

Audit, Finance & Risk Committee

12 December 2023

Report for Agenda Item | Rīpoata moto e Rāraki take [3]

Department: Assurance, Finance & Risk

Title | Taitara: September YTD 2023 Financial Overview including the following reports

- 2023/24 September YTD Actual to September YTD Budget Financial Overview;
- 2023/24 September Capital Expenditure Reporting Overview;
- 2023/24 September Debtors Analysis;
- 2023/24 September Statement of Financial Position

Purpose of the Report | Te Take mō te Pūroko

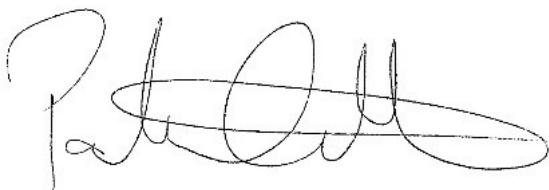
The purpose of this report is to present the 2023/24 September Year to Date (YTD) Actual to Budget financial results, Capital Expenditure financial results and September 2023 Debtors Analysis and Statement of Financial Position and to report on any significant transactions and/or variances to budget.

Recommendation | Kā Tūtohuka

That Audit, Finance & Risk Committee:

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

Prepared by:



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Title: Finance Manager
27 November 2023

Reviewed and Authorised by:



Name: Stewart Burns
Title: GM Finance, Assurance & Risk
27 November 2023

Context | Horopaki

2. 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 | Tatāritaka me kā Tohutohu

2023:24 September YTD Actuals to September YTD Budget Overview:

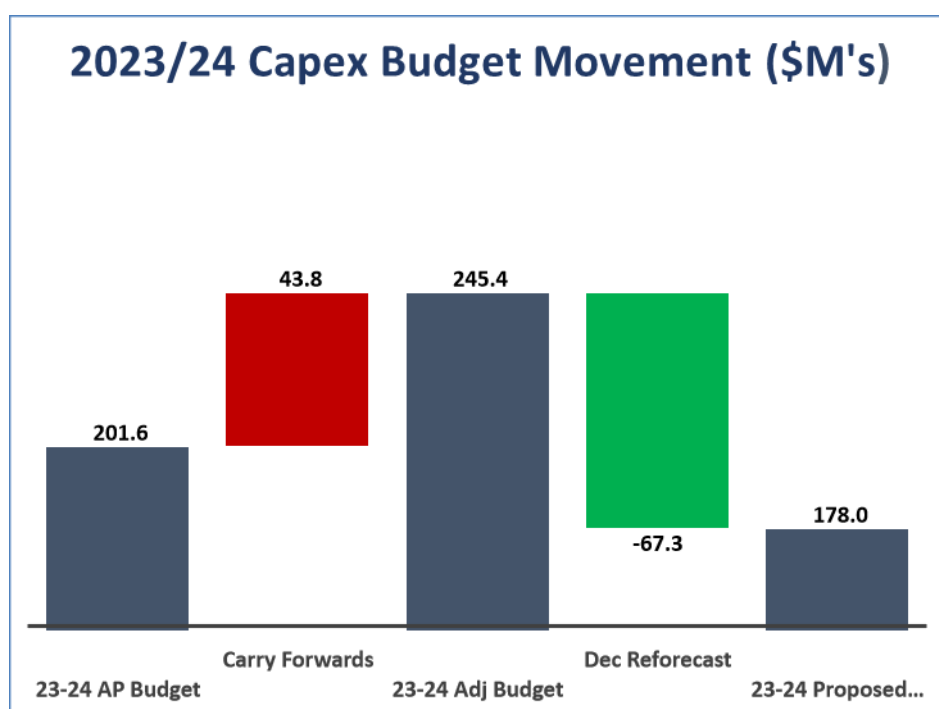
3. The 2023/24 September YTD net operating deficit (\$12.8m) shows as \$1.3m unfavourable variance to the budget operating deficit of (\$11.5m).
4. Please note that within the September 2023 financial results is \$1.7m of expenditure that is attributable to the September weather event that triggered the Civil Defence response.
5. Removing the \$1.7m September weather event expenditure shows an underlying variance of \$0.4m favourable to the net surplus within the 2023/24 first quarter.
6. The September YTD revenue is \$0.7m favourable to budget. Grants and Subsidies is \$0.6m favourable which is mainly due to timing with receiving NZTA/Waka Kotahi subsidies for roading maintenance work. Operational income is \$0.2m favourable with Sport and Recreation income for memberships and aquatics tracking ahead of budget.
7. Total operating expenditure variance is (\$1.6m) unfavourable to budget. This includes the September weather event expenditure of (\$1.7m) and higher energy costs (\$0.6m) which is offset by lower spend within District Plan Commissioner fees \$0.5m and legal fees \$0.3m which is both due to timing.
8. Interest expenditure is (\$0.7m) unfavourable due to interest rates higher than the budget assumptions.
9. Further in-depth commentary is provided within Attachment A.

