SUPPLEMENTARY AGENDA

City Delivery Committee meeting

Tuesday, 3 November 2026

Date: Tuesday, 3 November 2026

Time: 9:30 am

Location: Tauranga City Council Chambers
L1 - 90 Devonport Road
Tauranga

Gareth Green

Interim Chief Executive

Order of Business

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9 BUSINESS

9.1 Action Schedule Status Updates

File Number: **A21330412**

Author: **Vida McCord, Governance Advisor**

Authoriser: **Craig Rice, Chief Operating and Financial Officer**

PURPOSE OF THE REPORT

1. This report provides a status update on actions requested during previous City Delivery Committee meetings.

RECOMMENDATIONS

That the City Delivery Committee:

(a) Receives the report "Action Schedule Status Updates".

BACKGROUND

2. This is a recurring report provided to every City Delivery Committee meeting. The next report will be for the 8 December 2026 meeting.
3. The attached update includes all open actions and actions completed since the last report on 15 September 2026 and provides an update to 27 October 2026.
4. Once reported, completed actions are archived and made available in the Stellar library[1].

DISCUSSION

5. The action status update report for the City Delivery Committee, is provided as **Attachment 1** and **2** to this report, and is summarised in the table below.

Status of actions	No. actions
Closed *(completed since the last report)*	11
Pending (waiting on something)	4
In progress	3
Total actions included in this report	**18**

ATTACHMENTS

1. **Attachment 1 - Actions from City Delivery Committee as at 27 October 2026 - A21351162**
2. **Attachment 2 - Status Update Actions from City Delivery Committee as at 27 October 2026 - A21351163**

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[1] Stellar pathway: Council & Committees → City Delivery Committee → Actions from City Delivery Committee meetings.

Meeting Date	Agenda Ref.	Report Name	Action Required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
15 Sept 2026	9.6	Draft Unaudited Annual Report 2025-26 and Carry Forward of Capital Budgets	That staff provide the Committee members with a summary of all the receipts and payments associated with the Tauranga Art Gallery rebuild	**Update 23 Oct 2026:** This work is underway, now that priority work on the Annual Report has been completed.	Closed	23 October 2026	Craig Rice
15 Sept 2026	9.6	Draft Unaudited Annual Report 2025-26 and Carry Forward of Capital Budgets	That staff provide the Committee with a comprehensive explanation of the $8.9 million software-application expenditure variance, including deferred or cancelled work and any associated risks.	**Update 23 Oct 2026:** This work is underway, now that priority work on the Annual Report has been completed.	In progress		Craig Rice
15 Sept 2026	9.6	Draft Unaudited Annual Report 2025-26 and Carry Forward of Capital Budgets	That staff provide the Committee with a breakdown explaining the $12.1 million loss on disposal of assets, including the write-off of the Waiari treatment-plant access asset.	**Update 23 Oct 2026:** This work is underway, now that priority work on the Annual Report has been completed.	In progress		Craig Rice
5 Aug 2026	9.2	Fourth Quarter Financial Monitoring	That staff provide a report on the communications team headcount from pre-reset, end of FY25, and current numbers, including future projections.	**Update 14 Sept 2026:** Email was sent to Clr Crowther and the Deputy Mayor with all the data requested.	Closed	14 September 2026	Craig Rice
5 Aug 2026	9.2	Fourth Quarter Financial Monitoring	That staff confirm the number of additional FTEs in the Waters Organisation, specify which were fixed term, and clarify where their costs were currently allocated.	**Update 14 Sept 2026:** Email was sent to Clr Crowther and the Deputy Mayor with all the data requested.	Closed	14 September 2026	Craig Rice
5 Aug 2026	9.2	Fourth Quarter Financial Monitoring	That staff provide a breakdown of library staff headcount, including the impact of Sunday closure and adult programming changes, and clarify discrepancies in reporting.	**Update 14 Sept 2026:** Email was sent to Clr Crowther and the Deputy Mayor with all the data requested.	Closed	14 September 2026	Craig Rice
5 Aug 2026	9.6	Event Team Reporting	That staff circulate how much funding is in the kaupapa māori fund and what events have used the funding, criteria and quantum	**Update 24 Sept 2026:** Email circulated to committee members with response.	Closed	24 September 2026	Sarah Omundsen
5 Aug 2026	9.7	Draft Annual Report	That staff make clear that 4.6% was both a target in the deal for our sub-region and an historical number for our sub-region (specify Tauranga and Western BOP) based on the decade from 2014 to 2023 (the	**Update 23 Oct 2026:** Staff can confirm this has been made clear in the Annual Report - refer page 33 of the plan.	Closed	23 October 2026	Craig Rice
5 Aug 2026	9.8	Minor Safety and Accessibility Programme Endorsement	That staff provide a report on the Minor Safety and Accessibility Programme for Māori communities to the next City Delivery Committee meeting.	**29 Sept 2026:** Strategy and Growth are preparing a report titled "Review of TCC Marae Support", which is scheduled to be presented to the City Future Committee on 17 November. The report will include an issues and options assessment of the matters raised. To avoid duplication of effort and ensure a coordinated approach, the matter requested above will be considered and addressed through this report and can be closed.	Closed	23 October 2026	Reneke van Soest
16 Jun 2026	9.1	Mount Maunganui Air Quality Working Party - Update on Progress	That TCC enables early engagement with Mount Air Quality working group, and the community on the Regional Spatial Plan development process and enable robust engagement in and about the plan.	The Regional Spatial Plan (RSP)is still within its pre-enactment phase. Following enactment and confirmaton of the process to prepare the spatial plan, this action will be integrated into the process. This will include engagement with the AQWP, incluidng regular updates at the hui.	Pending		Christine Jones

Meeting Date	Agenda Ref.	Report Name	Action Required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
28 Apr 2026	9.1	Petition: Karen Wardill - Curbing Noisy and Reckless Driving in Mount Maunganui	That staff consider what options might be available, including a bylaw and the new Central Government legislation, to help residents in the interim.	"Staff recommend not progressing a cruising bylaw at this time. Based on completed drafting and assessment work, a cruising bylaw is unlikely to be effective, enforceable, or a good use of Council resources under current legislative settings. Staff recommend: focusing on alternative, non bylaw measures: - (Targeted traffic management, Engagement with car enthusiast groups to encouragebehavioural change, Continued partnership with Police using existing general road policing and antisocial behaviour powers) - monitoring legislative change at Central Government level - Reconsidering a bylaw, if future legislative reform materially improves enforceability." **Update July 2026:** Staff met with Mount Mainstreet - Jay Banner on 10 June. We understand Ms Wardill is currently overseas. Jay advised that the noise and antisocial behaviour issues previously affecting the area have significantly reduced and, at present, have effectively ceased. Mainstreet attributes this improvement to the increased Police presence currently being trialled in the area. Feedback on the trial has been very positive, with Police reported as being responsive and visible. While there is recognition that this level of Police presence may not be sustainable over the longer term, the trial is demonstrating the positive impact targeted enforcement can have. Staff will continue liaising with Police to understand their perspective and any insights arising from the trial. Recommend this action be closed noting that Jay will contact us if new issues emerge. **October Update:** No Change from the previous update.	Pending		Reneke van Soest
15 Dec 2025	3.1	Public forum: Robyn & Warren Dassler (on behalf of the Dassler family) – 7 Harrier Street	That Cr Taylor & Cr Curach to review the report provided by petitioners and have a discussion with Chief Executive on next steps.	To be actioned by Elected Members. **Update Sept 2026:** Gov Advisor: Cr Curach noted in the meeting that this has been actioned and can be closed.	Closed	16 September 2026	Reneke van Soest
4 Nov 2025	9.2	City Centre Development Incentive Fund - Annual Report 2024/25	That staff create a master list of all city centre budgets (capex and opex) with a comment outlining the key objective of each budget (and example funded projects) to help clarify the purpose of each of the separate budget.	This master list of city centre budgets will bring together capex and opex budget lines from across four different divisions and is still in progress. Staff will upload to Stellar once list is complete. (re-assigned this to Craig Rice on 03/07/26) **Update 4 Aug 2026:** Staff are in the process of compiling the master list. Note this crosses over a number of teams. **Update 23 Oct 2026:** This action in complete. The master list has been provided to Governance to upload to Stellar.	Closed	23 October 2026	Craig Rice

