

Notice of Meeting:

I hereby give notice that an ordinary Meeting of the Finance Committee will be held on:

Date: Tuesday 7 May 2024
Time: 9:30 am
Meeting Room: Council Chamber and Audio-Visual Link
Venue: Municipal Building, Garden Place, Hamilton

Lance Vervoort
Chief Executive

Finance and Monitoring Committee
Te Komiti Aroturuki me ngaa Puutea
OPEN AGENDA

Membership

Chairperson Cr Maxine van Oosten
Heamana

Deputy Chairperson Cr Moko Tauariki
Heamana Tuarua

Members	Mayor Paula Southgate	Cr Ewan Wilson
	Deputy Mayor Angela O'Leary	Cr Louise Hutt
	Cr Melaina Huaki	Cr Geoff Taylor
	Cr Emma Pike	Cr Andrew Bydder
	Cr Mark Donovan	Cr Sarah Thomson
	Cr Anna Casey-Cox	Cr Kesh Naidoo-Rauf
	Cr Tim Macindoe	

Quorum: A majority of members (including vacancies)

Meeting Frequency: Two monthly

Amy Viggers
Mana Whakahaere
Governance Lead

29 April 2024

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Purpose:

The Finance and Monitoring Committee is responsible for:

1. Monitoring Council's current financial strategy, and financial performance against the Long Term Plan and Annual Plan.
2. Determining financial matters within its delegations and Terms of Reference and making recommendations to Council on financial matters outside its authority.

In addition to the common delegations on page 10, the Finance and Monitoring Committee is delegated the following Terms of Reference and powers:

Terms of Reference:

3. To provide direction on Council's financial strategy and monitor performance against that strategy.
4. To monitor Council's financial performance against the Council's Long Term Plan and the impact of the financial performance on services levels and rate payers' value.
5. To monitor Council's capital expenditure against the Council's Long Term Plan.
6. To monitor Council's service delivery performance as outlined in the Council's Long Term Plan.
7. To develop and monitor policy related to the following matters:
 - a) financial management;
 - b) revenue generation; and
 - c) procurement and tendering.
8. To monitor the probity of processes relating to policies developed by the Finance and Monitoring Committee.
9. To provide clear direction to the Local Government Funding Agency on Council's expectations, including feedback on the draft statements of intent.
10. To receive six-monthly reports from the Local Government Funding Agency.

The Committee is delegated the following powers to act:

- Approval of operating expenditure within the Long Term Plan or Annual Plan that exceeds the Chief Executive's delegation, excluding expenditure which:
 - i. contravenes the Council's Financial Strategy; or
 - ii. significantly alters any level of service outlined in the applicable Long Term Plan or Annual Plan; or
 - iii. impacts Council policy or practice, in which case the delegation is recommendatory only and the Committee may make a recommendation to the Council for approval.
- Approval of contractual and other arrangements for supply and services, and revenue generating contracts, which:
 - i. exceed the Chief Executive's delegations, but
 - ii. exclude contracts or arrangements that are reserved for the Council or another Committee's approval.
- Approval to write-off outstanding accounts that exceeds the Chief Executive's delegation.

The Committee is delegated the following recommendatory powers:

- To set the direction of Council's Financial Strategy.
- The Committee may make recommendations to Council.
- The Committee may make recommendations to other Committees.

Recommendatory Oversight of Strategies:

- Financial Strategy

Recommendatory Oversight of Policies and Bylaws:

- *Funding Needs Analysis Policy*
- *Investment and Liability Management Policy*
- *Rates Remissions and Postponements Policy*
- *Rating Policy*
- *Revenue and Financing Policy*

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Karakia Whakatuuwhera

Tuia i runga	<i>Unite above</i>
Tuia i raro	<i>Unite below</i>
Tuia i roto	<i>Unite within</i>
Tuia i waho	<i>Unite outside</i>
Tuia ngaa kaimahi o te	<i>Unite as a worker of</i>
Kaunhihera o Kirikiriroa	<i>Hamilton City Council</i>
Whaaia te iti kahurangi	<i>Strive for something of great value</i>
Kia uu, Kia mau, Kia ita	<i>Be firm, hold on, be strong</i>
Haumi e, hui e, taaiki e	<i>Now we come together, together as one</i>

1 Apologies – *Tono aroha*

2 Confirmation of Agenda – *Whakatau raarangi take*

The Committee to confirm the agenda.

3 Declaration of Interest – *Tauaakii whaipaaanga*

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

4 Public Forum – *Aatea koorero*

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes has been set aside for a public forum. Each speaker during the public forum section of this meeting may speak for five minutes or longer at the discretion of the Chair.

Please note that the public forum is to be confined to those items falling within the terms of the reference of this meeting.

Speakers will be put on a Public Forum speaking list on a first come first served basis in the Council Chamber prior to the start of the Meeting. A member of the Council Governance Team will be available to co-ordinate this. As many speakers as possible will be heard within the allocated time.

If you have any questions regarding Public Forum please contact Governance by telephoning 07 838 6699.

Council Report

Committee: Finance and Monitoring Committee

Date: 07 May 2024

Author: Keryn Phillips

Authoriser: Michelle Hawthorne

Position: Governance Advisor

Position: Governance and Assurance Manager

Report Name: Confirmation of the Finance and Monitoring Committee Open Minutes of 29 February 2024

Report Status	<i>Open</i>
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Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Finance and Monitoring Committee confirm the Open Minutes of the Finance and Monitoring Meeting held on 29 February 2024 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Finance and Monitoring Committee Unconfirmed Open Minutes 29 February 2024

Finance and Monitoring Committee

Te Komiti Aroturuki me ngaa Puutea

OPEN MINUTES

Minutes of a meeting of the Finance and Monitoring Committee held in Council Chamber and Audio-Visual Link , Municipal Building, Garden Place, Hamilton on Thursday 29 February 2024 at 9:30 am.

PRESENT

Chairperson Cr Maxine van Oosten
Heamana

Deputy Chairperson Cr Moko Tauariki
Heamana Tuarua

Members: Deputy Mayor Angela O’Leary
Cr Melaina Huaki
Cr Emma Pike
Cr Mark Donovan
Cr Anna Casey-Cox
Cr Ewan Wilson
Cr Louise Hutt (via audio-visual link)
Cr Geoff Taylor
Cr Andrew Bydder
Cr Sarah Thomson
Cr Kesh Naidoo-Rauf
Cr Tim Macindoe

In Attendance: Lance Vervoort – Chief Executive
David Bryant - General Manager Business Services
Sean Murray - General Manager Venues, Tourism and Events
Andrew Parsons – General Manager Infrastructure and Assets
Blair Bowcott – General Manager Strategy, Growth and Planning
Janet Carson – General Manager Partnerships, Communication and Maori
Tracey Musty - Finance Director
Kelly Stokes – Capital Projects Director
Tania Herman – Acting Executive Director Infrastructure
James Clarke – Unit Manager Strategy and Planning

Governance Staff: Amy Viggers – Governance Lead
Keryn Phillips and Arnold Andrews – Governance Advisors

The Chair opened the meeting with a karakia

1. **Apologies – Tono aroha**
Resolved: (Cr van Oosten/Cr Tauariki)
 That the apologies for absence from Mayor Southgate (Council Business), and for early departure from Cr Macindoe are accepted.
2. **Confirmation of Agenda – Whakatau raarangi take**
Resolved: (Cr Casey-Cox /Cr Pike)
 That the agenda is confirmed.
3. **Declarations of Interest – Tauaakii whaipanga**
 There were no conflicts.
4. **Public Forum – Aatea koorero**
 No members of the public wished to speak.
5. **Confirmation of the Finance and Monitoring Committee Open Minutes of 31 October 2023**
Resolved: (Cr Tauariki/Deputy Mayor O’Leary)
 That the Finance and Monitoring Committee confirm the Open Minutes of the Finance and Monitoring Meeting held on 31 October 2023 as a true and correct record.
6. **Chair's Report**
 The Chair took the report as read.
Resolved: (Cr van Oosten/Cr Tauariki)
 That the Finance and Monitoring Committee receives the report.
7. **Capital Portfolio Monitoring report**
 The Capital Projects Director took the report as read. Staff responded to questions from Members regarding the Housing Infrastructure Fund, investment, value and risks of growth, use of public facilities and revenue from fees and charges.
Resolved: (Cr Wilson/Cr Tauariki)
 That the Finance and Monitoring Committee receives the report.
8. **Financial Performance & Strategy Report to 31 January 2024 (Recommendation to Council)**
 The Finance Director spoke to the report and noted Council’s balancing the books and forecasting position was unfavourable due to interest and depreciation. Staff responded to questions from Members regarding the consequences of the debt levels from lenders, debt to revenue limit and the Housing Infrastructure Fund’s interest rates.
Staff Action: Staff undertook to provide Members with additional information covering the depreciating assets.
Resolved: (Cr Wilson/Cr Macindoe)
 That the Finance and Monitoring Committee:
 - a) receives the report;
 - b) recommends that the Council:
 - i. approves the capital movement as identified in paragraph 28 of the 29 February 2024 Capital Portfolio Monitoring Report;

- ii. approves the significant forecast adjustments and revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 50 to 55 of this staff report.

The meeting was adjourned from 11.24am to 11.40am.

9. Non-Financial Service Performance Measures - six-monthly update

The Unit Manager Strategy and Planning spoke to the report and noted that Council had received commendation from the Office of the Auditor General on the regular updates in this report. Staff responded to questions from Members regarding various performance measures and opportunity to review the priorities as part of the current Long-Term Plan programme.

Staff Action: Staff undertook to organise a session with Members to discuss priorities ahead of the 14 March Council meeting.

Resolved: (Cr Tauariki/Cr Thomson)

That the Finance and Monitoring Committee:

- a) receives the report; and
- b) notes that the next six-monthly update will be presented as part of the 2023-24 Annual Report.

Cr Macindoe retired from the meeting (11.55am) during the discussion of the above item. He was not present when the matter was voted on.

10. Resolution to Exclude the Public

Resolved: (Cr Tauariki/Cr Donovan)

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Finance and Monitoring Committee Public Excluded Minutes of 31 October 2023) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987	Section 48(1)(a)
C2. Report on overdue debtors as at 31 January 2024 and Debt write-offs 2023/24		
C3. Libraries Contract renewal		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information

and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to protect the privacy of natural persons to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment	Section 7 (2) (a) Section 7 (2) (f) (ii)
Item C3.	to enable Council to carry out negotiations	Section 7 (2) (i)

The meeting moved into Public Excluded session at 12.03pm.

The meeting was declared closed at 12.43pm.

Council Report

Item 6

Committee: Finance and Monitoring Committee

Date: 07 May 2024

Author: Iain Anderson

Authoriser: Chris Allen

Position: Capital Financial Lead

Position: Executive Director Development

Report Name: Capital Portfolio Monitoring Report

Report Status	<i>Open</i>
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Purpose - *Take*

1. To inform the Finance and Monitoring Committee on the financial performance of the capital portfolio for the period ended 31 March 2024.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Finance and Monitoring Committee
 - a) receives the report;
 - b) approves four 'Instruction for Services' under Contract CON00001320-2022 to Downey Asset Management Limited up to an aggregate maximum sum of \$3,100,000 for the programme of renewals and upgrade works for the Waikato Museum as set out below and further described in this report:
 - i. Loading Bay
 - ii. Flooring Renewal
 - iii. Airlock
 - iv. Toilet Renewal; and
 - c) approves two 'Instructions for Services' under Contract CON00001320-2022 to Downey Asset Management Limited up to an aggregate maximum sum of \$3,000,000 for the renewal of the Steele Park Toilets and Changing Rooms comprising two new buildings.

Executive Summary - *Whakaraapopototanga matua*

3. This report is to be read in conjunction with the Financial Performance and Strategy Report for the period ended 31 March 2024.
4. The capital expenditure budget that was approved in the 2023/24 Annual Plan was \$352.0 million and the approved revenue budget is \$81.2 million.

5. Through the 2022/23 financial year end final budget, adjustments were identified that impact on the Approved 2023/24 budgets. These changes relate to final deferrals or brought forwards that were unable to be quantified before the Annual Plan was adopted.
6. The total value of these adjustments resulted in a reduction in the 2023/24 budget of \$21.5 million, this was primarily the result of a \$16.7 million brought forward for land purchase in the Peacocke growth cell. This purchase had been expected in the 2023/24 but was settled in the 2022/23 financial year.
7. The impact was that the capital expenditure programme was restated to \$330.5 million.
8. Since then, additional budget adjustments have been identified. These changes either amend the overall total or are timing changes being either deferrals (they will now occur in a later financial year) or brought forward (they are being incurred earlier than planned).
9. The changes approved at the previous meeting restated the capital expenditure budget to \$359.0 million.
10. Current changes result in the annual restated budget to \$342.4 million. This is a reduction of \$16.7 million. It is made up of programme reductions of \$5.8 million and net deferrals of \$10.9 million. The changes can be seen in **Attachment 3**.
11. Actual capital expenditure for the period ended 31 March 2024 is \$243.8 million. The associated actual capital revenue for the same period is \$42.8 million.
12. Capital work in progress (WIP) is \$778.4 million, within this amount is \$181.5 million of assets that are in service but have not yet been capitalised. To negate the impact on the operating result, an estimate of the depreciation amount has been made and is reflected in the operating result for the period ended 31 March 2024.
13. The value of assets capitalised up to 31 March 2024 is \$165.9 million. In addition, there is a further \$48.4 million that is nearing completion. Staff continue to work to substantially reduce the outstanding balance for the end of the financial year.
14. There have now been 23 Housing Infrastructure Fund (HIF) drawdowns that total \$179.0 million. The next drawdown is for the quarter ending 31 March 2024. This will be the final drawdown as the full facility value of \$180.4 million will have been reached.
15. Approval is sought to issue instructions to Downey Asset Management Limited for two programmes of work that exceed a threshold of \$2,000,000 set for the Building Works Panel contract.
16. Two projects have an orange risk status, the detail is listed in paragraphs 75-78.
17. Current economic conditions continue to be challenging. Any adverse financial impacts on the Capital programme will be reported through to the Finance and Monitoring Committee.
18. Staff consider the matters to be of low significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

Programme Summary and Significant Highlights

19. **Attachment 1** contains an overview of the nine programmes which make up the Capital Portfolio. Each overview contains a summary of the target achievements for the first three years of the 2021-31 Long-Term Plan, together with key project achievements and a graphical representation of the financial performance. In accordance with the previous direction of Committee the overviews have shifted their focus to delivery and deferral risk

20. **Attachment 2** is a summary schedule of the budget changes throughout the year. It lists the type of budget change for both expenditure and revenue. The schedule tracks the changes from the approved budget through to the changes being reported to this committee meeting.
21. **Attachment 3** contains a full schedule of the capital expenditure budgets. This schedule is presented using the external activities rather than the nine programmes. This detail relates to the summary table in paragraph 32.
22. **Attachment 4** contains a full schedule of the capital revenue budgets. This schedule mirrors the project detail in **Attachment 3**. This detail relates to the summary table in paragraph 26.

Capital Expenditure and Revenue Forecasts

23. The capital forecast refers to approved changes that are made to the Approved Budget. The Capital Budget that was approved in the Approved 2023/24 Annual Plan was, expenditure of \$352.0 million and associated revenue \$81.2 million.
24. In addition to the approved Annual Plan the final deferrals from the previous financial year (2022/23) have been included. These deferrals/brought forwards were unable to be confirmed before the 2023/24 Annual Plan was approved. They are included in the summary table below as Opening Deferrals & balance brought forward, paragraph 26.

Current Year Changes

25. The changes included here have been incorporated into the Financial Strategy results through the Financial Performance and Strategy Reports to Committee to allow the impact to be understood.
26. The following table summarises the budget changes. It starts with the approved 2023/24 Annual Plan and the opening deferrals and brought forwards, and then shows the reported changes along with the value of deferrals and brought forwards. A full summary table can be found in **Attachment 2**.

Summary Table	Expenditure	Revenue
Opening Budget as at 1 July 2023	351,964	(81,155)
Opening Deferrals & b/fwds	(21,484)	(2,677)
Current Year Changes		
+/- Deferrals & b/fwds	13,227	(4,890)
+/- Approved Changes and Savings	(1,374)	22,884
+/- Movement Correction	78	(451)
Forecast Budget as at 31 March 2024	342,410	(66,289)

27. A detailed schedule of the expenditure and the revenue can be found in **Attachment 3** and **4**.

Capital Expenditure Actual

28. The actual capital expenditure for the period ended 31 March 2024 is \$243.8 million. The comparative amount from the same period last year is \$198.7 million.

Capital Revenue Actual

29. Capital revenue provides a significant revenue stream for Council, the 2023/24 Annual Plan target is \$81.2 million.
30. Capital revenue is broadly categorised into two sources, NZTA Waka Kotahi subsidies and other Capital Contributions. Examples of other are, contributions received towards network connections, Government Grants and Multi Party funding agreement like the Ruakura Spine Road.

31. The actual capital revenue for the period ended 31 March 2024 is \$42.8 million. The comparative amount from the previous year is \$39.1 million.
32. The following table provides further detail on the revenue breakdown.

Breakdown of Capital Revenue

As at 31 March 2024 (000's)

	Actual	Annual Plan	Annual Forecast
NZTA Capital Subsidy	22,157	29,442	37,406
NZTA Renewal Subsidy	9,491	7,921	9,526
Contributions and Grants	11,180	43,792	19,879
	42,829	81,155	66,811

Capital Deferrals and Brought Forwards for 2023/24

33. Deferrals and brought forwards are changes to the timing of when a project is undertaken. They do not alter the value of the project.
34. In January 2024 the net position between deferrals and brought forward was a reduction of \$6.8million to the capital programme.
35. Since the January 2024 position the net deferrals result in a decrease of \$10.9 million to the capital programme, this is made up of:
- i. Less Deferrals moving out to the 2024/25 financial year \$13.0 million; and
 - ii. Plus Brought forward from the 2024/25 financial year \$ 2.1 million.
36. The key deferrals are for indoor Recreation \$1.4 million, Wastewater Treatment Plant upgrade \$1.6 million, and Wastewater capacity upgrades to the West Network \$5.7 million.
37. The key brought forwards are Peacocke Park development \$1.0million and Museum Development \$1.0 million.
38. Full detail can be found in **Attachment 3**.

Capital Changes

39. Capital changes affect both expenditure and revenue.
40. In January 2024 Council approved the reductions in capital programme of \$20.6 million. This was largely the reduction in the Climate Emergency Response Fund (CERF) programmes to align with withdrawal of funding by central government.
41. Since January 2024, there has been a further reduction in expenditure of \$5.8million, and associated revenue reductions of \$5.6 million. Summary of the material changes:
- i. increase in Land purchase for Rotokauri of \$3.6 million, no associated revenue. This was considered by the Strategic Growth and District Plan Committee 11 April 2024; it will go to Full Council for approval on 30 April 2024.
 - ii. reduction of \$4.45 million in infrastructure as a part of the Ruakura Inland port, this has an associated reduction in capital contribution revenue of \$2.8 million. This project is virtually complete, and the reduction reflects actual costs are now known. The revenue relates to the Multi party Funding agreement with Tainui Group Holdings Limited (TGHL) and Ministry of Business, Innovation and Employment (MBIE).

- iii. reduction in the Low-Cost Low-Risk Programme of \$5.5 million. This has an associated reduction in capital subsidy revenue of \$2.7 million. The Infrastructure and Transport Committee agreed to the reduction of the programme on 5 March 2024
- 42. A full list can be found in **Attachment 3** for Capital Expenditure and in **Attachment 4** for Capital Revenue.

Work in Progress (WIP)

- 43. The total value of WIP for the 9 months ended 31 March 2024 is \$778.4 million, inclusive of vested assets.
- 44. The breakdown by status is:
 - i. Current – \$597.0 million (76.7%): this is legitimate WIP and reflects the assets that cannot be capitalised until they are complete and in use; and
 - ii. Outstanding – \$181.5 million (23.3%): these are assets are in service, but the capitalisation process has not yet been completed. This group is treated with priority. Depreciation is applicable but not yet charged.
- 45. Since the start of the financial year, \$165.9 million has been capitalised representing a significant value. In addition to this amount a further \$48.4 million has been completed but is yet to be processed.
- 46. Since the previous report, outstanding WIP has reduced by \$23.8 million, this is a positive reduction and reflects the organisational efforts in this area.
- 47. The direct financial impact from delays in asset capitalisation is the depreciation expense is understated. To ensure that we do not understate the expense and report a more favourable position, an assessment of the depreciation value has been made and recorded as an expense on the Statement of Comprehensive Revenue and Expense.

Housing Infrastructure Fund (HIF) Drawdowns

- 48. The total HIF Loan Facility that was agreed to with central government on 1 August 2018 is valued at \$180.3 million.
- 49. To date, 23 drawdowns have been made and received. These total \$179.0 million. The next drawdown is for the quarter ended 31 March 2024; this will be the final drawdown as the full capacity of the HIF facility will have been reached. This will mark a significant milestone in the Peacocke development programme.
- 50. The total drawdowns will number 24, with each drawdown being a separate loan agreement with the interest free period starting from the date Council receives the funding.
- 51. As per the detailed business case, Development Contribution revenue received will be used to repay the HIF loans.
- 52. While the HIF is interest free for 10 years, we are required to account for the interest free benefit on the Operating Statement. Due to the current high interest rates this increases the benefit, the impact has been adjusted in the forecast.

Building Works Panel Contract

- 53. The Finance and Monitoring Committee approved entering a building works capital panel contract with three suppliers at its meeting on 23 August 2022. This panel contract was formed due to the number of relatively low-cost building renewal or improvement projects that are funded and programmed each year mostly under our Renewals and Compliance Programme. The three selected Contractors are:

- i. Woodview Construction Ltd
- ii. Mitchell Construction Ltd
- iii. Downey Asset Management Ltd

54. This new arrangement is much more efficient and allows staff a choice of three contractors who have each provided competitively tendered rates to be on the panel. This efficiency allows better delivery of projects to meet quite often challenging timeframes and to minimise disruption to operational activities.
55. The panel contract was awarded for a term of two years with a further right of renewal of three years with an Approved Contract Sum of \$30,800,000 across the first two-year term.
56. The panel contract allows staff to directly award work to any of the panel contractors or they can choose to competitively tender the works amongst the three chosen panel contractors (secondary procurement).
57. While it was not explicit in the award recommendation, the intent was that the maximum value of any single project with any one panel contractor would be \$2,000,000 and that Council approval would be sought for any Instruction for Service that exceeded this threshold, or to go out to public tender for the works.
58. There are two sites where Council approval is sought to award instructions to Downey Asset Management Limited where the combined value of individual Instructions for Services exceeds the \$2,000,000 threshold. These sites are the Waikato Museum and Steele Park.
59. Council approval of both programmes does not require any additional funding, nor is the approval likely to exceed the Approved Contract Sum of \$30,800,000 for the entire two-year panel contract.

Waikato Museum

60. The full panel was put into a secondary procurement process for four individual projects, which are being carried out at the same time (from April 2024 to December 2024) at the Waikato Museum. These individual projects are:
 - i. Loading Bay
 - ii. Flooring Renewal
 - iii. Airlock
 - iv. Toilet Renewal
61. Each of these projects on their own are well below the \$2,000,000 and within staff delegations to award.
62. Following evaluation of the responses, Downey Asset Management Ltd were deemed to be the preferred supplier for each of the projects.
63. To meet programme commitments Downey Asset Management Ltd has been issued approval for the first two projects, the Loading Bay and the Flooring Renewal which combined have an estimate of \$1,800,000.
64. Rather than award the remaining two projects as individual instructions under the panel, it is more transparent to seek Council approval to combine these two projects with the existing commission and to issue them under one instruction, which will be for a combined price of \$3,100,000 (for the four projects), which exceeds the \$2,000,000 threshold.
65. The project is fully budgeted and no additional funding is being sought.

Steele Park

66. Downey Asset Management Limited were engaged early to assist staff on an Early Contract Involvement (ECI) basis to undertake some demolition of the existing toilet block at Steele Park and to help scope and price the work for replacement facilities.
67. At the outset of this project, it was anticipated that the Instruction for service to Downey Asset Management for the new toilet rebuild would be for a one building design and be below the \$2,000,000 threshold and, on this basis, staff have been working with them.
68. The ECI model was chosen due to the complexity of building in the vicinity of a scheduled tree (T9.49) and the need to be agile with the scope of what was required.
69. During the consenting process, the one-building approach was declined consent and a two-building solution was required to work around the tree. The result is good but because of the two-building requirement the price has increased to above the \$2,000,000 threshold.
70. It doesn't make any sense to change the supplier at this stage from Downey Asset Management, who have started the works, and approval is sought to issue one instruction for a total price of \$3,000,000.
71. Staff are satisfied that this price represents value for money with the negotiation being based on competitively tendered rates from Downey Asset Management.
72. The project is fully budgeted and no additional funding is being sought.

Project Risks

73. Projects are reviewed for risks monthly by the Project Managers. Risks are either Orange, considered significant and being monitored and managed by staff or Red, considered significant and will require a Council decision.
74. Two projects are classified as orange: Peacocke – Wairere Drive Extension (including bridge and Whatukooruru Drive) and Rototuna Village Infrastructure.

Peacocke-Wairere Drive Extension (including Bridge and Whatukooruru Drive)

75. This project has been determined to remain orange throughout the full construction to simply reflect that the Peacocke programme is the highest portfolio cost risk. This is due to the scale of the programme and the term of the programme spanning the most difficult period from 2020 which has included Covid-19 lockdowns, extreme market conditions, escalation of costs linked to market specific indices that have been running much higher than general inflation and adverse weather events.

Rototuna Village Infrastructure

76. The orange status relates to the delay of Turakina Rise to Bourn Brook bypass due to consenting issues associated with the compliance with the National Policy Statement (NPS) on Fresh Water, which was introduced after all the initial planning work was undertaken.
77. The Infrastructure and Transport Committee received a report on this matter at its 9 November 2023 meeting and approved an option to delay progressing the Rototuna Town Centre traffic bypass until a review and update of the Rototuna Town Centre plan had been undertaken in partnership with Kirkdale and other landowners.
78. In accordance with the report the cost to build the bypass and fully mitigate the freshwater matters has been included in Year 3 of the 2024-34 Long-Term Plan. This programming will give Council and the developer an opportunity to review the Rototuna Town Centre plan in conjunction with a development master plan for the surrounding land use and this will confirm or otherwise the need for the bypass in its current form.

Portfolio Risks

Cost Escalation

79. Current economic conditions continue to be challenging, capital cost escalation has accelerated over the past three years. These cost pressures not only impact on the value of the capital programme but also flow through into higher depreciation and interest costs. Staff continue to monitor the environment and impacts are reported through to the committee for consideration.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

80. Staff confirm that matters and recommendations within this report comply with Council's legal and policy requirements.
81. Staff have also considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matter(s) in this report.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

82. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental, and cultural wellbeing of communities in the present and for the future ('the 4 well-beings').
83. The subject matter of this report has been evaluated in terms of the 4 well-beings during the process of developing this report as outlined below.
84. The recommendations set out in this report are consistent with that purpose.

Social

85. Work is currently underway to understand social procurement opportunities across our portfolio, which involves enhanced recognition and valuing of social benefits through particularly our selection of contractors.

Economic

86. Delivery of our capital works portfolio delivers significant economic benefits to Hamilton and the surrounding districts. In the past year over \$250 million have been injected in the Hamilton economy. While no hard data is available there is acceptance that a substantial portion of this amount has been invested in local community thereby supporting business and employment.
87. Given the Capital programme approved in the 2021-31 Long-Term Plan totals \$2.5 billion, staff will undertake more detail economic modelling to understand better the economic benefits and report back to this Finance Committee, this modelling has not yet been done.

Environmental

88. Across the capital portfolio, environmental consideration is integrated throughout the project life cycle, including through design, procurement, and construction.
89. In the procurement phase all physical works contracts include a component to incorporate environmental and sustainability considerations into tender evaluation, where contractor initiatives such as materials reuse, energy requirements, electric vehicle utilisation, carbon offsets etc. can be valued.
90. Across the portfolio several works projects and programmes are specifically focussed on enhancing Hamilton's natural environment or ensuring effects of city development are not at the detriment of the natural environment.

Cultural

91. Across the portfolio, engagement and partnership with iwi is continuing at a project level, and work is underway to further align and partner at programme and portfolio levels to identify opportunities for enhanced partnership and shared outcomes. This is particularly regarding alignment with objectives of the Waikato Tainui Environmental Plan – Tai Tumu Tai Pari Tai Ao.

Risks - *Tuuraru*

92. There are no known risks associated with the recommendations in this report.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

93. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed the matters and recommendations in this report have a low level of significance.
94. Community views and preference are already known to the Council through the 2021-31 Long-Term Plan.
95. Given the low level of significance determined, the engagement level is low, and no further engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Programme Sheets

Attachment 2 - Financial Summary

Attachment 3 - Capital Expenditure Schedule

Attachment 4 - Capital Revenue Schedule .

PROGRAMME CAPITAL REPORT - CENTRAL CITY

PROGRAMME OVERVIEW

Ahuahungia te pokapuu o teetehi taaone e arohaina ai e te tangata

Shaping a Central City where people love to be.

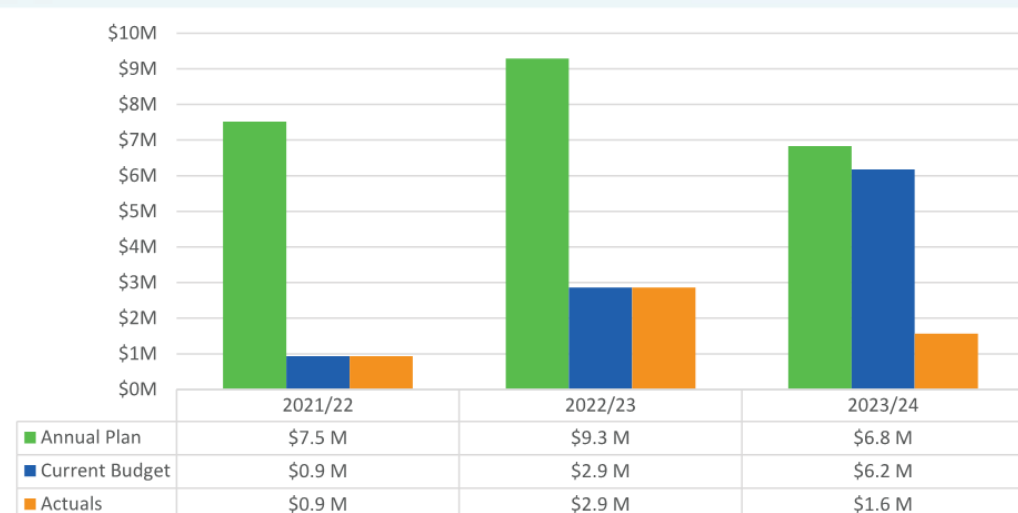
Through delivering the Central City programme, we are investing in our Central City, opening it up to the Waikato River, encouraging people to live and work here, and making it easy to access and move around in. The outcome will be a Central City that is more inclusive, vibrant and prosperous.

TARGET ACHIEVEMENTS FOR 21/22 - 23/24

- Aligning with the development of Regional Theatre ensure connection between Victoria Street, the Theatre and the Waikato River through the development of Embassy Park and the Sapper Moore-Jones and Victoria Street theatre access. These improvements will make sure the spaces are safe, accessible, and enjoyable for a wide range of users.
- Enhancement of the Ferrybank Park through the demolition of the municipal pool in readiness for site restoration.
- The upgrade of the Founders Theatre site will create a better place for events, community activities and recreation for Hamiltonian and attract residents to housing in the central city.
- Begin upgrades to Alexandra Street to align with the new design guidelines for the central city.
- Construction underway for the Central City River Crossing and Connections. The bridge will create a new way for people to walk, bike and scoot to and from the central city, as well as to other neighbourhoods across the river.
- Upgrade of the Tristram/Collingwood intersection.
- Updating the front entrance of the Museum with airlock doors and upgrading of the foyer.



FINANCIAL PERFORMANCE



Waikato Regional Theatre

Boyes Park

Hamilton City Council
Te kaunihera o Kirikiriroa

PROGRAMME CAPITAL REPORT - CENTRAL CITY

CENTRAL CITY - KEY PROJECTS FOR 2023/24

Status	Project Name	TOTAL PROJECT		2023/24 Milestone	23/24 POSITION				Deferral Reason (if applicable)	Comments
		Total Spend to Date	Current Total Project Budget		23/24 Actuals YTD to the end of March 24	23/24 Annual Plan Budget	23/24 Budget Changes	23/24 Current Budget		
	Ferrybank Park Enhancement - Demo the existing Municipal Pools and develop the site into a park/reserve	\$1.9 M	\$2.1 M	Demolition and primary redevelopment complete	\$0.1 M	\$0.0 M	\$0.3 M	\$0.3 M	Complexity Delays	Park is now completed and opened.
	Museum Internal Environment Upgrade	\$0.2 M	\$3.6 M	Detailed designs and contract in place for delivery.	\$0.1 M	\$0.7 M	\$1.0 M	\$1.7 M	Project Initiation Delays	Detailed physical works schedule being developed to address the complex interdependencies. Construction planned for July 24
	West Town Belt Implementation - Boyes Park Redevelopment	\$1.1 M	\$4.2 M	Demolition of Founders Theatre and design for redevelopment of Boyes Park	\$1.0 M	\$0.1 M	\$2.7 M	\$2.7 M	Elected Member Decisions	Council decision timeline to proceed with demolition delayed project start. Demolition phase under way, with asbestos removal before external structure works. Phase 2 scoping work commenced.
	Embassy Park (River Plan South End Precinct)	\$0.4 M	\$5.3 M	Contract in place for delivery and construction underway	\$0.1 M	\$5.0 M	(\$4.7) M	\$0.3 M	Third Party Dependency	Work is being carried out through a PDA with the Regional Theatre Trust. The Theatre project is running behind programme which is impacting the supporting Embassy Park openspace development. Budget rephased to align.
	Sapper Moore-Jones and Victoria St - Theatre Access and Pedestrian Environment	\$0.1 M	\$1.0 M	Contract in place for delivery	\$0.0 M	\$1.0 M	(\$0.9) M	\$0.1 M		
	Infrastructure Acceleration Fund** - Projects include the Active Modes River Crossing, Ruakiwi Reservoir, Three Waters network planning and Catchment Management Planning, Three Waters Network Upsizing and Anglesea Protection Works.	\$2.0 M	\$160.7 M	Bridge: design and construction contract awards. Reservoir: design contract award. Three waters planning: long list of potential projects for network upsizing Anglesea: Protection strategy	\$1.8 M	\$0.8 M	\$2.9 M	\$3.6 M	Bring Forward from 24/25 expected.	On plan to meet milestones agreed with Kaainga Ora and within budget. Kaainga Ora are regularly updated with progress. Regular mana whenua engagement. Current activities - Bridge: Design and Construction Tendering continuing at pace; Reservoir: Investigations and engagement of design to develop project specifications; Three Waters Network Planning: Consultant engagements underway and progressing; Anglesea Protection Works: Currently capturing data of existing services - progressing well.

** Budget includes \$150.6M of central government grant, plus \$10.1M

PROJECT STATUS - LEGEND



Project is on track



Project has significant risks that are being monitored and managed



Project has significant risks that will require Council decision



Waikato
Regional
Theatre



Hamilton
City Council
Te kaunihera o Kirikiriroa

PROGRAMME CAPITAL REPORT - CITY WIDE COMMUNITY

PROGRAMME OVERVIEW

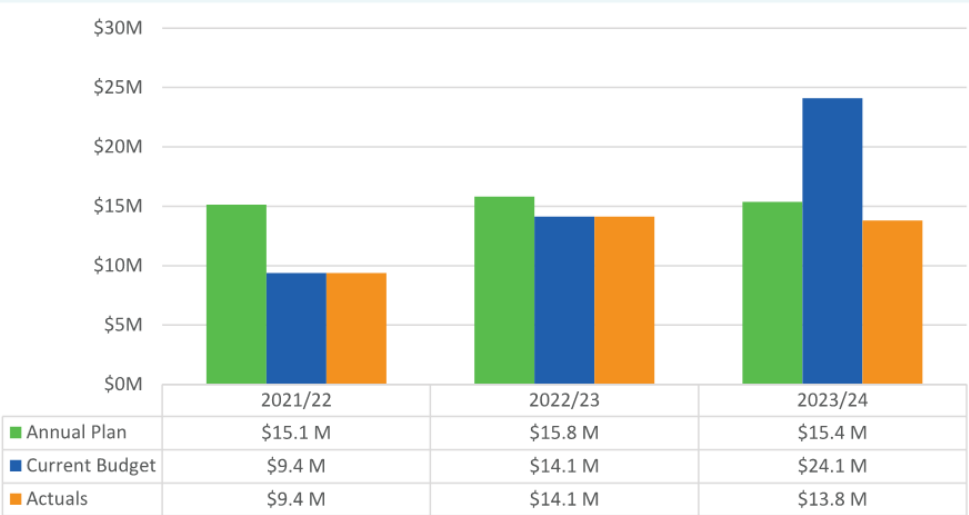
Whakapai atu te mauri o ngaa waahi taangata me ngaa waahi wairua auaha
Improving the vibrancy of our social and creative spaces

Through delivering the Community programme, we are investing in places and spaces across our city, that can be enjoyed by all Hamiltonians and the people who visit us here. The outcome will be a city that's easy to live in and a fun city with lots to do.