2023:24 September YTD Capital Expenditure Reporting Overview:

10. At the end of September 2023, Council had 347 capital projects with an approved 2023/24 adjusted budget of \$245.4m. This is a \$43.8m increase from the 2023/24 Annual Plan budget of \$201.6m. When reviewing the budgets being carried forward from 2022/23, it was agreed as a first step to add 100% of the carry forward budgets to 2023/24, and then undertake a subsequent review to propose further deferral of budgets as part of the re-prioritisation required for the draft 2024-34 Long Term Plan.

11. Due to significant funding constraints within the first two years of the 2024-34 draft Long Term Plan a number of current 2023/24 projects are proposed to be reprogrammed to later years due to a stricter re-prioritisation approach which requires all non-essential projects to be deferred.
12. The proposed reprioritisation of the 2023/24 capex budget has reduced the budget to \$178.0m. The December Reforecast Council Paper will seek approval on Thursday 14 December to reduce the 2023/24 budgets by a net reduction of \$67.3m which is shown in the following chart.

Figure 1: Movement of 2023/24 Approved Capital Budget:



13. Overall year to date spend is \$36.2m (75%) against a year to budget of \$48.3m. Forecast spend is \$180.8m (74%). As mentioned above, spend is lower than expected in the Annual Plan due to a number of key projects which have been required to be reprogrammed to later years due to not meeting the reprioritisation criteria.
14. 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 Limited.
 - 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.

15. 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 subdivision) and to note the balance as Council business as usual projects.

16. Commentaries for the groupings are as follows:

High Profile Projects - CIP Crown Infrastructure Fund / Queenstown Town Centre Street Upgrades

17. The September year to date spend is \$2.1m or 63% of the 2023/24 year to date budget of \$3.2m (full year budget \$4.1m).

18. 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 include Three Waters services renewals, paving, street furniture, planting and lighting.

19. Construction across the Street Upgrades project is almost complete, with isolated stormwater works on Shotover Street and snagging works (minor faults and omissions) underway. Project wide practical completion is now scheduled for 15 March 2024.

20. The weather event of 22 September 2023 has required reworks to a number of areas on Brecon Street. The cost is still being assessed however it is expected that the materiality of the impact will be low. Key response costs are associated with labour, CCTV, pipe-jetting and replacement landscaping.

21. A modest surplus is presently being forecasted; the quantum of this will be confirmed once final Alliance and QLDC costs have been determined and outstanding matters are resolved.

High Profile Projects - CIP Crown Infrastructure Fund / Queenstown Town Centre Arterial (Stage

22. The September year to date spend is \$9.8M or 82% of the 2023/24 year to date budget of \$12.0m (full year budget \$27.6m).

23. The Queenstown Town Centre Arterial (Stage 1) project includes the development of a roading link to connect Henry Street and Melbourne Street from Gorge Road through to State Highway 6. The upgrade includes Three Waters renewals, signalised intersections, cul-de-sac turning heads, paving, traffic signals, line markings, street furniture, planting and lighting.

24. As at the end of September, construction of 3 Waters has been completed in Gorge road (excl, wastewater relining/bursting) as well as in the northern half of Melbourne Street. Construction works are continuing across all zones of the project, with a focus on underground services. In parallel installation is due to commence in November for the structural panels engraved with the cultural manifestation. Installation will progressively occur through quarter one of 2024.

25. The asphaltting of Gorge Road is scheduled for December 2023 which means the road will be operable for the Christmas/January holiday season. Final Works to complete the section will be carried out in the new year.
26. As previously reported, the project continues to be challenged by price escalations in the construction market and resourcing of skilled labour. Gaining certainty of future time and cost risk is a key focus area for the Alliance and a detailed review of the Cost to Complete has commenced and is scheduled for completion December 2023.