Meeting Date	Agenda Ref.	Report Name	Action Required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
4 Jun 2025	9.3	Community Relations Social Media Plan	That staff hold a comms session once a month for an hour with Councillors on how they can participate/engage with additional opportunities across Tauranga City Council.	Community Relations has worked with the Mayors office to develop a 'draft approach to supporting elected members' which we will use as a guiding document in the short to medium term. As part of this plan, we will be working with the Elected Members to understand their priorities and developing a suite of tools, templates and resources that will enable them to communicate directly with their constituents with confidence and ease. This includes social media guidance documents and workshops on how to create and post interesting and engaging social media content. Work is to be done on the structure and delivery of this training. Planning to roll these sessions out to EMs in early 2026. Planning to roll this out in conjunction with the new manager. New Head of Communication and Engagement briefing on this action 30 January 2026. **Update May 2026:** Part of the discussion with EM's on Communications approach - can be picked up in workshop 2. **Update July 2026:** Workshop 2 is scheduled for early August. **Update August 2026:** Workshop 2 rescheduled to September 2026 (due to other communication matters being prioritised). **Update Sept 2026:** Workshop held 17 September. Discussion held on what Elected Members would like to start doing. Monthly session was not discussed. Staff would appreciate further direction from EM's as to whether they would like monthly sessions to be scheduled to discussed participation / engagement opportunities.	Pending		Christine Jones
7 Apr 2025	3.1	Public Forum: Barry Scott – Establishment of a Trial Community Committee	Suggest Community Relations undertake a trial of a community committee and that staff hold a workshop for EMs to discuss the benefits.	Staff looking to schedule in a workshop/discussion with elected members in early 2026, where we can discuss the pros, cons, risks and opportunities of community panels/committees. Note, community panels should be part of an authentic engagement programme to determine outcomes before changes within a community are required/implemented. Action to be lead by the new Head of Communication and Engagement. New Head of Communication and Engagement briefing on this action 30 January 2026. **Update May 2026:** Early discussion on this topic will occur through Workshop 2 on	Closed	17 September 2026	Christine Jones

Meeting Date	Agenda Ref.	Report Name	Action Required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
8 Oct 2024	N/A	Executive Summary	For the executive summary to include these requests: What decisions that staff want the councillors to make, summarise and highlight what the risks are that are outlined in the paper, and give direction to what the Elected members need to be focusing on for the future. **Meeting of 15 Dec 2025 added:** Believed that this was still a work in progress and requested the status be changed from 'Completed' to 'In Progress'.	Guidance issued to staff (presentation to senior leadership group 7 March 2025, material distributed later that day and then updated and redistributed on 13 March 2025 to better address 'risk' in Executive Summaries). Recent Executive Summaries have been fuller as requested by EMs. GMs to speak to Chairs and Deputy Chairs of the Committes as to whether they are comfortable with the content and completeness of Executive Summaries in reports to their Committees. Meeting scheduled between Cr Scoular and Jeremy Boase to discuss further, deferred by Cr Scoular. Meeting held 23 July. Notes circulated to Cr Scoular 24 July seeking her confirmation before further messaging prepared for senior leadership group and report writers. Follow-up emails sent to Cr Scoular seeking confirmation on 31 July and 8 August. Will proceed with next steps once confirmation received from Cr Scoular. Further emailed received from Cr Scoular 3 November 2025 which has now been communicated to staff. Staff would appreciate feedback from a range of Elected Members as to whether the Executive Summaries are meeting their needs. There is a balance sought between providing sufficient information, but not duplicating too much of the report in the Exec Summary and also the main body of the report. It may be helpful for this to occur as part of each meeting debrief. **Update July 2026 & Sept :** Awaiting feedback as sought per previous staff comment above. **Update October:** No change from previous update - awaiting feedback from Elected Members.	Pending		Christine Jones

Meeting Date	Agenda Ref.	Report Name	Action Required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
15 Sept 2026	11.2	Procurement Process Deep Dive	That the tenders accepted web page on the Council website be populated in the range column (which may include commercially sensitive)	**Update 23 Oct 2026:** Appropriate wording will be added where a specific figure isn't appropriate going forward.	Closed	23 October 2026	Craig Rice
15 Sept 2026	11.2	Procurement Process Deep Dive	That staff provide the way in which Council monitors and reports against the target of 5% for procurement spend from Māori and Pacifica entities.	**Update 23 Oct 2026:** Annual information included in City Delivery Report. Staff are looking at additional channels.	In progress		Craig Rice

9.8 Quarter One 2026/27 Financial Monitoring

File Number: A21313697

Author: Kathryn Sharplin, Head of Finance
Tracey Hughes, Manager: Organisational Financial Performance and Corporate Planning

Authoriser: Craig Rice, Chief Operating and Financial Officer

PURPOSE OF THE REPORT

1. The purpose of this report is to provide Council with the financial results for the quarter ended 30 September 2026, including performance against the annual plan, full year forecasts, capital delivery and Council's debt and treasury position.

RECOMMENDATIONS

That the City Delivery Committee:

(a) Receives the report "Quarter One 2026/27 Financial Monitoring".

EXECUTIVE SUMMARY

2. The management accounts are presented for the three months to 30 September 2026.

Table 1

	2026/27 YTD Actual $m	YTD Annual Plan $m	Variance $m
Operating revenue	143.3	133.7	9.6
Asset development revenue	21.9	30.3	(8.3)
Operating expenditure	148.3	151.4	3.1
Surplus/(Deficit) before gains and losses	16.9	12.5	4.4
Capital including opex of a capital nature	68.9	70.7	(1.8)

3. This report presents the financial performance of Council for the first quarter of the 2026/27 financial year, comparing actual results to the annual plan and provides an indicative forecast year end position (recognising it is still quite early in the financial year).

4. The surplus before gains and losses is higher than annual plan by $4.4m, largely driven by Tauriko West developer lump sum revenue carried forward from 2025/26 of $14m and vested asset revenue under budget by $7.5m. The forecast surplus at year end is $54m, $1.4m less than annual plan.

5. Most other operating variances against annual plan at this early point in the financial year are generated by timing rather than a change in direction. As the year progresses, variances will continue to be analysed to identify permanent variances as they occur. Depreciation is the only current exception, as the variance is flowing from the 2026 revaluations.

6. Capital expenditure is close to budget at $68.9m. Capital delivery needs to accelerate over the remainder of the financial year to meet the full-year expenditure forecast of $394m.

7. All treasury matters remain within policy. Interest rate volatility remains a risk and could result in interest expenses exceeding budget, although this is not included in the forecast.

8. The forecast net debt at 30 June 2027 is $40m lower than budgeted at $1.697b. The main factors contributing to the lower forecast are $69m lower opening debt than in the Annual Plan 2026/27 offset by a $29m net increase in expected capital expenditure.

9. This report is for information and no decisions are required.

BACKGROUND

10. The City Delivery Committee receives financial performance reports every quarter, this report being for the first quarter of the 2026/27 financial year.

11. **Attachment 1** provides the P&L with additional historical data and a breakdown of employee costs and other expenses.

12. An overview of capital expenditure is also provided in **attachment 2**, noting that the capital programme is more thoroughly explored through the Q1 Capital Programme Performance report on this agenda.

13. Treasury metrics are provided in **attachment 3**.

OPERATING RESULTS

14. Financial Performance for Quarter One against annual plan is shown in Table 2, with an extended Statement of Comprehensive Revenue and Expense (SOCRE) provided in **attachment 1** to this report.

Table 2: YTD Operating Result

Summarised SOCRE for Quarter 1 2027

($000s)	YTD Actual	YTD Annual Plan	YTD Variance	Full Year Annual Plan	Q1 Full Year Forecast
Revenue					
Rates	99,023	99,634	(612)	398,538	397,538
Fees and Charges	18,822	19,597	(775)	78,758	76,769
Grants and Subsidies	23,828	12,062	11,766	48,247	48,591
Finance Revenue	1,578	2,397	(819)	9,589	9,589
Vested Assets	4,424	11,895	(7,472)	47,582	47,582
Development Contributions	7,514	7,174	340	28,694	28,694
Capital contributions including grants and subsidies	9,990	11,188	(1,198)	44,752	44,752
Total Revenue	**165,179**	**163,948**	**1,232**	**656,159**	**653,514**
Expenditure					
Operating Expenditure					
Depreciation and Amortisation expense	31,828	34,824	2,996	139,295	139,295
Personnel Expenses	34,379	33,664	(716)	134,654	134,654
Finance Expenses	18,027	19,220	1,193	76,881	76,381
Other Operating Expenses	64,048	63,702	(346)	249,916	249,212
Total Operating Expenditure	**148,282**	**151,409**	**3,127**	**600,745**	**599,542**
Surplus (deficit) before gains and losses	**16,897**	**12,538**	**4,359**	**55,414**	**53,973**
Other comprehensive revenue and expenditure*	(20,497)	362	20,860	1,449	1,449
Surplus (deficit) before tax	**37,394**	**12,176**	**25,218**	**53,965**	**52,523**

Revenue $165m, ahead of annual plan by $1.2m

15. The most significant variances are unbudgeted developer lump sum revenue brought forward from 2025/26 for Tauriko West of $14m, and vested assets behind budget by $7.5m.

16. Fees and charges are behind budget, with negative variances recorded particularly in the Airport ($0.3m), Environmental Planning ($0.3m), and Beachside ($0.5m – timing of insurance proceeds). The most significant positive variances are in Museum and Arts ($0.2m), Property Management ($0.3m) and Baycourt ($0.2m).

17. Alongside the unbudgeted Tauriko West developer lump sum contributions recorded to Grants and Subsidies, expected IAF and NZTA subsidies for Tauriko West are behind annual plan by $4.2m due to timing of Quarter One claims. Other operating grants and subsidies are ahead of annual plan by $2m, mainly NZTA subsidies (offsetting Transport repairs and Maintenance costs greater than year to date annual plan).