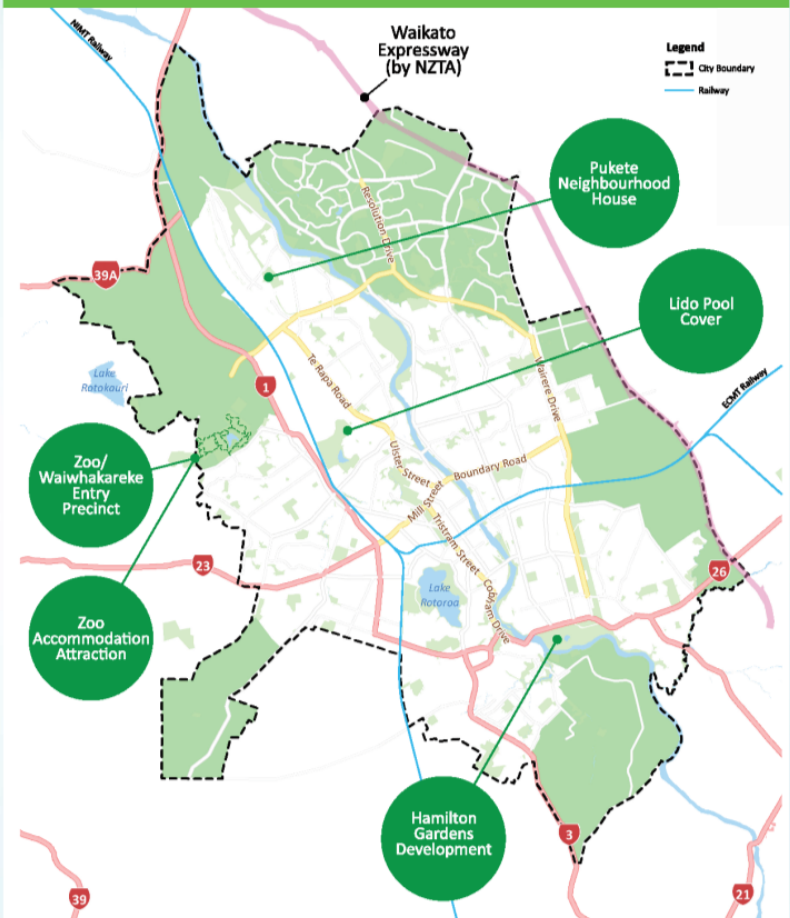
TARGET ACHIEVEMENTS FOR 21/22 - 23/24

- Completion of the Zoo Waiwhakareke Entry Precinct including:
 - Stage 1A (Zoo entry building and Waiwhakareke connections)
 - Stage 1B (Viewing Tower, Rongoa Walkway and Walkway Canopy)
 - Stage 2 includes carparks for the Zoo and Waiwhakareke (bringing both sides of the precinct together with stormwater management and landscaping) and also including the urbanisation of Brymer Road
- Development of the Zoo's Overnight Accommodation Project
- The ongoing development of the Hamilton Gardens including the Egyptian Garden, Palm Court, upgraded Visitor Arrival Centre and design of the Medieval Garden
- Development of the Lido Pool Seasonal Cover (Budget for feasibility, design and construction was rephased into 24-34 LTP through the 23-24 Annual Plan).
- Completion of the following:
 - Nine new or upgraded playgrounds
 - Sports park drainage and irrigation improvements at three parks
 - Sports park floodlighting and safety lighting improvements at three parks
 - Sports park toilet and changing room improvements at three parks
- Commence the construction of gully connections to enable delivery of the Nature in the City Strategy and Implementation Plan
- Investment in CCTV Coverage to support safety initiatives
- Development of a works programme for community facilities which house community outreach services, such as Pukete Neighborhood House

FINANCIAL PERFORMANCE



MAP



PROGRAMME CAPITAL REPORT - CITY WIDE COMMUNITY

CITY WIDE COMMUNITY - KEY PROJECTS FOR 2023/24

Status	Project Name	TOTAL PROJECT		2023/24 Milestone	23/24 POSITION				Deferral Reason (if applicable)	Comments
		Total Spend to Date	Current Total Project Budget		23/24 Actuals YTD to the end of March 24	23/24 Annual Plan Budget	23/24 Budget Changes	23/24 Current Budget		
	Playspaces Programme** - This is the upgrade budget for play spaces. It is often combined with the play spaces renewals budget at a project level.	\$4.5 M	\$58.6 M	Completion of Magical Bridge (Claudelands), Chartwell, Nawton, Raymond and Galloway Playgrounds.	\$1.2 M	\$4.6 M	(\$1.1)M	\$3.5 M		Programme largely complete with Bolmuir and Nawton opened in March 2024 and Chartwell opening June 2024.
	Sports Parks Drainage & Irrigation Improvement Programme**	\$1.2 M	\$4.1 M	Programme delivered.	\$0.6 M	\$1.2 M	(\$0.1)M	\$1.1 M		Works completed.
	Sports Parks Toilets & Changing Room Improvement Programme - Programme of works from 21/22 to 24/25	\$1.4 M	\$3.2 M	Programme delivered.	\$0.0 M	\$1.2 M	(\$1.2)M	\$0.0 M		Works completed.
	Sports Parks Floodlighting & Safety Lighting Improvements - Programme of works from 21/22 to 24/25	\$4.7 M	\$5.0 M	Programme delivered.	\$2.1 M	\$2.2 M	\$0.2 M	\$2.4 M		Works completed.
	Hamilton Gardens Development Programme** - Upgrades to the Hamilton Gardens including the Visitor Arrival Precinct, Café Improvements, Palm Court and Medieval Garden.	\$11.1 M	\$23.7 M	Visitor Arrival Precinct construction complete.	\$8.7 M	\$6.2 M	\$5.2 M	\$11.4 M	Project Initiation Delays	Project is tracking to revised timeline agreed with Council with construction in 2023/24, due for completion Sept 2024
	Zoo Accommodation Attraction	\$2.1 M	\$4.5 M	Planning underway.	\$0.0 M	\$0.1 M	\$0.1 M	\$0.2 M	Project Initiation Delays	Complex interdependencies with enabling works are being progressed.
	Nature in the City** - Restoration of the natural environment and connecting between gullies	\$1.6 M	\$19.4 M	Donny Park access complete. Next stage in planning.	\$0.8 M	\$1.7 M	\$0.4 M	\$2.1 M	Project Initiation Delays	The Donny Park Infrastructure is in construction.

** Budget shown is for 2021/22 to 2030/31

PROJECT STATUS - LEGEND



Project is on track



Project has significant risks that are being monitored and managed



Project has significant risks that will require Council decision



Bolmuir Playground



Hamilton City Council
Te kaunihera o Kirikiriroa

PROGRAMME CAPITAL REPORT - CITY WIDE WATERS

PROGRAMME OVERVIEW

He wai tonu ka whai ture, ka haapai hoki i te tupuranga

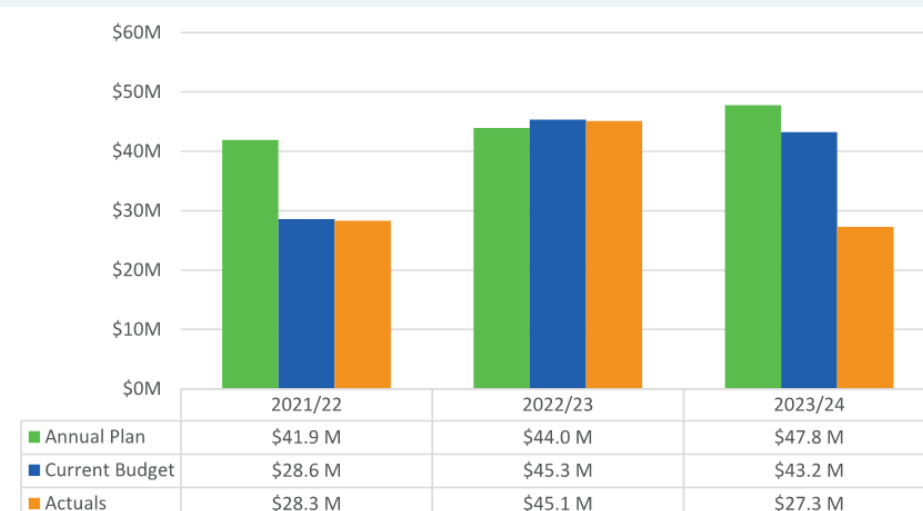
Ensuring the provision of essential water services that allow for future growth and compliance

The Citywide Waters programme ensures we can continue to keep up with new specifications, policy and standards implemented by government (compliance) and make sure our infrastructure can adapt to the pressures of growth (resilience) in our water supply, wastewater, and stormwater.

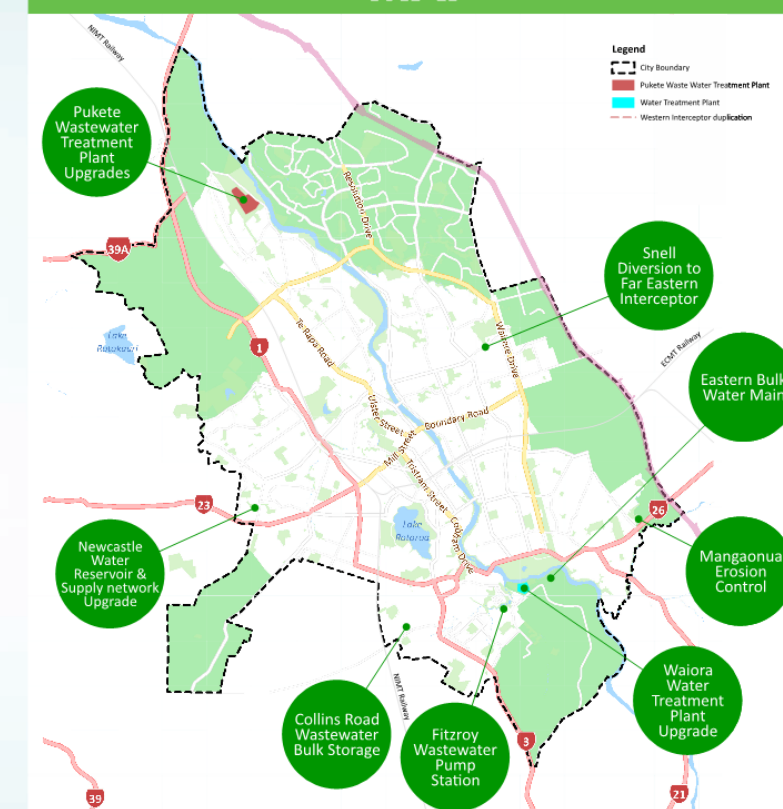
TARGET ACHIEVEMENTS FOR 21/22 - 23/24

- Complete the Pukete Wastewater Treatment Plant Bioreactor Retrofits (3b) and New Inlet Works Facility (3c) upgrades and to have commenced the design of the Pukete 4 upgrade.
- Complete the mid-section of the Western Interceptor duplication and to have commenced the investigation work to confirm the Upper Network reticulation.
- Designate Strategic Wastewater Bulk Storage sites and to have commenced construction of one.
- Upgrade of the Fitzroy Pump Station and Snell Drive Sewer Pump station diversion complete.
- Waioara 2 Water Treatment Plant upgrade including the wash water upgrade complete.
- Complete the Newcastle Demand Management Zone water project.
- Complete Eastern Reservoirs Bulk Ring Mains as part of the Waikato River Bridge project.
- Progress the ICMP and Erosion Control programme.
- Work with active developers to upsize infrastructure if necessary.
- Complete access tracks in Mangaonua gully in June 2023, followed by planting in 2024.

FINANCIAL PERFORMANCE



MAP



Pukete Wastewater Inlet Facility

Waioara Water Treatment Plant

PROGRAMME CAPITAL REPORT - CITY WIDE WATERS

CITY WIDE WATERS - KEY PROJECTS FOR 2023/24

Status	Project Name	TOTAL PROJECT BUDGET		2023/24 Milestone	23/24 POSITION				Deferral Reason (if applicable)	Comments
		Total Spend to Date	Current Total Project Budget		23/24 Actuals YTD to the end of March 24	23/24 Annual Plan Budget	23/24 Budget Changes	23/24 Current Budget		
	Eastern Bulk Water Main - Installation of new strategic water mains between the Water Treatment Plant and Hamilton East via the new Peacocke Bridge.	\$6.8 M	\$8.5 M	Install final segments of the bulk water main lines.	\$2.8 M	\$2.4 M	\$0.8 M	\$3.2 M	Bring Forward from 23/24 to 22/23 Bring Forward from 22/23 to 21/22	Budget was brought forward from FY23/24 into FY22/23 and earlier FYs, to align with construction timing of the Eastern Reservoir Bulk Ring Mains, which are being delivered as part of the bridge of the Waikato River and surrounding roads project. Despite the challenges of the last few months, we expect to finish these works within FY23/24. Testing and commissioning is currently under way before the asset is handed over.
	Mangaonua SW Erosion Control and Gully Restoration	\$3.7 M	\$4.6 M	Land Procurement, approval of contract, contract in place for planting, construction of access tracks and instream works.	\$0.8 M	\$0.7 M	\$0.1 M	\$0.8 M	No deferrals required	Erosion control, tracks and planting is now completed. Capitalisation underway.
	Wastewater Bulk Storage Programme Development** - Feasibility Assessment, designations (if required) and approvals for planned bulk storage sites.	\$2.8 M	\$84.8 M	Highest priority sites will have preferred locations identified and commence Collins Road Storage design.	\$1.4 M	\$2.9 M	\$3.4 M	\$6.3 M	Collins Rd Project Initiation Delays Bulk Storage Designations Third party Dependency	Collins Rd is the prioritised first bulk storage facility with progress well advanced. The detailed design and consenting is completed, and construction is underway. Expected completion mid to late 2024 and deferrals are to reflect the expected cashflow phasing. Feasibility Assessment, for the selection of storage locations, is completed. Planning including designation requirements with concept design of priority site is underway. The Eastern Interceptor (EI) - Upper Section (Hamilton East Wastewater Storage site) is the next priority site however commencing negotiations with landowner at preferred site (School and MoE) are delayed due to a change in Headmaster. The designation and consenting of selected storage locations is being considered to be part of the new Fast track process.
	Newcastle Water Reservoir and Supply Network Upgrade - Installation of new strategic water reticulation pipes plus an upgrade to the reservoir pump station.	\$17.6 M	\$19.5 M	Finish construction and commissioning	\$1.8 M	\$3.5 M	(\$1.2)M	\$2.3 M	No deferrals	Finished construction and commissioning of DMA this financial year. Capitalisation is underway.
	Pukete WWTP Aeration Basin Upgrades - Retrofit of existing bioreactors to match new bioreactor layout.	\$1.5 M	\$5.2 M	Contract award and contractor mobilisation	\$0.6 M	\$2.5 M	(\$0.6)M	\$1.9 M	Third Party Dependency	Enabling works construction complete. Bioreactor #4 upgrade under construction, with the remaining 3 taken offline consecutively each quarter to mitigate operational risks. This will likely see a staged approach to the upgrade which has a revised completion date of September. 2025.
	Pukete WWTP Inlet Screen Upgrade - New inlet facility to cater for growth projections and replacement of existing assets.	\$5.4 M	\$23.3 M	Detailed Design complete	\$3.4 M	\$7.4 M	\$0.2 M	\$7.6 M	Complexity delays	Scope was increased to include new components and ground improvements to ensure the new inlet works will meet the requirements of the project. Ground improvements contracts under construction. Detailed design complete Apr-24 with structure construction planned for completion early 2026
	Waiora 2 Water Treatment Plant Upgrade - Major capacity upgrade primarily delivering a new membrane sedimentation & filtration system	\$12.5 M	\$37.4 M	Procurement of key assets predominately complete. Resourcing requirements identified.	\$6.0 M	\$11.0 M	(\$2.9)M	\$8.1 M	Cashflow Rephasing*	This project is on track for completion by mid 2024.
	Subregional Wastewater Treatment Plant - Investigation and land procurement for new southern WWTP in the vicinity of the airport (budget is for HCC contribution to overall project)	\$7.2 M	\$9.6 M	Begin work on the design and resource consents. Purchase land if available.	\$0.1 M	\$1.2 M	(\$0.4)M	\$0.8 M	Bring Forward from 23/24 to 22/23	There are insufficient funds to complete the planning phase (notice of requirement and consenting) in the 2023/24 financial year. Staff are continuing with baseline monitoring, investigations and wastewater discharge optioneering with existing budget. RFPs are being sought for the next consenting and planning phase, and will only be awarded after 1 July 2024 subject to project funding approval in the 2024-34 LTP.

**Budget shown is for 2021/22 to 2030/31

PROJECT STATUS - LEGEND



Project is on track



Project has significant risks that are being monitored and managed



Project has significant risks that will require Council decision



Fairfield WW Storage



Hamilton City Council
Te kaunihera o Kirikiriroa

PROGRAMME CAPITAL REPORT - PEACOCKE

PROGRAMME OVERVIEW

Ko te whakakitenga moo te whenua Peacocke - Ko te aaheinga o te hanga he waahi ataahua, he waahi toiora ki Peacocke.

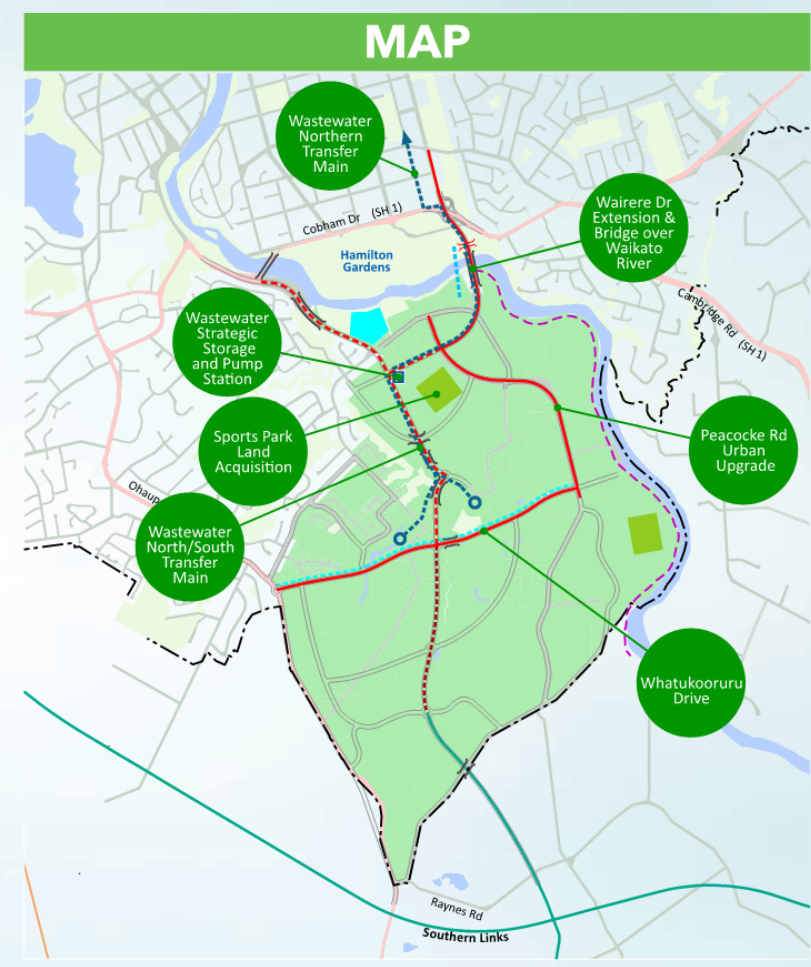
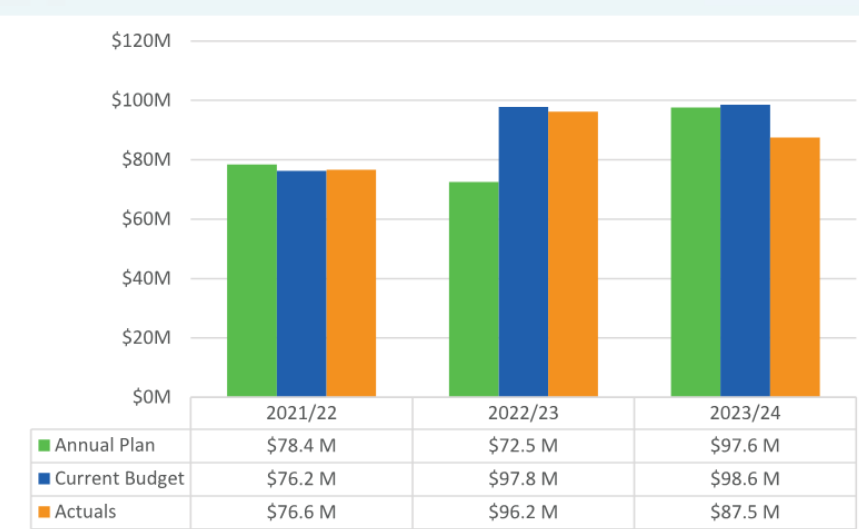
The vision for the Peacocke Programme is to enable the development of an attractive and sustainable community in the Peacocke Growth Cell.

Over the next 10 years, Peacocke is projected to deliver a third of Hamilton's medium-term housing needs and 26% of Hamilton's long-term housing needs. The Peacocke capital programme includes the delivery of the strategic network infrastructure, community facilities and infrastructure, and associated ecological protection and enhancement. \$290.4M of the approximately \$420M 10 year capital programme is funded through the Housing Infrastructure Fund interest-free loan, with most of the infrastructure planned for completion by 2025.

TARGET ACHIEVEMENTS FOR 21/22 - 23/24

- Land acquisition for key wastewater and Southern Links transport projects
- Completing Notice of Requirement and Land acquisition for the northern sports park
- Implementation of key transport and wastewater for network infrastructure projects including:
 - Wairere Drive Extension and the northern part of the Peacocke Road Urban Upgrade (Completion 2023)
 - Peacocke Northern Transfer Main (Completion 2022)
 - Peacocke Main Transfer Pump Station (Completion 2023)
 - Whatukooruru Drive (Construction under way)
 - Peacocke Road Urban Upgrade Southern Section (Construction under way)
 - North-South Wastewater (Construction under way)
- Approval of the Integrated Catchment Management Plan (ICMP) for Mangakootukutuku
- Implementation of environmental mitigation and enhancement associated with projects.
- To work with active developers to upsize infrastructure if necessary.

FINANCIAL PERFORMANCE



PROGRAMME CAPITAL REPORT – PEACOCKE

PEACOCKE - KEY PROJECTS FOR 2023/24

Status	Project Name	TOTAL PROJECT BUDGET		2023/24 Milestone	23/24 POSITION				Deferral Reason (if applicable)	Comments
		Total Spend to Date	Current Total Project Budget		23/24 Actuals YTD to the end of March 24	23/24 Annual Plan Budget	23/24 Budget Changes	23/24 Current Budget		
	Wairere Drive Extension and Bridge over Waikato River including Peacocke Road Urban Upgrade (north)	\$129.4 M	\$181.2 M	Bridge and roads approaching completion with surfacing, traffic services and landscaping under way	\$29.3 M	\$15.4 M	\$6.7 M	\$22.0 M	Bring Forward from 24/25 expected.	Project delays due to Covid 19 and extreme weather events have pushed completion out to mid-2024. Approved contract sum adjusted to allow for continuing unprecedented cost escalation. Staff continue to work hard with programming, legal and construction experts to manage contract cost risks and seek early resolution. Ongoing active risk requiring active management to address scale and complexity..
	Wastewater Strategic Infrastructure Pumpstation and pressure mains north to Crosby Road and south to Whatukooruru Drive (including Bikes on Pipes)	\$54.3 M	\$95.0 M	Northern Transfer Main complete and handover well under way. N4 Pump station approaching completion with commissioning and landscaping under way. North-South pipeline and Bikes on Pipes on site and under construction.	\$21.9 M	\$22.4 M	(\$1.5) M	\$20.9 M	Cashflow Rephasing	Pump station commissioning commenced and completion expected by end of FY2023/2024. North-south pipeline and Bikes on Pipes construction under way with bridge lifts completed successfully. Construction of ancillary western network connections under way.
	Whatukooruru Drive - East-West arterial connection from SH3 roundabout to Peacockes Road and Peacocke Road Urban Upgrade (south).	\$45.4 M	\$108.6 M	Establishment and site clearance complete, bridge foundations largely complete and earthworks under way.	\$26.8 M	\$26.0 M	\$10.9 M	\$36.9 M	Cashflow Rephasing	Urban upgrade and section from Peacockes Road to Hall Road under way with bridge decks in construction and pavement well progressed. Peacockes Road South traffic transfer under way. Section from Hall Road to SH3 in final stages of contract pre-let discussions. Emerging time and cost risks from extreme weather events and dealing with landowner.
	Infrastructure Land Acquisition - Secure land for construction and resolve compensation	\$6.2 M	\$39.5 M	Secure all land for construction and initiate Land Valuation Tribunal for 4 significant acquisitions.	\$3.6 M	\$7.8 M	\$0.9 M	\$8.7 M	Third Party Dependency	Deferral due to Land Valuation Tribunal (LVT) Court processes slower than expected. First LVT hearing decision agreed Council's assessment. Expert conferencing under way for some and Court-assisted mediation next step for three remaining. Next court fixture likely 24/25.
	Sports Park Land Acquisition and Development	\$15.4 M	\$39.5 M	Finalise compensation of Northern Sports Park. Prepare for purchase of land in 2023/24	\$0.2 M	\$17.7 M	(\$17.6)M	\$0.2 M	Third Party Dependency	Northern Sports Park compensation resolved and settlement complete. Planning under way for future acquisitions including land adjacent to northern sports park.
	Southern Links Designation Provisions* - Management of and compliance with designation conditions	\$4.2 M	\$10.6 M	Successfully complete Environmental Management Plan Audit. Deliver on mitigation requirements	\$1.6 M	\$3.7 M	(\$0.6) M	\$3.1 M	Complexity Delays	Very successful results for bat boxes, gully restoration and predator control continue. Maintenance track construction slower than anticipated to minimise effects. Current phase of track work complete. Restoration planning and implementation continues but timing for some locations influenced by timing of infrastructure works

* Budget shown is for 2021/22 to 2030/31

PROJECT STATUS - LEGEND



Project is on track



Project has significant risks that are being monitored and managed



Project has significant risks that will require Council decision



Bikes on Pipes



**Hamilton
City Council**
Te kaunihera o Kirikiriroa

PROGRAMME CAPITAL REPORT - ROTOKAURI-NORTHWEST

PROGRAMME OVERVIEW

To ensure Hamiltonians enjoy a connected, vibrant, attractive and prosperous Rotokauri-Northwest community

The Rotokauri-Northwest growth cell refers to Rotokauri Stage 1, Rotokauri Stage 2 and Te Rapa North (including Te Awa Lakes). Rotokauri-Northwest neighbourhood will one day be home for up to 20,000 people. The goal is to plan and protect strategic infrastructure corridors and to work with developers to progress early development.

TARGET ACHIEVEMENTS FOR 21/22 - 23/24

- Complete the designation and preliminary design of the Rotokauri Transport arterial road.
- Complete the preliminary design and consenting requirements of the Rotokauri Green Swale.
- Work with active developers to upsize infrastructure if necessary.
- Purchase Rotokauri Community Park.

MAP



FINANCIAL PERFORMANCE



Rotokauri Arterial Designation

Rotokauri Arterial Designation

PROGRAMME CAPITAL REPORT - ROTOKAURI-NORTHWEST

ROTKAURI-NORTHWEST - KEY PROJECTS FOR 2023/24

Status	Project Name	TOTAL PROJECT BUDGET		2023/24 Milestone	23/24 POSITION				Deferral Reason (if applicable)	Comments
		Total Spend to Date	Current Total Project Budget		23/24 Actuals YTD to the end of March 24	23/24 Annual Plan Budget	23/24 Budget Changes	23/24 Current Budget		
	Rotokauri Transport Arterial Designations & Permanent Levels - Work to protect land corridors required for future roading development and progressing design.	\$9.7 M	\$13.5 M	Lodgement of Notice of Requirement	\$5.5 M	\$0.6 M	\$8.7 M	\$9.3 M		Notice of Requirement has been lodged. Hearing expected late 2024
	Rotokauri Greenway Corridor - Continue design, meet consent conditions and potentially procure land for the future greenway corridor.	\$5.3 M	\$9.2 M	Design underway	\$2.2 M	\$2.7 M	(\$0.9)M	\$1.8 M	Cashflow Rephasing	A Private Developer Agreement (PDA) has been signed for developer to do the detailed design and consents with a HCC contribution. Design progressing well and expected completion June 2024. Consents have been lodged via Fastrack application process.
	Te Wetini Drive Extension - New Major arterial delivered by developer	\$1.4 M	\$1.6 M	Project complete	\$0.0 M	\$0.0 M	\$0.2 M	\$0.2 M		Project complete for capped contribution agreed by council. Waiting for vesting.

PROJECT STATUS - LEGEND



Project is on track



Project has significant risks that are being monitored and managed



Project has significant risks that will require Council decision



PROGRAMME CAPITAL REPORT - ROTOTUNA

PROGRAMME OVERVIEW

Ko te aaheinga o te hanga he waahi ataahua, he waahi toiora ki Rototuna

Enabling the development of an attractive and sustainable community in the Rototuna growth area.

Located in Hamilton's north-east, Rototuna is the city's primary residential greenfield development area. With a high maturity of development growth, thousands of Hamiltonians call this area "home". The focus of this programme is to support the final stages of development by providing necessary strategic infrastructure and enabling the development of facilities that strengthen the community.

TARGET ACHIEVEMENTS FOR 21/22 - 23/24

- Complete the Borman/Horsham Extension and urban upgrade project.
- Complete the Rototuna Village Community facility project including provision of the supporting infrastructure.
- Purchase of an additional neighbourhood reserve.
- To work with active developers to upsize infrastructure if necessary.

MAP



FINANCIAL PERFORMANCE



Borman/Horsham Extension Upgrade

Borman/Horsham Extension Upgrade

PROGRAMME CAPITAL REPORT - ROTOTUNA

ROTOTUNA - KEY PROJECTS FOR 2023/24

Status	Project Name	TOTAL PROJECT BUDGET		2023/24 Milestone	23/24 POSITION				Deferral Reason (if applicable)	Comments
		Total Spend to Date	Current Total Project Budget		23/24 Actuals YTD to the end of March 24	23/24 Annual Plan Budget	23/24 Budget Changes	23/24 Current Budget		
	Rototuna Village Community Facilities - Community facilities including library, bookable rooms, public square, play spaces and park connection.	\$18.5 M	\$19.2 M	Construction complete	\$2.3 M	\$4.6 M	(\$1.7)M	\$2.8 M		Project complete.
	Rototuna Village Infrastructure - Roothing upgrades and waters infrastructure in the Village - incl. North City upgrade and Turakina extension	\$14.3 M	\$13.4 M	Construction complete	\$4.8 M	\$2.3 M	\$1.6 M	\$3.9 M		Turakina Rise to Bourn Brook bypass has been delayed due to consenting issues associated with the compliance with the National Policy Statement (NPS) on Fresh Water which was introduced after all the initial planning work was undertaken. A budget allocation has been made in year 3 of the 2024-34 LTP.
	Borman/Horsham Extension and Upgrade - Extend Borman Road between Kimbrae Dr & Horsham Downs Rd + urban upgrades of Borman Rd & Horsham Downs Rd	\$13.5 M	\$24.1 M	Construction well underway	\$8.7 M	\$15.9 M	(\$3.6)M	\$12.3 M	Cashflow Rephasing	Work began on Horsham Downs Road under road closure, expected reopening June 2024. Forecast completion for remainder of project early 2025.

PROJECT STATUS - LEGEND



Project is on track



Project has significant risks that are being monitored and managed



Project has significant risks that will require Council decision



Te Kete Aronui
Public Realm



Hamilton
City Council
Te kaunihera o Kirikiriroa

PROGRAMME CAPITAL REPORT - RUAKURA

PROGRAMME OVERVIEW

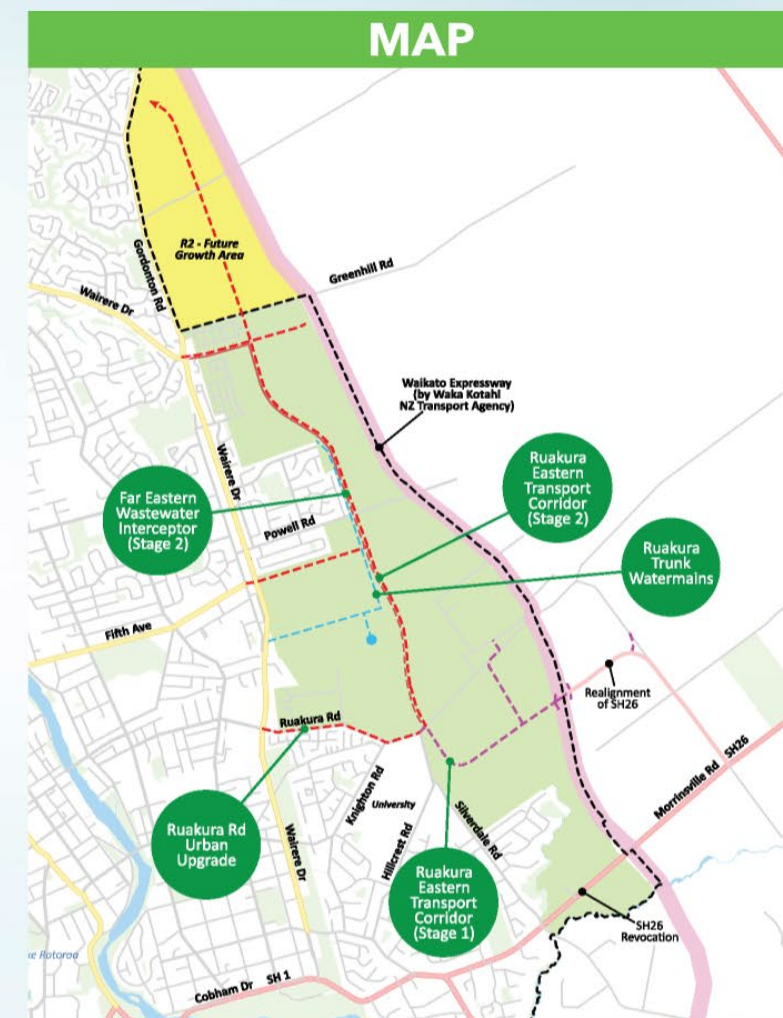
To ensure Hamiltonians enjoy a connected, vibrant, attractive and prosperous Ruakura community.

Ruakura will become New Zealand's largest integrated development, which will be anchored by a 30ha inland port operation. Once developed, Ruakura will become home for up to 8000 Hamiltonians, and will deliver major economic, social, environmental, and cultural benefits to the Waikato and New Zealand. We are working in partnership with Tainui Group Holdings and the government through funding from the Provincial Development Unit and Crown Infrastructure Partners to deliver core infrastructure to enable development.

TARGET ACHIEVEMENTS FOR 21/22 - 23/24

- To provide strategic transport, wastewater infrastructure and water infrastructure that allows the Ruakura Superhub to develop.
- To complete a business case and specimen design for the Ruakura Eastern Transport Corridor connecting the superhub to central and north Hamilton.
- To work with active developers to upsize infrastructure if necessary.

