

Financial Statements

As at 31 Dec 2021



STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Favourable
(Unfavourable)

| | | | | | | FULL YEAR | | |
|--|------------|------------|----------|------------|----------|--------------|----------|--|
| \$'000 | Actual YTD | Budget YTD | Variance | Variance % | Forecast | Total Budget | Variance | |
| OPERATING REVENUE | | | | | | | | |
| Rates | 117,807 | 116,779 | 1,028 | 1% | 234,278 | 234,278 | 0 | |
| Subsidies & Grants | 4,532 | 5,426 | (894) | -16% | 9,352 | 11,652 | (2,300) | |
| Other Revenue | 27,700 | 27,640 | 59 | 0% | 55,110 | 53,771 | 1,339 | |
| Finance Revenue | 1,130 | 648 | 482 | 74% | 1,773 | 1,472 | 301 | |
| Total Operating Revenue | 151,169 | 150,494 | 675 | 0% | 300,513 | 301,173 | (660) | |
| ASSET DEVELOPMENT REVENUE & OTHER GAINS | | | | | | | | |
| Development Contributions | 14,963 | 13,430 | 1,533 | 11% | 26,860 | 26,860 | 0 | |
| Other Gains/(Losses) | 923 | 663 | 260 | 39% | 1,626 | 1,326 | 300 | |
| Subsidies & Grants Capital Expenditure Contributions | 20,274 | 25,575 | (5,301) | -21% | 59,459 | 57,659 | 1,800 | |
| Assets vested to Tauranga City Council | 8,394 | 10,804 | (2,410) | -22% | 21,608 | 21,608 | 0 | |
| Total Asset Development Revenue & Other Gains | 44,554 | 50,473 | (5,919) | -12% | 109,553 | 107,453 | 2,100 | |
| TOTAL REVENUE | 195,723 | 200,966 | (5,244) | -3% | 410,066 | 408,626 | 1,440 | |
| OPERATING EXPENDITURE | | | | | | | | |
| Personnel Expense | 36,604 | 39,089 | 2,484 | 6% | 77,935 | 77,935 | 0 | |
| Depreciation & Amortisation Expense | 33,123 | 35,669 | 2,546 | 7% | 71,338 | 71,338 | 0 | |
| Finance Expense | 9,973 | 9,836 | (137) | -1% | 21,466 | 21,466 | 0 | |
| Consultants & Contractors | 11,313 | 12,376 | 1,063 | 9% | 24,909 | 24,909 | 0 | |
| Other Expense | 51,701 | 65,256 | 13,555 | 21% | 128,376 | 130,705 | 2,329 | |
| Total Operating Expenditure | 142,715 | 162,226 | 19,511 | 12% | 324,024 | 326,353 | 2,329 | |
| OTHER EXPENSES | | | | | | | | |
| Provision Expense | 0 | 600 | 600 | 100% | 1,200 | 1,200 | 0 | |
| Total Other Expenses | 0 | 600 | 600 | 100% | 1,200 | 1,200 | 0 | |
| TOTAL EXPENDITURE | 142,715 | 162,826 | 20,111 | 12% | 325,224 | 327,553 | 2,329 | |
| SURPLUS/(DEFICIT) | 53,007 | 38,140 | 14,867 | 39% | 84,842 | 81,073 | 3,769 | |
| OPERATING SURPLUS/(DEFICIT) | 8,454 | (11,733) | 20,186 | 172% | (23,511) | (25,180) | 1,669 | |

Overall Comments on Year to Date Balances

Rates revenue is above budget, primarily reflecting higher volumetric charges for water.

Subsidies & Grants revenue includes the NZTA subsidy, which is under budget, partly due to the impact of COVID restrictions affecting timing of completion of work. Subsidies are not expected to be on budget for full year.

Other Revenue, primarily user fees is tracking on budget. COVID revenue losses e.g. at the airport and facilities, were offset by strong results from building services. Details of user fee variances by activity are attached.

Finance Revenue includes interest on deposits and dividends, which have both exceeded budgets due to additional funds on deposit (slower capital programme) and higher dividend payments.

Development Contributions are ahead of budget. Primarily from city-wide development contributions (57%) and Papamoa East local development contributions (28%).

Other Gains and Losses includes non-cash accounting entries in relation to:

- a gain recognised from the Housing Infrastructure Fund loan (\$95m loan), which recognises a zero percent interest rate as a gain over market, and
- a gain relating to the Totara Farm (Te Tumu) land transaction.