18. Finance revenue is behind annual plan by $0.8m, but offset by Finance expenditure behind annual plan by $1.2m.

19. Capital subsidies and grants are behind annual plan by $1.2m in total, noting that capital revenue has been phased equally over 12 months, unlike the capital programme so there is a disconnect. Expected IFF and IAF grants are behind annual plan by $3.5m across Transport and Waters, relating to capital elements of the Tauriko West programme. NZTA subsidies are behind by $0.7m, and the full TECT grant has been received for the Museum of $5m, $3.75m ahead of the year to date annual plan expectation.

20. Water by meter revenue is $1.4m behind annual plan year to date with consumption nearly 6% down year on year. A long, dry, windy Summer is anticipated which should go some way to make up this deficit. Currently, a $1m reduction to the full year forecast has been made.

Operating Expenditure $148m, behind annual plan by $3.1m

21. Depreciation is $3m behind annual plan, reflecting the impact of the work done through the 2026 revaluation, impacting asset classes and useful lives. The savings are mainly in Spaces & Places and Libraries.

22. Finance costs are $1.2m under annual plan year to date, offsetting the lower finance revenue result. This is due to a lower than budgeted opening debt balance, but offset by earlier than anticipated interest rate hikes.

23. Other operating expenditure is $0.2m higher than annual plan year to date. This includes Tauriko West expenditure which is $1.9m higher. Grants and subsidies payments are $1.3m ahead of annual plan in Economic Development and Spaces and Places, reflecting a mismatch to the phasing of the budget. Repairs and Maintenance is $0.8m ahead of annual plan, with Transport $1.7m ahead of schedule, and Spaces and Places $0.7m behind annual plan phasing. Software and application expenditure is behind annual plan by $2.5m; this relates to the SaaS programme rather than software licensing, which is slightly ahead of annual plan at this stage. Other operating expenditure is $1.3m behind annual plan across the activities and is expected to normalise as the year progresses.

Salaries, FTE, Consultants and Contractors

24. Information on salaries, FTE and consultants is provided through this quarterly monitoring report in addition to that provided through the Workforce Monitoring report.

Table 3 – FTE Position Establishment

	Occupied Positions	Unoccupied Positions	**Total Actual Sept-26**	**Annual Plan 2026/27**	**Variance to Actual**
Total FTE	1,168	119	1,287	1,260	(27)
Waters Org FTE	16	8	(24)	(8)	17
Positions excluding waters establishment	**1,152**	**111**	**1,263**	**1,253**	**(10)**

Total actual FTE does not equal that reported in the Workforce Monitoring report or the Annual Report as it excludes inactive staff who remain TCC employees e.g. parental leave and extended leave without pay. This is because this report is a comparison to budget, which also excludes those roles.

25. 11 FTE variance between Q1 actuals and annual plan comes from:

Fixed term positions	9
Permanent positions	3
Savings yet to be realised	3
Other savings made	-5

Table 4 – Salaries, Employee costs and Contractors

	Q1 YTD Actual	Q1 YTD AP	Variance
Direct Salaries $m	35.6	35.6	0.0
Consultancy & Contractors $m	7.3	7.1	(0.2)
Total Resourcing $m	**42.9**	**42.7**	**(0.2)**
Direct Salaries $m	**35.6**	**35.6**	**0.0**
Capitalised Salaries $m	(2.9)	(3.9)	(1.0)
Other employee costs $m	1.7	2.0	0.3
Total Employee Costs $m	**34.4**	**33.7**	**(0.7)**

26. Although there were 111 unoccupied positions at the end of September, salary costs are on budget. This is because:

    (a) The timing of holidays taken has a significant impact on year-to-date salary costs – the bulk of holidays are taken in the Summer months with the expenditure for those holidays reflected against the balance sheet. The salaries budget is applied equally over the 12 months. In most years this results in the first half of the year being a bit over budget, with the variance equalising over quarter three.

    (b) The additional 11 FTEs are an unbudgeted increase.

    (c) Churn assumptions (3.6%) have been reflected in the budget, equating to approximately $1.2m per quarter.

27. TCC people leaders are tasked to manage staffing levels within agreed budgets. This approach can generate variances in FTE budgets. For example:

    (a) Duplication due to short term crossover (someone starting prior to the incumbent leaving).

    (b) Short, fixed term positions to address project, surge or unprecedented work which don't necessarily result in extra salary costs (savings throughout the year, or through deciding to keep another position vacant for a period for example).

    (c) Leaders may opt to amend the type or mix of positions as operationally required - such as converting a senior level role to two junior level roles.

28. Contractor and consultancy expenditure is recorded within operational (Opex) activities, and there are often offsets within activities between employee costs and consultancy or contractor costs. Consultancy expense refers to services delivered by consulting organisations and includes non-contractor Software as a Service consultancy. Contractor expense relates to individual resources engaged through consultancy or contracting arrangements who work on-site at Tauranga City Council, are issued with a TCC email address, and have building access credentials.

Other Comprehensive Revenue and Expenditure $20.5m gain, $20.9m ahead of budget

29. This large unbudgeted gain relates to the mark to market of the Interest Rate Swap portfolio as at 30 September 2027.

CAPITAL DELIVERY

30. An overview of capital expenditure is provided in **Attachment 2.**

31. Capital expenditure of $69m has been delivered in the first quarter of FY27 (including operational projects of a capital nature but excluding vested assets and land sales).

32. The full year forecast spend from project managers is $394m against the adopted 2026/27 Annual Plan budget of $447m (noting the annual plan budget now includes the full value of Bay Venues Limited renewals and new capital investment).

33. At the time of writing this report, several Infrastructure Group budget adjustments, including bring forwards, carry forwards and additional budget requests, had not yet been actioned. As a result, the reported revised budget is not yet fully aligned with the latest programme assumptions. It is expected that the revised capital budget presented as part of the Quarter 2 reporting cycle will be closer to **$460m**, as presented to this Committee on 15 September 2026.

Table 5

Project Budget Adjustments in FY27					
	Total	Approved by Council	Approved by Chief Executive	Trust Board	Approved by General Manager
Adopted 2027 Annual Plan	**447.15m**				
Carry Forward Budget from FY26	24.99m	24.99m			
Bring Forward of Budget	0.49m	0.49m			
New Project Budget	0.47m	0.40m			0.07m
Additional Budget on Existing Project	0.13m				0.13m
Reduction of Budget	(3.78m)	(2.48m)			(1.30m)
Deferral of Budget	(22.67m)	(22.67m)			
Opex Transferred to Capex					
Reclassification of Budget*	0.00m				
Total Budget Adjustments	**(0.37m)**	**0.72m**	**0.00m**	**0.00m**	**(1.09m)**
Revised Budget FY27	**446.78m**				

TREASURY

34. All treasury matters remain within policy. **Attachment 3** shows the status of all metrics that are monitored and measured.

35. The current forecast net debt at 30 June 2027 is $40m lower than budgeted at $1.697b. The main factors contributing to the lower forecast is $69m lower opening debt than in the 2026/27 Annual Plan offset by a $29m net increase in expected capital expenditure This forecast will be monitored and reported to this Committee as the year progresses.

36. The table below summarises the on and off balance sheet current and forecast position currently compared to the budgeted position in the 2026/27 Annual Plan. This table shows the net debt position reported in annual reports and annual plans (blue line) and now includes a net debt position which shows the LGFA borrower note asset.

Table 6

On and off balance sheet debt positions ($m)	Position at 30 June 2026	Position at 30 Sept 2026	2026/27 Current Forecast	2026/27 Annual Plan
Gross borrowing	1,512	1,604	1,727	1,766
Cash and investments	(66)	(167)	(30)	(30)
Borrowing net of cash	**1,446**	**1,437**	**1,697**	**1,736**
Borrower notes	(50)	(53)	(59)	(58)
Borrowing net of cash & borrower notes	**1,396**	**1,384**	**1,638**	**1,679**
IFF borrowing	100	100	108	108
Total borrowing net of cash	**1,547**	**1,537**	**1,805**	**1,844**
Total borrowing net of borrower notes	**1,497**	**1,485**	**1,746**	**1,786**

37. When Council borrows from LGFA, a portion of the borrowing (currently 5%) is automatically invested in LGFA borrower notes. As a result, Council does not receive the full borrowing

proceeds in its bank account. Instead, part of the borrowing is held as a financial asset in the form of borrower notes.

38. To ensure sufficient cash is available for the intended purpose, Council must borrow slightly more than its net funding requirement. This additional borrowing is referred to as the "gross-up". The gross debt increases, but Council also records an offsetting borrower note asset, meaning net debt is largely unchanged

39. The approved debt drawdown for the 2026/27 Annual Plan is $492m, comprising replacement of $266m of maturing debt and $226m of new debt.

40. Borrowings to 30 September 2026 are $176m of which $46m is term borrowing and $130m is short term commercial paper which will mature within this financial year. Current forecasts indicate a borrowing requirement of $521m for the full year, reflecting the $29m revised debt forecast.