FINANCIAL PERFORMANCE



PROGRAMME CAPITAL REPORT - RUAKURA

RUAKURA - KEY PROJECTS FOR 2023/24

Status	Project Name	TOTAL PROJECT BUDGET		2023/24 Milestone	23/24 POSITION				Deferral Reason (if applicable)	Comments
		Total Spend to Date	Current Total Project Budget		23/24 Actuals YTD to the end of March 24	23/24 Annual Plan Budget	23/24 Budget Changes	23/24 Current Budget		
	Ruakura Eastern Transport Corridor (Stage 1) - Construction of a new road from Silverdale Road/Ruakura Road intersection to the Waikato Expressway Ruakura Interchange to allow the development of the Ruakura Inland Port. Co-funded by TGH, HCC & PGF.	\$37.4 M	\$39.0 M	Construction complete	\$2.1 M	\$1.2 M	\$2.5 M	\$3.7 M	Third Party Dependency	Road is open with final items being closed out
	Ruakura Eastern Transport Corridor (Stage 2) - Planning investigation and design for the future extension of the eastern transport corridor through the Ruakura development area.	\$0.5 M	\$3.6 M	Progress a NZTA Waka Kotahi Busines Case to understand the form and function of the future corridor connection	\$0.2 M	\$0.4 M	\$0.2 M	\$0.6 M		Business Case on track for submission for mid 2024
	Far Eastern Interceptor Stage 2 - HCC contribution to installation of strategic wastewater pipeline along the Eastern Transport Corridor. Being delivered by TGH as per CIP funding agreement	\$5.4 M	\$5.4 M	Completion of wastewater pipeline via third party PDA agreement	\$0.0 M	\$2.3 M	(\$2.3)M	\$0.0 M		Project complete for capped contribution agreed by council.
	Ruakura Trunk Watermains - HCC contribution to installation of strategic watermains north/south along the Eastern Transport Corridor. Delivered by TGH as per CIP Agreement.	\$2.7 M	\$2.8 M	Completion of water supply pipeline via third party PDA agreement	(\$0.0)M	\$0.0 M	\$0.0 M	\$0.0 M		

PROJECT STATUS - LEGEND



Project is on track



Project has significant risks that are being monitored and managed



Project has significant risks that will require Council decision



Ruakura Road/
Silverdale Road



Hamilton
City Council
Te kaunihera o Kirikiriroa

PROGRAMME CAPITAL REPORT - TRANSPORT IMPROVEMENT

PROGRAMME OVERVIEW

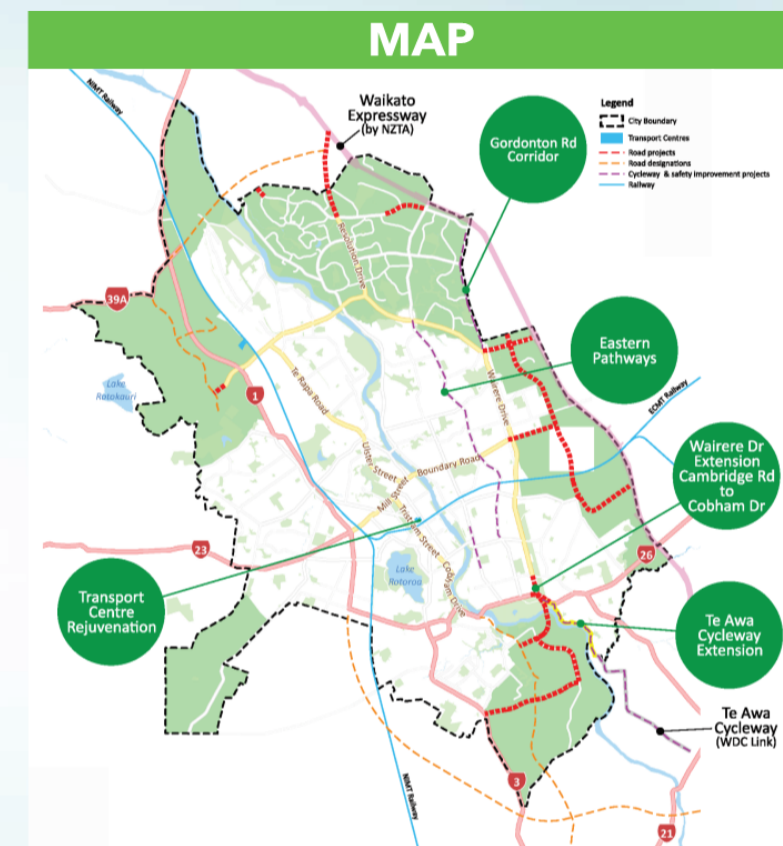
Kia tika ano te hanga rori maa; Aahienga whakatupu, whakapai atu haumaru, me whakawhaanui atu ngaa koowhiringa waka.

Delivering a balanced transport system through; Enabling growth, improving safety, and improving transport choice. A great transport system is vital to the success of a thriving urban city like Hamilton.

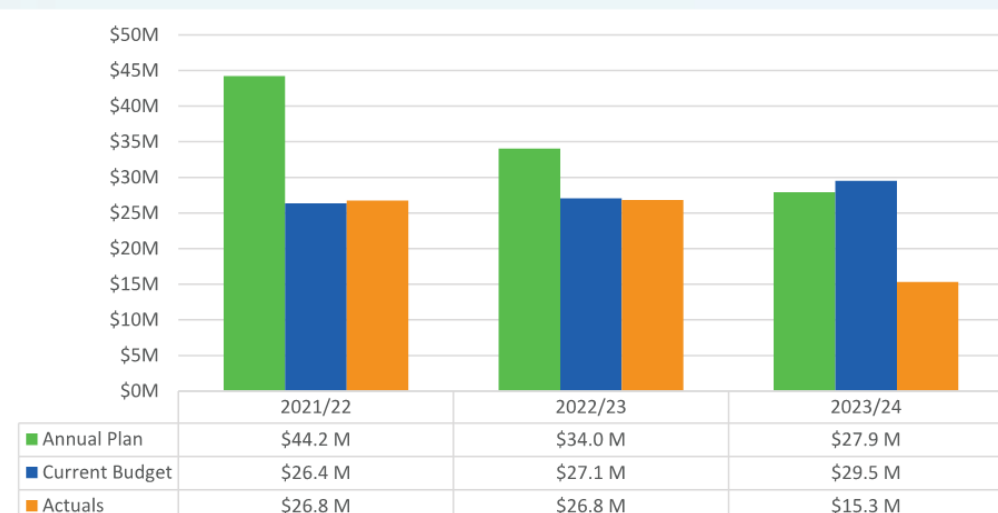
This programme delivers on improving the wellbeing of Hamiltonians though a city that's easy to live in and where our people love to be. To undertake a programme of projects that make it safer to get around the city and that promotes better transport choices.

TARGET ACHIEVEMENTS FOR 21/22 - 23/24

- Complete the Ring Road/Cobham Drive interchange.
- Complete the Te Awa River Ride.
- Complete the Transport Centre Rejuvenation project.
- Be well progressed on construction of the School Link project which is part of Eastern Pathways.
- Complete pre-implementation work on university link and be in a good position to request implementation funding.
- Complete the business case for Biking and Micromobility and commence delivery of priority works.
- Effectively deliver the low-cost low-risk works programmes to significantly improve safety of our intersections and networks across the city and to promote public transport, walking and cycling.



FINANCIAL PERFORMANCE



PROGRAMME CAPITAL REPORT - TRANSPORT IMPROVEMENT

TRANSPORT IMPROVEMENT - KEY PROJECTS FOR 2023/24

Status	Project Name	TOTAL PROJECT BUDGET		2023/24 Milestone	23/24 POSITION				Deferral Reason (if applicable)	Comments
		Total Spend to Date	Current Total Project Budget		23/24 Actuals YTD to the end of March 24	23/24 Annual Plan Budget	23/24 Budget Changes	23/24 Current Budget		
	Biking and Micro-Mobility Implementation* - Delivery of selected network improvements in accordance with the Biking and Micro-Mobility Programme Business Case	\$2.1 M	\$46.2 M	Business Case completed	\$0.8 M	\$1.9 M	\$0.1 M	\$2.0 M		Milestone achieved Claudelands East intersection completed, Design of Biking and micromobility projects are contractually committed to be delivered by 30 June 2024.
	Eastern Pathways - CBD to Uni Link** - Combined cycling and public transport network improvements between the central city and The University of Waikato	\$0.3 M	\$12.0 M	Business Case Underway	\$0.3 M	\$0.6 M	(\$0.4)M	\$0.2 M	Third Party Dependency Policy Change Delays	Milestone achieved however business case on hold awaiting the outcome of the Government Policy Statement for Transport
	Eastern Pathways - School Link** - Implementation of first stages of the school link corridor along Hukanui Rd & Peachgrove Rd plus associated key connections in accordance with the project Business Case	\$3.2 M	\$30.0 M	Complete concept design for intersections in the first stage	\$1.3 M	\$4.1 M	(\$2.3) M	\$1.8 M	Third Party Dependency Funding Approval	Milestone achieved \$2.0M to be deferred, this was to deliver service relocations however NZTA funding approval was declined and now included in the next draft LTP.
	Te Awa River Ride Extension - Complete the Te Awa path between the Hamilton Gardens and Mangaonoua Stream	\$6.4 M	\$8.6 M	Project Complete	\$0.1 M	\$0.0 M	\$0.2 M	\$0.2 M		Milestone achieved
	Transport Centre Upgrade	\$1.6 M	\$9.5 M	Concept Design Complete	\$0.5 M	\$0.8 M	\$3.7 M	\$4.5 M	Internal Capacity Project Initiation Delays	Milestone achieved however a revised concept is underway. Increased costs were identified following completion of concept design. Project has rescoped in order to meet budgets constraints. \$5.5M expected final cost \$4.5M forecast for 23/24 \$1.0M required to be deferred and will be committed \$3.6M of savings projected
	Wairere Drive Extension - Cambridge Road to Cobham Drive	\$61.9 M	\$63.4 M	Project Complete	\$0.5 M	\$0.0 M	\$2.0 M	\$2.0 M		Milestone achieved Road is open and construction largely complete with some minor works.
	Climate Emergency Relief Fund (CERF) - Projects to promote mode shift across the city which are up to 90% funded by Central Government	\$11.0 M	\$18.0 M	Designs substantively complete and construction underway	\$9.9 M	\$37.0 M	(\$20.1)M	\$16.9 M	Third Party Dependency Policy Change Delays	Milestone achieved 6 Projects Completed 5 Projects are contractually committed for 23/24 1 Project Contractually committed

*Budget was deferred from 21/22 to 22/23 after the Annual Plan was confirmed
**Budget shown is for 2021/22 to 2030/31

PROJECT STATUS - LEGEND



Project is on track



Project has significant risks that are being monitored and managed



Project has significant risks that will require Council decision



Lake Domain Killarney Safety Upgrade



Hamilton City Council
Te kaunihera o Kirikiriroa

PROGRAMME CAPITAL REPORT - RENEWALS AND COMPLIANCE

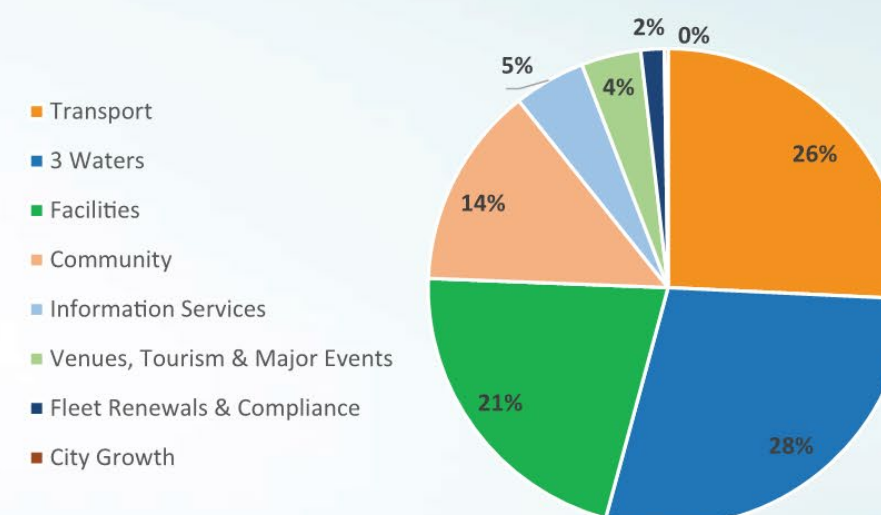
PROGRAMME OVERVIEW

Ko te tiaki aa taatou hua hei tika moo toona whaingā

Looking after the assets we have and making sure they are fit for purpose

In May 2019 Council gave staff approval to manage the Renewals and Compliance as a three year programme to allow staff to manage the renewals across all activities and the budget over the first three years of the 2021-31 LTP to ensure that the risk of asset failure is minimised and that the lifecycle costs of our assets are optimised. While each subprogramme has a delivery plan which is updated on an annual basis there is flexibility to allow for changes as required. To help ensure delivery of the renewals programme there are many multiyear contracts that have been approved by Council such as the Playground and Water main Renewals contracts. Along with programmes of work such as wastewater pipe renewals, footpath renewals, and CCTV renewal, some significant projects that are in progress or have been completed this finance year include FMG Stadium Lights Renewal, Beale Cottage Seismic Strengthening, Fairfield Community Hall Renewal and Metro Judo Roof Renewal.

CURRENT BUDGET 2023/24



FINANCIAL PERFORMANCE



**Summary of Changes to the Capital Budget
for the 2023-24 Financial Year**

Finance Committee Meeting Date	Annual Plan 23/24	As at 1 Jul	As at 30 Sep	As at 31 Jan	As at 31 Mar	2023/24
Expenditure in 000's						Total
Approved Budget	351,964	351,964	330,479	386,448	359,017	351,964
Deferrals & b/fwds		(21,484)	30,958	(6,802)	(10,929)	(8,258)
Approved Changes and Savings		0	25,010	(20,629)	(5,756)	(1,374)
Movement Correction					78	78
Closing Expenditure Budget (Forecast)	351,964	330,479	386,448	359,017	342,332	342,410
Revenue in 000's						Total
Approved Budget	(81,155)	(81,155)	(83,832)	(87,798)	(71,618)	(81,155)
Deferrals & b/fwds		(2,677)	(3,967)	(1,093)	170	(7,567)
Approved Changes and Savings		0	0	17,274	5,610	22,884
Movement Correction					(451)	(451)
Closing Revenue Budget (Forecast)	(81,155)	(83,832)	(87,798)	(71,618)	(65,838)	(66,289)

Capital Expenditure
As at 31 March 2024

CE Code	Type	Annual Plan 23/24	Revised Budget as at 1 July 2023	Revised Budget as at 30 September 2023	Revised Budget as at 31 January 2024	Deferrals and B/fwds	Approved Changes and Savings	Movements	Revised Budget as at April 30 2023
Community Services									
CE10001 - Aquatic facilities building renewals	R	\$1,680,132	\$1,527,352	\$1,527,352	\$1,527,352	\$0	\$0	\$159,800	\$1,687,152
CE10005 - Libraries collection purchases	R	\$1,110,696	\$659,421	\$659,421	\$1,357,736	\$0	\$0	\$0	\$1,357,736
CE10006 - Library operational renewals	R	\$397,506	\$479,218	\$479,218	\$479,218	\$0	\$0	\$0	\$479,218
CE10007 - Library building renewals	R	\$1,843,726	\$1,802,624	\$1,786,320	\$1,838,005	\$0	\$80,000	\$0	\$1,918,005
CE19017 - Rototuna community facilities	G	\$4,558,356	\$3,843,172	\$2,996,822	\$2,996,822	(\$150,000)	\$0	\$0	\$2,846,822
CE21005 - Aquatic facilities renewals	R	\$2,108,181	\$1,449,334	\$1,449,334	\$1,449,334	\$0	\$0	(\$159,800)	\$1,289,534
CE21044 - Libraries development	LOS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CE21046 - Aquatic facilities development	LOS	\$0	\$326,251	\$326,251	\$326,251	\$0	\$0	\$0	\$326,251
Total Community Services		\$11,698,597	\$10,087,372	\$9,224,718	\$9,974,718	(\$150,000)	\$80,000	\$0	\$9,904,718
Overhead and support unit capital projects									
CE10151 - Strategic property renewals	R	\$171,537	\$223,676	\$223,676	\$366,676	\$0	\$0	\$0	\$366,676
CE10158 - Fleet vehicles renewals	R	\$1,601,898	\$1,554,281	\$1,554,281	\$1,545,424	\$0	\$0	\$0	\$1,545,424
CE21014 - Corporate building renewals	R	\$3,263,575	\$2,083,011	\$2,083,011	\$2,083,011	\$0	\$0	\$0	\$2,083,011
CE21025 - Information Services renewals	R	\$87,945	\$0	\$0	\$1,868,028	\$0	\$0	\$0	\$1,868,028
CE21026 - Information Services upgrades	LOS	\$3,539,847	\$4,759,792	\$4,759,792	\$2,891,763	\$0	\$0	\$0	\$2,891,763
Total Overhead and support unit capital projects		\$8,664,801	\$8,620,760	\$8,620,760	\$8,754,903	\$0	\$0	\$0	\$8,754,903
Parks and Recreation									
CE10021 - Cemetery and crematorium building renewals	R	\$5,504	\$331,226	\$313,226	\$313,226	\$0	\$0	\$0	\$313,226
CE10030 - Parks and recreation building renewals	R	\$2,402,113	\$2,077,080	\$2,077,080	\$5,519,618	\$0	\$0	\$0	\$5,519,618
CE17004 - River plan	LOS	\$5,161,030	\$5,286,463	\$1,536,463	\$1,036,463	\$0	\$0	\$0	\$1,036,463
CE19007 - Peacocke parks development	G	\$19,940,517	\$3,231,335	\$3,231,335	\$3,231,335	\$978,795	\$0	\$0	\$4,210,131
CE19009 - Rototuna parks development	G	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CE19070 - Community facilities building renewals	R	\$1,655,257	\$1,347,051	\$902,319	\$1,892,319	\$0	\$0	\$0	\$1,892,319
CE21001 - Nursery renewals	R	\$168,708	\$344,072	\$344,072	\$344,072	\$0	\$30,115	\$0	\$374,187
CE21003 - Parks and recreation renewals	R	\$8,178,143	\$7,254,638	\$7,274,638	\$9,135,213	\$0	\$29,990	\$0	\$9,165,204
CE21004 - Cemeteries and crematorium renewals	R	\$74,853	\$100,190	\$100,190	\$100,190	\$0	\$0	\$0	\$100,190
CE21006 - Nature in the city gully restoration and development	LOS	\$1,744,243	\$1,837,446	\$834,308	\$1,801,671	\$0	\$342,329	\$0	\$2,144,000
CE21007 - Cemeteries and crematorium development	G	\$332,438	\$6,010	\$24,010	\$24,010	\$0	\$0	\$0	\$24,010
CE21008 - Indoor recreation development	LOS	\$1,000,000	\$1,200,069	\$1,579,423	\$2,471,863	(\$1,400,000)	\$0	\$0	\$1,071,863
CE21010 - Parks and recreation development	LOS	\$5,359,499	\$4,161,926	\$8,941,926	\$8,345,228	(\$280,000)	\$0	\$0	\$8,065,228
Total Parks and Recreation		\$46,022,305	\$27,177,506	\$27,158,989	\$34,215,208	(\$701,205)	\$402,435	\$0	\$33,916,437
Rubbish and Recycling									
CE10054 - Closed landfill assets renewals	R	\$230,064	\$342,292	\$342,292	\$491,272	\$0	\$0	\$0	\$491,272
CE10056 - Refuse Transfer Station and Hamilton Organics Centre asset renewals	R	\$127,148	\$38,230	\$38,230	\$38,230	\$0	\$0	\$0	\$38,230
CE15055 - Closed landfill management	LOS	\$77,055	\$95,477	\$95,477	\$95,477	\$0	\$0	\$0	\$95,477
CE19027 - Refuse drop off points	LOS	\$0	\$43,300	\$43,300	\$43,300	\$0	\$0	(\$23,300)	\$20,000
Total Rubbish and Recycling		\$434,267	\$519,299	\$519,299	\$668,279	\$0	\$0	(\$23,300)	\$644,979
Safety									
CE21013 - Animal control building renewals	R	\$0	\$11,537	\$27,841	\$27,841	\$0	\$0	\$0	\$27,841
CE21015 - City safe renewals	R	\$117,783	\$0	\$0	\$98,000	\$0	\$0	\$0	\$98,000
CE21016 - City safe upgrades	LOS	\$107,877	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Safety		\$225,661	\$11,537	\$27,841	\$125,841	\$0	\$0	\$0	\$125,841

Item 6

Attachment 3

Capital Expenditure
As at 31 March 2024

CE Code	Type	Annual Plan 23/24	Revised Budget as at 1 July 2023	Revised Budget as at 30 September 2023	Revised Budget as at 31 January 2024	Deferrals and B/fwds	Approved Changes and Savings	Movements	Revised Budget as at April 30 2023
Stormwater									
CE10058 - Stormwater asset renewals	R	\$1,005,803	\$743,199	\$743,199	\$243,199	\$0	\$0	\$0	\$243,199
CE15059 - Rototuna stormwater infrastructure	G	\$552,241	\$489,916	\$489,916	\$489,916	\$0	\$0	\$0	\$489,916
CE15060 - Rotokauri stormwater infrastructure stage 1	G	\$3,405,612	\$2,323,857	\$2,323,857	\$2,323,857	\$0	\$0	\$0	\$2,323,857
CE15062 - Peacocke stormwater infrastructure stage 1	G	\$657,490	\$1,589,515	\$1,589,515	\$1,589,515	\$0	\$0	\$0	\$1,589,515
CE15063 - Peacocke stormwater infrastructure stage 2	G	\$5,544,036	\$4,945,062	\$4,945,062	\$4,945,062	\$0	\$0	\$0	\$4,945,062
CE15067 - Comprehensive stormwater consent implementation	LOS	\$333,539	\$321,479	\$321,479	\$321,479	\$0	\$0	\$0	\$321,479
CE15068 - Stormwater customer connections	G	\$526,523	\$805,785	\$805,785	\$805,785	\$0	\$0	\$0	\$805,785
CE15162 - Integrated Catchment Management Plan	G	\$793,706	\$1,068,861	\$1,068,861	\$1,068,861	\$0	\$0	\$0	\$1,068,861
CE19026 - Erosion control works	LOS	\$1,840,757	\$1,847,958	\$1,847,958	\$2,397,958	\$0	\$0	\$0	\$2,397,958
CE21031 - Flood management	LOS	\$354,784	\$354,784	\$354,784	\$354,784	\$0	\$0	\$0	\$354,784
CE21032 - Stormwater infrastructure upgrades	G	\$96,756	\$406,381	\$406,381	\$29,317	\$0	\$0	\$0	\$29,317
CE21062 - Stormwater asset upgrades	LOS	\$105,675	\$243,684	\$243,684	\$243,684	\$0	\$0	\$0	\$243,684
CE21066 - Ruakura stormwater infrastructure	G	\$700,000	\$830,258	\$830,258	\$830,258	\$0	\$0	\$0	\$830,258
CE21068 - Water Stimulus – Stormwater	LOS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CE23003 - IAF	G	\$125,000	\$124,372	\$124,372	\$500,000	\$0	\$0	\$0	\$500,000
Total Stormwater		\$16,041,921	\$16,095,112	\$16,095,112	\$16,143,676	\$0	\$0	\$0	\$16,143,676
Transport									
CE10070 - Parking enforcement renewals	R	\$559,493	\$760,968	\$760,968	\$760,968	\$0	\$0	\$0	\$760,968
CE10072 - Footpath and street furniture renewals	R	\$5,506,078	\$2,970,770	\$2,970,770	\$2,970,770	\$0	\$0	\$0	\$2,970,770
CE10074 - Drainage (kerb and channel) renewals	R	\$2,884,067	\$4,641,492	\$4,641,492	\$4,641,492	\$0	\$0	\$0	\$4,641,492
CE10075 - Road base Renewals	R	\$3,996,967	\$3,755,398	\$11,355,398	\$11,355,398	\$0	\$0	\$0	\$11,355,398
CE10076 - Road resurfacing	R	\$5,695,725	\$3,884,917	\$3,884,917	(\$11,156,646)	\$0	\$0	\$823,300	(\$10,333,346)
CE10077 - Bridge and structures renewals	R	\$127,053	\$146,955	\$146,955	\$146,955	\$0	\$0	\$0	\$146,955
CE10078 - Retaining wall and structures renewals	R	\$275,197	\$631,735	\$631,735	\$631,735	\$0	\$0	\$0	\$631,735
CE10080 - Street lighting renewals	R	\$449,122	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CE10081 - Traffic equipment renewals	R	\$1,036,942	\$504,483	\$504,483	\$504,483	\$0	\$0	\$0	\$504,483
CE15087 - Transportation upgrades to allow for development	G	\$241,633	\$688,228	\$688,228	\$288,228	\$0	\$0	\$0	\$288,228
CE15088 - Peacocke transport upgrades and development stage 1	G	\$2,888,454	\$4,900,543	\$4,900,543	\$21,700,543	\$0	\$0	\$0	\$21,700,543
CE15089 - Peacocke transport upgrades and development stage 2	G	\$33,737,410	\$31,820,400	\$51,420,400	\$34,620,400	\$0	\$0	\$0	\$34,620,400
CE15090 - Rotokauri transport upgrades and development	G	\$717,605	\$533,132	\$5,883,732	\$5,883,732	\$0	\$3,660,150	\$0	\$9,543,882
CE15092 - Rototuna transport upgrades and development	G	\$16,814,992	\$20,177,793	\$21,024,143	\$17,805,516	\$0	\$0	\$0	\$17,805,516
CE15093 - Ruakura transport upgrades and development	G	\$1,550,320	\$260,808	\$260,808	\$6,293,476	\$0	(\$2,014,161)	\$0	\$4,279,315
CE15096 - Cross city connector	G	\$311,905	\$472,148	\$472,148	\$472,148	\$0	\$0	\$0	\$472,148
CE15097 - Northern city crossing	G	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CE19036 - Ring Road	G	\$0	\$1,485,238	\$1,985,238	\$1,985,238	\$0	\$0	\$0	\$1,985,238
CE19037 - Hamilton transport model	G	\$963,216	\$1,636,718	\$1,636,718	\$1,036,718	\$0	\$0	\$0	\$1,036,718
CE19052 - Intersection upgrades	LOS	\$0	\$1,800,959	\$1,800,959	\$71,561	\$0	\$0	\$0	\$71,561
CE19055 - Upgrade city directional signage	R	\$550,394	\$550,394	\$550,394	\$550,394	\$0	\$0	\$0	\$550,394
CE19057 - Biking plan implementation	G	\$13,480,807	\$13,925,415	\$13,837,415	\$5,415,073	(\$300,000)	\$0	\$182,130	\$5,297,202
CE19058 - Public Transport Mode Shift	G	\$1,430,000	\$1,342,495	\$1,512,495	\$0	\$0	\$0	\$1,498,180	\$1,498,180
CE19062 - Bridge resilience programme	LOS	\$396,712	\$485,278	\$485,278	\$485,278	\$0	\$0	\$0	\$485,278
CE19064 - Transport Centre rejuvenation	LOS	\$772,920	\$682,623	\$682,623	\$4,500,001	\$0	\$0	\$0	\$4,500,001
CE21012 - Transport building renewals	R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CE21052 - Peacocke transportation land	G	\$7,144,832	\$6,815,440	\$6,815,440	\$6,815,441	\$0	\$0	\$0	\$6,815,441
CE21053 - Central city transportation improvements	LOS	\$980,000	\$1,024,775	\$124,775	\$124,775	\$0	\$0	\$0	\$124,775
CE21055 - Te Rapa transportation upgrades and development	G	\$948,575	\$945,873	\$945,873	\$393,873	\$0	\$0	\$0	\$393,873
CE21057 - Ferrybank walking and cycling bridge	LOS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CE21058 - Transportation safety improvements	LOS	\$17,939,378	\$11,705,740	\$19,655,740	\$19,655,740	\$0	(\$4,950,757)	\$0	\$14,704,983
CE21059 - Transportation smart improvements	LOS	\$300,000	\$215,884	\$215,884	\$215,884	\$0	\$0	\$0	\$215,884
CE21060 - Public transport improvement	LOS	\$4,600,548	\$4,297,619	\$4,297,619	\$2,109,585	\$0	(\$594,000)	\$0	\$1,515,585
CE23001 - CERF	LOS	\$31,550,000	\$30,891,606	\$30,809,606	\$16,854,133	\$0	\$0	(\$1,680,310)	\$15,173,823

Capital Expenditure
As at 31 March 2024

CE Code	Type	Annual Plan 23/24	Revised Budget as at 1 July 2023	Revised Budget as at 30 September 2023	Revised Budget as at 31 January 2024	Deferrals and B/fwds	Approved Changes and Savings	Movements	Revised Budget as at April 30 2023
CE23005 - IAF	G	\$312,500	\$224,788	\$224,788	\$2,240,336	\$0	\$0	\$0	\$2,240,336
Total Transport		\$158,162,846	\$154,180,616	\$195,127,566	\$159,373,228	(\$300,000)	(\$3,898,768)	\$823,300	\$155,997,760
Venues Tourism and Major Events									
CE21011 - VTME building renewals	R	\$739,494	\$664,547	\$664,547	\$1,129,981	\$0	\$0	\$0	\$1,129,981
CE21041 - VTME security and health and safety programmes	LOS	\$834,643	\$866,490	\$866,490	\$834,643	\$0	\$0	\$0	\$834,643
CE21042 - VTME operational renewals	R	\$3,628,801	\$3,367,909	\$3,367,909	\$2,897,909	\$0	\$23,030	\$0	\$2,920,939
Total Venues Tourism and Major Events		\$5,202,938	\$4,898,947	\$4,898,947	\$4,862,533	\$0	\$23,030	\$0	\$4,885,563
Visitor Destinations									
CE10008 - Museum operational renewals	R	\$99,071	\$208,495	\$208,495	\$208,495	\$0	\$0	\$0	\$208,495
CE10011 - Museum building renewals	R	\$2,358,119	\$2,219,950	\$2,285,328	\$4,293,328	\$0	\$0	\$0	\$4,293,328
CE10017 - Hamilton Zoo building renewals	R	\$1,843,900	\$1,540,765	\$1,540,765	\$2,086,413	\$0	\$0	(\$240,168)	\$1,846,245
CE10026 - Hamilton Gardens renewals	R	\$23,116	\$33,425	\$33,425	\$0	\$0	\$0	\$0	\$0
CE10028 - Hamilton Gardens building renewals	R	\$44,067	\$44,067	\$44,067	\$33,425	\$0	\$0	\$0	\$33,425
CE19023 - Hamilton Gardens development	LOS	\$6,194,638	\$5,859,942	\$11,849,842	\$11,893,910	(\$600,000)	\$0	\$78,000	\$11,371,910
CE19028 - Collection acquisition fund	LOS	\$82,038	\$53,407	\$53,407	\$53,407	\$0	\$0	\$0	\$53,407
CE21002 - Hamilton Zoo operational renewals	R	\$1,467,246	\$1,558,294	\$1,558,294	\$2,155,858	\$0	\$7,200	\$281,628	\$2,444,687
CE21043 - Hamilton Zoo and Waiwhakareke development	LOS	\$455,662	\$693,751	\$2,996,889	\$1,753,677	(\$369,770)	\$0	(\$41,461)	\$1,342,446
CE21045 - Museum development	LOS	\$699,306	\$702,127	\$2,952,127	\$954,163	\$1,038,171	\$0	\$0	\$1,992,333
CE21047 - Hamilton Gardens themed gardens	LOS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Visitor Destinations		\$13,267,162	\$12,914,223	\$23,522,639	\$23,432,676	\$68,401	\$7,200	\$78,000	\$23,586,277
Wastewater									
CE10100 - Wastewater pump station asset renewals	R	\$839,902	\$916,405	\$916,405	\$1,716,405	\$0	\$0	(\$800,000)	\$916,405
CE10101 - Wastewater asset renewals	R	\$5,166,007	\$4,681,094	\$3,181,094	\$4,681,094	\$0	\$0	\$0	\$4,681,094
CE10115 - Wastewater treatment plant asset renewals	R	\$2,515,658	\$2,222,388	\$2,222,388	\$2,372,388	\$0	\$0	\$0	\$2,372,388
CE15103 - Wastewater network improvements	LOS	\$806,051	\$878,269	\$5,878,269	\$5,878,269	\$0	\$0	\$0	\$5,878,269
CE15104 - Wastewater pipe upgrades	G	\$0	\$22,251	\$22,251	\$22,251	\$0	\$0	\$0	\$22,251
CE15105 - Rototuna wastewater infrastructure	G	\$1,106,301	\$1,106,301	\$1,106,301	\$107,732	\$0	\$0	\$0	\$107,732
CE15106 - Wastewater network upgrades to allow development	G	\$318,270	\$260,903	\$260,903	\$260,903	\$0	\$0	\$0	\$260,903
CE15107 - Rotokauri wastewater infrastructure	G	\$238,703	\$337,440	\$337,440	\$337,440	\$0	\$0	\$0	\$337,440
CE15109 - Peacocke wastewater infrastructure stage 1	G	\$179,027	\$179,027	\$179,027	\$179,027	\$0	\$0	\$0	\$179,027
CE15111 - Increase capacity of wastewater network	G	\$1,962,176	\$1,635,599	\$2,385,599	\$1,329,869	\$106,175	\$0	\$283,235	\$1,719,280
CE15113 - Peacocke wastewater strategic pump station	G	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CE15117 - Upgrade wastewater treatment plant	G	\$10,037,854	\$14,797,609	\$14,797,609	\$11,183,823	(\$1,635,000)	\$0	\$0	\$9,548,823
CE15120 - Wastewater treatment plant compliance	LOS	\$3,205,262	\$2,826,249	\$2,826,249	\$2,826,249	\$0	\$0	\$0	\$2,826,249
CE15121 - Wastewater customer connections to network	G	\$2,079,568	\$1,728,537	\$1,728,537	\$1,728,537	\$0	\$0	\$0	\$1,728,537
CE15160 - Wastewater model	R	\$0	\$30,871	\$30,871	\$730,871	\$0	\$0	\$0	\$730,871
CE15161 - Wastewater master plan	G	\$121,270	\$189,077	\$189,077	\$189,077	\$0	\$0	\$0	\$189,077
CE19040 - Peacocke wastewater infrastructure stage 2	G	\$10,761,522	\$9,499,729	\$9,499,729	\$9,499,729	\$0	\$0	\$0	\$9,499,729
CE19041 - Increase capacity wastewater far east network	G	\$2,264,000	\$2,268,802	\$2,268,802	\$2,268,802	\$0	(\$2,268,802)	\$0	\$0
CE19042 - Peacocke wastewater south network	G	\$6,715,000	\$10,427,829	\$10,427,829	\$10,427,829	\$0	\$0	\$0	\$10,427,829
CE19043 - Increase capacity wastewater west network	G	\$5,718,751	\$5,630,848	\$5,630,848	\$12,068,989	(\$5,667,009)	\$0	\$268,021	\$6,670,001
CE19044 - Increase capacity wastewater east network	G	\$332,354	\$947,752	\$1,975,752	\$1,759,434	(\$850,579)	\$0	(\$551,256)	\$357,599
CE21073 - Subregional wastewater treatment plant	G	\$1,156,913	\$1,581,712	\$1,581,712	\$781,712	\$0	\$0	\$0	\$781,712
CE21076 - Water Stimulus – Wastewater	LOS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CE23004 - IAF	G	\$125,000	\$128,287	\$128,287	\$295,000	\$0	\$0	\$0	\$295,000
Total Wastewater		\$55,649,588	\$62,296,977	\$67,574,977	\$70,645,429	(\$8,046,413)	(\$2,268,802)	(\$800,000)	\$59,530,214

Item 6

Attachment 3

Capital Expenditure
As at 31 March 2024

CE Code	Type	Annual Plan 23/24	Revised Budget as at 1 July 2023	Revised Budget as at 30 September 2023	Revised Budget as at 31 January 2024	Deferrals and B/fwds	Approved Changes and Savings	Movements	Revised Budget as at April 30 2023
Water Supply									
CE10123 - Watermain renewals	R	\$6,954,916	\$5,261,536	\$5,261,536	\$5,261,536	\$0	\$0	\$0	\$5,261,536
CE10124 - Watermain valves and hydrants renewals	R	\$252,951	\$203,636	\$203,636	\$203,636	\$0	\$0	\$0	\$203,636
CE10138 - Treatment plant and reservoir renewals	R	\$1,200,083	\$578,017	\$578,017	\$1,228,017	\$0	\$0	\$0	\$1,228,017
CE10145 - Tools of trade renewals	R	\$45,132	\$15,396	\$15,396	\$15,396	\$0	\$0	\$0	\$15,396
CE15126 - Rototuna upgrade or new watermain	G	\$1,967,944	\$1,967,944	\$1,967,944	\$1,157,188	\$0	\$0	\$0	\$1,157,188
CE15127 - Water pipe upgrades	G	\$700,000	\$700,000	\$700,000	\$0	\$0	\$0	\$0	\$0
CE15128 - Rotokauri upgrade and new watermain stage 1	G	(\$0)	\$61,219	\$61,219	\$61,219	\$0	\$0	\$0	\$61,219
CE15130 - Peacocke watermain stage 1	G	\$103,438	\$103,438	\$103,438	\$103,438	\$0	\$0	\$0	\$103,438
CE15132 - Water network upgrades to allow new development	G	\$2,541,233	\$3,212,812	\$3,212,812	\$4,212,812	(\$1,000,000)	\$0	\$0	\$3,212,812
CE15133 - Water network improvements	LOS	\$509,251	\$388,488	\$388,488	\$388,488	\$0	\$0	\$0	\$388,488
CE15134 - Water demand management - Pukete reservoir zone	G	\$300,000	\$373,737	\$373,737	\$83,737	\$0	\$0	\$0	\$83,737
CE15135 - Peacocke water distribution mains stage 1	G	\$0	\$99,227	\$99,227	\$99,227	\$0	\$0	\$0	\$99,227
CE15137 - Water demand management - Newcastle reservoir zone	G	\$3,495,162	\$2,271,335	\$2,271,335	\$2,271,335	\$0	\$0	\$0	\$2,271,335
CE15139 - Water treatment plant compliance - minor upgrades	LOS	\$1,872,010	\$2,112,756	\$2,112,756	\$1,712,756	\$0	\$0	\$0	\$1,712,756
CE15141 - Water demand management - Hillcrest reservoir zone	G	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CE15144 - Upgrade water treatment plant	G	\$12,404,624	\$11,708,776	\$11,708,776	\$8,908,776	(\$800,000)	\$0	\$0	\$8,108,776
CE15146 - Water customer connections	G	\$2,053,045	\$3,036,647	\$3,036,647	\$3,036,647	\$0	\$0	\$0	\$3,036,647
CE15148 - Ruakura upgrade and new watermain	G	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CE15158 - Water model	R	\$218,938	\$337,339	\$337,339	\$337,339	\$0	\$0	\$0	\$337,339
CE15159 - Water master plan	G	\$183,000	\$183,612	\$183,612	\$183,612	\$0	\$0	\$0	\$183,612
CE19045 - Ruakura reservoir and associate bulk mains	G	\$76,519	\$100,732	\$100,732	\$100,732	\$0	(\$100,732)	\$0	\$0
CE19046 - Peacocke watermain stage 2	G	\$1,527,672	\$854,255	\$854,255	\$854,255	\$0	\$0	\$0	\$854,255
CE21036 - Rotokauri upgrade and new watermain stage 2	G	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CE21039 - Water Stimulus – Water Supply	LOS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CE23002 - IAF	G	\$187,500	\$105,800	\$105,800	\$600,000	\$0	\$0	\$0	\$600,000
Total Water Supply		\$36,593,418	\$33,676,702	\$33,676,702	\$30,820,146	(\$1,800,000)	(\$100,732)	\$0	\$28,919,415
Grand Total - Capital Program		\$351,963,504	\$330,479,051	\$386,447,551	\$359,016,636	(\$10,929,217)	(\$5,755,637)	\$78,000	\$342,409,781