Subsidies & Grants Capital Expenditure Contributions are primarily related to Crown Infrastructure Partnership subsidies for the Cameron Road upgrade project, which are currently ahead of budget and are expected to be well over budget for the year. Also included is NZTA capital project funding which is significantly behind budget due to a shortage of project managers and contractors. Forecast is for continuing slower delivery of transport capex, leading to a lower subsidy.

Assets vested to Tauranga City Council - revenue recognition is dependent on the timing of project completion of infrastructure projects by developers.

Personnel Expense underspend reflects unfilled positions and leave taken over the holiday period, where salaries are funded from the leave provision.

Depreciation is under budget, but the variance is expected to decrease as assets are capitalised.

Consultants and Contractors costs are tracking below budget, with Digital Service's reliance on contractors (offset by large capitalisation credits for time charged to projects) being more than offset by Development planning activity (some projects yet to get underway).

Other Expenditure is below budget across a number of activities. The main areas of underspend are Digital Services, 3 waters, Transport and Spaces and Places. Details of expenditure variance by activity are attached.

Provision expense will be recognised towards the end of the financial year. The budget is for Leaky Homes claims.

Full year forecast Amendments for known, material, variances have been made to the expected full year result. These are explained above, and in the user fees and expenditure variance by activity report, attached.

Revenue and Expense Variance - December 2021

| USER FEES | | | | | | EXPENDITURE | | | |
|-----------|---------------------------------|---|------------------|---------------------|---------------------|--|------------------|-------------------|-------------------|
| | Activity | Main Revenue Stream | YTD Variance | Full Budget | Full Forecast | YTD Variance Commentary | YTD Variance | Full Budget | Full Forecast |
| | Corporate Services | | | | | | | | |
| 101 | Corporate Treasury | Rates Penalty & Dividend Income | (1,981) | (800,000) | (800,000) | Revenue: Minor variance Expenditure: Unbudgeted Bella Vista costs. | (84,107) | 692,020 | 692,020 |
| 102 | Head Office - TCC | | 4,546 | 0 | 0 | Expense: Transfer of funds to the Acorn Foundation, from Stewart & Carruthers Reserve. Actual costs forecast to be in-line with budget at year end. | (327,628) | 756,589 | 756,589 |
| 104 | Strategic Properties | | 0 | 0 | 0 | Expense: Rates expense on council properties below budget. | 19,458 | 90,000 | 90,000 |
| 10 | Finance | Payments/contributions from Regional Council | 147,896 | (722,000) | (722,000) | Revenue: Timing variances with BOP Regional Council rates commission and valuation data recoveries. Expenditure: Lower than budget across several areas; consultants, rates database maintenance, training and travel. | 182,450 | 5,476,932 | 5,276,932 |
| 12 | Executive Team | | 10,000 | 0 | 0 | Revenue and Expenditure: Minor variances. | (8,914) | (2,880) | (2,880) |
| 13 | Digital Services | Metro network lease | (6,233) | (156,000) | (156,000) | Revenue: Lower than budgeted due to lower recoveries from metro fibre network leases. Expenditure: Delays in implementation of key digital projects has flow-on effects to operational costs including software licenses. Activity managers are forecasting they will incur this expenditure before financial year-end. | 4,106,741 | 19,423,939 | 19,423,939 |
| 19 | Insurance | Insurance recovery | 369,016 | 0 | (370,000) | Revenue and expenditure: Offsetting variances re insurance recoveries. | (368,938) | (1) | 370,000 |
| 55 | Legal & Risk | | 0 | 0 | 0 | Expenditure: Credits from capitalisation of salaries, for legal input on capital projects, are running below budget. External legal fees are above budget due to litigation costs unbudgeted for. Business continuity consultancy costs lower than expected, meaning recoveries are also under budget. | (353,177) | 1,953,055 | 2,203,055 |
