangible Assets	13	7,155	6,548
Biological Assets	14	1,474	2,741
Investments	15	35,012	33,893
Total Non Current Assets		2,879,056	2,709,870
NON CURRENT LIABILITIES			
Borrowings	09	95,200	135,399
Employee Benefit Liabilities	08	122	179
Provisions for Other Liabilities	16	2,132	2,571
Derivative Financial Instruments	11	0	1,618
Emission Trading Scheme Liabilities	17	2,570	1,950
Total Non Current Liabilities		100,025	141,717
Total Net Funds Employed		2,765,858	2,558,345
EQUITY			
Accumulated Surplus		524,981	575,479
Special Funds	18	53,663	32,477
Revaluation Reserves	19	2,187,214	1,950,389
Total Equity		2,765,858	2,558,345

Notes to the Statement of Financial Position**01 Cash at Bank**

Westpac current account balance and overnight ANZ money market.

02 Non-Exchange Trade and Other Receivables

Includes rates receivable and other current receivables such as Waka Kotahi receivables.

03 Exchange Trade and Other Receivables

Includes sundry debtors, prepayments, and GST where receivable.

04 Inventories

Includes product and or stock on hand.

05 Non-Current Assets Held for Resale

Includes any identifiable assets that have been held for disposals. Decisions relating to disposals must be approved by Council.

06 Deposits Held

Includes footpath deposits, bond deposits and theatre ticket sale deposits.

07 Trade and Other Payables

Includes accounts payable, sundry creditors, audit fee accruals, GST where payable and other IRD payables, Waerenga o Kuri Liability.

08 Employee Benefits Liabilities and Suspense

Includes holiday pay and other current and non-current employee benefit liabilities.

09 Borrowings

Includes long term and short-term borrowings from LGFA and Money market loan obtained from other banks.

10 Provisions for Other Liabilities - Current

Includes provision for various legal matters and other liabilities.

11 Derivatives Financial Instruments

Interest rate swaps.

12 Property Plant and Equipment

Council's fixed assets.

13 Intangible Assets

Includes computer software.

- 14 Biological Assets**
Includes the value of livestock and forestry.
- 15 Investments – Non-Current**
Includes investments in GHIL and CCTO.
- 16 Provisions for Other Liabilities – Non-Current**
Includes non-current provisions such as Paokahu landfill and Waiapu landfill aftercare provisions.
- 17 Emissions Trading Scheme**
Provision for Emission Trading Scheme Liability.
- 18 Special Funds**
Includes various reserves such as depreciation reserve.
- 19 Revaluation Reserves**
Gain on asset revaluation.

Statement of Capital Expenditure for the period ended Dec 2022

Activity	Notes	% Spent			
		Dec-22	Dec-22	YTD Actuals of	2022 / 2023
		Actuals YTD	Budget YTD	YTD Budget	Full Year Budget
		\$000s	\$000s	%	\$000s
Including Major Projects					
Community Lifelines		27,563	31,699	87%	65,677
Roading	1	8,033	9,140	88%	27,873
Wastewater	2	13,390	16,733	80%	23,189
Stormwater	3	561	860	65%	4,190
Water Supply	4	2,749	2,117	130%	4,191
Solid Waste	5	66	200	33%	1,266
Land, Rivers, Coastal	6	2,765	2,649	104%	4,968
Liveable Communities	7	13,042	15,770	83%	28,377
Land Soil and Resources		977	1,079	91%	2,841
Theatres		19	23	81%	23
Conveniences		111	207	54%	776
Reserves		290	532	54%	2,515
Cemeteries		17	45	38%	90
Community Property		11,445	13,388	85%	19,838
Art & Public Places		82	352	23%	2,051
Pool Operations		1	5	13%	10
District Library Ops		101	137	73%	231
Regional Leadership & Support	8	1,793	2,227	81%	4,817
Information Services		600	836	72%	1,925
Customer Services & Townships		278	382	73%	765
Civic		21	15	138%	30
Water and Coastal Resources		337	186	182%	651
Civil Defence		273	530	52%	890
Environmental Monitoring		88	85	104%	170
Facilities & Plant Management		187	193	97%	387
Environmental Services & Protection	9	-	23	0%	45
Parking		-	23	0%	45
Commercial Operations	10	12	89	14%	282
Community Housing		12	89	14%	282
		42,411	49,808	85%	99,198

Notes to the Statement of Capital Expenditure 31 December 2022**Roading**

The roading full year budget is \$27.9m. This is made up of renewals (\$16.3m), PGF (\$9.6m) and other projects (\$1.9m) that include walking and cycling and subsidised Township projects.