Attachment 3

Item 6

Capital Revenue
As at 31 March 2024

CE Code	Type	Annual Plan 22/23	Revised Budget as at 1 July 2022	Revised Budget as at 30 September 2023	Revised Budget as at 31 January 2024	Deferrals and B/fwds	Approved Changes and Savings	Movements	Revised Budget as at 30 April 2023
Community Services									
CE10001 - Aquatic facilities building renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE10005 - Libraries collection purchases	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE10006 - Library operational renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE10007 - Library building renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE19017 - Rototuna community facilities	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21005 - Aquatic facilities renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21044 - Libraries development	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21046 - Aquatic facilities development	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Community Services		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Overhead and support unit capital projects									
CE10151 - Strategic property renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE10158 - Fleet vehicles renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21014 - Corporate building renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21025 - Information Services renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21026 - Information Services upgrades	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Overhead and support unit capital projects		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and Recreation									
CE10021 - Cemetery and crematorium building renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE10030 - Parks and recreation building renewals	R	\$ -	\$ -	\$ -	\$ 36,414.50	\$ -	\$ -	\$ -	\$ 36,414.50
CE17004 - River plan	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE19007 - Peacocke parks development	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE19009 - Rototuna parks development	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE19070 - Community facilities building renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21001 - Nursery renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21003 - Parks and recreation renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21004 - Cemeteries and crematorium renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21006 - Nature in the city gully restoration and development	LOS	\$ -	\$ -	\$ -	\$ 2,044,000.00	\$ -	\$ -	\$ -	\$ 2,044,000.00
CE21007 - Cemeteries and crematorium development	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21008 - Indoor recreation development	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21010 - Parks and recreation development	LOS	\$ 2,708,918.00	\$ 2,708,918.00	\$ 2,708,918.00	\$ 2,588,918.00	\$ -	\$ -	\$ -	\$ 2,588,918.00
Total Parks and Recreation		\$ 2,708,918.00	\$ 2,708,918.00	\$ 2,708,918.00	\$ 581,332.50	\$ -	\$ -	\$ -	\$ 581,332.50
Rubbish and Recycling									
CE10054 - Closed landfill assets renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE10056 - Refuse Transfer Station and Hamilton Organics Centre asset renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15055 - Closed landfill management	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE19027 - Refuse drop off points	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Rubbish and Recycling		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Safety									
CE21013 - Animal control building renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21015 - City safe renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21016 - City safe upgrades	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Safety		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stormwater									
CE10058 - Stormwater asset renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Revenue
As at 31 March 2024

CE Code	Type	Annual Plan 22/23	Revised Budget as at 1 July 2022	Revised Budget as at 30 September 2023	Revised Budget as at 31 January 2024	Deferrals and B/fwds	Approved Changes and Savings	Movements	Revised Budget as at 30 April 2023
CE15059 - Rotoruna stormwater infrastructure	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15060 - Rotokauri stormwater infrastructure stage 1	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15062 - Peacocke stormwater infrastructure stage 1	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15063 - Peacocke stormwater infrastructure stage 2	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15067 - Comprehensive stormwater consent implementation	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15068 - Stormwater customer connections	G	-\$ 526,522.50	-\$ 443,763.32	-\$ 443,763.32	-\$ 443,763.32	\$ -	\$ -	\$ -	-\$ 443,763.32
CE15162 - Integrated Catchment Management Plan	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE19026 - Erosion control works	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21031 - Flood management	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21032 - Stormwater infrastructure upgrades	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21062 - Stormwater asset upgrades	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21066 - Ruakura stormwater infrastructure	G	-\$ 1,500,000.00	-\$ 1,595,009.70	-\$ 1,595,009.70	-\$ 1,595,009.70	\$ -	\$ -	\$ -	-\$ 1,595,009.70
CE21068 - Water Stimulus – Stormwater	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE23003 - IAF	G	-\$ 125,000.00	-\$ 131,000.00	-\$ 131,000.00	-\$ 506,627.94	\$ -	\$ -	\$ -	-\$ 506,627.94
Total Stormwater		-\$ 2,151,522.50	-\$ 2,169,773.02	-\$ 2,169,773.02	-\$ 2,545,400.96	\$ -	\$ -	\$ -	-\$ 2,545,400.96
Transport									
CE10070 - Parking enforcement renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE10072 - Footpath and street furniture renewals	R	-\$ 1,447,161.90	-\$ 874,319.10	-\$ 874,319.10	-\$ 874,319.10	\$ -	\$ -	\$ -	-\$ 874,319.10
CE10074 - Drainage (kerb and channel) renewals	R	-\$ 1,264,592.80	-\$ 2,109,976.80	-\$ 2,109,976.80	-\$ 2,109,976.80	\$ -	\$ -	\$ -	-\$ 2,109,976.80
CE10075 - Road base Renewals	R	-\$ 1,746,241.40	-\$ 2,740,943.40	-\$ 2,740,943.40	-\$ 2,740,943.40	\$ -	\$ -	\$ -	-\$ 2,740,943.40
CE10076 - Road resurfacing	R	-\$ 2,516,838.80	-\$ 2,986,329.80	-\$ 2,986,329.80	-\$ 2,986,329.80	\$ -	\$ -	\$ -	-\$ 2,986,329.80
CE10077 - Bridge and structures renewals	R	-\$ 33,948.80	-\$ 115,787.80	-\$ 115,787.80	-\$ 115,787.80	\$ -	\$ -	\$ -	-\$ 115,787.80
CE10078 - Retaining wall and structures renewals	R	-\$ 120,942.60	-\$ 276,212.60	-\$ 276,212.60	-\$ 276,212.60	\$ -	\$ -	\$ -	-\$ 276,212.60
CE10080 - Street lighting renewals	R	-\$ 197,327.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE10081 - Traffic equipment renewals	R	-\$ 455,126.10	-\$ 516,108.51	-\$ 321,826.91	-\$ 321,826.91	\$ -	\$ -	\$ -	-\$ 321,826.91
CE15087 - Transportation upgrades to allow for development	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15088 - Peacocke transport upgrades and development stage 1	G	-\$ 739,500.00	-\$ 1,733,044.62	-\$ 1,733,044.62	-\$ 1,733,044.62	\$ -	\$ -	\$ -	-\$ 1,733,044.62
CE15089 - Peacocke transport upgrades and development stage 2	G	-\$ 12,749,479.37	-\$ 5,738,990.21	-\$ 5,738,990.21	-\$ 5,738,990.21	372,778.00	\$ -	372,778.00	-\$ 5,738,990.21
CE15090 - Rotokauri transport upgrades and development	G	-\$ 296,716.76	-\$ 296,716.76	-\$ 296,716.76	-\$ 296,716.76	\$ -	\$ -	\$ -	-\$ 296,716.76
CE15092 - Rotoruna transport upgrades and development	G	-\$ 4,650,000.00	-\$ 5,770,522.00	-\$ 5,770,522.00	-\$ 4,129,022.06	\$ 0.00	\$ -	\$ -	-\$ 4,129,022.06
CE15093 - Ruakura transport upgrades and development	G	\$ -	-\$ 4,871,802.40	-\$ 4,871,802.40	-\$ 8,071,802.40	\$ -	\$ 2,781,931.00	\$ -	-\$ 5,289,871.40
CE15096 - Cross city connector	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15097 - Northern city crossing	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE19036 - Ring Road	G	\$ -	-\$ 1,277,930.95	-\$ 1,277,930.95	-\$ 1,277,930.95	\$ -	\$ -	\$ -	-\$ 1,277,930.95
CE19037 - Hamilton transport model	G	-\$ 59,132.06	-\$ 142,576.46	-\$ 142,576.46	-\$ 142,576.46	\$ -	\$ -	\$ -	-\$ 142,576.46
CE19052 - Intersection upgrades	LOS	-\$ 153,000.00	-\$ 440,000.00	-\$ 440,000.00	-\$ 440,000.00	\$ -	\$ -	\$ -	-\$ 440,000.00
CE19055 - Upgrade city directional signage	R	-\$ 241,885.20	-\$ 241,885.20	-\$ 241,885.20	-\$ 241,885.20	\$ -	\$ -	\$ -	-\$ 241,885.20
CE19057 - Biking plan implementation	G	-\$ 4,342,835.00	-\$ 3,539,754.75	-\$ 3,647,084.75	-\$ 1,800,439.13	(\$202,655)	\$ -	175,322.00	-\$ 2,178,416.19
CE19058 - Public Transport Mode Shift	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,237,147.50	-\$ 1,237,147.50
CE19062 - Bridge resilience programme	LOS	-\$ 137,674.10	-\$ 145,113.10	-\$ 145,113.10	-\$ 145,113.10	\$ -	\$ -	\$ -	-\$ 145,113.10
CE19064 - Transport Centre rejuvenation	LOS	-\$ 640,267.00	-\$ 802,011.90	-\$ 802,011.90	-\$ 2,178,336.91	\$ 0.00	\$ -	\$ -	-\$ 2,178,336.91
CE21012 - Transport building renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21052 - Peacocke transportation land	G	-\$ 3,494,615.14	-\$ 3,953,546.20	-\$ 3,953,546.20	-\$ 3,953,546.20	\$ -	\$ -	\$ -	-\$ 3,953,546.20
CE21053 - Central city transportation improvements	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21055 - Te Rapa transportation upgrades and development	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21057 - Ferrybank walking and cycling bridge	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21058 - Transportation safety improvements	LOS	-\$ 5,049,000.00	-\$ 2,266,526.96	-\$ 6,320,026.96	-\$ 6,320,026.96	\$ -	\$ 2,524,886.00	\$ -	-\$ 3,795,140.96
CE21059 - Transportation smart improvements	LOS	-\$ 153,000.00	-\$ 91,910.00	-\$ 91,910.00	-\$ 91,910.00	\$ -	\$ -	\$ -	-\$ 91,910.00
CE21060 - Public transport improvement	LOS	-\$ 2,331,685.00	-\$ 2,185,220.00	-\$ 2,185,220.00	-\$ 1,069,535.00	\$ -	\$ 302,940.00	\$ -	-\$ 766,595.00
CE23001 - CERF	LOS	-\$ 28,716,000.00	-\$ 32,275,871.00	-\$ 32,275,871.00	-\$ 15,114,793.00	\$ -	\$ -	1,412,469.50	-\$ 13,702,323.50
CE23005 - IAF	G	-\$ 312,500.00	-\$ 334,500.00	-\$ 334,500.00	-\$ 2,350,047.53	\$ -	\$ -	\$ -	-\$ 2,350,047.53
Total Transport		-\$ 71,849,469.43	-\$ 75,727,600.52	-\$ 79,694,148.92	-\$ 64,521,112.90	\$ 170,122.94	\$ 5,609,757.00	-\$ 372,778.00	-\$ 59,114,010.96

Capital Revenue
As at 31 March 2024

CE Code	Type	Annual Plan 22/23	Revised Budget as at 1 July 2022	Revised Budget as at 30 September 2023	Revised Budget as at 31 January 2024	Deferrals and B/fwds	Approved Changes and Savings	Movements	Revised Budget as at 30 April 2023
Venues Tourism and Major Events									
CE21011 - VTME building renewals	R	\$ -	-\$ 36,414.50	-\$ 36,414.50	\$ -	\$ -	\$ -	\$ -	\$ -
CE21041 - VTME security and health and safety programmes	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21042 - VTME operational renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Venues Tourism and Major Events		\$ -	-\$ 36,414.50	-\$ 36,414.50	\$ -	\$ -	\$ -	\$ -	\$ -
Visitor Destinations									
CE10008 - Museum operational renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE10011 - Museum building renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE10017 - Hamilton Zoo building renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE10026 - Hamilton Gardens renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE10028 - Hamilton Gardens building renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE19023 - Hamilton Gardens development	LOS	\$ -	\$ -	\$ -	-\$ 120,000.00	\$ -	\$ -	-\$ 78,000.00	-\$ 198,000.00
CE19028 - Collection acquisition fund	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21002 - Hamilton Zoo operational renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21043 - Hamilton Zoo and Waiwhakareke development	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21045 - Museum development	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21047 - Hamilton Gardens themed gardens	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Visitor Destinations		\$ -	\$ -	\$ -	-\$ 120,000.00	\$ -	\$ -	-\$ 78,000.00	-\$ 198,000.00
Wastewater									
CE10100 - Wastewater pump station asset renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE10101 - Wastewater asset renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE10115 - Wastewater treatment plant asset renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15103 - Wastewater network improvements	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15104 - Wastewater pipe upgrades	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15105 - Rototuna wastewater infrastructure	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15106 - Wastewater network upgrades to allow development	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15107 - Rotokauri wastewater infrastructure	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15109 - Peacocke wastewater infrastructure stage 1	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15111 - Increase capacity of wastewater network	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15113 - Peacocke wastewater strategic pump station	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15117 - Upgrade wastewater treatment plant	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15120 - Wastewater treatment plant compliance	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15121 - Wastewater customer connections to network	G	-\$ 2,079,567.50	-\$ 1,198,031.24	-\$ 1,198,031.24	-\$ 1,198,031.24	\$ -	\$ -	\$ -	-\$ 1,198,031.24
CE15160 - Wastewater model	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15161 - Wastewater master plan	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE19040 - Peacocke wastewater infrastructure stage 2	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE19041 - Increase capacity wastewater far east network	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE19042 - Peacocke wastewater south network	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE19043 - Increase capacity wastewater west network	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE19044 - Increase capacity wastewater east network	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21073 - Subregional wastewater treatment plant	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21076 - Water Stimulus – Wastewater	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE23004 - IAF	G	-\$ 125,000.00	-\$ 132,000.00	-\$ 132,000.00	-\$ 298,712.73	\$ -	\$ -	\$ -	-\$ 298,712.73
Total Wastewater		-\$ 2,204,567.50	-\$ 1,330,031.24	-\$ 1,330,031.24	-\$ 1,496,743.97	\$ -	\$ -	\$ -	-\$ 1,496,743.97
Water Supply									
CE10123 - Watermain renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE10124 - Watermain valves and hydrants renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE10138 - Treatment plant and reservoir renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE10145 - Tools of trade renewals	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15126 - Rototuna upgrade or new watermain	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Revenue
As at 31 March 2024

CE Code	Type	Annual Plan 22/23	Revised Budget as at 1 July 2022	Revised Budget as at 30 September 2023	Revised Budget as at 31 January 2024	Deferrals and B/fwds	Approved Changes and Savings	Movements	Revised Budget as at 30 April 2023
CE15127 - Water pipe upgrades	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15128 - Rotokauri upgrade and new watermain stage 1	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15130 - Peacocke watermain stage 1	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15132 - Water network upgrades to allow new development	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15133 - Water network improvements	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15134 - Water demand management - Pukete reservoir zone	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15135 - Peacocke water distribution mains stage 1	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15137 - Water demand management - Newcastle reservoir zone	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15139 - Water treatment plant compliance - minor upgrades	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15141 - Water demand management - Hillcrest reservoir zone	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15144 - Upgrade water treatment plant	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15146 - Water customer connections	G	-\$ 2,053,045.00	-\$ 1,656,593.57	-\$ 1,656,593.57	-\$ 1,656,593.57	\$ -	\$ -	\$ -	-\$ 1,656,593.57
CE15148 - Ruakura upgrade and new watermain	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15158 - Water model	R	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE15159 - Water master plan	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE19045 - Ruakura reservoir and associated bulk mains	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE19046 - Peacocke watermain stage 2	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21036 - Rotokauri upgrade and new watermain stage 2	G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE21039 - Water Stimulus – Water Supply	LOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CE23002 - IAF	G	-\$ 187,500.00	-\$ 202,500.00	-\$ 202,500.00	-\$ 696,700.25	\$ -	\$ -	\$ -	-\$ 696,700.25
Total Water Supply		-\$ 2,240,545.00	-\$ 1,859,093.57	-\$ 1,859,093.57	-\$ 2,353,293.82	\$ -	\$ -	\$ -	-\$ 2,353,293.82
Grand Total - Capital Program		-\$ 81,155,022.43	-\$ 83,831,830.85	-\$ 87,798,379.25	-\$ 71,617,884.15	\$ 170,122.94	\$ 5,609,757.00	-\$ 450,778.00	-\$ 66,288,782.21

Council Report

Item 7

Committee: Finance and Monitoring Committee

Date: 07 May 2024

Author: Tracey Musty

Authoriser: David Bryant

Position: Finance Director

Position: General Manager Business Services

Report Name: Financial Performance & Strategy Report to 31 March 2024

Report Status	<i>Open</i>
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Purpose - *Take*

1. To inform the Finance and Monitoring Committee on Council's financial performance and strategy for the period ended 31 March 2024.
2. To seek a recommendation from the Finance and Monitoring Committee that the Council approves the significant forecast adjustments as set out in this Report.
3. To seek a recommendation from the Finance and Monitoring Committee that the Council approves the capital movement as set out in Item 6 the Capital Portfolio Monitoring Report.

Staff Recommendation - *Tuutohu-aa-kaimahi* (Recommendation to the Council)

4. That the Finance and Monitoring Committee:
 - a) receives the report; and
 - b) recommends that the Council:
 - i. approves the capital movement as identified in the 7 May 2024 Capital Portfolio Monitoring Report; and
 - ii. approves the significant forecast adjustments and revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in the Financial Strategy section of this staff report.

Executive Summary - *Whakaraapopototanga matua*

5. This report is to be read in conjunction with the 7 May 2024 Capital Portfolio Monitoring Report.

6. The 7 May 2024 financial results are as follows:

Surplus/(Deficit) Result	Actual	Budget	Variance
Accounting Surplus/(Deficit)	\$60.9 million	\$75.4 million	(\$14.5 million) ✗
Balancing the books	(\$17.2 million)	(\$6.3 million)	(\$10.9 million) ✗

7. **Operating revenue \$4.8 million (excluding interest and other revenue) ✓** - New Zealand Transport Agency, Waka Kotahi (NZTA) offsetting increased Operating & Maintenance costs and fees and charge above budget by \$1.7 million.
8. **Capital revenue (\$3.4 million) ✗** - unfavourable due to capital revenue and development contributions being \$12.0 million lower than budget due to reduction in Climate Emergency Response Fund (CERF) funding and \$2.3 million respectively. These variances are offset by higher than normal budget vesting of \$11.0 million, given this does not constitute a cash offset.
9. **Other revenue \$11.9 million ✓** – driven by the non-cash revaluation of the interest free Housing Infrastructure Fund (HIF) loan. Figures are higher than budgeted due to higher interest rates.
10. **Net interest costs (\$7.4 million) ✗** - driven by market increases in interest rates and debt levels.
11. **Operating expenditure, excluding interest and depreciation (\$1.9 million) ✗** - the overspends are predominantly in Operating & Maintenance costs, relating to transportation contractors being ahead of scheduled programmes, due to good weather conditions. It also reflects reactive maintenance work required to ensure our water infrastructure is maintained and operational.
12. The impact of forecasting changes made, since the adoption of the 2021-31 Long-Term Plan, are reflected in the Financial Strategy measures forecasted for year-end:
- debt to revenue is 237% and unfavourable against a budget of 199%;
 - net debt is \$1.0 billion and unfavourable against a budget of \$843 million; and
 - balancing the books is (\$41.0 million) and tracking unfavourably against a budget of (\$17 million).
13. As of 31 March 2024, Council is non-compliant with counterparty credit limits. Increased cash holdings necessitated additional term deposits, which have exceed current limits. Term deposit holdings maturation dates is 15 May 2024, at which point Council will once again be compliant. There is no risk that Council will be non-compliant at the end of this financial year. Council remains compliant with all other treasury policy measures (**Attachment 3**).
14. Council's Investment and Liability Management policy sets out counterparty credit limits. This is the maximum value Council may invest with any approved counterparty. These limits were reviewed through the 2024-34 Long-Term Plan and have been increased to mitigate any instances of non-compliance in the future. The new limits come into effect on 1 July 2024.
15. By 31 March 2024, Council's fixed rate hedging was at 54%. Council's external treasury advisor Price Waterhouse Cooper (PWC) reviews the swap strategy monthly to test if Council's hedging is appropriate.
16. Council saw a loss of (\$7.6 million) on the revaluation of swaps on 31 March 2024. Noting this is not a cash loss, rather an accounting/book entry and reflects the market swap rate movement as outlined in **Attachment 3**.

17. Staff consider the matters in this report to have low significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

Operating Results - Year to Date (YTD)

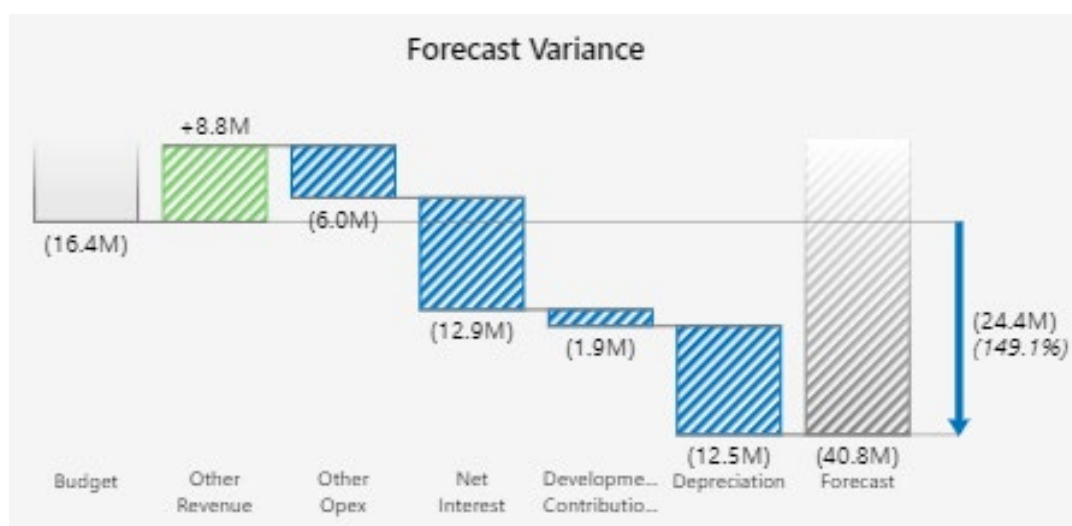
18. The Statement of Comprehensive Revenue and Expense discloses the accounting result in accordance with accounting standards. The surplus of \$60.9 million is (\$14.5 million) unfavourable compared to the budget surplus of \$75.4 million.
19. The balancing the books result for the year to 31 March 2024 is (\$17.2 million). The deficit is (\$10.9 million) unfavourable than the budgeted deficit of (\$6.3 million).

Surplus/(Deficit) Result	Actual	Budget	Variance
Accounting Surplus/(Deficit)	\$60.9 million	\$75.4 million	(\$14.5 million) ✖
Balancing the books	(\$17.2 million)	(\$6.3 million)	(\$10.9 million) ✖

20. The annual accounting and balancing the books results forecasted for 30 June 2024 are as follows:

Surplus/(Deficit) Result	FY24 Year End Forecast	Annual Plan	Variance
Accounting Surplus/(Deficit)	\$89.8 million	\$118.9 million	(\$29.1 million) ✖
Balancing the books	(\$40.8 million)	(\$16.4 million)	(\$24.4 million) ✖

21. Key balancing the books' forecast movements are summarised in the following graph:



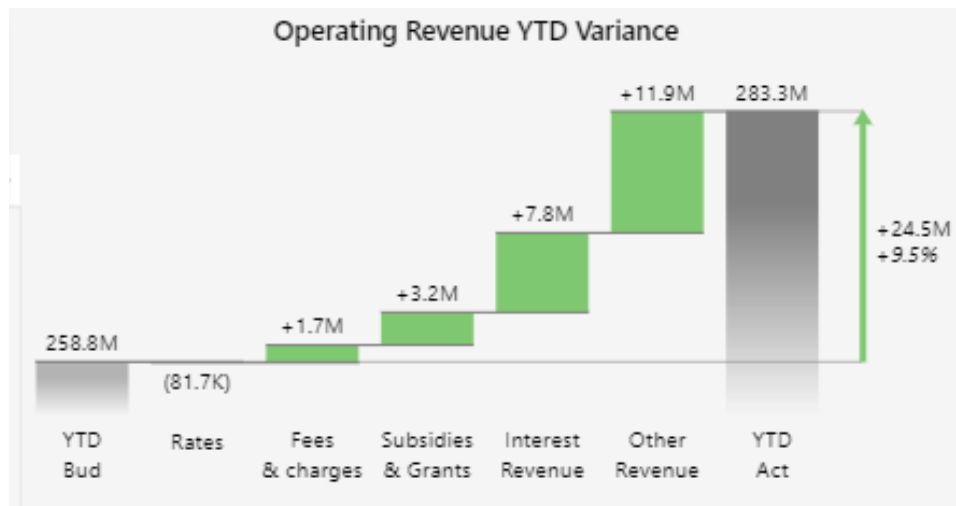
Understanding material variances

22. The Statement of Comprehensive Revenue and Expense can be found in **Attachment 1**. This statement also includes a forecast of the result for the year ending June 2024 against the Annual Plan for the year ending June 2024.

23. Individual Everyday Revenue and Expense statements for each of Council's activities are in **Attachment 2**.
24. Variances presented as a positive number impact the result in a favourable manner. Variances presented in brackets (\$x.x million) impact the result in an unfavourable manner.

Operating Revenue

25. **Total Operating Revenue Year to Date (YTD) \$24.5 million** ✓



26. **Fees & charges \$1.7 million** ✓ - Operating Contributions are \$1.9 million favourable to budget due to the recovery of costs for various activities across transport, waters, parks and planning.
27. **Subsidies & Grants \$3.2 million** ✓ - NZTA subsidies are \$1.4 million ahead, offsetting additional operating and maintenance costs. The waste levy on Class 1 landfills has increased and resulted in a favourable variance of \$1.4 million. Waste Levy funds can only be used for waste minimisation activities as set out by [Waste Minimisation Act 2008](#) and must be accumulated in a reserve until released for specified activities.
28. **Interest revenue \$7.8 million** ✓ - Careful treasury monitoring of the financial markets movements ensures that Council obtain optimal returns on operational cash holdings and is maximising higher market returns on term deposits.
29. **Other revenue \$11.9 million** ✓ - The higher market interest rates YTD have driven a \$10.5 million non-cash fair value gain on the HIF loan. This change in value of the HIF loan is excluded from the balancing the books result. Dog and parking infringements issued are higher than the YTD budget, due to increased activity in these areas. Rental income is also higher than budget due to rent reviews. Waikato Regional Airport paid a \$273,000 dividend, which was unbudgeted.
30. **Operational Revenue Year-End Forecasts include:**
- Fees & Charges \$1.4 million** ✓ - Recovery of costs through operating contributions in various activity across transport, waters, parks, and planning.
 - Subsidies & Grants \$4.4 million** ✓ - NZTA has allocated surplus funding from the three-year funding block to support Councils' existing work programmes which resulted in an additional \$2.0 million in subsidies being received. The waste levy on Class 1 landfills has increased and resulted in a favourable forecast variance of \$2.0 million. Waste Levy funds can only be used for waste minimisation activities, as set out by Waste Minimisation Act 2008 and must be accumulated in a reserve and released against specified spend.

iii. **Other revenue \$14.6 million** ✓ - Higher market interest rates YTD have driven an additional \$13.2 million non-cash fair value gain on the HIF loan. This forecasted change in value of the HIF loan is excluded from the balancing the books forecast result. Other favourable forecasts include the dividend from the Waikato Regional Airport and additional rental income on carparks and properties forecasted.

iv. **Interest revenue \$9.2 million** ✓ - Higher interest rates on cash holdings will contribute an offset to higher borrowing costs.

31. Material variance explanations can be found in the activity statements (**Attachment 2**).

Capital Revenue

32. **Total Capital Revenue YTD (\$3.4 million)** ✗

33. **Development Contributions (\$2.3 million)** ✗ - consenting pipeline and volume of completion of developments (especially in the greenfield) is on a downward trajectory resulting in Development Contributions tracking below budget.

34. **Capital revenue (\$12.0 million)** ✗ - Climate Emergency Response Fund (CERF) funding for the year has been reduced by \$12.0 million from budget.

35. **Vested assets (\$11.0 million)** ✓ – Timing and valuation of vested assets is difficult to estimate. Vested assets relating to Parks and Gardens amounted to \$4.0 million, these are unbudgeted. Significant assets vested to Council relate to land under roads and parks and garden land in Kimbrae Drive and Taiatea Drive (\$23.0 million).

36. Vested assets are a non-cash inflow, and the addition of vested assets increases operating, maintenance and depreciation costs for Council. Through the 2021-31 Long-Term Plan increased funding was made available for maintenance on new vested assets for infrastructural activities.

Asset class	YTD Actual \$000	Full Year Annual Budget \$000	Life Range (Years)	Estimated Annual Depreciation \$000
Wastewater	\$2,334	\$3,788	15-100	98
Stormwater	\$5,468	\$5,477	30-100	58
Water Supply	\$1,200	\$2,042	50-80	10
Roading	\$6,228	\$28,056	12-140	124
Parks and Recreation	\$72	-	0	4
Land	\$16,176	-	0	0
Total	\$31,478	\$39,363		295

37. **Capital Revenue Year-End Forecast Variances (\$15.6 million)** ✗

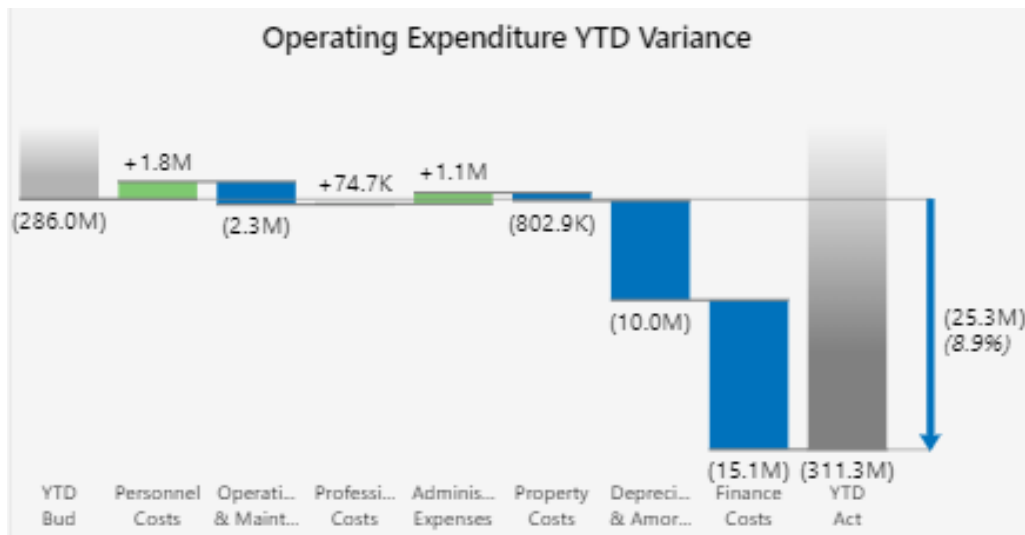
i. **Development contributions (\$7.5 million)** ✗ - consenting pipeline and volume of completion of developments (especially in the greenfield) is on a downward trajectory that has not been seen since the Global Financial Crisis, against a backdrop of a soft demand, high borrowing costs, high capital/materials costs, and noting that NZ is now in a recession.

ii. **Capital revenue and contributions (\$16.3 million)** ✗ - please refer to the Capital Portfolio Monitoring report for commentary on variances.

- iii. **Vested assets (\$8.2 million)** ✓ - based on assets received YTD and expected capitalisations yet to be completed.

Operating Expenditure

38. **Total Operating Expenditure Year to Date (YTD) (\$25.3 million)**✗



39. **Personnel costs \$1.8 million**✓ – Staff remuneration is \$3.9 million less than budget due to staff vacancies. This is partially offset by (\$600,000) of external contractors filling staff roles and (\$1.3 million) of restructuring costs.
40. **Operating & Maintenance costs (\$2.3 million)**✗ – The overspend is mostly relating to additional spend on infrastructure including road and water maintenance due to demands on the network. This is partly offset by increased NZTA subsidies.
41. **Administration Expenses \$1.1 million**✓ - A review of software licence resulted in a lower than budgeted result of \$700,000. Reduced fuel costs are a direct result of the acquisition of electric vehicles and changes within fleet management.
42. **Property Costs (\$800,000)**✗ – Higher energy costs (\$600,000) and an unbudgeted Riskpool residual call payment (\$350,000).
43. **Depreciation (\$10.0 million)**✗ – The key driver is the revaluation of transport and parks and garden improvement assets as at 30 June 2023 and 30 April 2023, which were significantly higher than budget resulting in a (\$8.0 million) unfavourable variance to budget. Compounding the unfavourable variance is that expected deferrals for FY22/23 didn't materialise and therefore higher than budgeted depreciation has occurred for infrastructure assets.
44. **Finance costs (\$15.1 million)**✗ - Costs exceed budget due to increased market interest rates with the 12-month rolling average at 4.57% versus a budgeted 3.38%. This is partially offset by the \$5.4 million increase in interest revenue generated through strategic treasury management.
45. **Operating Expenditure Year-End Forecast Variances (\$40.7 million)**✗:
- Personnel costs are expected to be \$1.9 million below budget due to staff vacancies and as savings made through the Future Fit restructure are realised.
 - Operating & Maintenance costs are forecast to be (\$6.5 million) unfavourable, largely due to additional infrastructural costs associated with the maintenance of roads and water and wastewater activities.

- iii. Professional costs are forecast to be (\$700,000) unfavourable largely due to additional costs associated with hearings, legal advice, increased audit fees and engagement of specialist advice.
- iv. Property costs are forecast to be (\$1.0 million) unfavourable largely due to an unbudgeted Riskpool payment of (\$350,000) and electricity and gas charges being higher than anticipated due to rate changes after budgets were set in the Annual Plan 23/24 and delays in capital works at Waterworld.
- v. Depreciation & amortisation is expected to be (\$12.5 million) unfavourable. The parks and gardens and transportation revaluations performed in April and June 2023 respectively resulted in an additional unbudgeted depreciation spend of (\$9.8 million). Compounding the unfavourable variance is that expected deferrals for Financial Year 22/23 didn't materialise and therefore higher than budgeted depreciation has occurred for infrastructure assets.
- vi. The largest single contributor to the unfavourable deficit is (\$24.7 million(?)) interest costs due to higher interest rates. This is partially offset by an additional \$9.2 million of interest revenue on term investments held.

46. Please refer to the activity statements (**Attachment 2**) for material variance explanations.

Gains and Losses

- 47. **Financial Instrument revaluations (\$7.6 million) ✗** – interest rate fluctuations are driving changes to the value of Council's fixed rate borrowing instruments - see **Attachment 3** for swap interest rate movement.
- 48. **Loss on disposal of assets (\$3.1 million) ✗** – losses on the disposal of assets are unbudgeted. Key losses on disposal to date are as a result of the disposal of the Settlement Centre Waikato (\$816,000), impacts of the renewals/upgrades to various waters assets (\$734,000), lifts in the central library museum (\$405,000), various ablutions (\$453,000), various components of the municipal building (\$190,000) and Playground Renewals (\$112,000).

Treasury Management

- 49. The table below sets out Council's compliance with the Investment and Liability Management Policy (Council Policy) as at 31 March 2024.

Investment and Liability Management		
Measure	Compliance	Required by
Fixed Rate Debt Maturity	✓	Council Policy
Funding Maturity	✓	Council Policy
Counterparty Credit Risk	✗	Council Policy
Liquidity	✓	Local Government Funding Agency (LGFA)
Debt/ Revenue	✓	LGFA
Interest Cost/ Rates Revenue	✓	LGFA
Interest Cost/ Total Revenue	✓	LGFA

Interest Rate Risk Management

- 50. The movement on interest rate swaps relates to valuations completed at a point in time. These are based on Council's total external debt and the difference between current market interest rates and the fixed rates that Council has locked in. They are unrealised because, on maturity of each interest rate swap contract, no interest gain or loss eventuates.

51. As at 31 March 2024 Council's fixed rate hedging is 54%. This falls within our debt interest rate policy parameters, which requires a minimum fixed rate of 40% and a maximum fixed rate of 95%. Current fixed rate portions are lower due to the limitations on fixing waters related debt following the previous Government's indications over debt transfers to the new waters entities and the current high interest rate environment where indications are that it is financially prudent to delay fixing significant values at current rates.
52. Council's gross cost of funds over a 12-month rolling average is 4.57%.

Financial Strategy

53. Any changes in significant forecasting assumptions will result in changes to the Financial Strategy outcomes. These assumptions will be considered and, if necessary, adjusted in each Annual Plan.