High Profile Projects - Lakeview Development

27. The September year to date spend totals \$4.8m or 89% of the 2023/24 year to date budget of \$5.3m (full year budget \$14.3m).
28. 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.
29. 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.
30. The Wakatipu Transport Programme Alliance current programme has the infrastructure works internal to the subdivision completed on 30 September 2023, with the remaining ancillary works substantively complete by the end of December 2023 and final close out and handover to occur in March 2024.

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

31. The September year to date spend totals \$41k or 56% of the 23/24 full year budget \$73k.
32. 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.

33. These foundation documents will provide the basis for the next phase of community consultation and negotiation between the two parties: On 31 August 2023 Councillors adopted a Statement of Proposal (SOP) for community consultation before the end of 2023 on a land strategy and joint venture arrangements between the parties. Councillors will be asked to consider the outcome of that consultation, following a hearing, early in the new year (2024).

High Profile Projects: 516 Ladies Mile Community Centre:

34. The 516 Ladies Mile Community Centre project remains on hold pending council decision on cost increases due to extensive weather tightness issues and alternative options to consider. The 2023/24 budget of \$3.4m is currently proposed to be deferred to 2026/27 pending Council re-prioritisation process associated with capital planning for the draft LTP24 .

Project Management Office (PMO) Commentary:

35. There are currently 21 Property & Infrastructure projects with 2023/24 budgets being delivered within the PMO delivery team. Three projects have recently been completed or within the post construction lifecycle stage, seven projects are in construction, eleven are in detailed design and one in concept design. The September year to date spend is \$12.7m or 82% of the 2023/24 year to date budget of \$15.6m (full year budget \$91.0m).

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

- Shotover Country New Water Treatment Plant - YTD Budget \$0.2m with actuals of \$0.3M (Full year budget \$0.5M) - Physical works complete. Awaiting final sign off for practical completion expected November 2023.
- Western Wānaka Level of Service WS - YTD Budget \$3k with Actuals of \$7k (Full year budget \$0.8m) - Practical completion March 2023 for main HEB contract capitalised 2022/23. Agreed scope changes to include delivery of other parts of the ultimate conveyance route (to be funded from the project's forecast surplus) have been approved. Works for stage 2(Alpha Series pipeline) has now been completed with stage 3 (further extensions to Alpha Series pipeline) to be completed 2023/24.
- Paetara Aspiring Central YTD budget \$1.9m with Actuals of \$1.7m (Full year budget \$2.1m) - Practical completion reached September 2023. Minor close out works to follow.

37. PMO Projects within the construction phase include:

- Project Pure Wastewater Treatment Plant Upgrade - YTD Budget \$3.5m with Actuals of \$2.6m (Full year budget \$4.7m) - Construction commenced April 2022 and is scheduled for completion December 2023.
- Arthurs Point to CBD Active Travel (TR) YTD Budget \$0.5m with Actuals of \$26k (Full year budget \$7.3m) - Construction commenced September 2023 and is forecast to complete by May 2024.

- Project Shotover Wastewater Treatment Plant Upgrade - YTD Budget \$2.3m with Actuals of \$2.2m (Full year budget \$14.1m) - Construction contract awarded to McConnell Dowell. Physical works commenced August 2023 and due to be completed December 2025.
- North Wānaka Conveyance (WW) - YTD Budget \$0.1m with Actuals of \$0.1m (Full year budget \$7.6m) - The project is being delivered in two stages; (1) Aubrey Road conveyance, and (2) Beacon Point Rd Pump Station. Stage 1 completed June 2023. Stage 2 pump station designation appealed by submitters at hearing with mediation planned for Nov 23 and 24. \$7.4m proposed to defer to 2024-2026 through the December 23 Reforecast and LTP24 draft process.
- CBD to Frankton Conveyance (WW) YTD Budget \$1.3m with Actuals of \$1.0m (Full year budget \$5.6M) - Sewer relining works underway April 2023 with forecast completion date by June 2024 Detailed design for the planned new rising main has commenced, with construction anticipated to commence in 2024/25 subject to securing necessary planning permissions.
- Glenorchy Reservoir upgrade YTD Budget \$1.3m with Actuals of \$1.2m (Full year budget \$3.0m) - Construction commenced February 2023 and due to be completed October 2023. Surplus budget to be transferred to Glenorchy WTP and Beacon New Reservoir projects.
- Beacon Point New Reservoir YTD Budget \$3.3m with Actuals of \$2.6m (Full year budget \$4.0m) - Construction commenced in December 2022 and main works forecast to be completed by December 2023. Additional budget \$1.5m to be allocated in the December reforecast to complete construction of earth bund to screen future WTP.