YTD actuals:

Total YTD costs are \$8m or 88% of the YTD budget. Included within these costs are:

Renewals are \$5.1m, or 86% against the YTD budget of \$5.99m. Included within the renewal budgets are resurfacing and pavement maintenance. The bulk of this renewal work is scheduled to occur in second half of the 2023/24.

The remainder of works completed to December YTD is \$2.9m, or 92% against the YTD budget. Most of the work completed is on the PGF Route Security (East Cape).

Wastewater

This full year budget consists mainly of the Wastewater Treatment Plant (\$15.3m) and renewals (\$5.9m).

YTD actuals

Actuals YTD are \$13.4 against YTD budget \$16.7m (or 80%). This includes:

Renewals are \$708k against YTD budget of \$1.83m. Included within the renewals budget is \$700k for Septage Solids removal. This project has yet to begin.

The majority of the capital works completed to date is the Wastewater Treatment Plant major project, where \$12.1m was spent or 88% of the phased YTD budget of \$13.8m.

The Taruheru Pump station is \$606k or 58% complete of the full year budget of \$1m.

Stormwater

Stormwater projects are mainly renewals and Drainwise Program of capital works.

YTD actuals

Capital Expenditure is \$561k made of renewals, rural township upgrades and the Drainwise project.

Rural township upgrades are \$262k or 73% of the YTD budget of \$335k.

Drainwise project is \$234k or 78% of the YTD of \$300k. Most of the Drainwise program of work is planned for the second half of the financial year.

Renewals are \$66k against the \$200k YTD provision. The renewals budgets are a provision to replace assets as and when they are needed to be replaced.

Water Supply

Water Supply capital budget includes \$2.9m of renewals and \$1.1m for upgrade. The upgrade is for the commissioning of the UV water disinfection facility required to comply with new statutory water assurance rules at the Waingake water treatment plant.

YTD actuals

Total actual costs are \$2.7m against the YTD budget of \$2.1m. Water supply projects are up on the YTD budget due to 100% grant funded projects, the timing of when these projects were going to be completed came after the adoption of the Annual Plan 2022/23.

Renewal actuals to date are \$1m against the phased YTD budget of \$1.8m, \$782k under budget. Construction is underway, but some adverse weather events has slowed progress.

Other projects include:

UV water disinfection is \$317k ahead of where it was expected to be YTD budget \$251k.

Two other projects which, as noted above, have 100% grant funding; these are the Muriwai Pipeline \$1.3m and Ruatoria Bulks Supply projects \$111k.

Solid Waste

There are 6 projects in this budget, the largest is the relocation of the Tokomaru Bay transfer station with a budget of \$800k, which is still in the planning stage. The remaining 5 projects are provisions for renewal of capex, as and when they are needed. It includes provisions for transfer stations, litter bins, heritage landfill remediation and Paokahu closed landfill. Leachate pumps have been replaced at Paokahu and conversations with the Trust are ongoing around work to increase capacity and flows.

YTD actuals are \$66k against the YTD budget provision of \$200k.

Land, Rivers and Coastal

The main project in this budget includes \$4.5m for the Waipaoa River Flood Control Scheme as well as a renewals programme of \$578k.

YTD actuals

Total actuals are \$2.8m or 104% against the YTD budget of \$2.7m. These include:

Renewals are \$659k against the YTD budget of \$399k. Renewals are up on budget mainly due due the Mangahauini River Erosion Protection project, with actual spend being \$222k against the full year budget of \$52k. In September 2022, Council approved **(22-210)** \$630k for this project consisting of \$250k new funds and bringing forward 327k from year 4 of the LTP.

Waipaoa River Flood Control Scheme is \$2.1m and is on par where it was expected to be with the YTD budget.

Liveable Communities

The Kiwa Pools is the main project in this grouping with a full year budget of \$19.6m. Also included are major projects 1000-year Bridge - \$1.5m, and Waingake Restoration - \$2.8m.

Actuals YTD

Total costs spend is \$13m or 83% of the YTD budget of \$15.8m. This includes:

Land, Soil and Resources – is mostly the Waingake Transformation Project, \$977k, tracking on par with YTD budget.

Community Property – is mostly Kiwa Pools, with actual spend being \$11.4m against the YTD budget \$13.8m. There were some delays in the first half of the year, mostly due to arrival of construction materials.

Regional Leadership & Support Services

Several activity budgets sit under this grouping. Information Services has a \$1.9m full year budget with the main projects being Digitisation of Records \$727k and Existing core hardware and software renewals \$692k. The \$890k Emergency Coordination Centre is also part of this budget.

Actuals YTD

Actual costs for this group are \$1.8m against the YTD budget of \$2.2m.