Financial Strategy Graphs

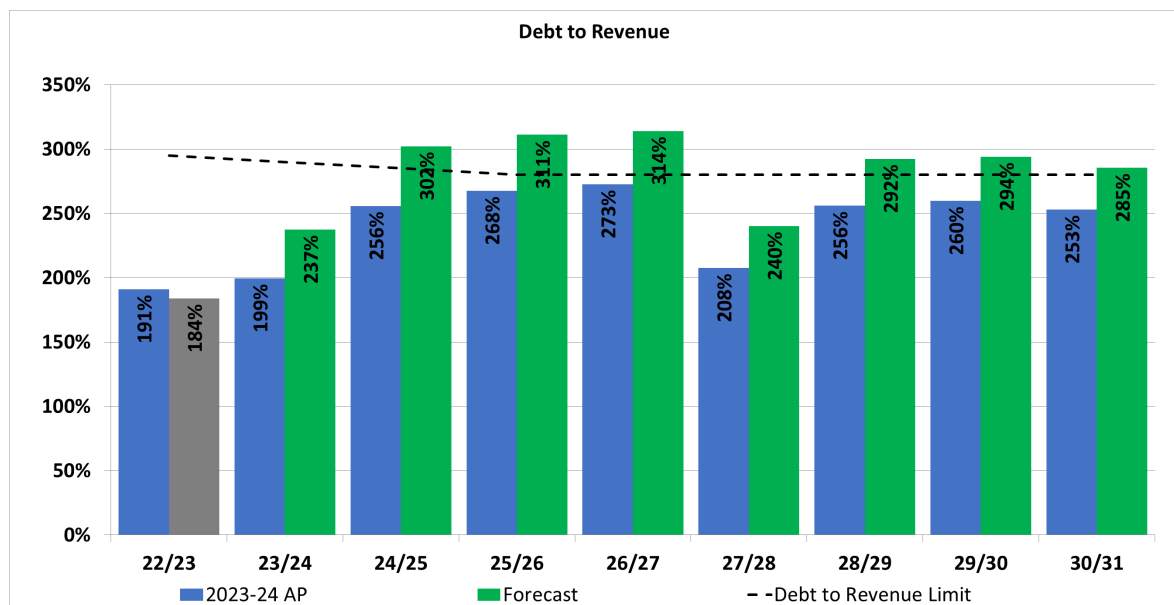
54. The following graphs show the 2023/24 Annual Plan budgets and the total of all forecast adjustments as set out earlier in this report.

The unfavourable movement in debt to revenue and net debt in 2023/24 is a result of:

- i. The unfavourable 2023/24 balancing the books result; and
- ii. Capital revenue, capital savings, re-phasing, and delay deferrals from 2023/24 to and from future years as detailed in the Capital Portfolio Monitoring Report.

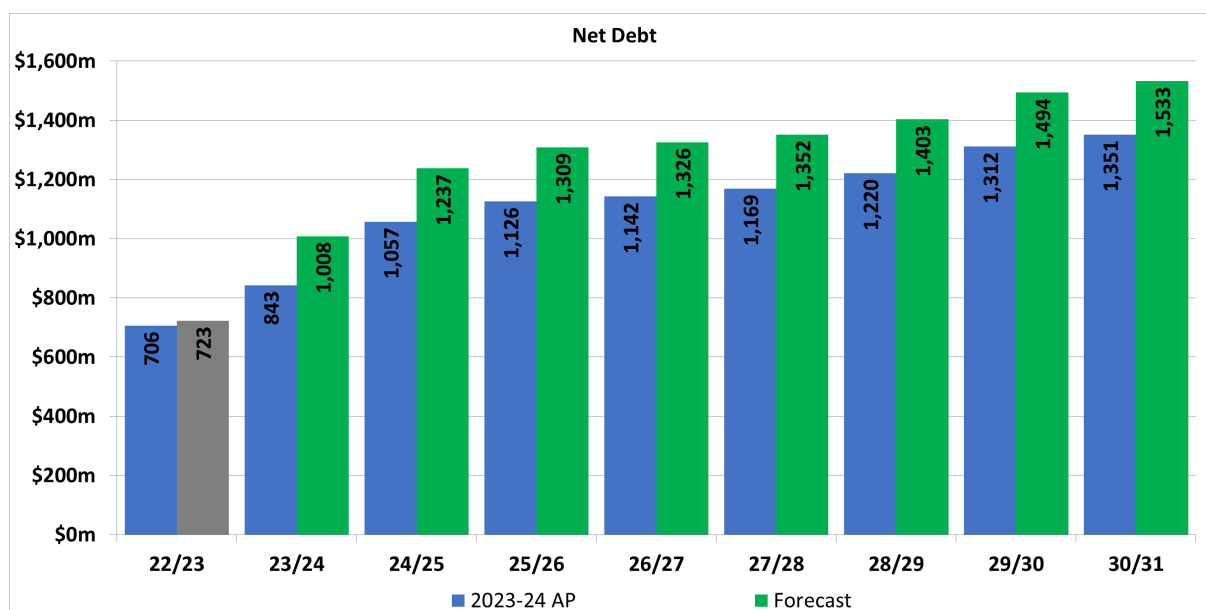
55. Debt to Revenue

The Debt to Revenue graph includes all adjustments identified in this report and shows that debt to revenue of 237% is unfavourable against a budget of 199%. The limit breaches being forecast through the outer years will be addressed as part of the 2024/34 Long Term Plan process.



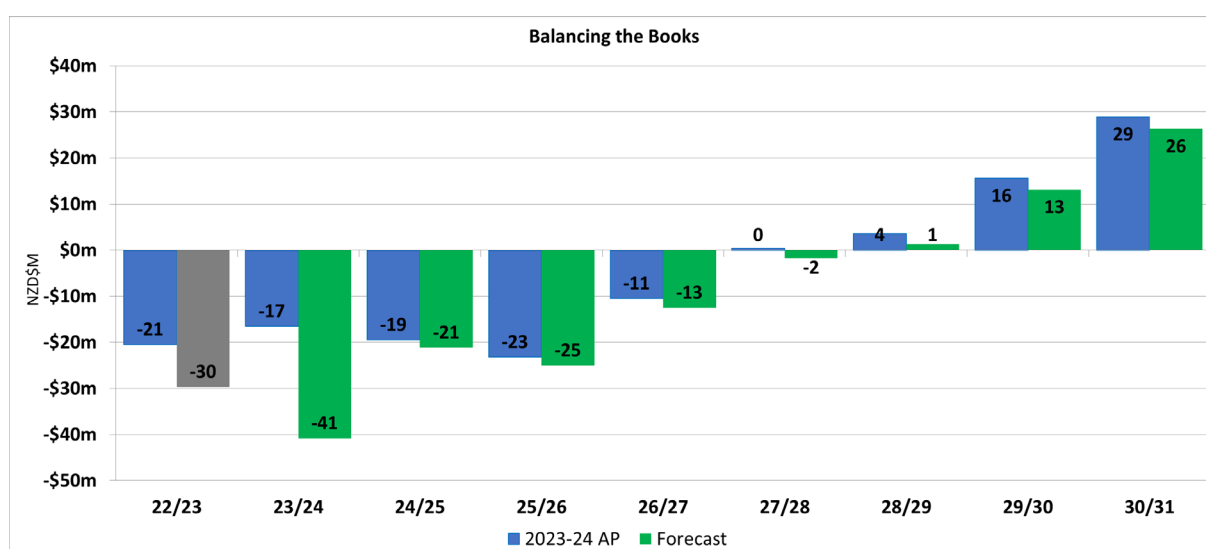
Net Debt

56. The Net Debt graph shows a \$165 million increase in net debt against the 2023/24 Annual Plan. Net debt for 2023/24 is \$1.0 billion.



Balancing the Books

57. The 2023/24 balancing the books deficit is (\$41 million).



Emerging Issues

58. The Capital Portfolio Monitoring Report lists emerging issues that could impact the capital portfolio and consequently debt and the balancing the books result across the remainder of the Long-Term Plan.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

59. Staff confirm that matters in this report complies with Council's legal and policy requirements.

60. Staff have also considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matters in this report.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

61. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental, and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').

- 62. The subject matter of this report has been evaluated in terms of 'the 4 wellbeings' during the process of developing this report.
- 63. The recommendations set out in this report are consistent with that purpose.
- 64. Economic wellbeing is managed through the efficient monitoring of Council's financial results. Diligent management of Council's budget and regular review of forecasts is required to ensure Council is operating effectively and policy compliance is met.
- 65. The environmental, social, and cultural wellbeings are not directly impacted by the annual monitoring report. However, the efficient review and management of Council's financial position supports the wider business in their delivery of key objectives that enhance these wellbeings.

Risks - *Tuuraru*

- 66. There are no known risks associated with the decisions of this report.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

- 67. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance.
- 68. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Council Statement of Comprehensive Revenue and Expense - 31 March 2024

Attachment 2 - Activity Statements - 31 March 2024

Attachment 3 - Treasury Report - 31 March 2024

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE PERIOD ENDED 31 MARCH 2024

Attachment 1

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
Last Year YTD		YTD Actual	YTD Budget	Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Forecast	Annual Variance Fav/(Unfav)
Operating Revenue								
176,917	Rates	189,490	189,572	(82)	255,759	74%	255,697	(62)
35,055	Fees & Charges	38,561	36,836	1,725	50,162	77%	51,609	1,447
9,021	Subsidies & Grants	19,053	15,859	3,194	22,173	86%	26,579	4,406
7,224	Interest Revenue	13,205	5,443	7,762	6,124	216%	15,292	9,168
28,482	Other Revenue	22,957	11,082	11,876	13,011	176%	27,624	14,613
256,699	TOTAL OPERATING REVENUE	283,266	258,792	24,475	347,229	82%	376,801	29,572
Capital Revenue								
25,851	Development Contributions	25,061	27,454	(2,392)	36,605	68%	29,061	(7,543)
49,509	Capital Revenue	42,829	54,907	(12,078)	83,137	52%	66,811	(16,326)
43,464	Vested Assets	31,258	20,221	11,037	39,353	79%	47,601	8,248
118,824	TOTAL CAPITAL REVENUE	99,147	102,581	(3,434)	159,095	62%	143,473	(15,622)
375,523	TOTAL REVENUE	382,414	361,373	21,041	506,324	76%	520,274	13,950
Expenditure								
80,318	Personnel Costs	86,987	88,744	1,757	122,054	71%	120,067	1,987
57,361	Operating & Maintenance Costs	60,444	58,130	(2,314)	80,819	75%	87,456	(6,637)
10,667	Professional Costs	7,923	7,997	75	13,539	59%	14,226	(688)
19,899	Administration Expenses	20,212	21,335	1,123	29,220	69%	26,301	2,919
10,671	Property Costs	12,007	11,204	(803)	14,929	80%	16,069	(1,139)
26,150	Finance Costs	42,899	27,766	(15,133)	33,510	128%	58,160	(24,651)
64,936	Depreciation & Amortisation Expense	80,847	70,804	(10,043)	94,405	86%	106,883	(12,478)
270,001	TOTAL EXPENDITURE	311,319	285,980	(25,340)	388,475	80%	429,162	(40,687)
105,522	OPERATING SURPLUS/(DEFICIT)	71,094	75,393	(4,299)	117,849	60%	91,112	(26,737)
Gains and Losses								
3,276	Gain/(Loss) on revaluation of interest rate swaps	(7,591)	-	(7,591)	-	-	-	-
	Gain/(Loss) on fair value of investment properties	-	()	-	-	-	-	-
(2,386)	Gain/(Loss) on property, plant and equipment	(2,592)	-	(2,592)	1,050	(247%)	(1,289)	(2,340)
890	TOTAL GAINS AND LOSSES	(10,183)	()	(10,183)	1,050	(970%)	(1,289)	(2,340)
106,412	TOTAL SURPLUS/(DEFICIT)	60,911	75,393	(14,482)	118,899	51%	89,823	(29,076)

Refer to Activity Statements for variances against budget.

BALANCING THE BOOKS RESULT FOR THE PERIOD ENDED 31 MARCH 2024

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
Last Year YTD		YTD Actual	YTD Budget	Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Forecast	Annual Variance Fav/(Unfav)
106,412	Surplus/(Deficit)	60,911	75,393	(14,482)	118,899	51%	89,823	(29,076)
Remove capital revenue								
(43,464)	Vested assets	(31,258)	(20,221)	(11,037)	(39,353)	79%	(47,601)	(8,248)
(16,957)	Part of Development and Financial contributions	(16,290)	(17,845)	1,555	(23,793)	68%	(18,136)	5,657
(27,806)	Capital Subsidy (excluding subsidy on transport renewals)	(22,157)	(20,748)	(1,409)	(29,442)	75%	(37,406)	(7,964)
(13,461)	Other Capital Contributions & Grants	(11,180)	(24,133)	12,953	(45,774)	24%	(19,879)	25,895
(22,156)	Other items not considered everyday operating revenue	(16,168)	(5,668)	(10,499)	(5,668)	285%	(18,915)	(13,247)
Remove (gains)/losses								
(890)	All Gains/(Losses)	10,183		10,183	(1,050)	(970%)	1,289	2,340
Remove other expenses								
7,344	Other items not considered everyday operating expenses	8,784	6,908	1,876	9,788	90%	9,905	117
(10,978)	EVERYDAY SURPLUS/(DEFICIT)	(17,173)	(6,314)	(10,859)	(16,394)	105%	(40,920)	(24,526)

Attachment 2

COUNCIL

FOR THE PERIOD ENDED 31 MARCH 2024

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
Last Year YTD		YTD Actual	YTD Budget	Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
176,917	Rates**	189,490	189,572	(82)	255,759	74%	255,697	(62)
35,055	Fees & Charges	38,561	36,836	1,725	50,162	77%	51,609	1,447
9,021	Subsidies & Grants	19,053	15,859	3,194	22,173	86%	26,579	4,406
7,224	Interest Revenue	13,205	5,443	7,762	6,124	216%	15,292	9,168
28,482	Other Revenue	22,957	11,082	11,876	13,011	176%	27,624	14,613
256,699	Total Everyday Revenue	283,266	258,792	24,475	347,229	82%	376,801	29,572
Everyday Expenditure								
80,318	Personnel Costs	86,987	88,744	1,757	122,054	71%	120,067	1,987
57,361	Operating & Maintenance Costs	60,444	58,130	(2,314)	80,819	75%	87,000	(6,181)
10,667	Professional Costs	7,923	7,997	75	13,539	59%	14,682	(1,144)
19,899	Administration Expenses	20,212	21,335	1,123	29,220	69%	26,301	2,919
10,671	Property Costs	12,007	11,204	(803)	14,929	80%	16,069	(1,139)
26,150	Finance Costs**	42,899	27,766	(15,133)	33,510	128%	58,160	(24,651)
64,936	Depreciation & Amortisation Expense**	80,847	70,804	(10,043)	94,405	86%	106,883	(12,478)
(890)	Gains & Losses	10,183	(10,183)	(1,050)	(970%)		1,289	(2,340)
269,111	Total Everyday Expenditure	321,502	285,980	(35,523)	387,425	83%	430,451	(43,026)
(12,412)	Everyday Surplus/(Deficit)*	(38,236)	(27,188)	(11,048)	(40,196)	95%	(53,650)	(13,455)
Capital Revenue								
25,851	Development Contributions**	25,061	27,454	(2,392)	36,605	68%	29,061	(7,543)
49,509	Capital Revenue**	42,829	54,907	(12,078)	83,137	52%	66,811	(16,326)
43,464	Vested Assets**	31,258	20,221	11,037	39,353	79%	47,601	8,248
118,824	Total Capital Revenue	99,147	102,581	(3,434)	159,095	62%	143,473	(15,622)
106,412	Operating Surplus/(Deficit)	60,911	75,393	(14,482)	118,899	51%	89,823	(29,076)

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:

Finance Costs**: (\$15,133k) unfavourable.

An increase in debt levels and an approximate 0.66% rise in average interest rates has increased the interest expense on floating rate debt. This is partially offset by the \$5m increase in interest received on term investments.

Depreciation & Amortisation Expense**: (\$10,043k) unfavourable.

The key driver in the unfavourability of depreciation is due to the revaluation of transport and parks and garden improvement assets as at 30 June 2023 and 30 April 2023 which were significantly higher than budget resulting in a \$6m unfavourable variance to budget. Compounding the unfavourable variance is that expected deferrals for FY22/23 did materialize and therefore higher than budgeted depreciation has occurred for infrastructure assets.

Gains & Losses: (\$10,183k) unfavourable.

Interest rate swaps had an unfavourable movement of \$6.4m. The movement on interest rate swaps relates to valuations completed at a point in time. These are based on Council's total external debt and the difference between current market interest rates and the fixed rates that Council has locked in. They are unrealised because, on maturity of each interest rate swap contract, no interest gain or loss eventuates.

Included in gains and losses are losses of \$2.6m relating the disposal of fixed assets, these are unbudgeted. Key losses on disposal to date are as a result of the disposal of the Settlement Centre Waikato (\$816k), impacts of the renewals/upgrades to various waters assets (\$734k), lifts in the central library museum (\$405k), various ablutions (\$453k), various components of the municipal building (\$190k) and Playground Renewals (\$112k).

Development Contributions**: (\$2,392k) unfavourable.

Revenue is tracking behind budget, with variations between areas. Transport being behind offset by Stormwater, Water Supply and Wastewater collections.

Capital Revenue**: (\$12,078k) unfavourable.

CERF funding for the year has been reduced by \$12m from budget.

Vested Assets**: \$11,037k favourable.

Timing and valuation of vested assets is difficult to estimate. Vested assets relating to Parks and Gardens amounted to \$9.1m, these are unbudgeted. Significant assets vested to council relate to land under roads and parks and garden land in Kimbrae Drive and Taiatea Drive (\$23m).

The comments below explain the material variance between annual approved budget and annual forecast.

Finance Costs: (\$24,651k) unfavourable.**

An increase in forecast finance costs is driven by higher average interest rates, as well as higher debt levels than originally forecast through the 2023-24 Annual Plan. This is slightly offset by higher interest returns on term investments.

Depreciation & Amortisation Expense: (\$12,478k) unfavourable.**

The key driver in the unfavourability of forecasted depreciation is due to the revaluation of transport and parks and garden improvement assets at 30 June 2023 and 30 April 2023 which were significantly higher than budget resulting in an expected overspend of \$9.8m as higher than budgeted depreciation as a result of budgeted deferrals for FY22/23 not materialising.

Capital Revenue: (\$16,326k) unfavourable.**

Capital revenue has been reforecast to reflect the impact of expected deferrals for the year as well as the reduction of CERF funding.

Vested Assets: \$8,248k favourable.**

Vested assets for parks and gardens are not budgeted resulting in a favourable forecast variance.

Gains & Losses: (\$2,340k) unfavourable.

Losses on disposal of fixed assets are unbudgeted. Key losses on disposal to date are as a result of the disposal of the Settlement Centre Waikato (\$816k), impacts of the renewals/upgrades to various waters assets (\$713k), lifts in the central library museum (\$405k), various ablutions (\$202k), various components of the municipal building (\$163k), Bremworth Park Playground (\$35k), Metro Juda Roof Renewal (\$30k), enclosures at the Hamilton Zoo (\$17k).

Attachment 2

COMMUNITY SERVICES

Libraries | Customer | Aquatics

FOR THE PERIOD ENDED 31 MARCH 2024

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
Last Year YTD		YTD Actual	YTD Budget	Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
12,951	Rates**	13,814	13,782	32	18,599	74%	18,620	22
3,237	Fees & Charges	3,409	3,528	(119)	4,640	73%	4,648	8
235	Subsidies & Grants	87	-	87	2	4374%	89	87
249	Interest Revenue	455	184	271	245	186%	526	281
40	Other Revenue	48	18	31	24	203%	58	34
16,713	Total Everyday Revenue	17,813	17,511	302	23,509	76%	23,942	432
Everyday Expenditure								
8,950	Personnel Costs	9,087	9,664	578	12,931	70%	12,435	495
1,717	Operating & Maintenance Costs	1,880	1,878	(2)	2,401	78%	2,488	(87)
250	Professional Costs	84	59	(24)	86	97%	168	(82)
497	Administration Expenses	650	628	(22)	899	72%	995	(96)
910	Property Costs	990	893	(97)	1,207	82%	1,295	(87)
885	Finance Costs**	1,436	870	(566)	1,161	124%	1,758	(597)
4,164	Depreciation & Amortisation Expense**	4,719	4,347	(372)	5,797	81%	6,499	(702)
30	Gains & Losses	271	-	(271)	-		271	(271)
17,404	Total Everyday Expenditure	19,117	18,340	(777)	24,481	78%	25,910	(1,428)
(691)	Everyday Surplus/(Deficit)*	(1,304)	(829)	(474)	(972)	134%	(1,968)	(996)
Capital Revenue								
	Capital Revenue**	-	-					
	Total Capital Revenue							
(691)	Operating Surplus/(Deficit)	(1,304)	(829)	(474)	(972)	134%	(1,968)	(996)

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:**Fees & Charges: (\$119k) unfavourable.**

Reduction in revenue as a result of a 3-week close down for maintenance activities during winter and lower than budgeted enrolments in the Aquatics Learn to Swim programme which is offset by a decrease in personnel costs.

Personnel Costs: \$578k favourable.

The favourable variance in personnel costs relates to vacancies within the activities and less than budgeted enrolments in the Learn to Swim programme which resulted in reduced staffing levels required.

The comments below explain the material variance between annual approved budget and annual forecast.**Personnel Costs: \$495k favourable.**

Refer to explanation above.

Gains & Losses: (\$271k) unfavourable.

The loss on disposal of assets relates to works undertaken as part of the renewal programme such as the Central library's lift. These losses were unbudgeted.

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
Last Year YTD		YTD Actual	YTD Budget	Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
2,101	Rates**	2,243	2,242		3,027	74%	3,030	4
176	Fees & Charges							
1	Subsidies & Grants							
	Interest Revenue							
6	Other Revenue	2		2			2	2
2,284	Total Everyday Revenue	2,244	2,242	2	3,027	74%	3,032	5
Everyday Expenditure								
412	Personnel Costs	373	334	(39)	445	84%	463	(18)
25	Operating & Maintenance Costs	6	18	12	19	30%	23	(4)
497	Professional Costs	279	148	(131)	214	130%	404	(190)
1,200	Administration Expenses	1,205	1,335	130	1,833	66%	1,822	11
	Property Costs							
	Finance Costs**							
	Depreciation & Amortisation Expense**							
	Gains & Losses							
2,133	Total Everyday Expenditure	1,862	1,835	(27)	2,511	74%	2,712	(201)
150	Everyday Surplus/(Deficit)*	382	407	(25)	516	74%	320	(196)
150	Operating Surplus/(Deficit)	382	407	(25)	516	74%	320	(196)

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:

Professional Costs: (\$131k) unfavourable.

Includes unbudgeted spend for the Hamilton East Bi-Election which was approved through the Finance and Monitoring Committee.

Administration Expenses: \$130k favourable.

YTD Favourability relates to Councillor Conferences and Honoraria as a result of LWOP taken, leading to a resignation (July to Feb).

The comments below explain the material variance between annual approved budget and annual forecast.

Professional Costs: (\$190k) unfavourable.

Refer above.

Attachment 2

GROWTH

Urban & Spatial Planning | Planning Guidance | Growth Programmes | Growth Funding & Analytics | Sustainability & Climate Change

FOR THE PERIOD ENDED 31 MARCH 2024

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
Last Year YTD		YTD Actual	YTD Budget	Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
9,125	Rates**	9,739	9,744	(5)	13,136	74%	13,158	23
2,130	Fees & Charges	2,056	2,265	(209)	3,099	66%	2,543	(556)
16	Subsidies & Grants	174	285	(111)	750	23%	750	
48	Interest Revenue	88	-	88	-		101	101
1	Other Revenue	3	-	3	-		1	1
11,321	Total Everyday Revenue	12,060	12,294	(234)	16,985	71%	16,554	(430)
Everyday Expenditure								
6,526	Personnel Costs	6,756	7,578	822	10,405	65%	9,639	766
26	Operating & Maintenance Costs	466	472	6	40	1176%	78	(38)
3,555	Professional Costs	2,637	2,419	(219)	4,079	65%	3,895	183
1,116	Administration Expenses	423	678	255	1,217	35%	1,185	32
64	Property Costs	71	73	2	98	73%	97	1
170	Finance Costs**	277	860	584	1,147	24%	339	809
244	Depreciation & Amortisation Expense**	9	244	235	326	3%	13	313
	Gains & Losses							
11,701	Total Everyday Expenditure	10,640	12,325	1,685	17,311	61%	15,246	2,066
(380)	Everyday Surplus/(Deficit)*	1,420	(31)	1,451	(327)	(435%)	1,309	1,635
Capital Revenue								
	Capital Revenue**						200	(200)
	Total Capital Revenue						200	(200)
(380)	Operating Surplus/(Deficit)	1,420	(31)	1,451	(327)	(435%)	1,509	1,435

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:

Fees & Charges: (\$209k) unfavourable.

Resource Consent revenue is tracking lower than budget due to the type of consents being processed. Current modelling suggests that this trend will likely remain the same through to the end of the financial year. This has been slightly offset by additional consultancy work on plan changes, which has been recovered through fees & charges.

Personnel Costs: \$822k favourable.

Underspend is due to staff vacancies and the length of time to recruit in the current market. Some positions have had to be filled by externally contracted staff/consultants due to the incredibly tight labour market.

Professional Costs: (\$219k) unfavourable.

The unfavourable variance relates to current year overspend on consultants which is mostly recovered from the customer.

Overspend in Built Heritage (PC9) is due to additional consultant and panel costs attributable to the third tranche of hearings which was expected to be concluded at tranche two hearings.

The unfavourable result is also due to additional costs for the implementation of a Network Capacity Assessment tool.

The comments below explain the material variance between annual approved budget and annual forecast.

Fees & Charges: (\$556k) unfavourable.

Resource Consent revenue is tracking lower than budget due to the type of consents being processed. Current modelling suggests that this trend will likely remain the same through to the end of the financial year, so the forecast has been updated to align to this financial modelling.

Personnel Costs: \$766k favourable.

Underspend is due to staff vacancies and the length of time to recruit in the current market. Some positions have had to be filled by externally contracted staff/consultants due to the incredibly tight labour market.

PARKS AND RECREATION

Parks | Cemeteries and Crematorium | Nursery | Community Facilities

FOR THE PERIOD ENDED 31 MARCH 2024

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
Last Year YTD		YTD Actual	YTD Budget	Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
20,106	Rates**	21,440	21,424	15	28,913	74%	28,937	24
3,458	Fees & Charges	4,184	3,870	314	5,135	81%	5,620	485
74	Subsidies & Grants	1,439	1,401	39	1,875	77%	1,939	64
543	Interest Revenue	993	276	717	367	270%	1,150	782
248	Other Revenue	182	141	41	189	97%	271	82
24,429	Total Everyday Revenue	28,238	27,112	1,126	36,480	77%	37,917	1,438
Everyday Expenditure								
7,896	Personnel Costs	8,853	8,475	(378)	11,579	76%	12,026	(447)
6,497	Operating & Maintenance Costs	5,241	4,944	(297)	7,542	69%	8,063	(521)
481	Professional Costs	408	508	100	922	44%	877	45
364	Administration Expenses	362	367	5	2,965	12%	498	2,468
384	Property Costs	464	499	35	667	70%	705	(37)
1,933	Finance Costs**	7,009	4,505	(2,504)	5,213	134%	8,576	(3,364)
4,136	Depreciation & Amortisation Expense**	5,490	4,770	(720)	6,360	86%	7,336	(977)
115	Gains & Losses	1,574	-	(1,574)	-	-	1,574	(1,574)
21,807	Total Everyday Expenditure	29,401	24,068	(5,334)	35,248	83%	39,654	(4,406)
2,622	Everyday Surplus/(Deficit)*	(1,163)	3,045	(4,208)	1,232	(94%)	(1,737)	(2,969)
Capital Revenue								
1,173	Development Contributions**	857	1,238	(381)	1,651	52%	1,112	(538)
939	Capital Revenue**	855	867	(12)	3,496	24%	2,119	(1,377)
7,284	Vested Assets**	4,837	-	4,837	-	-	9,202	9,202
9,395	Total Capital Revenue	6,548	2,105	4,444	5,147	127%	12,433	7,286
12,018	Operating Surplus/(Deficit)	5,385	5,149	236	6,379	84%	10,696	4,318

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:**Fees & Charges: \$314k favourable.**

Maintenance work on Hamilton's street landscapes has resulted in increased revenue under the Hamilton Connect subcontract. This additional revenue offsets additional costs under personnel costs and operating & maintenance costs. The Cemetery & Crematorium has also seen an increase on revenue in this financial year.

Personnel Costs: (\$378k) unfavourable.

Unfavourable due to redundancy and final pays resulting from the organisational restructure, increases in overtime and allowances due to nightworks being undertaken and less vacancies than anticipated.

Operating & Maintenance Costs: (\$297k) unfavourable.

Unfavourable due to additional cost for temporary traffic management in order for the arboriculture team to carry out maintenance services safely and in accordance with the code of compliance. Additional costs related to maintenance of street landscapes are offset by increased revenue.

Gains & Losses: (\$1,574k) unfavourable.

The loss on disposal of assets largely relates to the transfer of ownership of the Settlement Centre (\$816K) and various works undertaken as part of the building renewals programme.

Attachment 2

PARKS AND RECREATION
Parks | Cemeteries and Crematorium | Nursery | Community Facilities
FOR THE PERIOD ENDED 31 MARCH 2024

The comments below explain the material variance between annual approved budget and annual forecast.

Fees & Charges: \$485k favourable.
Refer to explanation above.

Personnel Costs: (\$447k) unfavourable.
Refer to explanation above.

Operating & Maintenance Costs: (\$521k) unfavourable.
Refer to explanation above.

Administration Expenses: \$2,468k favourable.
A grant of \$2.5m allocated to the new indoor recreation centre will not progress in this financial year.

Gains & Losses: (\$1,574k) unfavourable.
Refer to explanation above.

PARTNERSHIPS, COMMUNICATION & MAAORI
 Amorgani Maaori | Communication & Engagement | Community Partnerships, Funding & Events
FOR THE PERIOD ENDED 31 MARCH 2024

\$000		\$000		\$000		\$000		\$000	
Last Year YTD		YTD Actual	YTD Budget	Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Forecast	Annual Variance Fav/(Unfav)	
Everyday Revenue									
3,078	Rates**	3,286	3,286	()	4,435	74%	4,440	5	
17	Fees & Charges	91	32	59	32	288%	91	59	
45	Subsidies & Grants	1,800	1,766	35	2,461	73%	2,481	21	
	Interest Revenue								
	Other Revenue								
3,140	Total Everyday Revenue	5,177	5,084	94	6,927	75%	7,012	85	
Everyday Expenditure									
2,348	Personnel Costs	3,327	3,444	117	4,756	70%	4,630	126	
67	Operating & Maintenance Costs	332	394	62	655	51%	628	26	
253	Professional Costs	178	215	37	831	21%	758	73	
1,570	Administration Expenses	1,844	1,930	86	2,508	74%	2,445	63	
125	Property Costs	72	73	1	98	74%	99	(1)	
	Finance Costs**		1	1	1	0%		1	
	Depreciation & Amortisation Expense**				1	75%	1		
	Gains & Losses								
4,363	Total Everyday Expenditure	5,753	6,057	303	8,848	65%	8,561	288	
(1,223)	Everyday Surplus/(Deficit)*	(576)	(973)	397	(1,922)	30%	(1,548)	373	
Capital Revenue									
	Capital Revenue**								
Total Capital Revenue									
(1,223)	Operating Surplus/(Deficit)	(576)	(973)	397	(1,922)	30%	(1,548)	373	

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:

Personnel Costs: \$117k favourable.

Personnel costs are favourable, mostly due to higher labour internal recoveries. This is a result of more communications work being done on capital projects (recovered) than expected in the budget. There have also been savings in staff remuneration, due to the Future Fit restructure.

The comments below explain the material variance between annual approved budget and annual forecast.

Personnel Costs: \$126k favourable.

Refer to explanation above.

Attachment 2

REGULATORY & SAFETY

Building Control | Animal Education and Control | Environmental Health | Liquor Licensing | City Safety | Civil Defence

FOR THE PERIOD ENDED 31 MARCH 2024

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2019/20		YTD Actual	YTD Budget	Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
3,743	Rates**	3,995	3,999	(4)	5,397	74%	5,401	4
7,279	Fees & Charges	7,664	8,010	(347)	10,401	74%	10,518	117
76	Subsidies & Grants	2,432	2,516	(84)	3,440	71%	3,452	12
	Interest Revenue		-		-			
220	Other Revenue	140	23	116	31	458%	110	79
11,318	Total Everyday Revenue	14,231	14,549	(318)	19,268	74%	19,480	213
Everyday Expenditure								
7,532	Personnel Costs	7,774	8,106	332	11,102	70%	10,955	147
1,260	Operating & Maintenance Costs	1,039	1,088	49	1,775	59%	1,850	(76)
373	Professional Costs	266	254	(12)	416	64%	473	(57)
367	Administration Expenses	290	269	(21)	352	82%	392	(39)
50	Property Costs	38	36	(1)	47	79%	47	
	Finance Costs**	1	9	8	12	4%	1	11
76	Depreciation & Amortisation Expense**	74	77	3	102	72%	100	3
	Gains & Losses	3	-	(3)	-		3	3
9,659	Total Everyday Expenditure	9,483	9,838	355	13,807	69%	13,821	(8)
1,659	Everyday Surplus/(Deficit)*	4,748	4,711	37	5,461	87%	5,660	204
Capital Revenue								
	Capital Revenue**	161		161			400	400
	Total Capital Revenue	161		161			400	400
1,659	Operating Surplus/(Deficit)	4,909	4,711	198	5,461	90%	6,060	604

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:

Fees & Charges: (\$347k) unfavourable.

Consent revenue is tracking lower than budget due to a decline in consent applications as a result of a challenging economic environment.

Other Revenue: \$116k favourable.

Animal infringements are tracking higher than expected, along with additional investment made to follow up on unregistered dogs.

Personnel Costs: \$332k favourable.

Favourable variance is as a result of vacancies, Future Fit Changes as well as a reduction in use of externally contracted staff in the Building Control Unit.

The comments below explain the material variance between annual approved budget and annual forecast.

Fees & Charges: \$117k favourable.

Favourability in operating contributions is as a result of revenue from a cost recovery process, whilst unfavourability relates to consent revenue which is tracking lower than budget due to a decline in consent applications as a result of a challenging economic environment.

Personnel Costs: \$147k favourable.

Refer to explanation above.

RUBBISH AND RECYCLING

Refuse Collection | Waste Minimisation | Landfill Site Management

FOR THE PERIOD ENDED 31 MARCH 2024

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
Last Year YTD		YTD Actual	YTD Budget	Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
6,651	Rates**	7,094	7,120	(26)	9,644	74%	9,609	(35)
(108)	Fees & Charges	(102)	(56)	(45)	(75)	135%	(195)	(120)
1,090	Subsidies & Grants	1,894	447	1,447	659	287%	2,700	2,041
17	Interest Revenue	31		31			36	36
336	Other Revenue	356	350	5	468	76%	475	7
7,985	Total Everyday Revenue	9,273	7,860	1,412	10,696	87%	12,624	1,928
Everyday Expenditure								
830	Personnel Costs	1,071	1,157	86	1,578	68%	1,520	58
6,064	Operating & Maintenance Costs	6,499	6,599	100	9,417	69%	9,373	45
269	Professional Costs	329	412	83	629	52%	710	(81)
17	Administration Expenses ***	9	41	33	(893)	(1%)	(894)	
54	Property Costs	53	66	13	84	63%	93	(9)
60	Finance Costs**	97	75	(22)	547	18%	565	(18)
436	Depreciation & Amortisation Expense**	418	446	28	595	70%	558	37
25	Gains & Losses							
7,755	Total Everyday Expenditure	8,476	8,797	321	11,957	71%	11,926	32
231	Everyday Surplus/(Deficit)*	797	(936)	1,733	(1,261)	(63%)	699	1,960
231	Operating Surplus/(Deficit)	797	(936)	1,733	(1,261)	(63%)	699	1,960

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements

*** Annual Provision for Closed Landfill included in Annual Budget

Material variances as explained below:

Subsidies & Grants: \$1,447k favourable.

Existing budgets for the revenue from the waste levy were set prior to the expansion of waste levy rates proposed from 1 July 2023. It was unknown at the time of setting budgets what revenue we would receive.

The comments below explain the material variance between annual approved budget and annual forecast.

Fees & Charges: (\$120k) unfavourable.

Forecast adjustment has been made to allow for increases in nitrogen and phosphorous charges in actual sample results, as well as an increase in tradewaste volume charges.

Subsidies & Grants: \$2,041k favourable.

Forecast adjustment in revenue from the waste levy to reflect the expansion thereof. Existing budgets for the revenue from the waste levy were set prior to the expansion of waste levy rates proposed from 1 July 2023. It was unknown at the time of setting budgets what revenue we would receive from the expanded waste levy. The Waste Minimisation Act prescribes how Councils can spend money received through the waste levy and how it offsets this activity. Spend must be on matters to promote or achieve waste minimisation and in accordance with its waste management and minimisation plan. Revenue can be used for expanding or establishing new kerbside or transfer station recovery services but not for funding existing initiatives.