| 57 | Marine Precinct | Leasing & Berthage | 9,021 | (1,002,804) | (1,002,804) | Revenue: Higher than budgeted revenue from travel lift launching. Expenditure: Increased maintenance activity during past quarter and over budget on staff costs (all contractors). Forecast increased to reflect these. | (106,685) | 1,312,020 | 1,350,000 |
| 81 | Airport | Landing & parking fees / Leasing | (593,209) | (8,785,782) | (7,350,514) | Revenue: Landing charges and Parking fees are under budget as a result of the recent COVID lockdowns. Expenditure: Also under budget largely as a result of Fire Rescue costs tacking below budget year to date. | 170,744 | 3,723,716 | 3,150,000 |
| 83 | Fleet Management | | 0 | 0 | 0 | Expenditure: Timing of Custom Fleet lease payment recharges. | (1,759) | (17,909) | (17,909) |
| 94 | Elder Housing | Rental Income | (58,372) | (897,251) | (1,417,251) | Revenue: Empty units in Pitau village, pending a vacant possession sale. Forecast for revenue as the budget assumed a sale date of Jan 2022. Expenditure: Elevated repairs and maintenance costs, due to an aging housing stock. Rates higher than budgeted. | (172,195) | 749,070 | 949,070 |
| | TOTAL CORPORATE SERVICES | | (119,317) | (12,363,837) | (11,818,569) | | 3,055,989 | 34,156,551 | 34,240,816 |
| | Community Services | | | | | | | | |
| 15 | Civic Complex | Leasing | (9,996) | (20,000) | 0 | Revenue: No rental income from Willow Street retail premises. Forecast reflects this. Expenditure: Higher than budget consultancy costs (re future ways of working project) and 306 Cameron Road rent (unbudgeted additional floor space being leased). Forecast adjusted for these additional costs. | (128,077) | 5,045,046 | 5,045,046 |
| 40 | City Centre | | 0 | 0 | 0 | | (7,085) | 0 | 0 |
| 54 | City Events | | 1,000 | 0 | 1,000 | Expenditure: Underspend from cancellation of New Years Eve events will be partly offset by other initiatives and activations, as well as external comms support. There will be a request to transfer any unspent monies to the Event Investment Fund. | 39,092 | 2,701,211 | 2,701,211 |
| 56 | Community Partnerships | Graffiti fines, Safe City contribution, and other recoveries | 512 | 0 | 0 | Expenditure: Behind budget due to timing of the first tranche of community grant funding payments, as well as Papakainga housing and community housing grants (which will be carried forward to 2023 FY). Expenditure across graffiti control and community funding portfolios are also tracking slightly behind budget, but expected to be fully expended by year end. | 212,769 | 4,697,605 | 3,897,605 |
| 58 | Bay Venues Limited & CCO's | Depreciation - trsfr to TCC Depreciation Reserve / External Recoveries | (113,930) | (805,487) | (805,487) | Revenue: Depreciation transfer from BVL for second quarter yet to be received. Expenditure: Renewals claim in the second quarter higher than budgeted. \$400k additional renewals budget signalled to renew Greerton Aquatics this FY due to a lack of sub-contractors tendering for work and significant supply chain premiums for materials. | (126,732) | 11,038,355 | 11,238,355 |
| 59 | Spaces & Places | Reserve and property rentals, McLaren Falls | (50,638) | (422,760) | (322,760) | Revenue: Lower than anticipated revenue as a result of COVID alert level changes and closure of the campground (planning to reopen in first quarter of 2022 calendar year). Full year forecast expected to be \$100k lower than budget as a result. Expenditure: Bay Oval grant funding for Stage 2 Pavillion, Event Day Toilets, Generator Shelter and Broadcast Towers capital projects tracking behind YTD budget but still on track for full delivery this FY. Passive reserves maintenance tracking behind budget due to COVID lockdown and contractor availability but expected to be fully spent by year end. Employee costs forecast above budget due to under-capitalised salaries and additional unbudgeted resource required to carry out maintenance contract review. Partly offset by forecast savings across Mauao planting (reduced planting area per Mauao planting plan), coastal and harbour restoration (reduced restoration area as a result of COVID lockdown) and the carry forward of Mt Cricket Club loan-funded grant for building construction to align with wider Blake Park master planning. | 1,467,860 | 24,250,581 | 24,390,581 |