41. Both interest rate hedging and debt maturity levels are within recommended levels. 72% or $1.4b of balance sheet debt is at fixed rates (including interest rate swaps) at 30 September 2026.

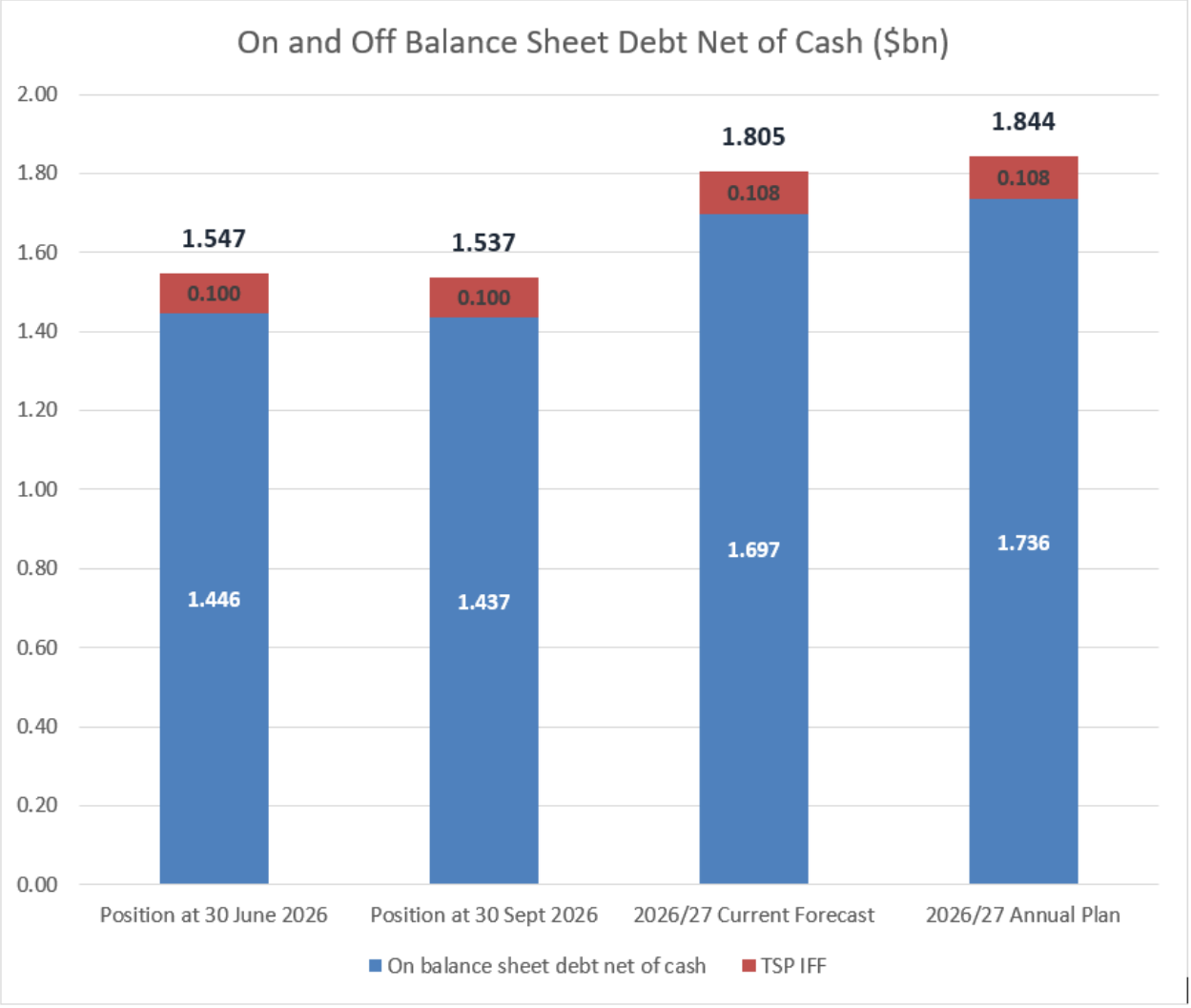
42. Council's average borrowing cost is currently 4.06%, including margins. Elevated market interest rates and earlier-than-expected increases in the Official Cash Rate (OCR) could significantly increase borrowing costs. This could erode the benefit of lower opening debt and/or cause interest expenses to exceed budget.

43. Council has made use of the Infrastructure Funding and Financing Act (IFF) as an off-balance-sheet tool to fund $177m of transport projects under the Transport System Plan (TSP).

44. While this debt is not reflected in the Council's financial statements or included in any formal debt metrics used by lenders and credit rating agencies, repayments are made by ratepayers through a targeted levy on their rates bill. The chart below shows both on and off balance sheet debt.

45. Total off balance sheet debt at 30 September 2026 was $100m which results in total net debt, including the TSP IFF of $1.54b. The 2026/27 Annual Plan total debt is $1.84b and the current year end forecast is $1.8b.

Chart 1



STATUTORY CONTEXT

46. Section 101 of the Local Government Act (2002) places responsibility on local authorities to ensure prudent stewardship of council resources and proper financial oversight.

STRATEGIC ALIGNMENT

This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	✓
We value, protect and enhance the environment	✓
We are a well-planned city	✓
We can move around our city easily	✓
We are a city that supports business and education	✓

47. Maintaining expenditure within annual plan budget ensures delivery of services in a financially sustainable way. Variance review assists in identifying risks and trends facing Council.

FINANCIAL CONSIDERATIONS

48. This report monitors performance to budget and reviews compliance with Council's policies and delegations. Delivery within allocated budgets ensures financial sustainability and accountability.

LEGAL IMPLICATIONS / RISKS

49. This monitoring report has no specific legal implications or risks.

TE AO MĀORI APPROACH

50. The information covered in this report is not impacted by the principles in Council's Te Ao Māori approach.

CONSULTATION / ENGAGEMENT

51. This report is made public, and no decisions are requested or consultation required.

SIGNIFICANCE

52. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.

53. In making this assessment, consideration has been given to the likely impact, and likely consequences for:

    (a) the current and future social, economic, environmental, or cultural well-being of the district or region

    (b) any persons who are likely to be particularly affected by, or interested in, the matter.

    (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

54. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance.

ENGAGEMENT

55. Taking into consideration the above assessment, that the matter is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

56. The next monitoring report for Quarter 2 will be presented to the Committee in the new year.

ATTACHMENTS

1. **Q1 YTD Extended SOCRE - A21367064**
2. **Q1 Capital Programme Performance - A21309436**
3. **Q1 2026-27 Financial Monitoring_Treasury Policy Metrics - A21256870**