38. PMO Projects within the detailed design phase include:

- Aubrey Rd Rec Reserve SW detention pond - YTD Budget \$0 with Actuals of \$0.4m (Full year budget \$0) - Detailed design completed and reviewed by ECG & PCG February 2023, with the decision proposed to defer commencement of construction of the detention pond on Kelly's flat to 2027 at present. Physical works for the stormwater pipe on Aubrey road completed August 2023. Budget of \$0.4m to be added through the December Reforecast to reimburse the developer for Anderson Road soak pits.
- Kingston HIF New Scheme (SW) YTD Budget \$34k with Actuals of \$19k (Full year budget \$7.9m) - Design and procurement of the stormwater scheme is being managed by the developer (represented by Hadley Consultants). Detailed design is complete and the earthworks consent has been granted. Consultation with the Three Waters National Transition Unit and funding determinations are pending. Next step is procurement/construction.
- Wakatipu Active Travel Network (TR) YTD budget \$6k with actuals of \$22k (Full year budget \$0.2m) - This budget is presently supporting design of route A8 (Lake Hayes Estate to Frankton). In addition, the funding provides for an assessment of potential bridge alignments across the Kawarau River to facilitate the A7 route (Jacks Point to Frankton) including the ability to cater for future Three Waters infrastructure. Peer review completed July 2023 identified higher cost. Agreed 2 offers for service required for more investigation (of bridge from Frankton over Kawarau) and for consenting of the

- Lake Hayes Estate Bridge (with construction likely to be funded by the trails trust) over the Kawarau.
- Marine Parade Wastewater Pump Station Electrical Upgrade - YTD budget \$46k with Actuals of \$28k (Full year budget \$0.1m) - A designation is required to consent the pump station in the new location and is expected to be publicly notified. Detailed design completed May 2023 and remains under review. Construction has been deprioritised and deferred to 2028/29 due to funding constraints (potential to be brought forward to 2024/25 though LTP24 process).
 - Upper Clutha Conveyance Scheme (WW) - YTD Budget \$0.4m with Actuals of \$0.3m (Full year budget \$1.8m) - Detailed design has commenced and is planned to be completed by the end of 2024. The design programme has been extended to analyse and incorporate any impacts associated with recent and proposed changes to Hāwea's urban growth boundary, with associated funding of \$0.8m proposed for deferral to 2024/25. The project team is revising the construction programme to understand any potential impacts to the originally forecast practical completion date, and liaising closely with the Infrastructure Acceleration Fund management team within Kainga Ora regarding likely changes to funding milestones.
 - Kingston HIF new scheme (WW) - YTD Budget \$0.1m with Actuals of \$36k (Full year budget \$14.7m) - Consultation with the Three Waters National Transition Unit and funding determinations are pending. Next steps are detailed design & construction phase.
 - Luggate Water Supply Scheme - YTD Budget \$0.1m with Actuals of \$0.1m (Full year budget <\$0.1m) - Detailed design completed March 2023. Construction phase on hold due to reprioritisation of budgets. Now programmed to commence 2027. Budget increase of \$0.2m proposed through the December reforecast to cover land acquisition, and planning activities.
 - Kingston HIF New Scheme (WS) - YTD Budget \$44k with Actuals of \$31k (Full year budget \$8.1m) - Detailed design of the scheme is complete, with Stage 1 ready for construction procurement (Stage 1 includes construction of a new water treatment plant, reservoir, and rising and falling water supply main). Consultation with the Three Waters National Transition Unit and funding determinations are pending. Next step is to go to market for construction.
 - Quail Rise Reservoir - YTD Budget \$0.2m with Actuals of \$36k (Full year budget \$0.8m) - Detailed design approved by ECG July 2023. No construction planned by QLDC until circa 2029-2030. Practical completion for Arrow Irrigation works October 2023. Balance of 2023/24 funds for planning / designation activities.
 - Glenorchy Water Treatment Plant - YTD Budget \$81k with Actuals of \$25k (Full year budget \$53k) - Detailed design updates due to be finalised October 2023 and a consent application lodged. Construction has been deprioritised and deferred to 2025/26 due to funding constraints.
 - Cardrona Water Supply Scheme Pipeline - YTD Budget \$42k with Actuals of \$47k (Full year budget \$3.1m) - Construction contract awarded October 2023, with forecast completion by May 2024. Surplus budget to be transferred to fund cost overrun forecast for Beacon point New Reservoir project.