| USER FEES | | | | | | EXPENDITURE | | | |
|-----------|--|---|--------------|--------------|---------------|--|--------------|-------------|---------------|
| | Activity | Main Revenue Stream | YTD Variance | Full Budget | Full Forecast | YTD Variance Commentary | YTD Variance | Full Budget | Full Forecast |
| 64 | Baycourt Community & Arts Centre | Sales & Hireage Fees | (257,604) | (933,440) | (583,440) | Revenue: Lower than anticipated revenue as a result of COVID alert level changes and deferred productions. Utilisation has been strong in November thanks to local community groups; discounted rental rates during these months has enabled activity to continue. Full year forecast revenue lower than budgeted as Baycourt unlikely to meet Ticketek volume targets. Expenditure: Marketing and stock purchases below budget as a direct result of deferred productions. Casual staff tracking to budget despite decreased number of productions YTD as staffing levels have increased to respond to new COVID protection framework requirements (e.g. introduction of My Vaccine Pass system). | 104,086 | 1,760,576 | 1,710,576 |
| 65 | Arts & Heritage | | 0 | 0 | 0 | Expenditure: Tracking behind budget due to timing of heritage fund payments, closely linked to civic precinct development. | 74,355 | 3,264,971 | 3,264,971 |
| 67 | Marine Facilities | Leases | (48,755) | (606,838) | (526,838) | Revenue: Boat storage and commercial lease revenue both behind budget. Expenditure: Additional waterfront R&M and rates expense, partly offset by lower than budget consultancy fees on Marine Facilities Strategy. | (17,375) | 978,181 | 978,181 |
| 68 | Beachside | Accommodation | (107,471) | (2,159,104) | (2,059,104) | Revenue: Tracking below budget due to COVID lockdowns and late cancellations in December as a result of the vaccination mandate. Expenditure: Also under budget as a result of lower occupancy. | 6,988 | 1,217,168 | 1,217,168 |
| 77 | Libraries | User Fees | 16,862 | (326,087) | (416,087) | Revenue: User fees revenue tracking below budget as a result of COVID lockdown and vaccination mandates, offset by unbudgeted revenue from DIA to cover additional staff as part of the Libraries Partnership Programme. Expenditure: Employee costs tracking above budget due to additional staff (being recovered through DIA), partly offset by lower than budgeted lease costs associated with the timing of the temporary library relocation. | (80,366) | 7,399,576 | 7,579,576 |
| 84 | Cemeteries | Product sales | (110,142) | (1,192,632) | (1,042,632) | Revenue: Income from cremations tracking below budget as a result of COVID lockdown and fewer illnesses over the winter months. Expenditure: R&M and fuel costs associated with cremations also tracking below budget, offset by increased staff costs related to the Spaces & Places restructure. | (6,838) | 657,762 | 657,762 |
| 90 | Property Management | Leasing Income | (25,100) | (4,554,395) | (4,554,395) | Revenue: Operating expense recoveries from tenants below budget (expected to meet budget at year end). Expenditure: Underspend mainly relates to reduced consultants costs and less investigation activity (surveys for asbestos and seismic issues). Full year spend expected to be in line with budget. | 268,385 | 5,228,731 | 5,228,731 |
| 92 | Historic Village | Leasing Income | (134,455) | (812,424) | (740,000) | Revenue: Lease revenue tracking behind budget due to the timing of the tenant programming plan rollout (anticipated to be fully in place by the end of this FY). Event & venues revenue behind budget due to booking cancellations as a result of COVID alert level restrictions. Full year forecast expected to be lower than budget as a result. Expenditure: Full year forecast above budget due to unplanned electrical audit required on priority buildings this FY. | 23,684 | 993,057 | 1,061,057 |
| | TOTAL COMMUNITY SERVICES | | (839,718) | (11,833,167) | (11,049,743) | | 1,830,746 | 69,232,820 | 68,970,820 |
| | Infrastructure Services | | | | | | | | |
| 26 | Stormwater | Leasing, Operational cost recovery | (5,208) | (10,410) | (10,410) | Revenue: Minor Variance Expenditure: Mainly due to R&M tracking behind budget, but is expected to pick up over the summer months. Internal charges and consultancy expenses are also behind budget. | 3,066,618 | 10,092,536 | 10,092,536 |
| 27 | Wastewater | Trade Waste and Omokoroa metered income | (203,476) | (1,970,414) | (1,970,414) | Revenue: Other user charges are tracking behind budget due to a system error that will be corrected in Jan. Expenditure: Mainly driven by reduced R&M activity, however there is a trend of increased unscheduled jobs which is expected to reach the budget. Bio solid costs are running slightly behind budget but expected to pick up in the next two quarters Consultancy expenses and internal charges also behind budget. | 2,385,466 | 17,383,345 | 17,383,345 |
| 29 | Water Supply | Water operation fees/forestry | (270,616) | (861,500) | (201,500) | Revenue: Extended engagement with stakeholders, along with widely reported international supply chain issues means that the forestry income (\$660k) budgeted this year, is postponed until next year. Expenditure: Related variable forestry costs will be delayed(\$490k). Consulting costs in waters planning behind budget year to date with projects picking up in second quarter. | 1,233,893 | 16,330,939 | 15,840,939 |
| 30 | City Waters (Support Services) | Laboratory fees | 438,926 | (262,030) | (762,030) | Revenue: External recoveries from the joint asset management system, due to a timing difference. Expenditure: All external operating costs running on budgeted levels. Higher internal charges are contributing to the negative variance. | (307,966) | 634,391 | 634,391 |
| 32 | Sustainability & Waste | User Fees - from operations & contract | 594,271 | (56,458) | (841,458) | Revenue: Glass sales and income from new /additional bins. Expenditure: Volume of waste going into landfill is significantly lower than budget. | 615,957 | 10,767,268 | 10,467,268 |
| 38 | Transportation | Road Zones & Other Fees | 112,360 | (605,142) | (705,142) | Revenue: Majority of positive variance are recoveries from external third parties for completing work on their behalf. Expenditure: Majority of YTD expense variance relates to R&M expenditure timing on Maintenance and Renewals. Expect this to be spent by year end. | 1,379,573 | 19,748,284 | 19,748,284 |
| 47 | Infrastructure Delivery (Asset Delivery) | Consent & Planning Fees | 0 | 0 | 0 | Expenditure: Minor variance. | 2,792 | 3,870 | 3,870 |
| 69 | Asset & Infrastructure Planning | | 79,487 | (800,000) | (800,000) | Revenue: Revenue from engineering planning approvals and recoveries running slightly ahead of budget. Expenditure: External operating costs are within budget allowances, with some costs to be reallocated to other activities including transport and waters. | (653,040) | 939,927 | 939,927 |
| 85 | Parking Management | Parking Fees | (294,289) | (3,402,336) | (2,802,336) | Revenue: Covid restrictions causing people to WFH and seismic strengthening of carpark buildings may have an adverse impact on full year revenue. Expenditure: Under spend on R&M expenditure due to COVID restrictions and timing of the seismic work. | 367,195 | 2,781,046 | 2,224,837 |
| | TOTAL INFRASTRUCTURE SERVICES | | 451,454 | (7,968,290) | (8,093,290) | | 8,090,488 | 78,681,606 | 77,335,397 |
| | Human Resources | | | | | | | | |