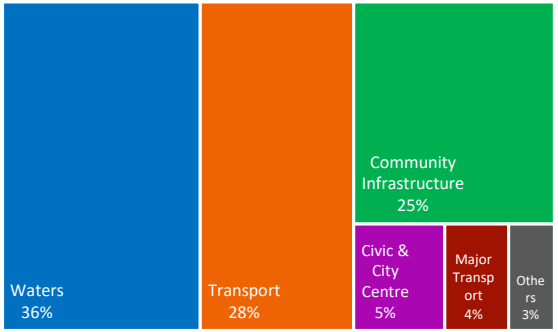
	B	C	D	E	F	G	H	I	J	K	L	M
1												
2	**Tauranga City Council: Extended Statement of Comprehensive Revenue and Expenditure**							**Q1 2027**				
3												
4			**2024**	**2025**	**2026**	**2027**		**2027**	**2027**	**2027**	**2027**	**2027**
5		**($'000s)**	**Actual**	**Actual**	**Actual**	**Full Year Annual Plan**		**YTD Actual**	**YTD Annual Plan**	**YTD Variance**	**Full year Forecast**	**Revised Budget**
6	**Revenue**											
7		Rates	295,017	334,156	369,454	398,538		99,023	99,634	(612)	397,538	398,886
8		Fees and Charges	64,026	66,461	76,934	78,758		18,822	19,597	(775)	76,769	78,874
9		Grants and Subsidies	36,856	60,943	75,428	48,247		23,828	12,062	11,766	48,591	48,859
10		Finance Revenue	10,686	12,344	8,964	9,589		1,578	2,397	(819)	9,589	9,589
11	**Total Revenue from Operations**		**406,584**	**473,904**	**530,779**	**535,131**		**143,251**	**133,690**	**9,561**	**532,486**	**536,207**
12	**Asset Development Revenue**											
13		Vested Assets	19,897	15,711	6,935	47,582		4,424	11,895	(7,472)	47,582	47,582
14		Development Contributions	22,655	18,670	28,702	28,694		7,514	7,174	340	28,694	28,694
15		Grants and Subsidies, & Other Capital Contributions	85,557	69,958	43,381	44,752		9,990	11,188	(1,198)	44,752	43,867
16	**Total Asset Development Revenue**		**128,109**	**104,339**	**79,018**	**121,028**		**21,928**	**30,257**	**(8,329)**	**121,028**	**120,143**
17	**Total Revenue**		**534,694**	**578,243**	**609,798**	**656,159**		**165,179**	**163,948**	**1,232**	**653,514**	**656,350**
18												
19	**Expenditure**											
20	**Operating Expenditure**											
21		Depreciation and Amortisation expense	96,257	113,594	125,073	139,295		31,828	34,824	2,996	139,295	139,295
22		Personnel Expenses	106,883	126,061	128,415	134,654		34,379	33,664	(866)	134,654	134,642
23		Finance Expenses	50,159	62,215	65,242	76,881		18,027	19,220	1,193	76,381	76,881
24		Other Operating Expenses	238,401	282,626	253,031	249,916		64,048	63,702	(196)	249,212	251,676
25	**Total Operating Expenditure**		**491,701**	**584,495**	**571,761**	**600,745**		**148,282**	**151,409**	**3,127**	**599,542**	**602,493**
27												
28	**Operating Surplus/(Deficit) before gains and losses**		**42,993**	**(6,252)**	**38,037**	**55,414**		**16,897**	**12,538**	**4,359**	**53,973**	**53,857**
29												
30	Other (gains) / losses		7,281	13,207	66,959	949		(20,497)	237	20,735	949	949
31	Provisions		1,380	1,718	-	500		-	125	125	500	500
32	**Total Expenditure**		**500,362**	**599,421**	**638,720**	**602,195**		**127,785**	**151,772**	**23,987**	**600,991**	**603,943**
33												
34	**Surplus (deficit) before tax**		**34,332**	**(21,178)**	**(28,922)**	**53,965**		**37,394**	**12,176**	**25,218**	**52,523**	**52,408**
35												
36												
37	**Balanced budget (Prudence and LGFA measure)**											
38		Operating revenue	406,584	473,904	530,779	535,131		143,251	133,690	9,561	532,486	536,207
39		Capital subsidies	85,557	69,958	43,381	44,752		9,990	11,188	(1,198)	44,752	43,867
40		Total expenditure including gains and losses	(500,362)	(599,421)	(638,720)	(602,195)		(127,785)	(151,772)	(23,987)	(600,991)	(603,943)
41			**98.4%**	**90.7%**	**89.9%**	**96.3%**		**119.9%**	**95.5%**	**34.9%**	**96.0%**	**96.0%**
42												
48	**Personnel Expenses**											
50			**2024**	**2025**	**2026**	**2027**		**2027**	**2027**	**2027**	**2027**	**2027**
51			**Actual**	**Actual**	**Actual**	**Full Year Annual Plan**		**YTD Actual**	**YTD Annual Plan**	**YTD Variance**	**Full year Forecast**	**Revised Budget**
52												
53		Salaries and Wages	119,416	133,225	133,360	144,429		35,186	36,107	771	144,429	144,494
54		Capitalised salaries	(20,071)	(17,560)	(13,252)	(15,672)		(2,938)	(3,918)	(980)	(15,672)	(15,672)
55		Elected Members Remuneration	1,066	1,249	1,619	1,684		400	421	21	1,684	1,684
56		Commissioner Salaries and Wages	-	-	-	-		-	-	-	-	-
57		Other Community Representation Remuneration	244	203	314	442		52	110	58	442	377
58		Contributions Defined Superannuation Scheme	3,173	3,442	3,592	-		941	-	(941)	-	-
59		Direct Personnel Overheads	2,881	2,587	2,590	3,580		716	895	179	3,580	3,568
60		Organisational Reset & Redundancy Expenses	-	2,604	-	-		-	-	-	-	-
61		Remuneration Benefits	174	313	192	192		23	48	25	192	192
62	**Total Personnel Expenses**		**106,883**	**126,061**	**128,415**	**134,654**		**34,379**	**33,664**	**(866)**	**134,654**	**134,642**
63												
64	**Other Operating Expenses**											
66			**2024**	**2025**	**2026**	**2027**		**2027**	**2027**	**2027**	**2027**	**2027**
67			**Actual**	**Actual**	**Actual**	**Annual Plan**		**Actual**	**YTD Annual Plan**	**YTD Variance**	**Full year Forecast**	**Revised Budget**
68												
69		Administration	5,664	2,056	5,511	5,975		1,335	1,494	159	5,975	5,872
70		Audit fees - Council's Financial Statements by Audit NZ	562	509	494	631		-	158	158	631	631
71		Bad Debts Written Off / (Recovered)	975	107	417	22		452	6	(446)	22	22
72		Consultants	24,917	22,069	20,634	15,555		4,558	3,935	(623)	15,731	15,772
73		Consultants -Profess Services Related to Projects	26,361	26,255	17,480	12,533		2,717	3,133	416	12,533	12,508
74		Grants Expenditure	25,981	47,690	34,949	38,449		10,918	9,612	(1,306)	38,449	39,775
75		Insurance	6,627	7,377	6,839	7,868		1,874	1,967	93	7,868	7,868
76		Provision for Doubtful Debts	-	217	2,198	-		-	-	-	-	-
77		Operating Lease Payments	6,321	7,782	6,646	4,958		1,564	1,282	(282)	4,958	4,958
78		Operational Contracts	7,532	11,321	13,278	14,972		3,004	3,743	739	14,972	14,972
79		**Other Operating Expenditure**										
80		- Transport	7,564	8,346	7,937	8,269		1,846	2,067	221	8,269	8,269
81		- Three Waters	24,546	20,234	18,010	18,325		4,569	4,581	12	18,325	18,325
82		- Spaces & Places	5,364	2,278	- 62	730		150	183	32	730	666
83		- Other	2,967	- 3,429	- 2,122	1,437		(873)	367	1,239	1,437	1,595
84		**Repairs and Maintenance**										
85		- Transport	8,015	9,322	10,345	11,979		4,160	2,509	(1,651)	11,979	11,979
86		- Three Waters	14,956	12,537	14,213	14,035		3,227	3,509	282	13,385	14,035
87		- Spaces & Places	10,818	8,391	7,765	6,949		1,148	1,737	589	6,949	6,944
88		- Other	4,528	4,424	4,683	4,376		1,079	1,094	15	4,376	4,391
89		Software and Application Expenditure	11,230	15,665	10,993	25,758		5,506	7,829	2,474	25,758	24,938
90		Tauriko West - NZTA Expenditure for capital works	23,266	55,972	51,074	35,159		10,665	8,790	(1,875)	35,159	36,305
91		Utilities and Occupancy	15,796	19,009	20,355	20,397		5,899	5,322	(578)	20,167	20,457
92		Vegetation and Planting	4,412	4,495	1,393	1,539		249	385	136	1,539	1,394
93	**Total Other Expenses**		**238,401**	**282,626**	**253,031**	**249,916**		**64,048**	**63,702**	**(196)**	**249,212**	**251,676**

Q1 2026/27 Capital Programme Performance

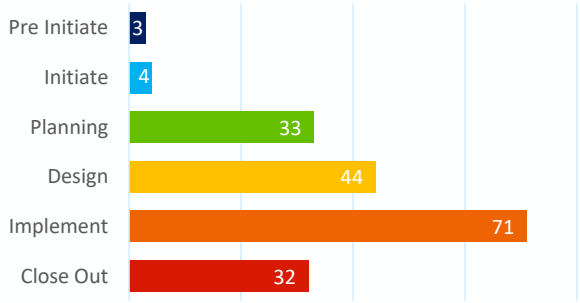
City Delivery Committee 3rd November 2026

Capital Programme FY26/27 Budget

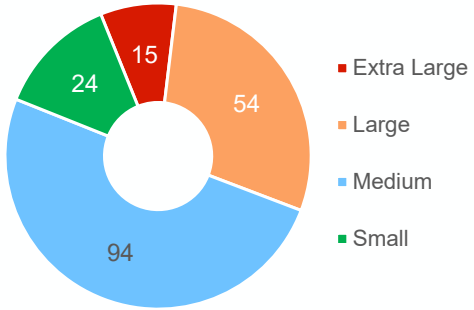
Active Projects by Delivery Groups



Active Project by Lifecycle Stage (Sept)



Active Project by Size



	Overall Status	Actuals (Sept'26)	Revised Budget FY27	Forecast FY27	FY Variance	Active	On Hold	Red Status
Waters		$ 25.2m	$ 123.8m	$ 123.9m	0.1%	67	3	3
Transport		$ 7.7m	$ 63.3m	$ 53.8m	-15%	52	2	5
Major Transport		$ 12.7m	$ 67.1m	$ 51.2m	-24%	7	-	-
Civic & City Centre		$ 13.4m	$ 47.4m	$ 46.3m	-2%	10	1	-
Community Infrastructure		$ 6.4m	$ 71.4m	$ 62.6m	-12%	46	4	1
Digital Services		$ 1.4m	$ 11.9m	$ 11.9m	0%	-	-	-
Balance (other)		$ 2.2m	$ 61.9m	$ 44.6m	-28%	5	-	1
Overall		**$ 68.9m**	**$ 446.8m**	**$ 394.3m**	**-12%**	**187**	**10**	**10**

FY26/27 revised budget excludes land sales, vested assets and BVL new capital offset