Attachment 2

STORMWATER

Stormwater Network

FOR THE PERIOD ENDED 31 MARCH 2024

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
Last Year YTD		YTD Actual	YTD Budget	Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
14,206	Rates**	15,165	15,197	(33)	20,477	74%	20,495	18
321	Fees & Charges	359	216	143	288	125%	569	281
8	Subsidies & Grants	69	30	39	30	230%	35	5
337	Interest Revenue	615	276	340	367	167%	713	345
23	Other Revenue	-	-	-	-	-	-	-
14,896	Total Everyday Revenue	16,208	15,719	489	21,163	77%	21,811	649
Everyday Expenditure								
2,574	Personnel Costs	1,811	1,955	144	2,621	69%	2,589	32
1,421	Operating & Maintenance Costs	410	334	(76)	358	115%	534	(176)
260	Professional Costs	192	309	116	420	46%	444	(24)
44	Administration Expenses	36	35	(1)	47	76%	50	(3)
420	Property Costs	437	498	61	573	76%	573	(1)
1,198	Finance Costs**	1,944	1,280	(664)	1,707	114%	2,379	(672)
8,748	Depreciation & Amortisation Expense**	8,580	8,634	54	11,512	75%	11,473	39
216	Gains & Losses	48	-	(48)	-	-	-	-
14,880	Total Everyday Expenditure	13,459	13,045	(414)	17,237	78%	18,041	(805)
16	Everyday Surplus/(Deficit)*	2,749	2,674	75	3,926	70%	3,770	(156)
Capital Revenue								
3,197	Development Contributions**	5,005	4,658	347	6,211	81%	5,473	(738)
1,697	Capital Revenue**	2,856	863	1,993	2,152	133%	4,822	2,670
6,616	Vested Assets**	5,422	2,908	2,514	5,477	99%	5,972	495
11,510	Total Capital Revenue	13,284	8,430	4,854	13,840	96%	16,267	2,427
11,526	Operating Surplus/(Deficit)	16,032	11,103	4,929	17,766	90%	20,037	2,271

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:**Fees & Charges: \$143k favourable.**

Favourability is due to additional Operating Contributions received from Waikato Regional Council for Project Watershed stream cleaning, which offsets additional operating and maintenance costs to undertake this work.

Personnel Costs: \$144k favourable.

The favourable variance is due to staff vacancies within the Waters team.

Professional Costs: \$116k favourable.

Underspend in Consultants largely in Stormwater Monitoring & Compliance work being delivered in-house instead of outsourcing.

The comments below explain the material variance between annual approved budget and annual forecast.**Fees & Charges: \$281k favourable.**

Favourable forecast adjustment based on actual year to date Project Watershed income.

Operating & Maintenance Costs: (\$176k) unfavourable.

Unfavorability is predominantly due to additional Project Watershed stream cleaning which is offset by additional operational contributions received from Waikato Regional Council.

FOR THE PERIOD ENDED 31 MARCH 2024

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
Last Year YTD		YTD Actual	YTD Budget	Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
(294)	Rates**	(278)	(263)	(15)	(353)	79%	(363)	(10)
362	Fees & Charges	615	459	156	591	104%	832	241
36	Subsidies & Grants	1,450	1,616	(166)	3,329	44%	3,329	
171	Interest Revenue	312	92	221	122	255%	362	239
2,221	Other Revenue	2,225	1,838	387	2,415	92%	2,819	404
2,496	Total Everyday Revenue	4,325	3,741	584	6,105	71%	6,980	874
Everyday Expenditure								
16,626	Personnel Costs	18,576	18,232	(343)	25,939	72%	25,911	28
7,781	Operating & Maintenance Costs	7,455	7,938	483	12,804	58%	12,838	(34)
1,912	Professional Costs	1,678	1,575	(104)	2,614	64%	3,409	(795)
5,871	Administration Expenses	6,064	6,832	768	9,696	63%	9,228	468
596	Property Costs	966	586	(380)	815	119%	1,206	(391)
(289)	Finance Costs**	(623)	(753)	(130)	(1,040)	60%	(775)	(265)
4,948	Depreciation & Amortisation Expense**	5,434	4,978	(456)	6,637	82%	7,243	(606)
(3,626)	Gains & Losses	7,394		(7,394)	(1,050)	(704%)	(739)	(311)
33,818	Total Everyday Expenditure	46,944	39,387	(7,556)	56,415	83%	58,321	(1,907)
(31,322)	Everyday Surplus/(Deficit)*	(42,619)	(35,646)	(6,973)	(50,309)	85%	(51,342)	(1,032)
Capital Revenue								
118	Capital Revenue**	72	-	72	-		122	(122)
118	Total Capital Revenue	72		72			122	(122)
(31,204)	Operating Surplus/(Deficit)	(42,547)	(35,646)	(6,901)	(50,309)	85%	(51,220)	(1,032)

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:

Fees & Charges: \$156k favourable.

Favourability relates to an increase in the recovery of rates and other compliance charges.

Subsidies & Grants: (\$166k) unfavourable.

Unfavourability relates to the Better Off Funding Grant and aligns to the revised programme. Programme expenditure is favourable, with no impact on the total operating result.

Other Revenue: \$387k favourable.

Relates to additional rental income based on rent review increases on Strategic Property and \$250k of dividends paid by Waikato Regional Airport.

Personnel Costs: (\$343k) unfavourable.

Unfavourable due to redundancy and final pays from the organisational restructure.

Operating & Maintenance Costs: \$483k favourable.

Favourability relates to timing differences in delivering the revised programme (refer Subsidies & Grant explanation above).

Professional Costs: (\$104k) unfavourable.

Unfavourability relates to the cost of the review into the Municipal Building which will not be picked up by the MEF Reserve as the consultant report concludes that there is no investment opportunity for the MEF Fund.

Administration Expenses: \$768k favourable.

Favourability is a result of the recent software prioritisation review.

Property Costs: (\$380k) unfavourable.

The unbudgeted Riskpool insurance payment of (\$347k), approved at the Finance and Monitoring Committee is the main cause of unfavourability.

Attachment 2

SUPPORT SERVICES

CE's Office | People, Organisational & Performance | Business Services | Strategic Property | Asset Strategy

FOR THE PERIOD ENDED 31 MARCH 2024

The comments below explain the material variance between annual approved budget and annual forecast.

Fees & Charges: \$241k favourable.

Refer to explanation above.

Other Revenue: \$404k favourable.

Refer to explanation above.

Professional Costs: (\$795k) unfavourable.

Unfavourability relates to the cost of the review into the Municipal Building which will not be picked up by the MEF Reserve as the consultant report concludes that there is no investment opportunity for the MEF Fund, and an increase in audit fees.

Administration Expenses: \$468k favourable.

Software revised to reflect licenses not being renewed.

Property Costs: (\$391k) unfavourable.

Refer to explanation above.

FOR THE PERIOD ENDED 31 MARCH 2024

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
Last Year YTD		YTD Actual	YTD Budget	Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
37,934	Rates**	40,486	40,443	43	54,578	74%	54,637	59
3,508	Fees & Charges	3,330	3,402	(73)	5,039	66%	4,947	(92)
7,270	Subsidies & Grants	9,006	7,244	1,761	8,868	102%	11,064	2,197
3,572	Interest Revenue	6,529	2,897	3,633	3,062	213%	7,561	4,499
13,075	Other Revenue	10,733	4,991	5,743	5,904	182%	12,799	6,895
65,360	Total Everyday Revenue	70,084	58,977	11,107	77,451	90%	91,009	13,559
Everyday Expenditure								
5,588	Personnel Costs	6,206	6,874	668	9,333	67%	7,887	1,446
14,721	Operating & Maintenance Costs	17,287	15,682	(1,605)	20,345	85%	22,288	(1,944)
1,222	Professional Costs	1,160	1,128	(32)	1,904	61%	1,889	15
814	Administration Expenses	753	524	(229)	800	94%	1,067	(267)
2,050	Property Costs	2,247	2,167	(80)	2,912	77%	2,992	(80)
13,354	Finance Costs**	18,095	9,030	(9,065)	10,480	173%	27,102	(16,621)
16,392	Depreciation & Amortisation Expense**	28,684	20,894	(7,790)	27,859	103%	36,826	(8,967)
8	Gains & Losses	-	-	-	-	-	-	-
54,149	Total Everyday Expenditure	74,433	56,299	(18,133)	73,633	101%	100,051	(26,418)
11,211	Everyday Surplus/(Deficit)*	(4,349)	2,678	(7,026)	3,818	(114%)	(9,042)	(12,860)
Capital Revenue								
7,121	Development Contributions**	7,059	9,456	(2,397)	12,608	56%	8,870	(3,739)
39,338	Capital Revenue**	32,195	47,533	(15,338)	70,818	45%	47,855	(22,963)
24,609	Vested Assets**	17,363	14,028	3,335	28,056	62%	28,561	505
71,068	Total Capital Revenue	56,617	71,017	(14,400)	111,482	51%	85,286	(26,197)
82,279	Operating Surplus/(Deficit)	52,268	73,694	(21,426)	115,300	45%	76,244	(39,056)

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:

Subsidies & Grants: \$1,761k favourable.

Operational subsidies received from NZTA is favourable due to funds allocated for maintenance and operations. This offsets some of the unfavourable operational and maintenance costs, as well as consultant costs.

Other Revenue: \$5,743k favourable.

Favourability driven by rental income, infringements, and the favourable non-cash fair value adjustment due to the upward trend in market interest rates on the Housing Infrastructure Fund (HIF) loan.

Personnel Costs: \$668k favourable.

The favourable variance is due to staff vacancies.

Operating & Maintenance Costs: (\$1,605k) unfavourable.

The unfavourable result is mainly due to contractors being ahead of scheduled programmes as a result of the recent good weather conditions. This is offset by favourability in subsidies and grants.

Administration Expenses : (\$229k) unfavourable.

Increase in infringements issued has resulted in an increase in associated administrative expenses.

Attachment 2

TRANSPORT
Transport Network | Transport Centre | Parking Management
FOR THE PERIOD ENDED 31 MARCH 2024

The comments below explain the material variance between annual approved budget and annual forecast.

Subsidies & Grants: \$2,197k favourable.

NZTA has allocated surplus funding from the three year funding block to support Council's existing work programmes.

Other Revenue: \$6,895k favourable.

Forecast adjustment based on increased revenue for infringements and rental income, as well as the increase in value and frequency of HIF drawdowns.

Personnel Costs: \$1,446k favourable.

Staff Remuneration forecasts are based on actual spend, and a forecast filling of vacancies.

Operating & Maintenance Costs: (\$1,944k) unfavourable.

Forecast adjustment made to reflect higher costs. Favourable variance in NZTA operating subsidy offsets the increase in maintenance and timing of activities.

Administration Expenses : (\$267k) unfavourable.

Forecast adjustment to allow for increase in administrative expenses associated with rise in infringements issued.

VENUES, TOURISM AND MAJOR EVENTS

Claudeland's | FMG Stadium Waikato | Seddon Park | Tourism and Events Funding | Theatres

FOR THE PERIOD ENDED 31 MARCH 2024

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
Last Year YTD		YTD Actual	YTD Budget	Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
15,106	Rates**	16,151	16,073	79	21,737	74%	21,665	(72)
6,875	Fees & Charges	8,532	7,869	663	9,440	90%	10,199	759
6	Subsidies & Grants	-	-	-	-	-	-	-
300	Interest Revenue	548	184	364	245	224%	634	389
622	Other Revenue	549	567	(18)	775	71%	829	54
22,908	Total Everyday Revenue	25,780	24,693	1,087	32,197	80%	33,327	1,131
Everyday Expenditure								
4,922	Personnel Costs	5,561	5,478	(84)	7,508	74%	7,559	(51)
5,315	Operating & Maintenance Costs	6,314	6,151	(163)	7,754	81%	8,488	(734)
174	Professional Costs	125	172	46	236	53%	295	(59)
7,617	Administration Expenses	7,951	7,772	(179)	8,610	92%	8,277	333
1,273	Property Costs	1,427	1,313	(115)	1,720	83%	1,865	(145)
1,066	Finance Costs**	1,731	1,185	(546)	1,580	110%	2,118	(538)
5,795	Depreciation & Amortisation Expense**	6,021	5,943	(78)	7,924	76%	8,025	(101)
117	Gains & Losses	17	-	(17)	-	-	17	(17)
26,278	Total Everyday Expenditure	29,148	28,013	(1,135)	35,331	82%	36,644	(1,313)
(3,371)	Everyday Surplus/(Deficit)*	(3,367)	(3,320)	(47)	(3,135)	107%	(3,317)	(182)
Capital Revenue								
227	Capital Revenue**	-	-	-	-	-	-	-
227	Total Capital Revenue							
(3,143)	Operating Surplus/(Deficit)	(3,367)	(3,320)	(47)	(3,135)	107%	(3,317)	(182)

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:

Fees & Charges: \$663k favourable.

Favourable due to stronger than anticipated event activity at Claudeland's Event Centre, as well as the NRL game hosted at FMG Stadium. This is partially offset by the FIFA washup across the two tournaments and financial years.

Operating & Maintenance Costs: (\$163k) unfavourable.

Event expenditure is managed closely: unfavourability to budget is driven by increased mixed event programme and timing of budgets across FIFA tournaments. Expected to maintain forecast levels with a slight increase in maintenance costs to budget.

Administration Expenses: (\$179k) unfavourable.

Unfavourability to budget driven by timing of city advertising and marketing costs for the FIFA Women's World Cup (budget is allocated later in the financial year).

Property Costs: (\$115k) unfavourable.

Unfavourability to budget due to stronger than anticipated event activity resulting in increased utilities costs.

Attachment 2

VENUES, TOURISM AND MAJOR EVENTS

Claudlands | FMG Stadium Waikato | Seddon Park | Tourism and Events Funding | Theatres

FOR THE PERIOD ENDED 31 MARCH 2024

The comments below explain the material variance between annual approved budget and annual forecast.

Fees & Charges: \$759k favourable.

See explanation above.

Operating & Maintenance Costs: (\$734k) unfavourable.

See explanation above.

Administration Expenses: \$333k favourable.

Favourability to annual budget driven by a mandate to pay half a year of the first year PEMA grant (Property and Equipment Maintenance and Renewals) for Waikato Regional Theatre, but as the Theatre is not yet open, we are not yet required to pay.

Property Costs: (\$145k) unfavourable.

Unfavourability to budget due to stronger than anticipated event activity resulting in increased utilities costs.

VISITOR DESTINATIONS

Hamilton Gardens | Waikato Museum | Hamilton Zoo | Arts Promotion

FOR THE PERIOD ENDED 31 MARCH 2024

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
Last Year YTD		YTD Actual	YTD Budget	Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
12,372	Rates**	13,203	13,198	5	17,801	74%	17,834	31
2,579	Fees & Charges	2,834	2,058	775	4,012	71%	3,689	(323)
134	Subsidies & Grants	434	435	(1)	640	68%	606	(34)
203	Interest Revenue	370	184	186	245	151%	429	184
114	Other Revenue	312	187	125	241	130%	364	123
15,402	Total Everyday Revenue	17,153	16,063	1,090	22,939	75%	22,922	(17)
Everyday Expenditure								
7,206	Personnel Costs	7,992	7,571	(421)	10,471	76%	10,987	(517)
2,888	Operating & Maintenance Costs	2,861	2,799	(62)	4,089	70%	4,419	(330)
232	Professional Costs	117	25	(92)	77	152%	177	(100)
449	Administration Expenses	429	414	(15)	833	51%	858	(25)
475	Property Costs	545	526	(20)	700	78%	729	(29)
720	Finance Costs**	1,170	1,013	(157)	1,350	87%	1,431	(81)
1,959	Depreciation & Amortisation Expense**	2,380	2,199	(181)	2,932	81%	3,324	(392)
425	Gains & Losses	164		(164)			164	(164)
14,356	Total Everyday Expenditure	15,657	14,546	(1,111)	20,452	77%	22,089	(1,637)
1,046	Everyday Surplus/(Deficit)*	1,496	1,517	(21)	2,487	60%	833	(1,655)
Capital Revenue								
250	Capital Revenue**	534	529	5	1,257		902	351
250	Total Capital Revenue	534	529	5	1,257	43%	902	351
1,296	Operating Surplus/(Deficit)	2,030	2,046	(16)	3,744	54%	1,734	(1,300)

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:**Fees & Charges: \$775k favourable.**

Fees & Charges are favourable due to increased patronage and retail sales at Hamilton Zoo.

Other Revenue: \$125k favourable.

Unbudgeted insurance claim proceeds have been received for damage to the Ripples sculpture, final payouts for Cyclone Dovi damage at Hamilton Zoo, and claims for stolen AV equipment at Hamilton Gardens.

Personnel Costs: (\$421k) unfavourable.

With increased visitor numbers, there has been the need to maintain minimum staffing levels across the visitor destination sites, which has resulted in reduced vacancies compared to budget. Redundancy payouts from the Future Fit restructure have also contributed to the unfavourable variance.

Gains & Losses: (\$164k) unfavourable.

The loss on disposal of assets relates to works undertaken as part of the renewal programme which include the Waikato Museum service lift and Excite lift. These losses were unbudgeted.

The comments below explain the material variance between annual approved budget and annual forecast.

Fees & Charges: (\$323k) unfavourable.

Paid entry at Hamilton Gardens won't be implemented this financial year. This unfavourable variance (forecasted at the end of the financial year) has been partially offset by increased revenue at Hamilton Zoo, as a result of higher patronage and retail sales.

Other Revenue: \$123k favourable.

Refer to explanation above.

Personnel Costs: (\$517k) unfavourable.

Refer to explanation above.

Operating & Maintenance Costs: (\$330k) unfavourable.

Stock purchases for Hamilton Zoo are higher than budgeted, to keep up with demand in the retail shop. Reactive maintenance at Hamilton Zoo is also higher, due to immediate attention towards unexpected asset failures (arising from a backlog of deferred maintenance). This ensures required safety standards are upheld.

Gains & Losses: (\$164k) unfavourable.

Refer to explanation above.

FOR THE PERIOD ENDED 31 MARCH 2024

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
Last Year YTD		YTD Actual	YTD Budget	Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
23,755	Rates**	25,472	25,468	4	34,350	74%	34,405	55
5,200	Fees & Charges	5,760	5,325	435	7,710	75%	8,170	460
18	Subsidies & Grants	134	60	74	60	224%	67	7
1,078	Interest Revenue	1,970	743	1,227	857	230%	2,282	1,424
10,884	Other Revenue	7,922	2,776	5,146	2,776	285%	9,264	6,488
40,934	Total Everyday Revenue	41,258	34,372	6,886	45,753	90%	54,187	8,434
Everyday Expenditure								
5,154	Personnel Costs	5,569	5,698	128	7,969	70%	8,068	(99)
7,218	Operating & Maintenance Costs	7,794	7,130	(664)	9,709	80%	11,921	(2,212)
420	Professional Costs	202	364	162	488	41%	511	(23)
162	Administration Expenses	185	131	(54)	209	89%	294	(85)
2,208	Property Costs	2,445	2,177	(267)	2,940	83%	3,321	(382)
4,494	Finance Costs**	7,590	6,443	(1,146)	7,620	100%	9,534	(1,913)
10,457	Depreciation & Amortisation Expense**	11,267	10,700	(567)	14,266	79%	15,072	(806)
738	Gains & Losses	328	-	(328)	-	-	-	-
30,852	Total Everyday Expenditure	35,379	32,643	(2,736)	43,201	82%	48,721	(5,520)
10,083	Everyday Surplus/(Deficit)*	5,879	1,729	4,149	2,552	230%	5,466	2,914
Capital Revenue								
8,999	Development Contributions**	7,315	8,086	(771)	10,782	68%	8,516	2,266
2,933	Capital Revenue**	3,053	2,735	318	3,174	96%	5,155	(1,981)
3,589	Vested Assets**	2,464	2,233	231	3,778	65%	2,607	1,171
15,521	Total Capital Revenue	12,833	13,055	(222)	17,733	72%	16,278	1,456
25,604	Operating Surplus/(Deficit)	18,712	14,785	3,927	20,286	92%	21,744	4,370

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:

Fees & Charges: \$435k favourable.

Favourability relates to a short-term increase in tankered waste loads received at the Pukete Wastewater Treatment Plant resulting in additional revenue. The additional revenue offsets additional costs in the operating and maintenance area.

Other Revenue: \$5,146k favourable.

Due to the favourable non-cash fair value adjustment resulting from the upward trend in market interest rates on the Housing Infrastructure Fund (HIF) loan.

Personnel Costs: \$128k favourable.

The favourable variance is due to staff vacancies within the Waters team.

Operating & Maintenance Costs: (\$664k) unfavourable.

Unfavorability relates to increased maintenance needed to reduce the risk of wastewater network overflows and increased reactive maintenance required at the Pukete WWTP. Costs for disposal of wastewater screenings (biohazard waste) at Pukete WWTP are also unfavourable due to disposal charges being higher than anticipated. There has also been increased monitoring costs due to the increased tankered waste loads, which is offset by additional revenue for tankered waste.

Professional Costs: \$162k favourable.

The favourable variance is due to the delayed implementation of detailed design and planning to prepare for delivery of water renewal and compliance projects in next financial year.

Attachment 2

WASTEWATER
Wastewater Reticulation | Wastewater Treatment & Disposal
FOR THE PERIOD ENDED 31 MARCH 2024**Property Costs: (\$267k) unfavourable.**

Unfavorability for electricity costs due to a contractual price increase in electricity rates. This is in combination with increased load and

Gains & Losses: (\$328k) unfavourable.

The loss on disposal of assets relates to works undertaken as part of the renewals programme.

Capital Revenue: \$318k favourable.**

Contributions toward new connections exceeded budget due to increased applications. Revenue offsets capital installation costs.

The comments below explain the material variance between annual approved budget and annual forecast.

Fees & Charges: \$460k favourable.

Favourable forecast adjustment relates to additional revenue as a result of increased tankered waste loads received at the Pukete Wastewater Treatment Plant.

Other Revenue: \$6,488k favourable.

The favourable non-cash fair value adjustment due to the upward trend in market interest rates on the Housing Infrastructure Fund (HIF) loan.

Operating & Maintenance Costs: (\$2,212k) unfavourable.

Unfavorability relates to increased maintenance in network and at Pukete WWTP to reduce the risk of wastewater network overflows and maintain resource consent compliance. Costs for disposal of wastewater screenings (biohazard waste) at Pukete WWTP are also unfavourable due to disposal charges being higher than anticipated. There has also been increased monitoring costs incurred due to the increased tankered waste loads, which is offset by additional revenue for tankered waste.

Additional costs are forecast to be incurred in relation to unbudgeted emergency works associated with contingency and response actions following damage to the WWTP outfall pipe that occurred in February 2024. The reimbursement of these costs will be included in Council's insurance claim relating to this event.

Property Costs: (\$382k) unfavourable.

Refer to explanation above.

FOR THE PERIOD ENDED 31 MARCH 2024

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
Last Year YTD		YTD Actual	YTD Budget	Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
16,082	Rates**	17,681	17,858	(177)	24,019	74%	23,827	(192)
20	Fees & Charges	(172)	(144)	(28)	(150)	115%	(21)	129
13	Subsidies & Grants	133	60	73	60	221%	66	6
708	Interest Revenue	1,294	609	685	612	211%	1,499	886
692	Other Revenue	485	190	295	190	256%	633	443
17,514	Total Everyday Revenue	19,422	18,574	848	24,731	79%	26,003	1,272
Everyday Expenditure								
3,755	Personnel Costs	4,031	4,177	146	5,417	74%	5,397	20
2,361	Operating & Maintenance Costs	2,861	2,864	3	3,912	73%	4,008	(96)
768	Professional Costs	267	251	(16)	624	43%	672	(49)
67	Administration Expenses	54	59	6	80	67%	85	(5)
2,061	Property Costs	2,250	2,296	46	3,068	73%	3,047	21
2,559	Finance Costs**	4,173	3,247	(926)	3,731	112%	5,134	(1,403)
7,580	Depreciation & Amortisation Expense**	7,771	7,572	(199)	10,096	77%	10,414	(318)
1,062	Gains & Losses	384		(384)				
20,214	Total Everyday Expenditure	21,791	20,467	(1,324)	26,927	81%	28,756	(1,829)
(2,700)	Everyday Surplus/(Deficit)*	(2,370)	(1,893)	(476)	(2,197)	108%	(2,753)	(557)
Capital Revenue								
5,361	Development Contributions**	4,824	4,015	810	5,353	90%	5,091	262
4,006	Capital Revenue**	3,102	2,380	722	2,241	138%	5,237	(2,996)
1,366	Vested Assets**	1,171	1,052	120	2,042	57%	1,258	784
10,732	Total Capital Revenue	9,098	7,446	1,652	9,636	94%	11,586	(1,950)
8,032	Operating Surplus/(Deficit)	6,728	5,552	1,175	7,439	90%	8,833	(2,507)

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Rates Revenue, Finance Costs, Depreciation & Amortisation Expenses, Development Contribution, Capital Revenue and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:

Other Revenue: \$295k favourable.

Due to the favourable non-cash fair value adjustment resulting from the upward trend in market interest rates on the Housing Infrastructure Fund (HIF) loan.

Personnel Costs: \$146k favourable.

The favourable variance is due to staff vacancies within the Waters team.

Gains & Losses: (\$384k) unfavourable.

The loss on disposal of assets relates to works undertaken as part of the renewals programme.

Capital Revenue**: \$722k favourable.

Contributions toward new connections exceeded budget due to increased applications. Revenue offsets capital installation costs.

The comments below explain the material variance between annual approved budget and annual forecast.

Fees & Charges: \$129k favourable.

Due to higher than anticipated consumption from abstraction (Water Take) points.

Other Revenue: \$443k favourable.

Due to the favourable non-cash fair value adjustment resulting from the upward trend in market interest rates on the Housing Infrastructure Fund (HIF) loan.

TREASURY REPORT
Year to date 31 March 2024

Attachment 3

Investment and Cash Position

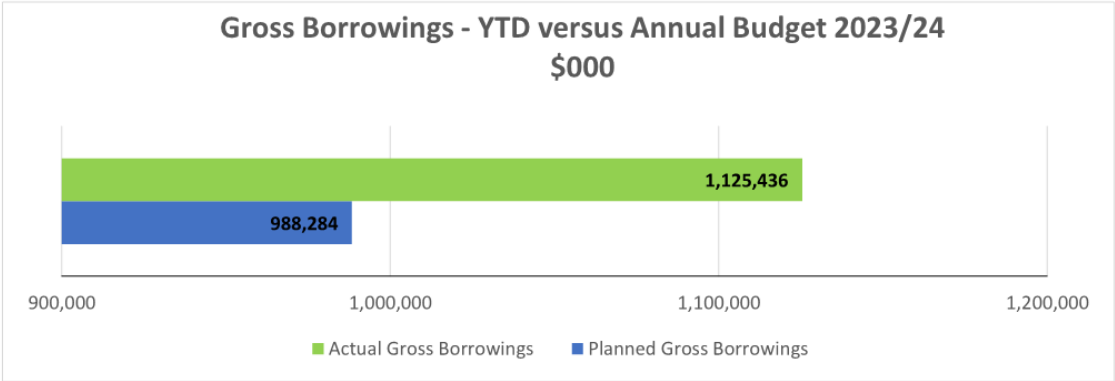
Treasury cash investments consist of:

Cash Investments	Actual \$000 Mar-24	Budget \$000 Mar-24	Variance \$000 Fav/ (Unfav)
Cash on call	48,950	not apportioned	not apportioned
Term deposit	171,000	not apportioned	not apportioned
Closing bank balances	1,421	not apportioned	not apportioned
LGFA borrower notes	22,502	not apportioned	not apportioned
Total cash investments	243,873	145,477	98,396

The Council's investments are managed on a regular basis, with sufficient minimum immediate cash reserves maintained. To best manage funding gaps, Council's financial investment maturities are matched with Council's forecast cash flow requirements.

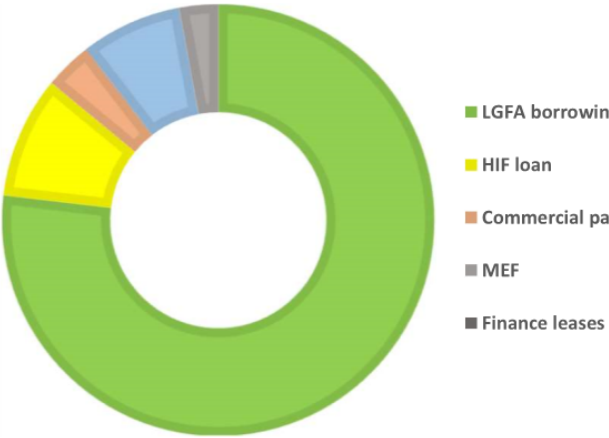
Borrowing Position

Council borrowings is the external portion of debt held with the Local Government Funding Agency (LGFA), Ministry of Business, Innovation and Employment and finance lease liabilities.



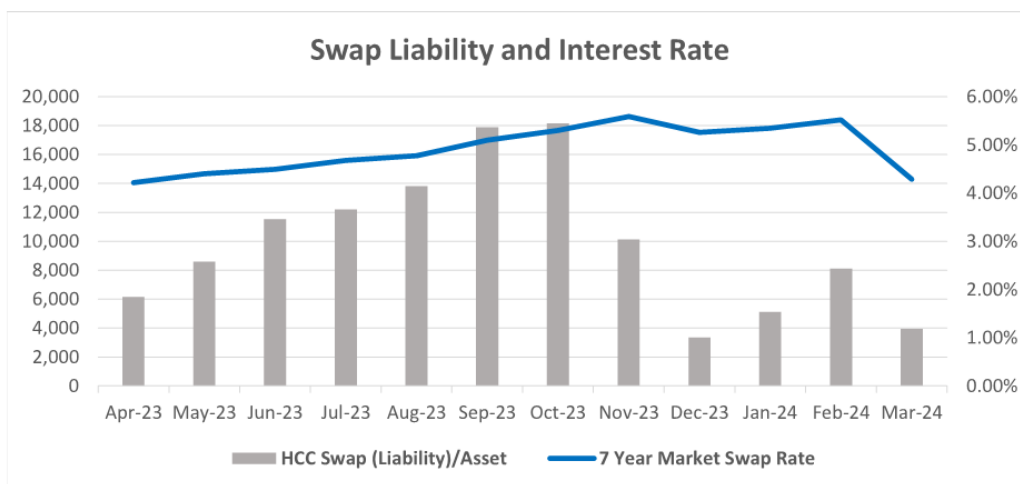
Gross external debt is unfavourable to budgeted debt at 31 March 2024. The unfavourable balance is within 13.9% of planned gross borrowings for the period.

The LGFA remains Council's most favoured and low cost source of funding.



Interest Rates

Council manages interest rate risk to reduce uncertainty relating to interest rate fluctuations through fixing of interest costs. The exposure to interest rate risk is managed and mitigated through the risk control limits as set out in the Investment and Liability Management Policy.



There is an inverse relationship between Council's swap liability and the market swap interest rate. As the market swap interest rate increases Council's swap liability decreases and a gain is then recognised on the interest rate swap. Conversely, a decrease in the market swap interest rate results in an increase in Council's swap liability and a loss is then recognised on the interest rate swap.

Council Report

Committee: Finance and Monitoring Committee

Date: 07 May 2024

Author: Tracey Musty

Authoriser: David Bryant

Position: Finance Director

Position: General Manager Business Services

Report Name: New Zealand Local Government Funding Agency - Half Year Report 31 December 2023 and Statement of Intent 2024-2027

Report Status	<i>Open</i>
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Purpose - *Take*

1. To inform the Finance and Monitoring Committee of the Local Government Funding Agency (LGFA) half year report to 31 December 2023 and letter to shareholders.
2. To seek approval from the Finance and Monitoring Committee on the LGFA Draft Statement of Intent for 2024-2027.

Staff Recommendation - *Tuutohu-aa-kaimahi*

3. That the Finance and Monitoring Committee:
 - a) receives the report; and
 - b) approves the New Zealand Local Government Funding Agency Draft Statement of Intent 2024-2027.

Executive Summary - *Whakaraapopototanga matua*

4. The half year report shows that the LGFA has performed favourably against the primary objectives, as set out in detail, on pages 8 to 13 of **Attachment 1**.
5. As at 31 December 2023, the LGFA has met sixteen out of seventeen performance targets, with the exception being:

Performance target	2023-2024 target	Result to 31 December 2023
LGFA's total operating expenses for the period 31 December 2023	<\$10.0 million	\$5.4m for 6 months to 31 December 2023. Year-end operating expenses will exceed Statement of Intent due to higher Approved Issuer Levy than budgeted.

6. The half year report shows the LGFA to be profitable and cashflow positive.
7. The draft Statement of Intent 2024-2027 reaffirms the direction of business and financial projections.

8. Andrew Michl, Senior Manager at the LGFA, will present the report at the Finance and Monitoring Committee meeting.
9. Staff consider the matters in this report to have a low significance and that the recommendations comply with the Council's legal requirements.

Discussion - *Matapaki*

10. The Local Government Funding Agency (LGFA) was established in December 2011 to provide long-dated borrowing, certainty of access to markets and to reduce the borrowing costs for the local government sector.
11. The LGFA governance structure comprises the New Zealand Government (20%) and thirty Councils (80%), the LGFA Shareholders Council and the LGFA Board of Directors.
12. Total membership is now 77 out of the 78 councils in New Zealand due to the addition of Dunedin City Council and Environment Southland over the past six months.
13. Hamilton City Council remains compliant with all LGFA Financial Covenants.

Half Year Report 2023-24

14. The Local Government Funding Agency (LGFA) continued to increase lending to council and Council Controlled Organisation (CCO) borrowers. By 31 December 2023, LGFA had a market value of loans outstanding of \$18.8 billion, with a record \$2.63 billion lent over the six-month period. Two new CCO's were added bringing the number of member councils to seventy-two and the number of member CCO's to five.
15. LGFA continued to focus on sustainability with the launch of the Climate Action Loan product in December 2022 to incentivise borrowers through a lower loan margin if they have an approved greenhouse gas emission reduction plan in place and are meeting their reduction targets. At December 2023, Climate Action Loan's total \$1.2 billion across four councils.
16. LGFA's financial position was slightly below forecast with Net Operating Profit for the six-month period of \$5.2 million. LGFA has assets of \$21.77 billion and Shareholder Equity of \$109.4 million as at 31 December 2023.
17. LGFA continued to work with stakeholders; assisting Central and Local Government with the implementation of the waters reform programme and with councils and CCO members on promoting sustainability.
18. A further highlight was LGFA being voted by market participants for an unprecedented five awards at the KangaNews Awards including New Zealand Debt Issuer of the Year award for the second consecutive year.

Draft Statement of Intent 2024-27

19. The Draft Statement of Intent sets out the intentions and expectations of the LGFA for the years 2024-27. This is set out in **Attachment 3**.
20. The LGFA's focus on delivering strong results for both Council borrowers and shareholders has been reaffirmed.
21. Key points to note on the Draft Statement of Intent are:
 - i. The Statement of Intent, including financial forecasts assumes there are no implications for LGFA from the Local Waters Done Well Programme. The final Statement of Intent in June 2024 will be updated to incorporate any future announcements and will include a statement if there have been any material changes to forecast assumptions.
 - ii. Financial performance targets are forecast to remain strong with net operating gains of \$15.1 million, \$13.1 million, and \$10.1 million for the next three years.

- iii. An increase in the forecasts for council loans outstanding at \$22.08 billion in 2025 and \$24.45 billion in 2026. This increase reflects a higher starting point in June 2024 and councils undertaking further Capital Expenditure (capex) and a continued high utilisation of short-term borrowing from LGFA.
- iv. An assumed narrowing in lending margins as more councils and CCO's take up the Climate Action Loan product and LGFA undertake more Green, Social and Sustainability lending to councils and CCO's.
- v. Compared to the previous Statement of Intent, issuance and operating expenses, excluding Approved Issuer Levy, are forecast to be approximately \$700,000 higher in the 2024-25 and \$600,000 in the 2025-26 financial years. This is due to forecast higher IT, HR and legal costs associated with increased foreign currency issuance, water reforms and increased staffing.
- vi. The Statement of Intent performance targets are similar to the previous Statement of Intent. The focus remains on sustainability, assisting councils with greenhouse gas emission reporting, monitoring the credit quality of the sector, and assisting with the implementation of Local Water Done Well Programme.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

- 22. Staff confirm that the recommendation complies with the Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

- 23. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
- 24. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.
- 25. The recommendations set out in this report are consistent with that purpose.
- 26. The LGFA's activity relates strongly to the economic wellbeing by delivery of key objectives to provide cost effective financing solutions for its Council membership base, as well as assisting the local government sector with significant matters such as the proposed Local Waters Done Well Programme.
- 27. There were no environmental, social or cultural wellbeing implications identified in the development of this report.

Risks - *Tuuraru*

- 28. There are no known risks associated with the decisions sought in this report.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

- | | |
|-----|---|
| 29. | Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance. |
|-----|---|

30. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - LGFA Half Year Report December 2023

Attachment 2 - LGFA Letter for Half Year Report to December 2023

Attachment 3 - LGFA Statement of Intent 2024-2027

Attachment 4 - LGFA Letter to Draft SOI 2024-27

31 December 2023
HALF YEAR REPORT

Benefiting communities through
delivering efficient financing
for local government.

Ka whiwhi painga ngā hāpori mā te
whakarato pūtea tōtika ki ngā kaunihera.

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Rārangi tauwaea

LGFA acknowledge the assistance of the Department of Internal Affairs translation service for our Te Reo translations.



Cover photo: Kopurererua River realignment project, Tauranga City Council
Contents photo: Water flows down the spillway and beneath the Nick Patterson bridge, Waimea Dam, Tasman District Council

Message from the Chair and Chief Executive

He karere mai i te Toihau me te Tumuaki

For the six-months ended 31 December 2023

The six months to December 2023 presented a challenging period for bond issuance as markets remained volatile and an increased supply of high-grade bonds impacted sentiment. Over this period, council and council-controlled organisations (CCO) borrowing and LGFA bond issuance increased to record levels and, despite the difficult conditions, LGFA continued to deliver value to members and our investor base. Highlights over the period included our successful debut issuance in the Australian Dollar (A\$) bond market and LGFA receiving an unprecedented five awards in the annual KangaNews Awards, including New Zealand Issuer of the year for the second consecutive year.