39. PMO Projects within the concept design phase include:

- Wānaka New Waste Facilities (WM) - YTD Budget \$24k with Actuals of \$10k (Full year budget \$4.3m) - In process for tender for design (tenders reviewed August 2023). Likely to award contract in October and commence concept design by November 2023. The 2023/24 budget will be reduced to circa \$0.4m in 2023/24 with the balance deferred to 2024/25 in the December Reforecast.

40. QLDC is in receipt of a Compliance Order from Taumata Arowai regarding the Two Mile water supply scheme. Immediate intervention is required to respond to the compliance order and to ensure all other non-compliant schemes have protozoa barriers installed. The first stage of this compliance response involves the installation of Ultraviolet (UV) treatment facilities at non-compliant schemes. A subsequent stage (not yet costed or budgeted) will likely be required for the installation pre-treatment filtration to achieve full compliance. The December reforecast proposes to establish a new budget for the UV treatment compliance response with a 2023/24 forecast budget of \$8.5m. The work is currently being undertaken within the Two Mile Water Treatment Plant and Wānaka Water Treatment projects so will be offset with the existing 2023/24 forecast of \$6.0m across these two projects which is being reduced to \$0.2m.

Renewals Commentary:

41. Total September year to date actual spend is \$2.1m or 58% of the September year to date budget of \$3.6m. Full Year Budget \$21.8m.

42. Community Services Renewals:

43. Year to date spend \$0.2m or 35% of the September year to date budget of \$0.5m. Full year budget \$3.9m.

44. Parks & Reserves 23/24 full year budget totals \$2.6m including \$0.7m for Parks Roading Renewals (programmed for delivery within the Downer reseal contract including QEC, Spence Rd and Tuckers beach), \$0.5m for Tracks & Trails Renewals (Wakatipu focus Gibbston Trail upgrade, Thompson Street to Fernhill connection, Arrowtown Chinese Village trail realignment; Wānaka focus Millenium trail Wānaka Lakefront to Glendhu Bay, Upper Clutha River trail resurfacing & Cameron Creen trail) and \$0.2m for Playground Renewals (planned for McBride Laye Hayes Playground feature replacement and reallocations proposed in the December Reforecast to support a \$0.3M playground in Luggate).

45. Venues & Facilities \$0.9m Full Year Budget includes \$0.4m for QEC Alpine Aqualand plant and equipment renewals (of which the majority of works are scheduled to take place during the May pool shutdown).

46. Libraries \$0.4m full year budget is programmed to spend on library stock and furniture replacements.

47. Infrastructure Renewals:

48. Year to date spend \$1.9m or 62% of the September year to date Budget of \$3.1m. Full year budget of \$17.8m.

49. Buildings, Camp Grounds & Library renewals has actual spend of \$0.2m vs year to date budget of \$0.2m (Full year budget \$2.0m) - Significant projects include Pontoon Jetty Renewals and Wanaka Jetty 147 Replacement combined \$0.6m 2023/24 budget (procurement plan for construction underway with RFP expected to go to market by January 2024; consolidated with other minor Ramp/jetty projects districtwide), Wanaka Eely Point Jetty Ramp \$0.4m 2023/24 budget (deferred delivery due to LTP24 baseline criteria) and Healthy Homes Upgrades \$0.3m 2022/23 budget (phase two Arrowtown/Wānaka to run August to November 2023).

50. 3 Waters renewals spend of \$1.3m is tracking to year-to-date budget \$1.4m (full year budget \$4.4m). Renewals Works programmed to spend full 2023/24 budget with some reallocation to be required between projects.

51. Transport renewal actuals are \$0.3m against a year-to-date budget of \$1.1m. The majority of works \$5.7m are associated with sealed road resurfacing, rebabs and unsealed road metaling which is programmed for delivery through autumn. Contracts with Downer are in place to spend the majority of 2023/24 budget of \$9.1m. There is \$0.6m carried forward budget for Butlers Green Retaining Wall which allowed for design and construction of an anchor and mesh style repair option to the wall, however all options are now being reviewed in line with the Infrastructure Committee resolution of February 2023. Accordingly, a longer lead time to identify and commission a preferred solution is now anticipated and the majority is proposed for deferral in the December Reforecast, leaving \$50k to finalise the heritage impact assessment and design options. It is important to note that the established budget will be insufficient for any likely solution so this deferral signals an intention to invest only. The budget will be updated when a preferred option is selected and costed.