Community Infrastructure Risk & Opportunities

Risks	Opportunities
• It is always a challenge to manage stakeholder expectations of what can be achieved and delivered within the available budgets, to ensure the best outcomes for the key stakeholders and wider community are achieved. The delivery team, engages with a wide range stakeholders (including Mana Whenua) through the planning, design and delivery process. This ensures stakeholders are informed and across design changes and the implications on budgets. The team stays focused to ensure the best overall community outcome is reached that balances community expectations with project costs to deliver value. • Providing a secure pipeline of work allows council to have robust discussions with the supply chain around cost and efficiency. Uncertainty in the delivery programme means that council can lose this opportunity. • Uncertainty in the project pipeline may cause funders to reallocate money to other projects, which means the external funding may no longer be available to council, for those projects if they proceed may do so at a higher capital cost to council.	• Spaces and Places, has two procurement arrangements to enable good engagement with the supply chain, through both our panel agreements and Construction Project Partnership (CPP). This allows us to have robust conversations about projects with the supply chain and ensure value is delivered to the community • Community Infrastructure projects tend to be attractive to external funding agencies (TECT, gaming trusts etc), due to the positive outcomes that are delivered to the community. This funding is used to offset any council funded project budget. Spaces and Places provides updates of potential projects to funders proactively to gauge interest in any funding proposals. • Ensuring the scope of projects are correct and reflect not only the requirements of stakeholders but also the best outcome for the community and reflect value for money. For example, the recent relocation of the waterfront toilets, reused a community asset into an area of high demand (Pacific Park Playground) without purchasing a new toilet block.

Community Infrastructure FY2026/27 Projects

	FY26/27					Total Project				
	FY26/27 Actuals (as of Q1) ($)	FY26/27 Budget ($)	FY26/27 Forecast ($)	FY26/27 % Forecast to Budget	Primary Cause of Variance Forecast – Budget	Actuals to Date [1] ($)	Total Project Budget per 24-34 LTP ($)	Total Project Budget per 27AP [2] ($)	Total Forecast EAC [3] ($)	Total Forecast Variance [4] ($)
Baypark Master Plan	0.1m	2.4m	2.4m	100%	-	4.3m	36.1m	44.3m	33.5m	(10.8m)
Cemetery Crematorium Building	0m	2.3m	2.0m	85%	15% Contingency	0.4m	18.7m	2.7m	3.1m	0.4m
Memorial Park Aquatics Facility	0m	4.0m	4.0m	100%	Scope being finalised	4.8m	123.4m	134.7m	97.2m	(37.5m)
Gate Pa Community Centre	1.4m	4.0m	3.3m	83%		5.4m	8.0m	7.9m	7.5m	(0.4m)
Gordon Spratt Master Plan	0.3m	3.5m	3.2m	89%	Contingency	7.3m	10.6m	10.4m	10.2m	(0.2m)
Te Maunga Landfill Closure	0.1m	9.8m	9.8m	100%	-	1.2m	6.6m	10.9m	9.8m	(1.1m)
Waterfront Central Plaza	0m	3.2m	3.0m	94%	Scope being finalised	2.2m	10.3m	6.5m	6.7m	(0.1m)
Renewals	0.4m	10.0m	9.1m	91%	-	58.1m	138.1m	139.4m	139.2m	(0.2m)
Balance of Programme	4.2m	32.0m	25.9m	81%		168.2m	491.8m	638.4m	574.6m	(63.8m)
Total	**6.4m**	**71.4m**	**62.6m**	**73%**	-	**252.0m**	**843.5m**	**995.2m**	**881.8m**	**(115.0m)**

[1] *Includes all historic multi-year spend to the Q1'2026/27*
[2] *Reflects budgets to the end of FY34 and is subject to future Annual Plan/Long-term plan decision making, impacting phasing and inflationary allowances.*
[3] *Reporting and forecast reflects approved spend as part of council resolution 14 July 2025*
[4] *Includes any forecast unspent project contingency and risk allowances that are part of the total project budget.*

FY26/27 revised budget excludes land sales, vested assets and BVL new capital offset

Community Projects Key Projects

Project	Project Updates	Overall RAG	Current Lifecycle Stage	Project Completion Date
Baypark Master Plan	The Baypark programme received initial approval to proceed from Council on 14 July 2025. The project was presented back to Council on 12 May 2026, with approval granted to progress the Netball facility, Speedway pits, East carpark, Arena extension, and new Truman Lane entrance. Final construction costs are to be reported back to Council for endorsement.		Design	TBC
Gate Pa Community Centre	Construction of the Gate Pa Community Centre is progressing well, and on schedule for an end of 2026 completion.		Implement	Construction complete - Dec 2026
Te Maunga Landfill Closure	The Tender was released in September and is schedule to close 30th October. The successful respondent will be notified mid-November. The resource consent application is currently with mana whenua for review and feedback on the proposed consent conditions.		Implement	Dec 2027
Waterfront Central Plaza	Project includes Park South and Central plaza. Wider programme includes Rail crossings , seawall and Wharewaka Council workshop is planned early next month to confirm scope and budget.		Design	Aim for mid 2028

Spaces & Places Key Projects

Project	Project Updates	Overall RAG	Current Lifecycle Stage	Project Completion Date
Cemetery Crematorium Building	All consents and approvals received to start construction. Karakia to take place 08 October Construction mobilisation commencing Monday 12 October		Implement	June 2027
Gordon Spratt Football Clubrooms	Building consent and resource consent have been approved for GSR Football Club Building with procurement underway for final contractual documentation ahead of work starting on site. Physical work is estimated to commence in November 2026 and be completed by April 2027 (pending start-date).		Design	April 2027

Spaces & Places Highlights

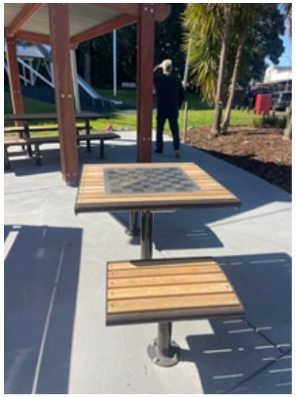




Papamoa Shared Path & Outdoor Exercise Area



Visitor information Kiosk at Gate Pa



New Picnic area at Hopukiore



Building 18 at Historic Village



Strand Extension Sea Wall Repair



Arataki Changing Rooms

Waters Risk & Opportunities

Risks	Opportunities
• Bringing forward infrastructure investment to support the Te Tumu Urban Growth Area (UGA) may require other priority projects within the Water Services Strategy to be deferred in order to maintain prudent debt-to-revenue ratios. If development within Te Tumu does not proceed as anticipated, this could create a significant gap in the programme and reduce the delivery of planned benefits. Mitigation options are currently being assessed. • The transition to the joint Tauranga City Council/Western Bay of Plenty District Council Water Organisation presents a short-term risk of disruption to programme delivery and performance. Close coordination with the Local Water Done Well transition programme will be essential to ensure systems, processes and capabilities are in place to support a smooth transition and maintain service delivery.	• Forecast project savings in FY27 present the opportunity to accelerate the delivery of a project or projects to ease the pressure on next financial year. Project acceleration opportunities are being explored to ensure delivery risks such as interface with Major Projects and community expectations can be mitigated prior to proceeding.

Waters FY2026/27 Projects

	FY26/27					Total Project				
	FY26/27 Actuals (as of Q1) ($)	FY26/27 Budget ($)	FY26/27 Forecast ($)	FY26/27 % Forecast to Budget	Primary Cause of Variance Forecast - Budget	Actuals to Date [1] ($)	Total Project Budget per 24-34 LTP ($)	Total Project Budget per 27AP [2] ($)	Total Forecast EAC [3] ($)	Total Forecast Variance [4] ($)
Cambridge Reservoir Trunk Main Relocations	5.0m	10.0m	11.0m	110%	Delivery / Construction Acceleration	12.7m	80.1m	82.3m	42.5m	(39.8m)
Churchill Road Foreshore Sewer	2.2m	4.0m	2.7m	67%	Savings / Delivered Under Budget	5.2m	27.9m	16.8m	7.2m	(9.6m)
Main Wairakei Pump Station	2.0m	8.0m	9.0m	114%	Delivery / Construction Acceleration	7.5m	43.9m	41.6m	40.8m	(0.8m)
Te Maunga WWTP Headworks	1.0m	8.3m	8.3m	100%	On Track	7.1m	80.5m	82.4m	88.0m	5.6m
Te Maunga WWTP Bioreactor 2	2.7m	6.1m	5.5m	91%	Budget will be spent based on updated forecast	48.1m	52.1m	50.9m	52.0m	1.1m
Wairakei Rising Main	0.3m	5.3m	3.0m	57%	Design / Technical Issues	2.5m	13.1m	20.1m	17.4m	(2.7m)
Balance of Programme	12.1m	82.1m	84.1m	103%	Various	920.3m	2,553.5m	2,539.3m	2,540.0m	0.7m
Total	**25.2m**	**123.8m**	**123.9m**	**100%**	-	**1,003.6m**	**2,853.6m**	**2,833.4m**	**2,788.0m**	**(45.5m)**