Lending to the sector

LGFA was established in 2011 to provide long-dated borrowing, certainty of access to markets and to reduce the borrowing costs for the local government sector. The original 31 shareholders including the Crown remain as shareholders and our membership has grown to 77 council and 5 CCO's.

Over the six months, Infrastructure Holdings Limited and Whanganui District Council Holdings Limited joined as CCO members. We currently have 72 guarantors with West Coast Regional Council moving from non-guarantor to guarantor status during the past six months.

Lending to members over the six month period was a record \$2.63 billion of long-term loans to 56 members, with an average tenor of 5.2 years which was shorter than prior periods. Short-dated lending for terms less than 12 months continues to be supported by councils, with \$617 million outstanding to 36 members at December 2023.

Our estimated market share of total council borrowing of 89% was above our forecast and the long-term average. As at the end of December, outstanding loans totalled \$18.79 billion, as well as \$747 million of standby facilities.

Financial and Operational Performance

LGFA's total interest income for the six months of \$578.1 million was an 85% increase over the 2022 comparable period (\$312.9 million), while net operating

profit of \$5.2 million was a 370% increase (\$1.1 million). Although net operating profit was significantly higher than the comparable 2022 period, it was in line with historical outturns. The low comparable 2022 period outcome was negatively influenced by the rapid rise in interest rates, mismatches between the Bank Bill Reference Rate and the Official Cash Rate, combined with a planned increased holding of liquid assets.

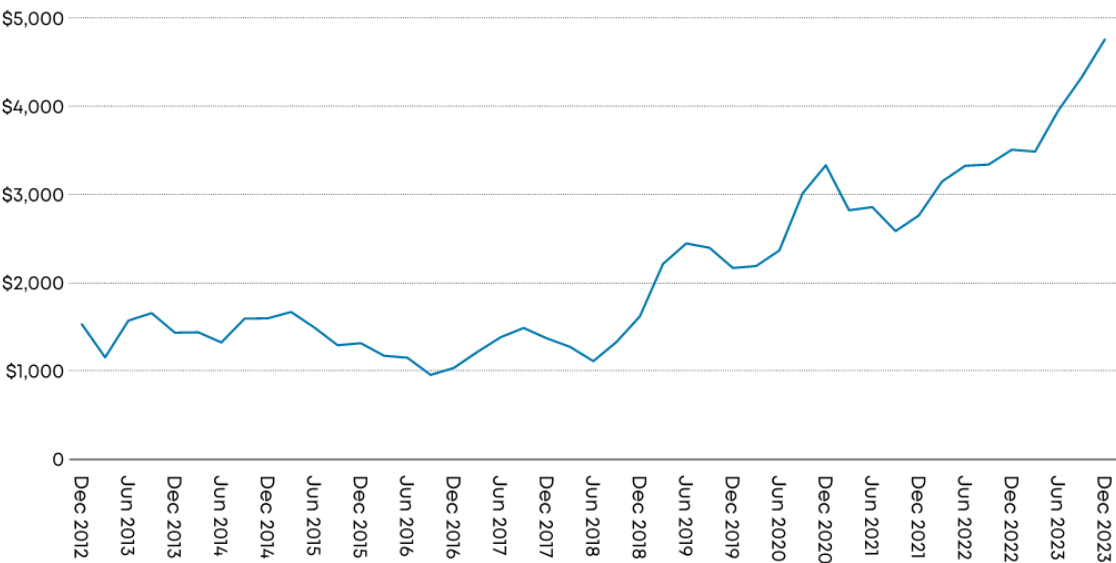
Total operating income was above budget by \$152k, however expenses were \$428k above the SOI budget, with net operating profit \$277k below budget. Our higher expenses were due to increased legal and NZX costs arising from the record levels of member borrowing and associated bond issuance, as well as establishment costs for our Euro Commercial Paper programme, SA bond issuance and higher Approved Issuer Levy (AIL) payments.

The financial strength of LGFA was affirmed by Fitch Ratings who maintained our domestic currency credit rating at AA+ in October 2023. Our AAA rating from S&P Global Ratings was affirmed in March 2023 and remains the same as the New Zealand Government.

Our borrowing activity

LGFA issued \$1.63 billion of NZD bonds over the past six months, with outstandings bonds totalling \$18.92 billion (including \$1.10 billion of treasury stock) across 11 maturities ranging between 2024 to 2037. The average term of our NZD bond issuance during the six months at 5.7 years was significantly longer than the prior year period.

LGFA Annual Council and CCO Borrowing (NZ\$ millions)



LGFA established an Australian Medium Term Note programme in 2017 to diversify our funding sources but had no reason to utilise the programme until 2023. Given our increased borrowing requirement we successfully debuted issue a A\$1 billion 5-year bond in August 2023 and followed up with an A\$650 million 7-year bond in November 2023.

LGFA has the largest amount of New Zealand dollar (NZD) bonds on issue after the New Zealand

Government and our individual bond tranches are amongst the largest and most liquid NZD debt instruments available for investors. Secondary market activity in our bonds continues to rise, assisting investors' access to our bonds throughout the year.

Increased high grade bond supply from ourselves and the NZ Government has pushed LGFA spreads wider to swap, but we have outperformed on a spread to NZGBs. The performance of LGFA bonds over the past six

months has been mixed with the spread between LGFA bonds and New Zealand Government Bonds (NZGBs) narrower by between 3 bps (2033s) and 12 bps (2027s) but wider on a spread to swap between 3 bps (2035s) to 13 bps (2026s). Outright yields on LGFA bonds declined between 28 bps (2037s) and 55 bps (2027s) over the six-month period, but it was a volatile period with the 2037 yield trading a 146-bps range between 6.58% and 5.12% and closed on 31 December 2023 at the low of 5.12%.

KangaNews award winner

We are pleased to advise that LGFA scooped an unprecedented five awards at the 2023 KangaNews Awards with the awards being determined by market participant votes. We received awards for the New Zealand Issuer of the Year (for the second consecutive year), NZD Rates Bond Deal, NZ Sustainability Deal, NZ Offshore Deal, and NZ innovative Deal. We want to acknowledge the support from our stakeholders and those who voted for us.

Our role in assisting Local and Central Government

The local government sector continues to face a period of change and uncertainty having to deal with climate-related events, rising cost pressures and managing their three waters assets during the reform process.

LGFA is assisting both Central Government and our council members under the previous government's Affordable Waters Programme and the new government's Local Water Done Well Programme.

LGFA continues to assist as required, the Ratepayer Assistance Scheme project managed by a group of councils with advice from Cameron Partners. If successful, the scheme could offer temporary financial relief to ratepayers via rates postponement. LGFA is not contributing financially to this project but providing intellectual capital and assistance.

New products and initiatives

We launched Green, Social and Sustainable (GSS) lending in October 2021 and Climate Action Loans

(CALs) for council and CCOs in December 2022. Both lending products offer discounted loan margins to councils and CCOs.

As at December 2023, we have undertaken \$377.2 million of GSS Loans to six members and CALs of \$1.20 billion to four members.

LGFA established a world first Sustainable Financing Bond (SFB) Framework in March 2023 and issued our first SFB under the Framework in April 2023. We subsequently issued a further \$500 million of the May 2030 SFB in October 2023. The SFBs are notionally backed by our GSS loans and CALs to councils and CCOs.

Increasing focus on sustainability

Sustainability plays an important part within the local government sector and at LGFA. We have undertaken several initiatives over the past year, including maintenance of CarbonZero certification from Toitū Envirocare, actively marketing our GSS loan product and establishing CALs and the launch of the SFB. We published our first Annual Impact Review Report and have been preparing for our first report under Climate Related Disclosure requirements for the 2024 Annual Report.

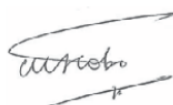
Acknowledgments

Our work cannot be implemented without the support of our staff, fellow directors, Shareholders Council, New Zealand Debt Management and Central Government, all whose efforts should be acknowledged.

Anthony Quirk who has been a director since 2017, retired from the Board in November 2023, and we would like to take this opportunity to thank Anthony for his invaluable contribution to LGFA over the past six years. Kumaren Perumal from Bay of Plenty Regional Council also stepped down as Chair of the Shareholders Council and we wish to acknowledge his contribution over the past two years.

Anita Furnis our inaugural Future Director also stepped down in December 2023 after an 18-month term and we appreciated her involvement and engagement that in ensures the success of the Future Director programme. We welcome David Rae to the board as an Independent Director, Kathryn Sharplin as the new Chair of the Shareholders Council and Sarah Matthews as the new Future Director.

We believe LGFA's future remains positive and look forward to working with all stakeholders in the next six months.



Craig Stobo
Chair



Mark Butcher
Chief Executive

How we add value to the local government sector

By working together with LGFA, member councils and Council-controlled organisations (CCO's) can access cheaper, easier, and more reliable funding.

At the same time, LGFA helps underpin confidence in the local government sector, helps councils and CCOs with their sustainability goals, boosts capital markets in New Zealand, and acts as a centre of expertise that the local government sector can draw on.

Cheaper loans. By borrowing collectively through LGFA, our members get cheaper funding than if they all borrowed individually. There are also major savings in upfront transaction costs.

Easier access to markets. LGFA deals with the complexities of accessing debt capital markets, which simplifies and streamlines the process of raising loans for our members. At the same time, we provide a wide range of financing options, including short-term loans and standby facilities, long-term loans up to 13 years, with either fixed or floating interest rates, and sustainable lending products.

Reliable financing. LGFA has a wider range of financing sources than most councils could access on their own. These include domestic retail and institutional investors, banks, and offshore investors. This makes financing more resilient and reliable, especially in times of stressed markets. LGFA has also provided a vital role by maintaining liquidity to members during difficult market conditions. LGFA has issued under our Australian dollar bond programme and has established a Euro Commercial Paper (ECP) programme to access foreign currency debt capital markets in order to diversify our financing sources.

Underpinning confidence. LGFA monitor and provide oversight for the local government sector, ensuring a higher degree of confidence in council finances. Our financial covenants help ensure prudent financial management by councils. We help maintain the support of investors and the confidence of the credit rating agencies by maintaining a credit rating that is equal to the New Zealand Government. It is important to maintain parity with the New Zealand Government credit rating to protect our operating model and manage borrowing costs.

Encouraging sustainability. LGFA provide Climate Action Loans and Green Social and Sustainable Loans to councils and CCOs to help them make progress on their sustainability goals. On the financing side, we issue Sustainable Financing Bonds to help broaden the 'sustainable bond' market in New Zealand. We are currently working with sustainability experts and councils to measure and report on our financed emissions for all our council borrowers in our upcoming 2024 Annual Report.

Enhancing capital markets. LGFA are the largest issuer of NZ Dollar bonds after the New Zealand Government. Our bonds add to market liquidity and provide more options for investors, including retail investors, to support the local government sector. Our bonds act as a stable benchmark that is used for pricing other corporate bonds in the New Zealand market.

A centre of expertise. The LGFA team acts like a centralised Treasury for councils, providing a significant amount of experience and expertise in capital markets and debt raising.

KANGANEWS
AWARDS
2023

**New Zealand
Issuer of the Year
for 2023**

Thank you to our investors,
intermediaries and market
participants for their support.

Performance against objectives

Ko ngā whakatutukinga ki ngā whāinga

The statement of service performance provides a summary of LGFA's performance against the objectives and performance targets set out in the LGFA Statement of Intent 2023-26 (SOI)

2023-24 Objectives and performance targets

LGFA objectives and performance targets for 2023-24 fall within the following five strategic priorities which encompass our shareholders' foundation objectives and guide the LGFA Board and management in determining our strategy:

- Governance, capability and business practice
- Optimising financing services for local government
- Environmental and social responsibility
- Effective management of loans
- Industry leadership and engagement

Our quarterly reports to shareholders provide more detail on our performance against objectives and performance targets. The reports for the two quarters' ended December 2023 are available on the LGFA website.

Governance, capability and business practice

LGFA is committed to demonstrating best practice corporate governance underpinned by sound business practice to ensure its long-term sustainability and success.

Objectives	Our performance to 31 December 2023
Demonstrate best practice corporate governance.	LGFA report annually on our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code. The 2023 Annual Report is the most recent report with commentary on our compliance with the NZX Code.
Set and model high standards of ethical behaviour.	LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.
Ensure products and services offered to participating borrowers are delivered in a cost-effective manner.	LGFA prepares annual operating budgets and monitors progress against these monthly. Our performance against our financial performance targets for the six months ended 31 December 2023 is summarised below under our performance targets.
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff.	LGFA is committed to being a good employer and we report our employment practices annually in our Annual Report. The 2023 Annual Report is our most recent report outlining our health and safety and wellbeing practices and policies, including compliance with the Health and Safety at Work Act, diversity and inclusion and capability and development.

Performance targets	2023-2024 target	Our performance to 31 December 2023
Comply with the Shareholder Foundation Polices and the Board-approved Treasury Policy at all times.	No breaches.	✓ No breaches.
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.	✓ Our ratings remain equivalent to the New Zealand Government for both S&P Global Ratings and Fitch Ratings. Fitch Ratings affirmed our foreign and domestic currency ratings at AA+ with a Stable Outlook on 19 October 2023. S&P Global Ratings affirmed our domestic currency credit rating at AAA and our foreign currency rating at AA+ in March 2023.
LGFA's total operating income for the period to 31 December 2023.	> \$20.6 million.	✓ \$10.6 million for six months to 31 December 2023. Expect to exceed SOI by year end.
LGFA's total operating expenses for the period to 31 December 2023.	< \$10.0 million.	✗ \$5.4 million for six months to 31 December 2023. Year-end operating expenses will exceed SOI due to higher Approved Issuer Levy than budgeted, as well as additional costs from (1) higher levels of issuance and onlending than budgeted; (2) legal and associated costs for inaugural foreign currency issuance, and (3) preparation for potential role in 'Local Water Done Well' and the proposed Ratepayer assistance programme.

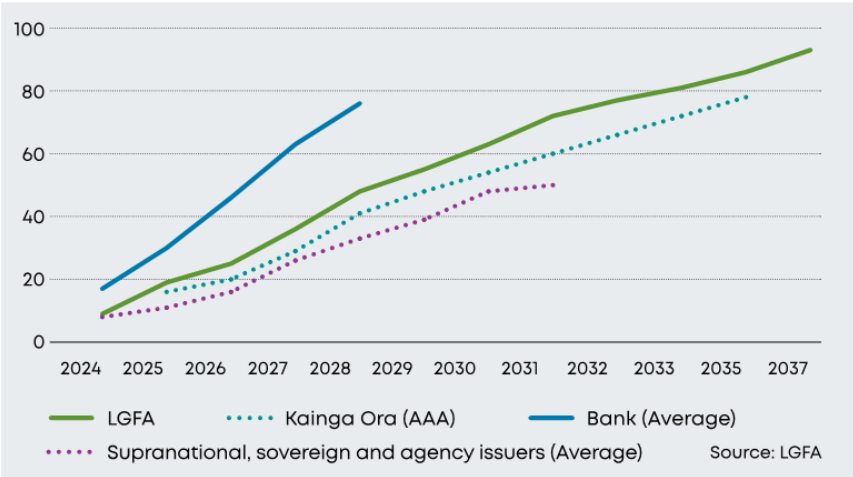
Optimising financing services for local government

LGFA's primary objective is to optimise the terms and conditions of the debt funding it provides to participating borrowers. Amongst other things, LGFA will achieve this by delivering operational best practice and efficiency across our lending products and services.

Objectives	How we measure our performance
------------	--------------------------------

Provide interest cost savings relative to alternative sources of financing.

Comparison to other high-grade issuers - secondary market spread to swap (bps)
LGFA's borrowing margins compare favourably to other high-grade issuers in the New Zealand capital markets.



Supranational, sovereign and agency issuers

- | | |
|----------------------------------|------------------------------|
| Kainga Ora (AAA) | KBN (AAA) |
| Asian Development Bank (AAA) | Rentenbank (AAA) |
| IADB (AAA) | World Bank (AAA) |
| International Finance Corp (AAA) | Nordic Investment Bank (AAA) |

Banks

- | | | | |
|-----------|-----------|-----------|--------------------|
| ANZ (AA-) | ASB (AA-) | BNZ (AA-) | Westpac Bank (AA-) |
|-----------|-----------|-----------|--------------------|

Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.

LGFA provides members with short term loans (less than one year), long term loans on either a floating or fixed rate basis (between one year and April 2037), Green Social and Sustainable Loans and standby facilities.

- Over the six months ended December 2023, our members borrowed \$2.656 billion in 222 long term loans across maturity dates ranging between 2024 and 2033.
- As at December 2023 there was \$617 million short-term loans outstanding to 36 members.
- As at December 2023, standby facilities totalled \$747 million across 16 members.

Deliver operational best practice and efficiency for lending services.

Over the six months ended December 2023, LGFA operations staff successfully:

- settled 1,150 new trades with a gross value of \$14.3 billion,
- processed 7,454 cash flows with a gross value of \$21.9 billion, and
- rate set 5,733 existing trades.

Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.

There was strong activity in LGFA bonds in both the primary market (tender or syndicated issuance) and secondary market (between banks and investors). Over the six months ended December 2023, we issued NZ\$1.63 billion and A\$1.65 billion of primary bonds and secondary market turnover totalled \$6.25 billion.

Performance targets	2023-2024 target	Our performance to 31 December 2023
---------------------	------------------	-------------------------------------

Share of aggregate long-term debt funding to the Local Government sector.	> 80%	✓ Met – 89% as at 31 December 2023
Total lending to Participating Borrowers.	> \$17,870 million	✓ Met – \$18,789 million as at 31 December 2023
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score	✓ 100% satisfaction score in August 2023 Stakeholder Survey.
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%	✓ Met
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%	✓ Met



Te Kurawai o Pūhanga, the reservoir behind the Waimea Community Dam, at full capacity. Tasman District Council

Environmental and social responsibility

LGFA recognises the risks inherent in climate change for councils and supports New Zealand's shift to a low-carbon economy. LGFA will prioritise social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

Objectives	Our performance to 31 December 2023
Assist the local government sector in achieving their sustainability and climate change objectives.	Over the six months to 31 December 2023, we approved a new Green, Social and Sustainability Loan (GSS loan) to Tauranga City Council. At 31 December 2023, we have approved six GSS loans with a combined approved value of \$572 million, of which \$377 million has been advanced. On 1 December 2022, we launched Climate Action Loans (CALs) which a discounted loan margin for members who have implemented a Greenhouse Gas Emission Reduction Plan and meet their emission reduction targets. Over the six months to 31 December 2023, we approved a CAL loan status to Kapiti Coast District Council. At 31 December 2023, we have approved four councils with a CAL loan status: Total loans issued to CAL approved councils total \$1,221 million.
Improve sustainability outcomes within LGFA.	In 2021, LGFA directors committed to reducing our per employee emissions by 30% by 2030, compared with a 2018/19 base year. We are on track to meet our reduction target for the 2023-24 year.

Performance targets	2023-2024 target	Our performance to 31 December 2023
Comply with the Health and Safety at Work Act 2015.	No breaches	✓ No breaches.
Maintain Toitū Carbon Zero certification.	Carbon-zero certification maintained.	✓ Toitū Net Carbon-zero recertification approved August 2023.
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.	✓ On track to meet target
Increase our GSS lending book.	Two new GSS loans undertaken. Three new borrowers enter into CALs	✓ On track to meet target
Ensure Annual Report is prepared in compliance with applicable GRI Standards.	100%	✓ 2023 Annual Report prepared to meet the requirements of the Global Reporting Initiative (GRI) Standards (core option).
Meet all mandatory climate reporting standards.	100%	✓ On track to meet target

Effective management of loans

LGFA will ensure its loan book remains at a high standard by ensuring it understands each participating borrower's financial position and managing assets within an appropriate risk management framework to ensure shareholder value is not compromised.

Objectives	Our performance to 31 December 2023
Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies. Analyse finances at the Council group level where appropriate and report to shareholders.	Over the six months, we reviewed council agendas and management reports on an ongoing basis for all members on the LGFA borrower watch-list. We have received compliance certificates for LGFA covenants from 78 (75 councils and 3 Council-controlled organisations) of our members with debt outstanding at June 2023 and no council has requested that they be measured on a group basis.
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested.	We met with 33 borrowers over the six months and are on target to meet with all members by 30 June 2024.

Performance targets	2023-2024 target	Our performance to 31 December 2023
Review each Participating Borrower's financial position.	100%	✓ On target to meet by 30 June 2024.
Arrange to meet each Participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested.	100%	✓ On target to meet by 30 June 2024.

Industry leadership and engagement

LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market and will work with key central government and local government stakeholders on sector issues.

Objectives	Our performance to 31 December 2023
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	LGFA continues to assist as required, the Ratepayer Assistance Scheme project managed by a group of councils with advice from Cameron Partners. If successful, the scheme could offer temporary financial relief to ratepayers via rates postponement. LGFA is not contributing financially to this project but providing intellectual capital and assistance.
Assist the local government sector with significant matters such as the Affordable Water Reforms.	Throughout the early part of the six-month period, we have had meetings with Treasury and the National Transition Unit team at DIA and their advisers regarding Affordable Waters Reform and the establishment of a collective funding vehicle, similar to LGFA structure, for the Water Services Entities. Following the change in Government, we have met with the Minister of Local Government and Treasury and DIA staff, offering to help with the implementation of the 'Local Water Done Well' programme
Maintain productive relationships with central government representatives.	We met regularly with OAG, Department of Internal Affairs and Treasury over the six month period.
Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.	We continue to roll out the GSS and CALs to councils and CCOs and approved a new GSS loan project and on boarded a new council for CALs. The LGFA Head of Sustainability continues to meet with his counterparts at various councils.



Financial statements

Nga taukī pūtea

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Statement of comprehensive income

For the six months ended 31 December 2023 in \$000s

	Note	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Interest income		578,134	312,883
Interest expense		568,323	307,904
Net interest income	4	9,811	4,979
Other operating income	5	753	671
Total operating income		10,564	5,651
Operating expenses	6	5,355	4,542
Net operating profit		5,209	1,108
Total comprehensive income		5,209	1,108

These statements are to be read in conjunction with the notes to the financial statements.

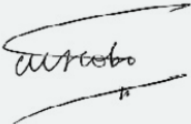
Due to rounding, numbers presented in the financial statements and associated notes may not add up precisely to the reported totals.

The Board of Directors of the New Zealand Local Government Funding Agency Limited authorised these statements for issue on 28 February 2024.

Statement of changes in equity

For the six months ended 31 December 2023 in \$000s

	Note	Share capital	Retained earnings	Total equity
Equity as at 1 July 2022		25,000	79,560	104,560
Net operating profit			2,505	2,505
Total comprehensive income for the year			2,505	2,505
Transactions with owners			-	-
Dividend paid on 2 September 2022			(1,218)	(1,218)
Equity as at 1 July 2023		25,000	80,847	105,847
Net operating profit			5,209	5,209
Total comprehensive income for the year			5,209	5,209
Transactions with owners			-	-
Dividend paid on 1 September 2023			(1,713)	(1,713)
Unaudited closing balance as at 31 December 2023		25,000	84,343	109,343



Craig Stobo, Director
Board Chair



Linda Robertson, Director
Chair, Audit and Risk Committee

Statement of financial position

As at 31 December 2023 in \$000s

	Note	Unaudited as at 31 December 2023	Audited as at 30 June 2023
Assets			
Financial assets			
Receivables		1,086	492
Cash and bank balances		359,688	226,222
Cash pledged as collateral		85,389	93,175
Marketable securities		1,613,984	1,127,879
Deposits		822,148	348,492
Derivatives in gain		101,535	63,845
Loans	8	18,788,758	16,313,562
Non-financial assets			
Prepayments		1,228	919
Other assets	9	26	58
Total assets		21,773,843	18,174,644
Equity			
Share capital	16	25,000	25,000
Retained earnings		79,135	80,847
Total comprehensive income for the period		5,209	-
Total equity		109,343	105,847
Liabilities			
Financial liabilities			
Payables and provisions	10	29,850	6,132
Bills	11	856,894	782,630
Bond repurchases	12	129,987	130,043
Derivatives in loss		1,291,310	1,628,316
Bonds	13	18,924,712	15,160,432
Borrower notes	14	430,751	360,348
Non-financial liabilities			
Other liabilities	15	995	896
Total liabilities		21,664,499	18,068,797
Total equity and liabilities		21,773,843	18,174,644

These statements are to be read in conjunction with the notes to the financial statements.

Statement of cash flows

For the six months ended 31 December 2023 in \$000s

	Note	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Cash flows from operating activities			
Cash applied to loans	8	(2,407,840)	(1,639,024)
Interest paid on bonds issued		(243,566)	(228,725)
Interest paid on bills issued		(26,733)	(10,088)
Interest paid on borrower notes		(558)	(131)
Interest paid on bond repurchases		(5,303)	(1,738)
Interest received from loans		475,616	224,165
Interest received from cash & cash equivalents		12,273	2,396
Interest received from marketable securities		19,511	13,570
Interest received from deposits		16,943	5,897
Net interest on derivatives		(247,902)	2,276
Cash proceeds from provision of standby facilities		753	671
Payments to suppliers and employees		(6,011)	(5,317)
Net cash flows from operating activities	18	(2,412,818)	(1,636,047)
Cash flows from investing activities			
Purchase of marketable securities		(458,717)	206,657
(Purchase)/maturity of deposits		(458,062)	(462,937)
Net cash flows from investing activities		(916,778)	(256,280)
Cash flows from financing activities			
Cash proceeds from bonds issued	13	1,485,329	1,477,890
Cash proceeds (outflows) from bills issued		74,264	74,146
Cash proceeds (outflows) from bond repurchases		(168)	76,195
Cash proceeds from borrower notes		59,984	41,598
Dividends paid		(1,712)	(1,218)
Cash applied to derivatives		1,845,365	130,604
Net cash flows from financing activities		3,463,063	1,799,215
Net (decrease) / increase in cash		133,467	(93,112)
Cash, cash equivalents at beginning of year		226,222	158,033
Cash, cash equivalents at end of year		359,688	64,921

These statements are to be read in conjunction with the notes to the financial statements.

Notes to the financial statements

1. Reporting entity

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002. LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating borrowers.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

These financial statements were authorised for issue by the Directors on 28 February 2024.

2. Statement of compliance

The interim financial statements are for the six months ended 31 December 2023 and are to be read in conjunction with the annual report for the year ended 30 June 2023.

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and in compliance with NZ IAS 34 Interim Financial Reporting.

3. Basis of preparation

Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

Foreign currency conversions

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

Changes in accounting policies

There have no changes to accounting policies.

Early adoption standards and interpretations

LGFA has not early adopted any standards.

Standards not yet adopted

LGFA does not consider any issued standards or interpretations not yet effective to have a significant impact on its financial statements.

Financial instruments

Financial assets

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand, bank accounts and deposits with an original maturity of no more than three months.

Cash provided by LGFA as security for financial arrangements remains a financial asset of LGFA and is recognised as cash pledged as collateral in the Statement of Financial Position, separate from cash and cash equivalents

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

Financial liabilities

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Derivatives

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

Fair value hedge

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

Other assets

Property, plant and equipment

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

Intangible assets

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight-line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

Other liabilities

Employee entitlements

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

Revenue

Interest income

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

Expenses

Expenses are recognised in the period to which they relate.

Interest expense

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Income tax

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Segment reporting

LGFA operates in one segment being funding of participating borrowers in New Zealand.

Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts. For example, the fair value of financial instruments depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and these estimates and underlying assumptions are reviewed on an ongoing basis. Where these judgements significantly affect the amounts recognised in the financial statements they are described in the following notes.

Revenue and expenditure

4. Net interest income

in \$000s	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Interest income		
Cash and cash equivalents	16,804	4,098
Marketable securities	33,313	18,342
Lease liability	-	16
Deposits	20,237	9,668
Derivatives	-	-
Loans	507,780	280,759
Fair value hedge ineffectiveness	-	-
Total interest income	578,134	312,883
Interest expense		
Bills	26,733	10,088
Bond repurchase transactions	5,415	1,949
Lease liability	17	-
Derivatives	227,217	66,245
Bonds	298,564	224,425
Borrower notes	10,377	5,196
Total interest expense	568,323	307,904
Net interest income	9,811	4,979

5. Other operating income

As at 31 December 2023, LGFA had provided credit standby facilities totalling \$747 million (2022: \$662 million) to selected councils. As at balance date, there were no drawdowns outstanding under the facilities.

in \$000s	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Standby facilities fee income	753	671
Total other operating income	753	671

6. Operating expenses

Issuance and on-lending expenses are those costs that are incurred as a necessary expense to facilitate the ongoing issuance of LGFA debt securities.

in \$000s	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Issuance and on-lending expenses		
Approved issuer levy ¹	541	343
Rating agency fees	343	333
NZDMO facility fee	750	652
Legal fees – issuance	502	205
NZX	402	367
Trustee fees	56	55
Regulatory, registry, other fees	184	106
	2,779	2,062
Other operating expenses		
Information technology	360	341
Consultants	131	127
Directors fees	249	213
Insurance	49	47
Legal fees	23	156
Other expenses	204	230
Auditors' remuneration		
Statutory audit	60	55
Advisory services	-	-
Personnel	1,500	1,312
	2,577	2,481
Total operating expenses	5,355	4,542

1. The amount of Approved Issuer Levy is a function of the number of the offshore holders of certain LGFA bond maturities.

7. Hedge accounting

LGFA is exposed to interest rate risk from its borrowing, lending and investment activities and uses interest rate swaps and cross currency swaps to manage this risk. For hedge accounting purposes, LGFA has designated these swaps in fair value relationships to its fixed rate borrowings, loans and investments.

The following table shows the gain or loss on the hedging instrument and the hedged item attributable to the hedged risk for fair value hedge relationships.

in \$000s	Unaudited gain/(loss) for the six months ended 31 December 2023	Unaudited gain/(loss) for the six months ended 31 December 2022
Hedged items attributable to the hedged risk	(357,392)	329,876
Hedging instruments – interest rate swaps	357,392	(329,876)
Ineffectiveness recognised in profit or loss from fair value hedges	-	-

The gains or losses on the hedging instrument (interest rate swaps, cross currency swaps) and the hedged item (bonds, loans and investments) are mapped to the same fair value account. For this reason, the statement of comprehensive income will only report any ineffectiveness arising from the fair value hedge.

8. Loans

in \$000s	Unaudited as at 31 December 2023		Audited as at 30 June 2023	
	Short-term loans ¹	Loans	Short-term loans	Loans
Ashburton District Council	12,089	104,554	12,110	74,243
Auckland Council	-	3,631,775	-	3,225,659
Bay of Plenty Regional Council	57,991	176,577	57,428	161,353
Buller District Council	-	20,036	-	20,030
Canterbury Regional Council	5,013	77,336	10,116	65,272
Carterton District Council	-	20,552	-	17,523
Central Hawkes Bay District Council	-	38,324	4,072	38,314
Central Otago District Council	5,020	20,288	20,117	5,072
Christchurch City Council	-	2,331,650	-	2,200,409
Clutha District Council	11,583	88,191	7,554	62,905
Dunedin City Treasury	-	252,736	-	126,119
Far North District Council	10,079	92,000	-	91,984
Gisborne District Council	-	149,330	-	126,028
Gore District Council	8,554	44,478	8,556	41,915
Greater Wellington Regional Council	-	804,623	-	678,358
Grey District Council	3,971	26,801	3,990	26,799
Hamilton City Council	-	804,733	-	803,843
Hastings District Council	-	385,854	-	294,992

1. As at 31 December 2023, \$2,757 million of loans are due to mature within 12 months. This comprises all short-term loans and \$2,140 million of loans.

in \$000s	Unaudited as at 31 December 2023		Audited as at 30 June 2023	
	Short-term loans ¹	Loans	Short-term loans	Loans
Hauraki District Council	-	88,971	-	62,620
Hawkes Bay Regional Council	25,193	74,856	25,313	55,262
Horizons Regional Council	9,906	54,923	9,936	51,871
Horowhenua District Council	23,218	159,390	15,175	151,192
Hurunui District Council	9,060	49,571	8,092	38,435
Hutt City Council	-	479,870	-	373,239
Infrastructure Holdings Ltd	9,852	104,503	-	-
Invercargill City Council	61,774	73,889	55,448	68,788
Invercargill City Holdings Ltd	39,236	48,411	12,323	78,514
Kaikoura District Council	-	7,365	-	5,346
Kaipara District Council	-	44,572	-	44,545
Kapiti Coast District Council	-	308,407	-	277,935
Kawerau District Council	-	4,048	-	2,024
Mackenzie District Council	3,007	11,205	3,001	8,086
Manawatu District Council	15,241	79,598	15,136	79,502
Marlborough District Council	14,694	184,017	21,241	131,594
Masterton District Council	-	62,462	-	52,336
Matamata-Piako District Council	-	52,637	-	45,520
Napier City Council	-	10,095	-	10,014
Nelson City Council	-	247,217	-	186,666
New Plymouth District Council	20,136	237,018	10,114	221,668
Northland Regional Council	-	18,578	-	18,565
Opotiki District Council	-	11,584	-	9,557
Otago Regional Council	49,336	109,419	46,665	104,177
Otorohanga District Council	9,194	-	6,052	-
Palmerston North City Council	-	273,375	-	214,483
Porirua City Council	-	239,409	-	198,906
Queenstown Lakes District Council	56,097	524,697	56,007	454,003
Rangitikei District Council	-	31,238	-	31,207
Rotorua District Council	1,889	391,976	1,889	351,358
Ruapehu District Council	8,049	45,161	8,050	42,130
Selwyn District Council	-	126,430	-	116,198
South Taranaki District Council	3,072	117,496	-	117,428
South Waikato District Council	-	44,474	-	44,457

in \$000s	Unaudited as at 31 December 2023		Audited as at 30 June 2023	
	Short-term loans ¹	Loans	Short-term loans	Loans
Southland District Council	-	22,020	-	21,960
South Wairarapa District Council	-	29,174	-	29,148
Stratford District Council	-	34,885	2,030	31,858
Taranaki Regional Council	-	23,687	-	19,652
Tararua District Council	4,050	52,839	4,047	53,778
Tasman District Council	26,863	263,664	25,515	246,751
Taupo District Council	-	146,315	-	146,271
Tauranga City Council	-	930,197	-	823,933
Thames-Coromandel District Council	-	80,006	-	67,813
Timaru District Council	19,343	187,700	19,456	187,561
Upper Hutt City Council	-	182,803	-	113,212
Waikato District Council	-	156,572	9,975	111,225
Waikato Regional Council	-	30,298	5,120	25,276
Waimakariri District Council	-	182,028	-	181,960
Waimate District Council	-	3,541	-	3,540
Waipa District Council	51,618	200,515	20,010	207,374
Wairoa District Council	8,259	11,110	8,015	11,109
Waitaki District Council	8,852	52,501	8,978	33,280
Waitomo District Council	4,077	24,209	4,071	24,204
Wellington City Council	-	1,552,273	-	1,178,503
West Coast Regional Council	2,986	13,310	3,243	9,991
Western Bay Of Plenty District Council	-	86,106	-	80,992
Westland District Council	-	30,130	-	27,078
Westland Holdings Ltd	625	5,457	1,618	5,456
Whakatane District Council	-	145,172	-	114,768
Whanganui District Council	7,559	136,527	7,557	110,179
Whangarei District Council	9,921	228,466	9,927	228,151
Fair value hedge adjustment	-	(26,855)		(37,850)
	617,406	18,171,352	547,944	15,765,618

9. Other assets

in \$000s	Unaudited as at 31 December 2023	Audited as at 30 June 2023
Right-of-use lease asset	26	58
Total other assets	26	58

10. Payables and provisions

in \$000s	Unaudited as at 31 December 2023	Audited as at 30 June 2023
Loans/purchases to be advanced	29,000	5,000
Trade creditors	323	804
Credit provision	320	123
Other provisions	204	205
Total receivables	29,847	6,132

11. Bills

Unaudited as at 31 December 2023 in \$000s	Face value	Unamortised premium	Accrued interest	Total
12 January 2024	190,000	(266)	-	189,734
17 January 2024	75,000	(178)	-	74,822
1 February 2024	25,000	(120)	-	24,880
7 February 2024	50,000	(282)	-	49,718
16 February 2024	50,000	(336)	-	49,664
28 February 2024	50,000	(441)	-	49,559
8 March 2024	70,000	(700)	-	69,300
15 March 2024	95,000	(1,063)	-	93,937
21 March 2024	46,000	(555)	-	45,445
5 April 2024	25,000	(369)	-	24,631
10 April 2024	25,000	(385)	-	24,615
16 April 2024	15,000	(246)	-	14,754
8 May 2024	25,000	(486)	-	24,514
5 June 2024	25,000	(591)	-	24,409
19 July 2024	100,000	(3,088)	-	96,912
	866,000	(9,106)	-	856,894

Audited as at 30 June 2023 in \$000s	Face value	Unamortised premium	Accrued interest	Total
7 July 2023	45,000	(32)	-	44,968
12 July 2023	100,000	(142)	-	99,858
19 July 2023	35,000	(87)	-	34,913
2 August 2023	25,000	(112)	-	24,888
11 August 2023	75,000	(442)	-	74,558
17 August 2023	20,000	(144)	-	19,856
8 September 2023	70,000	(713)	-	69,287
15 September 2023	55,000	(630)	-	54,370
22 September 2023	102,000	(1,277)	-	100,723
28 September 2023	40,000	(549)	-	39,451
11 October 2023	25,000	(381)	-	24,619
17 October 2023	5,000	(81)	-	4,919
8 November 2023	20,000	(397)	-	19,603
28 November 2023	50,000	(1,166)	-	48,834
6 December 2023	25,000	(609)	-	24,391
14 December 2023	50,000	(1,282)	-	48,718
20 December 2023	50,000	(1,325)	-	48,675
	792,000	(9,370)	-	782,630

12. Treasury stock and bond repurchases

Periodically, LGFA subscribes for LGFA bonds as part of its tender process and holds these bonds as treasury stock. LGFA bonds held by LGFA as treasury stock are derecognised at the time of issue and no liability is recognised in the statement of financial position. As at 31 December 2023, \$1,100 million of LGFA bonds had been subscribed as treasury stock.