| USER FEES | | | | | | EXPENDITURE | | | |
|-------------------------------|--|--|--------------|--------------|---------------|--|--------------|-------------|---------------|
| | Activity | Main Revenue Stream | YTD Variance | Full Budget | Full Forecast | YTD Variance Commentary | YTD Variance | Full Budget | Full Forecast |
| 11 | Human Resources | | 2,500 | 0 | 0 | Revenue: No material variance. Expenditure: Training underspend is expected to be utilised over the remainder of the year. Consultancy costs tracking behind budget. | 302,649 | 4,603,925 | 4,603,925 |
| 16 | Democracy Services | Resource Consent compliance Inspection Fees | 2,972 | 0 | 0 | Revenue: Citizenship revenue received that is not budgeted for. Expenditure: Contingency expenditure (\$248k) to support commissioners hasn't materialised, but is available if required in H2. Admin costs and employee expenses relating to commissioners remuneration also tracking behind budget but expected to be spent by year end. | 385,766 | 3,040,231 | 3,040,231 |
| 20 | Communications & Engagement | | 0 | 0 | 0 | Expenditure: Due to an underspend across other operating expenses, marketing and advertising. Partly offset by an overspend in employee expenses due to higher than budgeted recruitment costs. | 94,647 | 2,428,815 | 2,428,815 |
| 21 | Te Pou Takawaenga Maori Unit | | 0 | 0 | 0 | Expenditure: Consultancy costs are behind budget but expected to be fully expended by year end. | 91,740 | 746,242 | 746,242 |
| 75 | Customer Services | Property Files & Information | (140,434) | (1,595,637) | (1,345,637) | Revenue: lower than expected volumes for LIMs and property files is driving lower than expected revenue, primarily due to COVID. LIM and property file applications have declined 10% and 20% respectively against the previous year to date. Market indications are that this trend will continue for the remainder of this year. Expenditure: Salary overspend, offset by savings in operating expenses. Salary overspend is due to incorrect HR establishment data in the LTP which has since been corrected. | 65,830 | 3,090,326 | 3,090,326 |
| TOTAL HUMAN RESOURCES | | | (134,962) | (1,595,637) | (1,345,637) | | 940,631 | 13,909,539 | 13,909,539 |
| Regulatory and Compliance | | | | | | | | | |
| 44 | Emergency Management | Rates | 0 | 0 | 0 | Expenditure: Consultancy and employee expenses underspent, expected to be on budget at year end. | 278,252 | 1,307,986 | 1,307,986 |
| 46 | Environmental Planning | Consent fees | (450,602) | (4,040,841) | (3,590,239) | Revenue: Resource consents revenue under budget. Higher consent volumes are being offset by a shortage of resourcing, resulting in lower output. Expenditure: Consultancy expenses over budget, partially offset by lower employee costs due to unfilled positions. | (57,770) | 4,512,748 | 4,628,287 |
| 48 | Environmental Regulation | Monitoring Fees | 16,569 | (910,931) | (910,931) | Revenue: Variance not material. Expenditure: After hours service expense, internal charges and employee expenses under budget. | 165,163 | 1,668,661 | 1,503,498 |
| 50 | Animal Services | Dog Registration Fees/ court recoveries/ impounding | (47,028) | (1,439,271) | (1,439,271) | Revenue: Majority of variance is due to lower court recoveries and fines revenue. Expenditure: Internal charges and employee expenses under budget. | 43,213 | 1,153,089 | 1,109,876 |
| 52 | Building Services | Consenting & Inspection Fees | 1,406,398 | (12,216,025) | (15,028,821) | Revenue: Revenue above budget across all revenue streams due to higher volumes, which is reflected in the forecast. Expenditure: Extra workload means employee expenses are over budget; temporary staff expense, salaries and overtime paid. | (543,739) | 9,017,806 | 10,105,284 |
| 74 | Regulatory Services | Permit Fees, Premises registrations | (28,665) | (108,250) | (108,250) | Revenue: Revenue under budget, expected to increase in third quarter if COVID restrictions lift. Expenditure: Variance caused by higher internal charges and employee expenses. | (488,279) | (56,514) | (56,514) |
| TOTAL REGULATORY & COMPLIANCE | | | 896,672 | (18,715,318) | (21,077,512) | | (603,159) | 17,603,776 | 18,598,417 |
| Strategy and Growth | | | | | | | | | |
| 18 | Strategy & Corporate Planning | | 0 | 0 | 0 | Expenditure: Consultants and employee costs (vacancies) and operational project expenses are all under budget. Currently expected to be on budget by financial year end. | 287,086 | 2,805,685 | 2,805,685 |
| 51 | City & Infrastructure Planning | Recoveries (external) | 2 | 0 | 0 | Expenditure: Year to date underspends and reduction to forecast reflect the effect of RMA reform on the planning programme along with delays in progressing some items due to resourcing issues. | 2,876,997 | 10,325,257 | 8,525,257 |
| 72 | SmartGrowth Implementation | Partner Contributions - WBOPDC/BOPRC | (196,831) | (1,294,359) | (1,726,179) | Revenue: Timing of revenue to date slightly behind budget. Forecast increase due to prior year income in advance brought forward to current year. Expenditure: Community consultation delays due to COVID. | 118,755 | 1,294,194 | 1,294,194 |
| 76 | Economic Development | Targeted Rate Funding | 0 | 0 | 0 | Expenditure: Grant payments are behind due to timing only. | 543,234 | 4,814,636 | 4,814,636 |
| 95 | Strategic Investment & Commercial Facilitation | | 2,059 | 0 | 0 | Expenditure: Capitalised salaries less than budgeted due to new staff inductions. | (38,392) | 725,489 | 725,489 |
| TOTAL STRATEGY AND GROWTH | | | (194,770) | (1,294,359) | (1,726,179) | | 3,787,681 | 19,965,261 | 18,165,261 |
| | | | | | | | | | |
| TOTAL | | | 59,358 | (53,770,608) | (55,110,930) | | 17,102,376 | 233,549,553 | 231,220,250 |