[1] *Includes all historic multi-year spend to the Q1'2026/27*
[2] *Reflects budgets to the end of FY34 and is subject to future Annual Plan/Long-term plan decision making, impacting phasing and inflationary allowances.*
[3] *Reporting and forecast reflects approved spend as part of council resolution 14 July 2025*
[4] *Includes any forecast unspent project contingency and risk allowances that are part of the total project budget.*

FY26/27 revised budget excludes land sales, vested assets and BVL new capital offset

Waters Key Projects

Project	Project Updates	Overall RAG	Current Lifecycle Stage	Project Completion Date
Cambridge Reservoir Trunk Main Relocations	General: Project tracking well. Section 0 Cambridge Rd – Construction commenced 16 March 2026. Completion Dec 2026 Section 0.5 TNL – completed half of the works last summer. Section 2 Racecourse to Hynds Road have commenced, 700m drill shot completed successfully Section 3a (Chadwick/Hynds to K Valley) – Detailed Design complete. Section 3b K Valley – prelim design complete Section 4 Smiths Farm – Detailed Design complete.		Design	June 2029
Churchill Road Foreshore Sewer	Programme: On track Physical works largely complete		Implement	November 2026
Main Wairakei Pump Station	Enabling works and service location completed Construction underway		Implement	August 2028
Te Maunga WWTP Headworks	Enabling works nearing completion under Bioreactor 2 contract. Scope is well defined, some variations, within budget. Detailed Design has commenced		Implement	July 2031
Te Maunga WWTP Bioreactor 2	TC88/19 Bioreactor 2 Above Ground Works: Scope is well defined and on project is on track for completion Dec 2026. Forecast to complete within budget.		Implement	December 2026
Wairakei Rising Main	Design contract awarded and working to optimise alignment and progress preliminary design.		Design	May 2028

City Waters Highlights – Water Supply



700m pipe string: Tauranga Racecourse



Cambridge Road Twin Watermain

City Waters Highlights – Stormwater

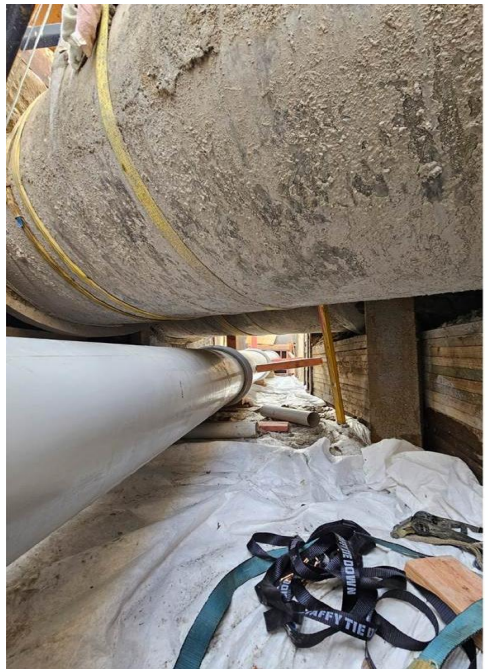


Apollo St: Emergency works to stabilise stream bank and protect wastewater pipe

City Waters Highlights – Wastewater



Maleme St upgrade: Piling to support manholes due to poor ground conditions



Maleme St Upgrade: New pipe line installed under existing stormwater culverts

Transport Risk & Opportunities

Risks		Opportunities
Funding & Pipeline Uncertainty Continues from previous CDC (Improving) – Council endorsement of the programme via the CDC in early August has allowed currently prioritised projects to progress. Prioritised safety, accessibility, optimisation, and public transport programmes continue to be prepared for NZTA's next three-year funding round. Funding uncertainty remains a key risk. Council will have an opportunity to review programmes following the October submissions and before final bids are lodged in December. **Reliance on Third Parties** Continues from previous CDC (No change) - A number of projects involve either new electrical assets or changes to existing assets (pole relocations etc). Changes to Powerco processes mean that TCC now has less control and visibility over the design / approvals process introducing programme and sequencing risks. **Projects Spanning Financial Years** Continues from previous CDC (Improving) - Historically projects were allowed for in the Annual Plan as commencing and being completed in a single financial year which created resourcing / capacity issues in the supplier market. The current approach of moving toward a rolling programme spanning multiple years is expected to address this concern once endorsed.	**Fuel / Bitumen Supply** Minor Improvements – No further impact of these changes has been noted in the period beyond that generally reported previously. Medium Projects – No further impact of these changes has been noted in the period beyond that generally reported previously. It is generally expected that existing contracts will limit TCC exposure in this space. Network Op's –Specific claims for cost increases relating to fuel uncertainty have ceased for now but the NZTA cost indices are rising sharply which will impact our ability to complete work as it will make it more expensive within a confined budget particularly where we are heavily exposed to fuel and bitumen costs. **Impact of Projects on Network Performance** Most current projects on the network are small scale pedestrian crossings or footpath extensions which are low impact. Network Ops has a pavement rehab on Welcome Bay Rd which will impact that area starting in January.	**Packaged Procurements** Recently a number of tenders have been released to market seeking prices for Minor Improvements Projects. It is expected that the ability to package works will result in more competitive pricing than previous. **Internal Resources** Continues from previous CDC (No change) - The Transport Projects and Engineering Services teams have continued to adopt partial or fully self-delivery models for project delivery. This results in reduced reliance on external consultants and strengthened capability and capacity within existing teams, improving delivery resilience and knowledge retention.

Transport FY2026/27 Projects

	FY26/27					Total Project				
	FY26/27 Actuals (as of Q1) ($)	FY26/27 Budget ($)	FY26/27 Forecast ($)	FY26/27 % Forecast to Budget	Primary Cause of Variance Forecast - Budget	Actuals to Date [1] ($)	Total Project Budget per 24-34 LTP ($)	Total Project Budget per 27AP [2] ($)	Total Forecast EAC [3] ($)	Total Forecast Variance [4] ($)
Arterial Route Review and Implementation	0.1m	4.4m	4.6m	107%	Scope Change / Project Definition	0.8m	10.8m	10.4m	6.6m	(3.8m)
SH2 Revocation	-	-	-	-	-	-	-	-	-	-
Balance of Programme	7.5m	58.9m	49.2m	83%	-	480.4m	1,318.5m	1,212.3m		
Total	**7.7m**	**63.3m**	**53.8m**	**85%**	-	**481.2m**	**1,329.3m**	**1,222.7m**		

FY26/27 revised budget excludes land sales, vested assets and BVL new capital offset

Transport Key Projects

Project	Project Updates	Overall RAG	Current Lifecycle Stage	Project Completion Date
Arterial Route Review and Implementation	The overall Arterial route portfolio is on track. However whilst community engagement showed support for some of the proposed interventions on Welcome Bay Road, overall the feedback in relation to the HOV lanes was not supportive / strongly opposed. Based on this feedback the project team intends to come back to Council for direction as to how to proceed at the CDC meeting on 8th Dec '26. This would mean the implementation of this project is pushed out by 12 weeks or further depends on community feedback.		Design	
SH2 Revocation	The revocation assessment phase is the initial, evidence-based stage of the process that determines whether SH2 meets the statutory and policy requirements for revocation. It involves: 1. Information gathering and analysis – including traffic modelling, safety performance, asset condition, property, environmental and legal factors; 2. Future network function assessment – understanding how SH2 will operate alongside the Takitimu North Link; and 3. Testing against policy and legislation – particularly the LTMA s103 requirements and NZTA's revocation criteria. This phase informs whether revocation should proceed, and what issues must be addressed before any transfer to Council.		Planning	

Transport Highlights – Network Ops

The Oropi Rd rock wall was completed ahead of schedule in early August. The rock wall isa great outcome in terms of cost, constructability and minimising disruption.

The dry winter has meant we have been able to progress pre seal repairs and asphalt work through the off season. Stabilising repairs are now completed for the season.

The resurfacing season is now underway, typically chip sealing is completed between October and March each year with asphalt having a longer season while temperatures are moderate.

Cost fluctuations continue to rise in response to uncertainty in the Middle East - particularly impacting fuel and bitumen costs. This is expected to reduce the amount of work we can do for available maintenance budgets.





Transport Highlights – Network Ops

Kaitemako Rd Slip Repair – preparations are well underway to complete this work in early 2027. A retaining wall, soil anchors and improved drainage works will be completed to protect the road and redirect run-off during storms.

Durham St Pavement Rehabilitation – works have begun in the city centre to replace kerb and channel and footpaths ahead of rebuilding the road. A concrete road pavement will be constructed next using roller compacted concrete to give the road strength and durability on this busy bus route.

Matapihi Bridge Embankment – undermining of the cycle path was recently identified and we have moved quickly to manage this risk with the use of quick set cement bags to repair and fortify the path base.





Transport Highlights – Transport Projects

Ngatai / Bureta Round About









Practical completion of the works was achieved on 06th October.

Transport Highlights – Transport Projects

Miro Street







Whilst completed earlier in the year, the recent drone footage shows the scope etc of the works.