LGFA makes these treasury stock bonds available to banks authorised as its tender counterparties to borrow under short-term repurchase transactions. The objective of the bond lending facility is to assist with improving secondary market liquidity in LGFA bonds. Bonds lent to counterparties are disclosed as a separate stock lending liability on the face of the statement of financial position.

in \$000s	Unaudited as at 31 December 2023	Audited as at 30 June 2023
15 April 2024	37,803	
15 April 2025	-	16,619
15 April 2026	-	1,920
15 April 2027	-	52,513
20 April 2029	3,412	19,437
15 May 2030	17,736	-
15 May 2031	37,957	3,287
14 April 2033	4,487	1,750
15 May 2035	-	34,518
15 April 2037	28,593	-
	129,987	130,043

13. Bonds

Bonds on issue do not include \$1,100 million face value of issued LGFA bonds subscribed by LGFA and held as treasury stock. Refer Note 12: Treasury stock and bond repurchase transactions.

Unaudited as at 31 December 2023 in \$000s	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
NZD Fixed interest bonds					
15 April 2024	2,218,000	(801)	10,635		2,227,834
15 April 2025	2,719,000	(37,783)	15,935		2,697,152
15 April 2026	2,155,000	(45,072)	6,889		2,116,817
15 April 2027	2,211,000	54,970	21,204		2,287,174
15 May 2028	1,553,000	(70,223)	4,512		1,487,289
20 April 2029	1,882,000	(105,057)	5,631		1,782,574
15 May 2030	1,500,000	(44,075)	8,716		1,464,640
15 May 2031	1,245,000	(81,469)	3,617		1,167,148
14 April 2033	1,515,000	5,936	11,445		1,532,381
15 May 2035	450,000	(7,496)	1,743		444,248
15 April 2037	860,000	(53,559)	3,666		810,107
AUD Fixed interest bonds					
1 August 2028	1,077,426	(2,784)	21,054		1,095,696
28 November 2030	700,327	(2,598)	3,336		701,065
Fair value hedge adjustment				(889,414)	(889,414)
	20,085,754	(390,010)	118,382	(889,414)	18,924,712

Audited as at 30 June 2023 in \$000s	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
NZD Fixed interest bonds					
15 April 2024	2,218,000	(2,151)	10,499		2,226,348
15 April 2025	2,409,000	(36,176)	13,937		2,386,761
15 April 2026	2,155,000	(54,361)	6,801		2,107,440
15 April 2027	2,011,000	68,977	19,039		2,099,016
15 May 2028	1,423,000	(60,216)	4,089		1,366,873
20 April 2029	1,722,000	(83,580)	5,081		1,643,501
15 May 2030	1,000,000	(17,002)	5,747		988,745
15 May 2031	1,120,000	(60,338)	3,218		1,062,880
14 April 2033	1,350,000	33,003	10,070		1,393,073
15 May 2035	450,000	(7,728)	1,724		443,997
15 April 2037	820,000	(41,281)	3,450		782,170
Fair value hedge adjustment				(1,340,372)	(1,340,372)
	16,678,000	(260,853)	83,656	(1,340,372)	15,160,432

14. Borrower notes

Borrower notes are subordinated debt instruments which are required to be held by each local authority that borrows from LGFA in an amount equal to a fixed percentage of the aggregate borrowings by that local authority. The fixed percentage is 2.5% for loans issued from 1 July 2020. Prior to this date, the fixed percentage was 1.6%.

LGFA may convert borrower notes into redeemable shares if it has made calls for all unpaid capital to be paid in full and the LGFA Board determines it is still at risk of imminent default.

15. Other liabilities

in \$000s	Unaudited as at 31 December 2023	Audited as at 30 June 2023
Lease liability		58
Accruals	995	838
Total receivables	995	896

16. Share capital

As at 31 December 2023, LGFA had 45 million ordinary shares on issue, 20 million of which remain uncalled. The 20 million of uncalled shares are held by the 30 council shareholders in proportion to the paid-up shares. The Minister of Finance and Minister for Local Government do not hold any uncalled shares.

All ordinary shares rank equally with one vote attached to each ordinary share. Ordinary shares have a face value of \$1 per share.

17. Shareholder information

The holdings outlined in this table include the 25 million of paid-up ordinary shares and 20 million of uncalled ordinary shares. The uncalled ordinary shares are held by the 30 council shareholders.

Registered holders of equity securities	As at 31 December 2023		As at 30 June 2023	
Minister of Finance and Minister for Local Government	5,000,000	11.1%	5,000,000	11.1%
Auckland Council	3,731,960	8.3%	3,731,960	8.3%
Christchurch City Council	3,731,960	8.3%	3,731,960	8.3%
Hamilton City Council	3,731,960	8.3%	3,731,960	8.3%
Bay of Plenty Regional Council	3,731,958	8.3%	3,731,958	8.3%
Greater Wellington Regional Council	3,731,958	8.3%	3,731,958	8.3%
Tasman District Council	3,731,958	8.3%	3,731,958	8.3%
Tauranga City Council	3,731,958	8.3%	3,731,958	8.3%
Wellington City Council	3,731,958	8.3%	3,731,958	8.3%
Western Bay of Plenty District Council	3,731,958	8.3%	3,731,958	8.3%
Whangarei District Council	1,492,784	3.3%	1,492,784	3.3%
Hastings District Council	746,392	1.7%	746,392	1.7%
Marlborough District Council	400,000	0.9%	400,000	0.9%
Selwyn District Council	373,196	0.8%	373,196	0.8%
Gisborne District Council	200,000	0.4%	200,000	0.4%
Hauraki District Council	200,000	0.4%	200,000	0.4%
Horowhenua District Council	200,000	0.4%	200,000	0.4%
Hutt City Council	200,000	0.4%	200,000	0.4%
Kapiti Coast District Council	200,000	0.4%	200,000	0.4%
Manawatu District Council	200,000	0.4%	200,000	0.4%
Masterton District Council	200,000	0.4%	200,000	0.4%
New Plymouth District Council	200,000	0.4%	200,000	0.4%
Otorohanga District Council	200,000	0.4%	200,000	0.4%
Palmerston North District Council	200,000	0.4%	200,000	0.4%
South Taranaki District Council	200,000	0.4%	200,000	0.4%
Taupo District Council	200,000	0.4%	200,000	0.4%
Thames-Coromandel District Council	200,000	0.4%	200,000	0.4%
Waimakariri District Council	200,000	0.4%	200,000	0.4%
Waipa District Council	200,000	0.4%	200,000	0.4%
Whakatane District Council	200,000	0.4%	200,000	0.4%
Whanganui District Council	200,000	0.4%	200,000	0.4%
	45,000,000	100%	45,000,000	100%

18.Reconciliation of net profit to net cash flow from operating activities

in \$000s	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Net profit/(loss) for the period	5,209	1,108
Cash applied to loans	(2,407,840)	(1,639,024)
Non-cash adjustments		
Amortisation and depreciation	(9,728)	2,643
Working capital movements		
Net change in trade debtors and receivables	(476)	(378)
Net change in prepayments	(309)	(298)
Net change in accruals	126	(98)
Net Cash From Operating Activities	(2,412,818)	(1,636,047)

19. Related parties

Identity of related parties

LGFA is related to the local authorities set out in the Shareholder Information in note 17.

LGFA operates under an annual Statement of Intent that sets out the intentions and expectations for LGFA's operations and lending to participating borrowers.

Shareholding local authorities, and non-shareholder local authorities who borrow more than \$20 million, are required to enter into a guarantee when they join or participate in LGFA. The guarantee is in respect of the payment obligations of other guaranteeing local authorities to the LGFA (cross guarantee) and of the LGFA itself.

Related party transactions

LGFA was established for the purpose of raising funds from the market to lend to participating borrowers. The lending to individual councils is disclosed in note 5, and interest income recognised on this lending is shown in the statement of comprehensive income.

The purchase of LGFA borrower notes by participating borrowers. Refer note 14.

The Treasury (New Zealand Debt Management) provides LGFA with a committed credit facility and is LGFA's derivatives counterparty.

Directory

Rārangi tauwaea

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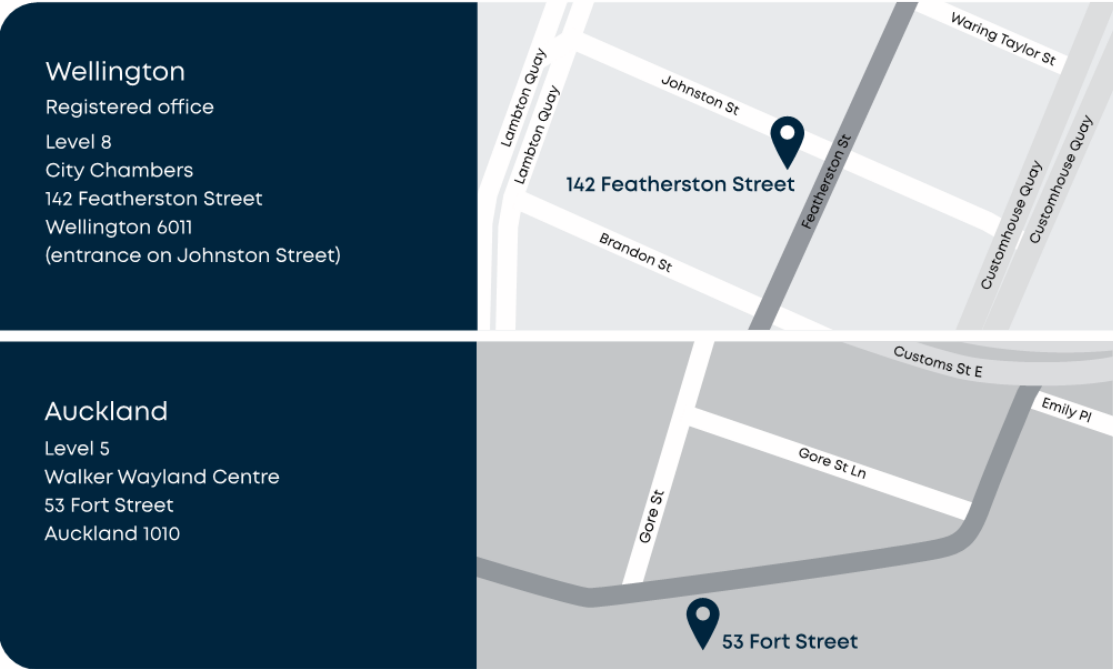
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28 February 2024

Dear LGFA Stakeholder

LGFA 2023-24 Half Year Report

The following is a link to our Half Year Report for the six-month period to December 2023.

[LGFA Half Year Report – 31 December 2023](#)

We are pleased to highlight a positive six-month period for LGFA including the following:

1. Increased lending to council and CCO borrowers

At 31 December 2023, LGFA had a market value of loans outstanding of \$18.8 billion which followed record lending of \$2.63 billion over the six-month period. We added two new CCOs as members over the six months, bringing the number of members to 72 councils and 5 CCOs.

2. A focus on sustainability.

We launched our Climate Action Loan (CAL) product for council and CCO members in December 2022 to incentivise borrowers through a lower loan margin if they have an approved greenhouse gas (GHG) emission reduction plan in place and are meeting their reduction targets. At December, CALs total \$1.2 billion across four councils.

Our Green, Social and Sustainable (GSS) loans provide a discounted borrowing margin to councils and CCOs for eligible projects. Over the six-month period we approved a further project as eligible for GSS lending, bringing the number of eligible projects to six across six councils.

We also published our first Annual Impact Review report for our NZX listed Sustainable Financing Bond. We are having ongoing dialogue with councils relating to GHG emission reporting and reduction and are currently preparing for our first report under Climate Related Disclosure requirements for the 2024 Annual Report.

3. A financial position tracking to forecast.

Net Operating Profit for the six-month period was \$5.2 million, which is slightly below our SOI forecast due to higher costs from increased issuance, and the establishment and issuance under foreign currency programmes. However, we expect to meet the full year SOI forecast by June 2024. LGFA has assets of \$21.77 billion and Shareholder Equity of \$109.4 million as at 31 December 2023.



4. Working with our stakeholders.

We have been assisting Central and Local Government with the implementation of the water reform programme and with councils and CCO members on promoting sustainability.

A further highlight was LGFA being voted by market participants for an unprecedented five awards at the KangaNews Awards including New Zealand Debt Issuer of the Year award for the second consecutive year.

Our focus remains on adding value to the local government sector through:

- Providing cheaper loans.
- Enabling easier access to markets.
- Providing reliable financing.
- Underpinning confidence.
- Encouraging sustainability.
- Enhancing capital markets.
- Being a centre of expertise.

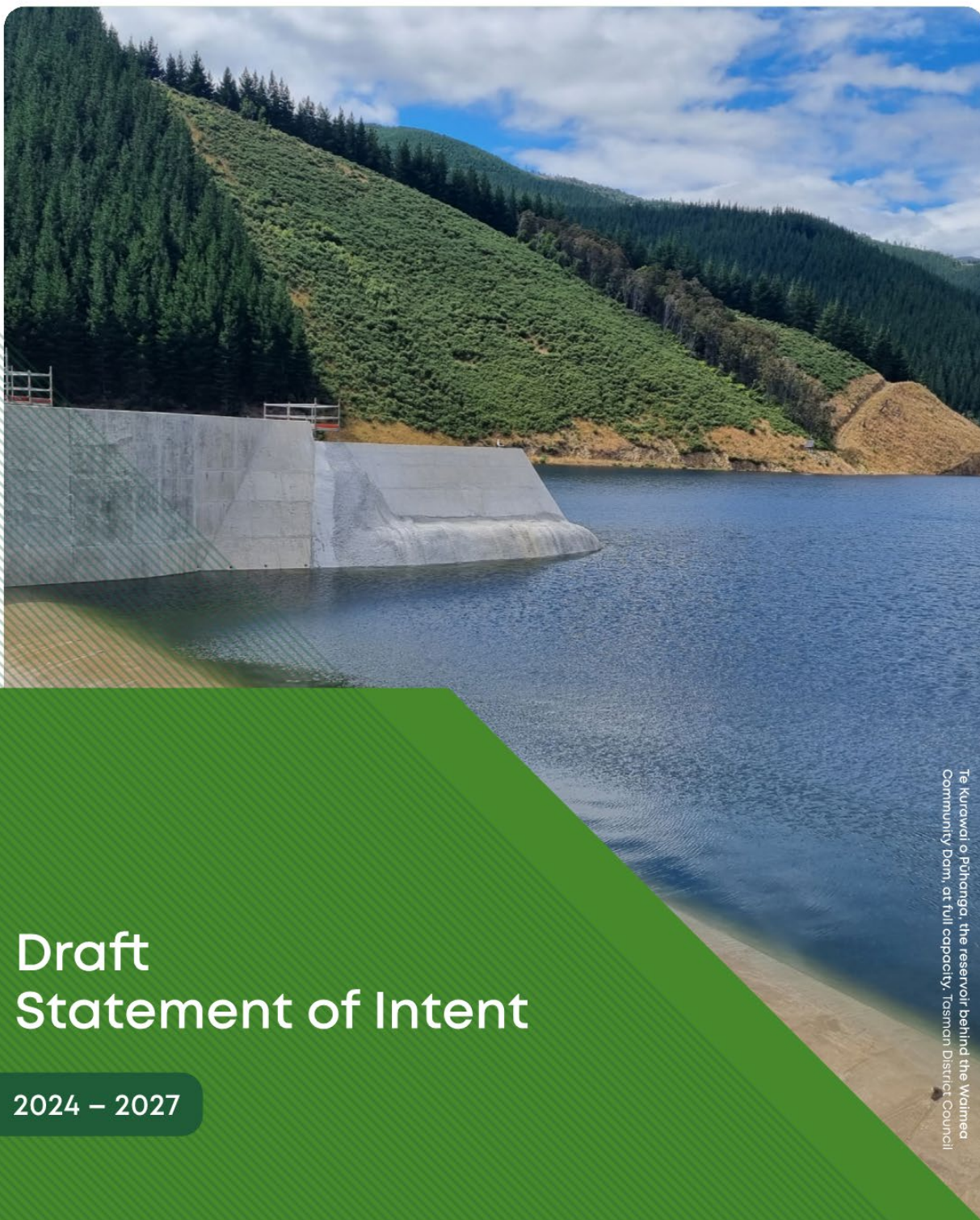
To achieve the above, we require the support of all our stakeholders and thank you for your contribution and assistance over the past six months.

Please do not hesitate to contact me if you have any comments or questions.

Kind regards



Mark Butcher
Chief Executive



Te Kūrawai o Pūhanga, the reservoir behind the Waimaea Community Dam, at full capacity. Tasman District Council

Draft Statement of Intent

2024 – 2027

1. Introduction

This Statement of Intent (SOI) sets out the nature and scope of the activities, objectives and performance targets for the New Zealand Local Government Funding Agency Limited (LGFA) for the three-year period 1 July 2024 to 30 June 2027. LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.

The SOI is prepared in accordance with section 64(1) of the Local Government Act 2002.

Note: This SOI, including financial forecasts, assumes that LGFA continues to lend to the water sector, either through councils as it does at present, or through any new structures under the Local Water Done Well reforms. We are awaiting further information relating to the establishment of the Water CCOs; how Water CCOs are intending to structure their borrowing; how the transition of revenue and debt will occur between our council members and Water CCOs, and the impact on future council borrowing intentions.

2. Nature and scope of activities

LGFA raises debt funding for the purpose of providing debt financing to New Zealand local authorities and CCOs (participating borrowers).

LGFA may raise debt funding domestically or offshore in either NZ dollars or foreign currency.

LGFA only lends to participating borrowers that have entered into required legal and operational arrangements and comply with the LGFA's lending policies.

In addition, LGFA may undertake any other activities considered by the LGFA Board to be reasonably related, incidental to, or in connection with that business.

3. Our purpose Ta tatou kaupapa

Benefiting local communities through delivering efficient financing for local government.

Ka whiwhi painga ngā hapori mā te whakarato pūtea tōtika ki ngā kaunihera.

4. Our values Ō mātau uara

We act with integrity

E pono ana mātau

We are honest, transparent and are committed to doing what is best for our customers and our company.

We are customer focused

E arotahi ana mātau ki te kiritaki

Our customers are our council borrowers, investors, and all other organisations that we deal with. We listen to them and act in their best interests to deliver results that make a positive difference.

We strive for excellence

E whakapau kaha mātau kia hiranga te mahi

We strive to excel by delivering financial products and services that are highly valued at least cost while seeking continuous improvement in everything we do.

We provide leadership

He kaiārahi mātau

We are here for our stakeholders in being strategically minded, providing resilience and executing our strategy. We embrace a high-performance culture and can be relied upon to deliver results.

We are innovative

He auaha mātau

To meet our ever-changing customer requirements, we will encourage innovation and provide a diverse range of financial products and services.

5. Foundation objectives

The Shareholders' Agreement is a foundation document and states that, in accordance with the Local Government Act, in carrying on its business the objectives of the Company will be to:

- (a) achieve the objectives of the Shareholders (both commercial and non-commercial) as specified in the Statement of Intent. The Shareholders agree that the Company shall carry on its business with a view to making a profit sufficient to pay a dividend in accordance with the Dividend Policy, but that the primary objective of the Shareholders with respect to the Company is that it optimises the terms and conditions of the debt funding it provides to Participating Local Authorities;
- (b) be a good employer;
- (c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- (d) conduct its affairs in accordance with sound business practice.

This Statement of Intent sets out the company's strategic priorities, together with associated objectives and performance targets, which align with the foundation objectives and have been agreed with shareholders.

6. Strategic priorities

The following five strategic priorities encompass the foundation objectives and guide the LGFA Board and management in determining our strategy, objectives and associated performance targets.

Governance, capability and business practice

LGFA is committed demonstrating best practice corporate governance underpinned by sound business practice to ensure its long-term sustainability and success.

Optimising financing services for local government

LGFA's primary objective is to optimise the terms and conditions of the debt funding it provides to participating borrowers. Amongst other things, LGFA will achieve this by delivering operational best practice and efficiency across our lending products and services.

Environmental and social responsibility

LGFA recognises the risks inherent in climate change for councils and supports New Zealand's shift to a low-carbon economy. LGFA will exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

Effective management of loans

LGFA will ensure its loan book remains at a high standard by ensuring it understands each participating borrower's financial position and managing assets within an appropriate risk management framework to ensure shareholder value is not compromised.

Industry leadership and engagement

LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market and will work with key central government and local government stakeholders on sector issues.

7. Objectives and performance targets

This section sets out LGFA's objectives and performance targets for SOI 2024-2027.

The financial performance targets are focused on the 2024-2025 year and, as applicable, are based on the financial forecasts outlined in section 8.

Governance, capability and business practice

Objectives	How we measure our performance
Demonstrate best practice corporate governance.	The Annual Report outlines our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code. The Shareholders' Council has requested a focus on succession planning for the Board.
Set and model high standards of ethical behaviour.	LGFA has adopted a Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.
Achieve the shareholder-agreed objectives and performance targets specified in this Statement of Intent.	LGFA reports performance against objectives quarterly to shareholders and in our Annual and Half Year Reports.
Ensure products and services offered to participating borrowers are delivered in a cost-effective manner.	LGFA prepares annual operating budgets and monitors progress against these monthly. Financial performance is reported quarterly to shareholders and in our Annual and Half Year Reports.
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff	The Annual Report reports on our health and safety and wellbeing practices and policies, compliance with the Health and Safety at Work Act, diversity and inclusion and capability and development.

Performance targets	2024-2025 target
Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.	No breaches.
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.
Succession plans be put in place for the Board and staff and be reviewed annually.	Plan established and shared.
LGFA's total operating income for the year to 30 June 2025.	>\$29.8 million.
LGFA's total operating expenses for the year to 30 June 2025.	<\$15.6 million.

Optimising financing services for local government

Objectives	How we measure our performance
Provide interest cost savings relative to alternative sources of financing.	Measure LGFA issuance spreads against other high-grade issuers in the New Zealand domestic capital markets.
Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.	Measure LGFA's share of overall council borrowing. Survey participating borrowers on an annual basis.
Deliver operational best practice and efficiency for lending services.	Monitor settlements errors for new trades and cashflows. Survey participating borrowers on an annual basis.
Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.	Maintain a vibrant primary and secondary market in LGFA bonds. Monitor participation by investors at our tenders through bid-coverage ratios and successful issuance yield ranges.

Performance targets	2024-2025 target
Share of aggregate long-term debt funding to the Local Government sector.	> 80%
Total lending to Participating Borrowers.	> \$22,000 million.
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score.
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%

Environmental and social responsibility

Objectives	How we measure our performance
Develop our sustainability strategy to include the estimated financial impacts of climate change.	LGFA sustainability strategy incorporates an assessment of the estimated financial impacts of climate change.
Improve sustainability outcomes within LGFA.	LGFA is committed to reducing our carbon emissions and maintaining formalised processes to measure our greenhouse gas (GHG) emissions.

Performance targets	2024-2025 target
Comply with the Health and Safety at Work Act 2015	No breaches.
Maintain Toitū Carbon Zero certification	Carbon-zero certification maintained.
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.
Increase our GSS lending book and Climate Action Loans	Two new GSS loans undertaken. Three new borrowers enter into CALs.
Ensure Annual Report is prepared in compliance with applicable GRI Standards	100%
Meet all mandatory climate reporting standards	100%

Effective management of loans

Objectives	How we measure our performance
Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies.	LGFA reviews all participating councils and CCOs financial statements on an annual basis and the agendas and management reports on an ongoing basis for all councils on the LGFA borrower watch-list.
Analyse finances at the Council group level where appropriate and report to shareholders.	Participating borrowers are required to complete annual compliance certificates by the end of November each year.
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested.	Number of participating borrowers visited in a year.
Work with central government and local government to facilitate a sector-wide successful transition of debt under the Local Water Done Well Programme.	LGFA is an active participant in the Local Water Done Well Programme.

Performance targets	2024-2025 target
Review each Participating Borrower's financial position.	100%
Arrange to meet each Participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested.	100%

Industry leadership and engagement

Objectives	How we measure our performance
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	Report on actions undertaken and progress made on sector issues.
Assist the local government sector with significant matters such as the Local Water Done Well Reforms and Future for Local Government	Identifying any legislative or Central Government policy changes that may impact LGFA and undertake formal or informal submissions.
Maintain productive relationships with central government representatives.	Assist the local government sector to understand any legislative or Central Government policy changes that may impact LGFA.
Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.	Report on the alignment of LGFA and councils climate and emissions reporting requirements
	Report back in how we are helping smaller councils' understand future reporting requirements.

8. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2027:

Comprehensive income \$m	Jun 25	Jun 26	Jun 27
Net Interest income	28.3	28.3	27.0
Other operating income	1.5	1.5	1.5
Total operating income	29.8	29.8	28.5
Approved Issuer Levy	4.2	5.8	7.2
Issuance & onlending costs	4.1	4.2	4.3
Operating overhead	6.3	6.6	6.9
Issuance and operating expenses	14.6	16.6	18.4
P&L	15.1	13.1	10.1
Financial position (nominals) \$m	Jun 25	Jun 26	Jun 27
Liquid assets portfolio	2,379	2,788	2,769
Loans to local government	22,086	24,456	26,053
Total Assets	24,465	27,244	28,823
Bonds on issue (ex Treasury stock)	22,332	25,017	26,486
Bills on issue	1,350	1,350	1,350
Borrower notes	508	573	623
Total Liabilities	24,190	26,940	28,459
Capital	25	25	25
Total Liabilities	19,308	20,509	21,577

Capital	25	25	25
Retained earnings	106	118	126
Dividend	(2)	(2)	(2)
Shareholder equity	130	141	149
Ratios	Jun 25	Jun 26	Jun 27
Liquid assets/funding liabilities	10.4%	10.9%	10.2%
Liquid assets / total assets	9.7%	10.2%	9.6%
Net interest margin	0.13%	0.12%	0.10%
Cost to income ratio	49.2%	55.9%	64.5%
Return on average assets	0.06%	0.05%	0.04%
Shareholder equity/total assets	0.5%	0.5%	0.5%
Shareholder equity + BN/total assets	2.6%	2.6%	2.7%
Asset growth	12.8%	11.4%	5.8%
Loan growth	11.3%	10.7%	6.5%
Return on equity	13.0%	10.1%	7.2%
Capital ratio	13.0%	13.1%	13.4%

The above forecasts assume a gross bond issuance programme of \$5.25 billion (FY25), \$5.04 billion (FY26) and \$4.72 billion (FY27) based upon term lending to councils of \$4.60 billion (FY25), \$4.86 billion (FY26) and \$5.08 billion (FY27).

Note there is a high level of uncertainty regarding the financial forecasts for both council borrowing and LGFA bond issuance due to the uncertainty relating to the impact on councils from the Local Water Done Well Reforms.

9. Dividend policy

LGFA primary objective is to maximise benefits to participating borrowers rather than shareholders. Consequently, it is intended to pay a limited dividend to shareholders.

The Board's policy is to pay a dividend that provides an annual rate of return to shareholders equal to LGFA fixed rate bond cost of funds plus 2% over the medium term.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

10. Governance

Board

The Board is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Local Government Borrowing Act 2011, the Company's Constitution, the Shareholders' Agreement for LGFA and this SOI.

The Board comprises six directors with five being independent directors and one being a non-independent director.

The Board's approach to governance is to adopt best practice with respect to:

- The operation of the Board.
- The performance of the Board.
- Managing the relationship with the Company's Chief Executive.
- Being accountable to all Shareholders.

All directors are required to comply with a formal Charter.

The Board will meet on a regular basis and no fewer than six times each year.

Shareholders' Council

The Shareholders' Council is made up of between five and ten appointees of the Shareholders (including an appointee from the Crown). The role of the Shareholders' Council is to:

- Review the performance of LGFA and the Board, and report to Shareholders on that performance on a periodic basis.
- Make recommendations to Shareholders as to the appointment, removal, replacement and remuneration of directors.
- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.
- Ensure all Shareholders are fully informed on LGFA matters and to coordinate Shareholders on governance decisions.

11. Information to be provided to Shareholders

The Board aims to ensure that Shareholders are informed of all major developments affecting LGFA's state of affairs, while at the same time recognising both LGFA's obligations under NZX Listing Rules and that commercial sensitivity may preclude certain information from being made public.

Annual Report

The LGFA's balance date is 30 June.

By 30 September each year, the Company will produce an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002, the Companies Act 1993 and Financial Reporting Act 2013. The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company.

Half Yearly Report

By 28 February each year, the Company will produce a Half Yearly Report complying with Section 66 of the Local Government Act 2002.

Quarterly Report

By 31 January, 30 April, 31 July, and 31 October each year, the Company will produce a Quarterly Report. The Quarterly Report will include the following information:

- Commentary on operations for the relevant quarter, including a summary of borrowing margins charged to Participating Borrowers (in credit rating bands).
- Comparison of LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Analysis of the weighted average maturity of LGFA bonds outstanding.
- In the December Quarterly Report only, commentary on the Net Debt/Total Revenue percentage for each Participating Local Authority that has borrowed from LGFA (as at the end of the preceding financial year).
- To the extent known by LGFA, details of all events of review in respect of any Participating Borrower that occurred during the relevant quarter (including steps taken, or proposed to be taken, by LGFA in relation thereto).
- Details of any lending to CCOs during the quarter and the amount of CCO loans outstanding.
- Commentary on sustainability initiatives.

Statement of Intent

By 1 March in each year the Company will deliver to the Shareholders its draft SOI for the following year.

Having considered any comments from the Shareholders received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

Shareholder Meetings

The Board will hold an Annual General Meeting between 30 September and 30 November each year to present the Annual Report to all Shareholders.

The Company will hold a meeting with the Shareholders' Council approximately every six months – prior to the Annual General Meeting and after the Half Yearly Report has been submitted. Other meetings may be held by agreement between the Board and the Shareholders' Council.

12. Acquisition / divestment policy

LGFA will invest in securities in the ordinary course of business. It is expected that these securities will be debt securities. These investments will be governed by LGFA's approved lending and investment policies.

Any subscription, purchase or acquisition by LGFA of shares in a company or organisation will, if not within those investment policies, require Shareholder approval other than as concerns the formation of wholly-owned subsidiaries and the subscription of shares in such wholly-owned subsidiaries.

13. Activities for which compensation is sought from Shareholders

At the request of Shareholders, LGFA may (at its discretion) undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full cost of providing such activities.

Currently there are no activities for which compensation will be sought from Shareholders.

14. Commercial value of Shareholder's investment

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders.

Subject to the Board's views on the appropriate capital structure for LGFA, the Board's intention will be to pay a dividend that provides an annual rate of return to Principal Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

As the Shareholders will have invested in the LGFA on the basis of this limited dividend, the Board considered that at establishment the commercial value of LGFA was equal to the face value of the Shareholders' paid up Principal Shares - \$25 million.

In the absence of any subsequent share transfers to the observed share transfers on 30 November 2012, the Board considers the current commercial value of LGFA is at least equal to the face value of the Shareholders' paid up Principal Shares of \$25 million. This equates to a value per share of \$1.00.

15. Accounting policies

LGFA has adopted accounting policies that are in accordance with the New Zealand International Financial Reporting Standards and generally accepted accounting practice. A Statement of accounting policies is attached to this SOI.

Statement of Accounting Policies

1. Reporting entity

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating borrowers.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

2. Statement of compliance

LGFA is an FMC reporting entity under the Financial Markets Conduct Act 2013 (FMCA). These financial statements have been prepared in accordance with that Act and the Financial Reporting Act 2013. LGFA's bonds are quoted on the NZX Debt Market.

LGFA is a profit orientated entity as defined under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and they comply with NZ IFRS and other applicable Financial Reporting Standard, as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

3. Basis of preparation

Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

Foreign currency conversions

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

Changes in accounting policies

There have no changes to accounting policies.

Early adoption standards and interpretations

LGFA has not early adopted any standards.

Standards not yet adopted

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements.

Financial instruments

Financial assets

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand, bank accounts and deposits with an original maturity of no more than three months.

Cash provided by LGFA as security for financial arrangements remains a financial asset of LGFA and is recognised as cash pledged as collateral in the Statement of Financial Position, separate from cash and cash equivalents.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

Financial liabilities

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Derivatives

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

Fair value hedge

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

Other assets

Property, plant and equipment

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

Intangible assets

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight-line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

Other liabilities

Employee entitlements

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

Revenue

Interest income

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

Expenses

Expenses are recognised in the period to which they relate.

Interest expense

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Income tax

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Segment reporting

LGFA operates in one segment being funding of participating borrowers in New Zealand.

Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts. For example, the fair value of financial instruments depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and these estimates and underlying assumptions are reviewed on an ongoing basis. Where these judgements significantly affect the amounts recognised in the financial statements they are described in the following notes.

28 February 2024

Dear Shareholder

Draft Statement of Intent 2024-2027

Please find attached a copy of our draft Statement of Intent (SOI) for 2024-2027.

LGFA continues to focus on delivering strong results for both our council borrowers and shareholders.

For our borrowing councils we seek to optimize funding terms and conditions by

- Achieving savings in borrowing costs
- Providing longer dated funding and
- Providing certainty of access to markets

For our shareholders we are focused on

- Delivering a strong financial performance
- Monitoring asset quality
- Enhancing our approach to treasury and risk management, and
- Ensuring we have the correct governance framework and capital structure in place.

For our guarantors we are focused on

- Minimising the risk of a call upon the guarantee through actively monitoring and managing the business risks faced by LGFA including operational, credit, liquidity, interest rate and funding risk.

The following points regarding the draft SOI 2024-27 are worth noting:

- This draft SOI, including financial forecasts, assumes that there are no implications for LGFA from the Local Waters Done Well Programme. We are awaiting further information as the enabling legislation is introduced in June and December 2024 but will assume in the meantime a business-as-usual approach to council and CCO borrowing. The final SOI in June 2024 will be updated from this draft to incorporate any future announcements and will include a statement if there have been any material changes to our forecast assumptions.
- Profitability is forecast to remain strong with projections for Net Operating Gain of \$15.1 million, \$13.1 million, and \$10.1 million for the next three years. However, we remain cautious in placing too much emphasis on the year two (2025-26) and three (2026-27) forecasts given we have \$7.1 billion of LGFA bonds and \$7.5 billion of council and CCO loans maturing over the three-year SOI forecast period. This is because assumptions regarding the amount and timing of refinancing and interest rates have a material impact on financial projections.



- We have increased our forecast for council loans (short and long term) outstanding as at June 2025 to \$22.08 billion and to \$24.45 billion as at June 2026 (from \$20.03 billion and \$21.50 billion in the previous SOI). This increase reflects a higher starting position as at 30 June 2024 and councils undertaking further capex and continued high utilisation of short-term borrowing from LGFA.
- We are assuming gross bond issuance of \$5.25 billion (2024-25), \$5.04 billion (2025-26) and \$4.72 billion (2026-27) based on council gross lending of \$4.60 billion (2024-25), \$4.86 billion (2025-26) and \$5.08 billion (2026-27).
- Net interest income is expected to gradually reduce over the forecast period as the balance sheet grows from increased council lending but is offset by a larger holding of liquid assets and slightly lower forecast interest rates.
- We have assumed a modest narrowing in lending margins as more councils and CCOs take up our Climate Action Loan (CAL) product and we undertake more Green, Social and Sustainability (GSS) lending to councils and CCOs. Given the recent announcement from S&P Global Ratings regarding the lowering of the trend within the local government sector institutional framework, we have assumed no further improvement in the credit quality of the sector.
- Compared to the previous SOI, issuance and operating expenses, excluding Approved Issuer Levy are forecast to be approximately \$700k higher in the 2024-25 and \$600k in 2025-26 financial years. This is due to forecast higher IT, HR and legal costs associated with increased foreign currency issuance, water reforms and increased staffing.
- The proposed SOI performance targets are similar to the previous SOI. The focus remains on sustainability, assisting councils with greenhouse gas (GHG) emission reporting, monitoring the credit quality of the sector, and assisting with the implementation of Local Water Done Well Programme.
- As noted above, there is some timing uncertainty within the SOI forecast relating to council loans and LGFA bonds outstanding as we need to project both the repayment amount and repayment timing of the council loans that are due to mature in April 2025, April 2026 and April 2027. Decisions made by our council members regarding early refinancing will have a phasing impact across all three years in the SOI forecast.

If you have any questions or wish to provide comments by 1 May 2024 then please feel free to contact myself or any member of the Shareholders Council. The LGFA board will consider any feedback received and provide a final version of the SOI to shareholders by 30 June 2024.

Yours sincerely



Mark Butcher
Chief Executive

Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Finance and Monitoring Committee Public Excluded Minutes of 29 February 2024) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987	Section 48(1)(a)
C2. Facilities Syndicated Cleaning Service		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to enable Council to carry out commercial activities without disadvantage to enable Council to carry out negotiations	Section 7 (2) (h) Section 7 (2) (i)