- IT renewals are \$325 against the YTD budget of \$439k.
- Digitisation of records is \$265k or 73% of the YTD budget \$363k.
- Facilities and Plant Management is our vehicle replacement budget is on par with the YTD budget.
- Civil Defence is made up of the new Emergency Co-Ordination Centre with YTD spend being \$273k, under the YTD budget of \$530k. Construction began in November with scheduled completion by July 2023.
- Water and Coastal Resources projects are Groundwater modelling (\$142k) and Freshwater Improvement Fund (\$180k). Both are more than the full year budget of \$133k but are partially externally funded and fund most of the variance.

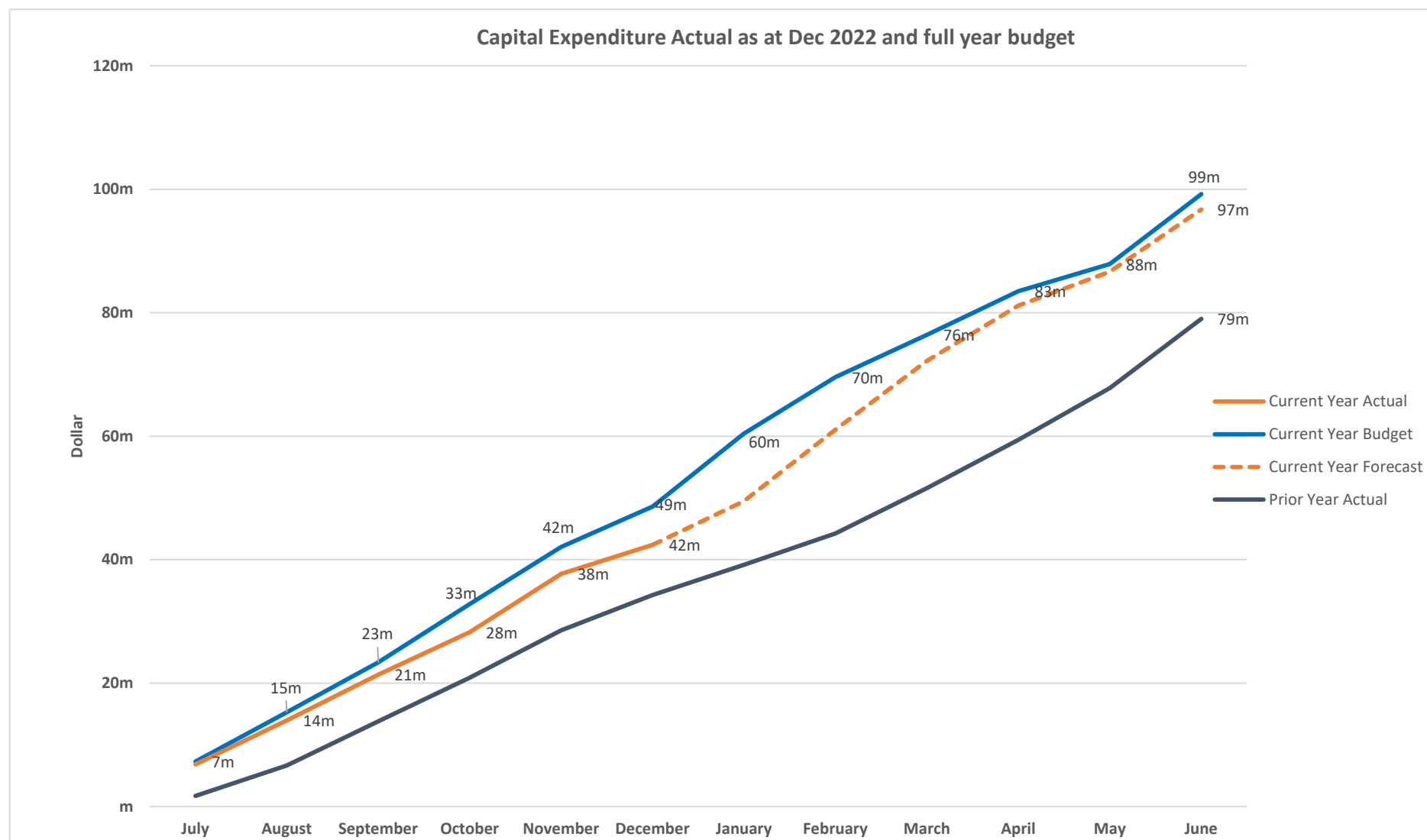
Environmental Services & Protection

The full year budget in this activity is \$45k for Parking Meter Renewals. These funds will be utilised as needed to repair or replace existing meters.

Commercial Operations

This budget is for Staff and Community Housing upgrades, where GHL manages and oversees this work. A project to double glaze windows is planned for later this year, scheduled to be completed in May.

Total capital renewals are expected to be completed by the end of the financial year within the full year budget.



YTD Accumulating CAPEX Charts