green font = favourable to budget

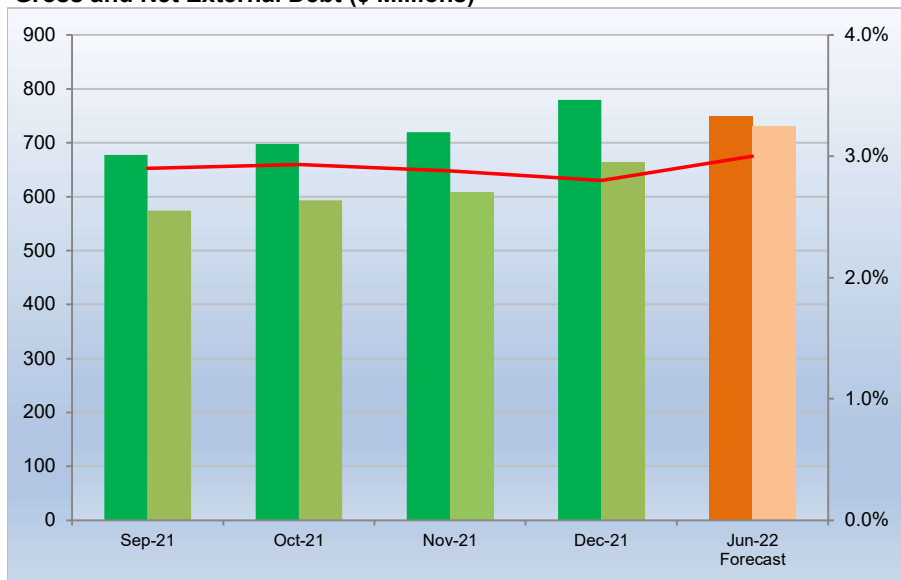
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Treasury Report Policy Compliance