52. Waste Management renewals actuals are \$35k against a year to date budget of \$130k. The full year budget of \$1.3m includes \$0.6m for Existing Waste Site Consenting. The Landfill consent expires 2032 and Morrison Low have been engaged to draft an RFP, which is now targeted for Q3 2023/24, followed by procurement. Remediation repairs also required for consent at Wānaka closed landfill & Tuckers Beach which is awaiting pricing. There is \$0.5m budget for Existing Wakatipu Waste Facilities (currently awaiting a proposal from Waste Management on upgrades required including a MRF Pit floor, heating, rollers, belts & pipes; MRF preliminary assessment/design for Frankton Transfer station underway)

Other Capital Projects Commentary:

Community Services Other Projects:

53. Year to date spend \$0.4m or 30% of the September year to date budget of \$1.4m. Full year budget of \$15.9m.
54. Buildings includes \$4.1M full year budget for Ballantyne Road Recreation Centre Wastewater Site Prep (proposed to defer to 26/27 due to LTP24 baseline approach) and \$0.4m for Jack Tewa Park Prefabricated Relocation (consenting and plan change approved then work paused before final site is confirmed; now deferred to 2026/27 due to LTP24 baseline approach and incorporated into 516 Ladies Mile stage 1 project as recommended location).
55. Parks & Reserves \$9.1m 2023/24 budget includes \$2.7m for Wānaka Lakefront Development Plan (Stage 2 construction completed May 2023 with minor works including tiles now completed August 2023; Stage 5 to be transferred to a new project in the December 2023 Reforecast and reduced to \$1.5m of which 50% is third party funded), \$2.6m for Coronet Forest Revegetation (planting manager contract awarded and Planting contractor award expected October 2023), \$0.8m for Water Sports Facility and parking (Procurement plan completed and looking to go to market October for bridge and carparks works) and \$0.7M for Glenorchy carpark & marina improvements (Construction planned 2023/24 pending contractor pricing under review).

Corporate Other Projects:

56. Year to date spend \$0.3m or 77% of the September year to date budget of \$0.3m. Full year budget of \$1.9m.

Information Management full year budget of \$1.5m includes \$0.6m for Enterprise System (Program includes consultants supporting the TechnologyOne project pipeline, resource backfill to support TechnologyOne CiA transition programme), \$0.3m for ICT Projects (program includes laptop cybersecurity upgrade, Cloud maturity support, backup audit, Digital Strategy Support, Information Management Transformation project support) and \$0.2m for ICT Network (program includes network improvement projects, IoT Platform enhancements, Wi-Fi and switch upgrades).

Property & Infrastructure Other Projects:

Property & Infrastructure Other Projects:

57. Year to date spend \$4.1m or 60% of the September year to date budget of \$6.8m. Full year budget of \$65.3m.
58. Buildings \$1.8m 2023/24 full year budget includes \$0.5m for the Performing Arts Centre (remaining budget for removal of Queenstown Performing Arts Centre to relocate to Country Lane, pending consent prior to removal anticipated early 2024), \$0.4m for Luggate Hall Replacement (completed November 2022 but awaiting invoice to close out variation on claims that remain under review with minor close out works to follow) and \$0.4m for Stanley Street Playcentre relocation (one off payment due to Ministry of Education towards the new facility likely to be due November 2023).

59. Waste Management \$4.3m 2023/24 full year budget includes \$2.8m for Wakatipu New Waste Facilities (site assessment of Coneburn undertaken and confirmed as not suitable with further options to develop now being considered), \$0.7m for Zero Waste District Programme (service agreements are in place which will incur milestone payments including Resourceful communities \$212k, Wānaka Community Workshop \$41k, One Bike Lightfoot Initiative \$39k, Kiwi Harvest \$38k, Zero Waste Event work \$30k and WAO Circular Economy Programme \$108k) and \$0.5M for Organic Waste Management (additional funding \$184k confirmed from Ministry for the Environment to support kerbside collections, Grow Wānaka and Zero Waste Glenorchy initiatives).
60. Minor budgets totaling \$1.2m within Storm Water include Catchment Management Plans and Investigations (contract committed to spend full amount across Wakatipu/Wanaka) and Modelling (commitments raised for modelling to feed into the Catchment Management Plans).
61. Wastewater full year budgets totaling \$12.4m include \$6.1m for Project Pure Aeration Grid Renewal (rephasing of expenditure across 23/24 and 24/25 proposed via the December 2023 reforecast to align with likely construction programme) and \$4.3m for Robins Road Conveyance Upgrade (detailed design underway with deferral of \$4.0m proposed through the December 2023 reforecast to 2024/26 for construction).
62. Water Supply full year budgets totaling \$22.2m includes \$15.1m for the Cardrona New Water Supply Scheme (QLDC is required to make payment to the developer 2023/24 upon completion which is currently forecast February 2024.), \$1.0m for Two Mile Water Treatment Plant (budget being utilised for the UV rapid deployment project with emergency installations at Fernhill and Two Mile due to be completed by March 2024), \$1.6m for Wānaka Water Treatment (being utilised for the UV rapid deployment project with emergency installations at Western Intake, Beacon Point, Wānaka Airport, Corebridge and Luggate which is targeting progressive completion towards June 2024) and \$2.4m for Hanley's Farm new Reservoir & Pump Station Rising/Falling Mains (developer agreement remains under negotiation for the developer led design and construction with payment due on completion by developer as a contribution to built assets).
63. Transport \$21.3m full year budget includes the Waka Kotahi 51% subsidised projects totaling \$9.8m for the Road to Zero Minor Improvements Low Cost low Risk Programme (construction underway/scheduled for Hawthorne Road, Glenorchy Corridor, Lower Shotover Road, Arrowtown RTZ, Riverbank/Ballantyne, Golf Road, Capell Avenue, Wānaka Corridor, Anderson/Aubrey, Rata Street, Aubrey Road & Cardrona Village), \$0.8m for Active Travel (Anderson Rd active travel to be completed by December 2023 and route B2 Thompson Street due for completion March 2024), \$0.6m for Wānaka Masterplan Update (contract for network optimisation single stage business case commenced September 2023) and \$0.5m for Capell Avenue Road Formation (subject to a partial deferral in December 2023 Capital Reforecast to reflect the long lead time on professional services).

64. The Wānaka Pool to School Active Travel \$5.2m full year budget has approved Transport Choices funding of \$1.5m which is funding the construction works programmed for Stage 2 Kelly's Flat to Hedditch Street, which is underway and due to be completed March 2024. Stage 3 Ballantyne to Golf Course Road is scheduled to run November 2023 to April 2024 stage 4 State Highway Crossing is scheduled to run January to May 2024.

The Wakatipu Public Transport Low Cost Low Risk improvements projects has a \$0.7m full year budget which is 51% subsidised by Otago Regional Council (the Tranche 2 construction contract practical completion was reached June 23, with minor close out works to follow 2023/24 along with Tranche 3 Design and consultation).

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

2023:24 September Debtors Analysis Overview:

66. Total outstanding debtors has had a slight decrease by \$0.2m compared to Sept 2022, with a \$1.7m decrease in 61-90 days ageing due to 2 large Development contributions having been paid. The increase in the ageing 90 days plus is due to increases within Infringements \$0.5m and Consent Debtors \$0.7m.

67. Further in-depth commentary is provided within Attachment C.

2023:24 Statement of Financial Position Overview.

68. Total increase in net assets compared to Sept 2022 is \$0.04m which is made of the following significant movements:

1. \$268m increase in property, plant & equipment from the revaluation of Three Water and Roading infrastructural assets, and asset additions in the FY23 year;
2. Net increase in total borrowings of (\$197m) to fund the capital programme and weather tightness settlement.

69. Further in-depth commentary is provided within Attachment D.

Options:

70. 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.

71. Option 1 The report is for noting, therefore no options are discussed.

Financial Implications | Kā Riteka ā-Pūtea

72. 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.

Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka

73. The recommended option:

74. Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. This report explains how QLDC are delivering financially against the expectations set out in the annual plan. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act.

75. Is consistent with the Council's plans and policies.

Attachments | Kā Tāpirihaka

A	Finance Management Report – 2023:24 September YTD Actual to September YTD Budget Financial Overview.
B	Finance Management Report – 2023:24 September YTD Capital Expenditure Reporting Overview
C	September 2023 Debtors Analysis
D	September 2023 Statement of Financial Position