As at 31 December 2021

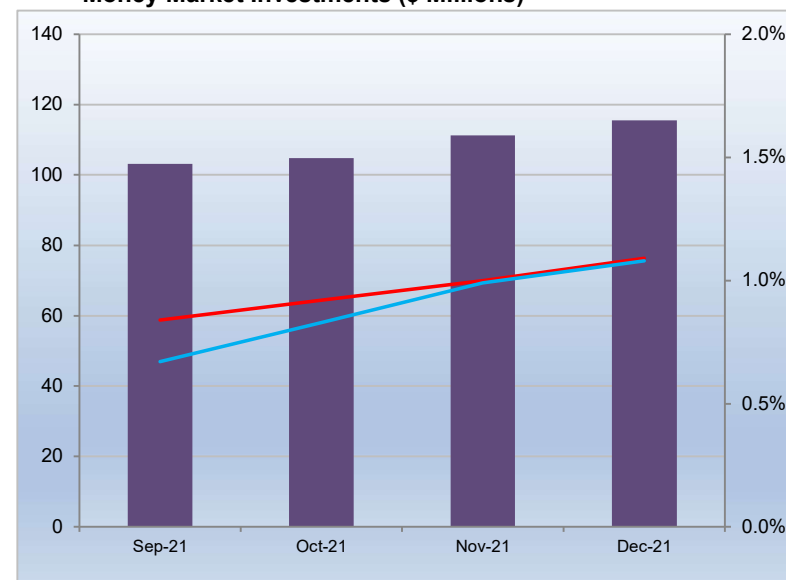


Gross and Net External Debt (\$ Millions)



■ Gross External Debt Actual ■ Gross External Debt Forecast — Average Interest Rate
■ Net External Debt Actual ■ Net External Debt Forecast

Money Market Investments (\$ Millions)



■ Average Money Market Investments Actual — Money Market Average Interest Rate Actual
— Money Market Average Interest Rate Benchmark

Comments

Gross debt as at 31 December 2021 was \$779.8m and net debt at \$664.3m. New long-term debt of \$144.7m has been added over the last six months, of which \$4.7m is under the Housing Infrastructure Fund. \$60m of this borrowing has been assigned to repay debt maturing later in the year. Both interest rate hedging and debt maturity levels are within recommended levels. \$543.8m of total debt (73.5%) is at fixed interest rates as at 31 December 2021.

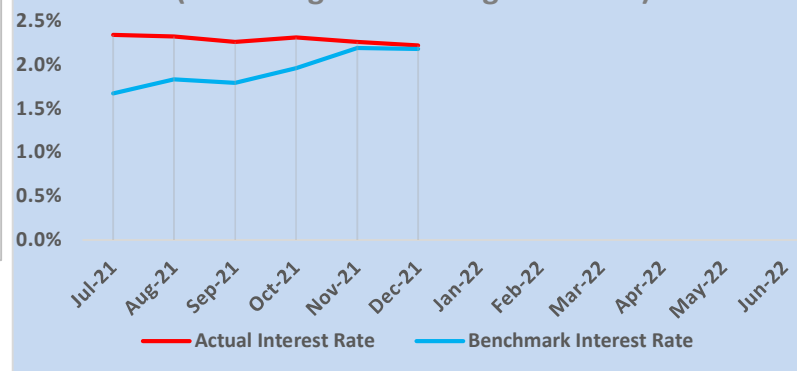
The forecast full year net debt is \$760m, which is close to budget of \$763m.

The Official Cash Rate ("OCR") was increased by 0.25% to 0.75% on 24 November with further increases expected.

Financial Limits (Council only)

| | Limit | 30 June 2022 Forecast |
|-------------------------------|-------|-----------------------|
| Net Debt to Operating Revenue | 300% | 212% |

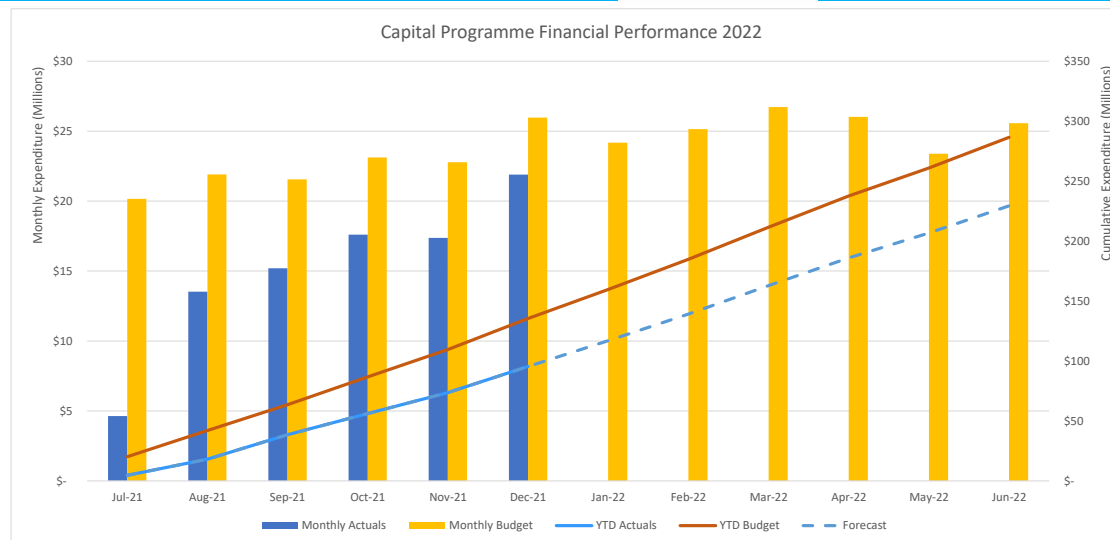
Performance against Benchmark (excluding credit margins & fees)



Capital Programme - 2022 Financial Year - December 2021



| | |
|---|---------|
| Actuals Current Month | \$22m |
| Budget Current Month | \$26m |
| Variance Current Month | (\$4m) |
| Forecast has decreased from last month, as we are now seeing the supply chain of impacts from covid taking place across a variety of projects, particularly on the larger construction projects where more stringent health and safety practices are in place to mitigate covid being contracted by construction workers. There is also high demand on design services with limited supply which is further extending project timeframes. | |
| FY22 Actuals to Date | \$95m |
| FY22 Budget to Date | \$135m |
| FY22 Variance | (\$40m) |
| FY22 Budget | \$285m |
| FY22 Forecast | \$229m |
| FY22 Variance | (\$55m) |



| Top 25 Projects/Programme | Project Budget | Project Forecast | Variance 2022 | Comments |
|---|----------------------|----------------------|----------------------|--|
| Top 25 Programme | \$227,414,450 | \$193,354,903 | -\$34,059,547 | See attached top 25 Programme for further detail |
| Balance of Growth Projects | \$40,097,343 | \$16,523,008 | -\$23,574,335 | Already tracking well behind budget, also includes provisional land acquisition budget, which has not yet been allocated to any specific land purchases. |
| Capital Delivery Adjustment Growth Projects | -\$33,500,000 | \$0 | \$33,500,000 | |
| Balance of Level of Service Projects | \$55,133,539 | \$25,577,105 | -\$29,556,434 | Currently tracking at 50% of year to date budget. Projecting increase over remaining 6 months of the year, but unlikely to achieve over 60% of the total budget, with projects crossing over into next financial year. |
| Capital Delivery Adjustment Level of Service Projects | -\$9,000,000 | \$0 | \$9,000,000 | |
| Balance of Renewal Projects | \$27,242,197 | \$16,450,996 | -\$10,791,201 | Renewals programme is also tracking behind budget, however most of the programme is seasonal and generally occurs in the second half of the financial year, forecasting 85% delivery. |
| Strategic Property Disposals | -\$22,520,000 | -\$22,520,000 | \$0 | Too early in the year to project any variance to property disposal programme, as negotiations and planning are underway. |
| TOTAL CAPITAL PROGRAMME | \$284,867,529 | \$229,386,012 | -\$55,481,517 | |