Transport Highlights – Maintenance Projects

Whiore Roundabout & Windermere RCC Pavement Renewal Works



These two sites were completed by Rolco and featured fine milling of the finished surface to improve traction and contrast for line marking. No asphalt running course required!



Digital Services Risk & Opportunities

Risks	Opportunities
Organisational capacity - Digital projects require both technology changes and business process change. Successfully delivering improvements depends on having the right people available across Council to design, implement, and adopt new ways of working. If organisational capacity is stretched, projects may take longer to deliver, delaying the benefits residents, businesses, and Council staff expect from service improvements. **Cybersecurity and Information Protection -** Council holds significant amounts of community, customer, and operational information. Protecting this information and maintaining secure services is a core responsibility. As cyber threats continue to increase, investment in security, staff awareness, and technology controls is essential to protecting privacy, maintaining trust, and ensuring critical services remain available. **Organisational risk appetite** – Digital Services are now as fundamental to Council's operations as many traditional infrastructure assets, enabling the systems that support water, transport, customer services, regulatory functions, and corporate operations. Council maintains a low appetite for digital and cyber security risks that could disrupt these services or compromise community information. Continued investment in digital resilience, security, and renewal is therefore essential to maintaining reliable services, protecting community trust, and supporting the outcomes residents expect from Council. **Digital Services Review –** Following the completion of the Digital Services review, a number of staff are transitioning into new roles and responsibilities. While these changes support the future operating model, there is a short-term risk of reduced capacity and loss of organisational knowledge during the transition period. A strong focus is being placed on knowledge transfer, operational continuity, and maintaining delivery momentum to minimise impacts on Council services and community outcomes.	**Maximise Value from existing Technology -** Council has already invested significantly in digital platforms and services. A key focus is ensuring existing technology is fully utilised before introducing new solutions. This approach improves value for money, reduces duplication, and helps ensure technology investment is directed toward services that deliver the greatest benefit for the organisation and community. **AI, Automation and Productivity -** Digital Services is exploring opportunities to use automation and artificial intelligence to improve productivity, reduce manual effort, and help meet growing service demands. Over time, these technologies have the potential to improve customer experience, support faster service delivery, and help Council manage increasing workloads without equivalent growth in operating costs. Appropriate governance and oversight remain essential to ensure these technologies are used responsibly **Service Resilience and Continuity -** As Council becomes increasingly reliant on digital services, maintaining resilient and recoverable systems is critical to supporting essential community services. An opportunity exists to undertake an organisation-wide Business Impact Assessment (BIA) to identify critical business services, understand the consequences of disruption, and establish agreed recovery priorities across Council. This would enable disaster recovery and business continuity investments to be aligned with organisational needs, helping ensure resources are focused on the services that matter most to the community during a disruption.

Digital Services FY2025/26 Projects

	FY26/27					Total Project				
	FY26/27 Actuals (as of Q1) ($)	FY26/27 Budget ($)	FY26/27 Forecast ($)	FY26/27 % Forecast to Budget	Primary Cause of Variance Forecast - Budget	Actuals to Date [1] ($)	Total Project Budget per 24-34 LTP ($)	Total Project Budget per 27AP [2] ($)	Total Forecast EAC [3] ($)	Total Forecast Variance [4] ($)
Safe and Secure Program	$0.4	$4.6	$4.6	0%	-	$3.5	$9.1	$9.8	$9.8	$0
Safe and Secure Lifecycle Management Platforms	$0.2	$1.9	$1.9	0%	-	$3.1	$4.7	$4.8	$4.8	$0
ERP De-Risking/Exiting Ozone	$0.8	$4.7	$4.7	0%	-	$5.9	$15.5	$15.2	$15.2	$0
ERP SAP Finance and Rating Upgrade	$0	$0.5	$0.5	0%	-	$0	$0.6	$0.6	$0.6	$0
Business Improvements Information Management Modernisation	$0	$0	$0	0%	-	$0.2	$0.2	$0.1	$0.1	$0
Business Improvements AI	$0	$0.2	$0.2	0%	-	$0.2	$0.6	$0.5	$0.5	$0
Balance of Digital Program Historic and future projects	$0	$0	$0	0%	-	$78.7	$128.9	$131.2	$131.2	$0
Total	**1.4m**	**11.9m**	**$11.9m**	**0%**	**-**	**91.6m**	**159.6m**	**162.4m**	**162.4m**	**$0.0m**

FY26/27 revised budget excludes land sales, vested assets and BVL new capital offset

Digital Services Projects

Project	Project Description	Project Updates	Overall RAG	Current Lifecycle Stage	Project Completion Date
Safe and Secure Programme	An annual program that maintains the technology foundations Council relies on to deliver essential services, protecting critical systems, strengthening cybersecurity, and ensuring services remain reliable, secure, and resilient for the community.	• Commercial negotiations and global influences are delaying the implementation of DaaS Phase 2 which will now run into FY27. • Critical network upgrades are still underway and have been progressing, however resource constraints and competing priorities have delayed completion. • Disaster Recovery Planning is underway. Recognising the organisation wide Business Impact Analysis for BCP Planning is not yet complete, the team has had to undertake additional discovery and business engagement to enable disaster recovery planning to progress in parallel. • Backup modernisation is almost complete, with our Microsoft Cloud now protected. Moving off legacy tape storage for long term retention to a cloud-based solution has one more system to be migrated for completion and will be a significant risk reduction in our backup resilience.		Delivery	June 2027
Safe and Secure Lifecycle Management Platforms	Upgrades and patches to our core digital platforms to ensure we remain compliant, secure and under support along with taking advantage of new capability from our investments.	• Updated versions including security patches applied across eco-system as required • No significant outages due to lifecycling applications • Server migrations completed to support safe and secure components • Planning work underway to support FY27 delivery programme		Ongoing Delivery	June 2027

Digital Services Projects

Project	Project Description	Project Updates	Overall RAG	Current Lifecycle Stage	Project Completion Date
ERP Exiting Ozone Programme	Removing the risk of Council's legacy ERP platform, Ozone, by migrating remaining business processes and revenue to a modern supportable ERP. Current project streams are described below and in the following slides.	• Programme of work is in progress • Grants & Subsidies Revenue Project - Delivered • Animals Management Project - Delivery & testing phase • Service Management (CCM) Project - Delivery phase • Parking Revenue Project - Delivery phase • Other Processes - Discovery phase • Future projects to be planned: Airport Revenue, Cemeteries, Environmental Planning Revenue (including Development Contributions), Environmental Health & Licensed Premises Revenue, Building Services Revenue, Other Revenue		Delivery	FY28
ERP Exiting Ozone - Grants & Subsidies Revenue Project	**Grants & Subsidies Revenue Project** Migration of Grants & Subsidies (and Dividends & Interest) Revenue processes from Ozone to the SAP Finance platform (processing ~$130m revenue p.a.). The project included foundational build and delivery of standardised and streamlined processes for ad-hoc Sundry Invoices and Collections, ready for other business lines to adopt when they migrate from Ozone.	• Delivery and Go-Live completed end of March 2026 • Total spend came in under the [P70] 'likely case' budget		Delivered	March 2026

Digital Services Projects

Project	Project Description	Project Updates	Overall RAG	Current Lifecycle Stage	Project Completion Date
ERP Exiting Ozone - Animal Management Project	**Animal Management Project** This project will migrate end-to-end Animal Management processes from Ozone to a modern and stable platform. The purpose of the project is to: • Assure continuity of Animal Services; • Reduce heavy system load on Ozone by migrating bulk annual Dog registration renewal processes; • Provide foundation for other Regulatory processes.	• Project in delivery and testing phase. • ISSUE: Some build work delayed and a high volume of open defects needing to be remediated will require user testing, training, and Go-Live dates to be moved out and re-planned. (alongside the wider Digital Services programme of work) • The forecast spend and estimate at completion will be updated once the revised plan is finalised. • Risk that conflicting priorities, constraints, and business training and Go-Live windows could restrict options for revised plan. • Go-Live dates and decisions will continue to be managed via the project Steering Group.		Delivery	2027 TBC
ERP Exiting Ozone - Service Management (CCM) Project	**Service Management (CCM) Project** This project will migrate Service Tickets (aka CCMs) from Ozone to a modern Service Cloud platform (approx. 66.5k tickets p.a. and ~400 users across 70+ teams and sub-teams). The purpose of the project is to: • Assure continuity of service delivery for our community; • Simplify our complex Service ticket structure; • Enable standardised service levels and reporting; • Deliver AI capability to enable future efficiencies	• Project completing core build, now focused on non-core build. • Preparing to commence system testing. • Training and Go-Live dates currently being planned alongside wider Digital Services programme of work (assessing business availability windows, any conflicting priorities, constraints, resource capacity, risks/issues). • Project spend at completion is forecast to be between the P70 'likely case' and the P90 'conservative' case. • Forecast operational licensing and costs align with business case assumptions and budget. • Risk that any prioritisation and/or delays of other Digital projects will impact the timeline. • Go-Live dates and decisions will continue to be managed via the project Steering Group.		Delivery	March - April 2027 TBC

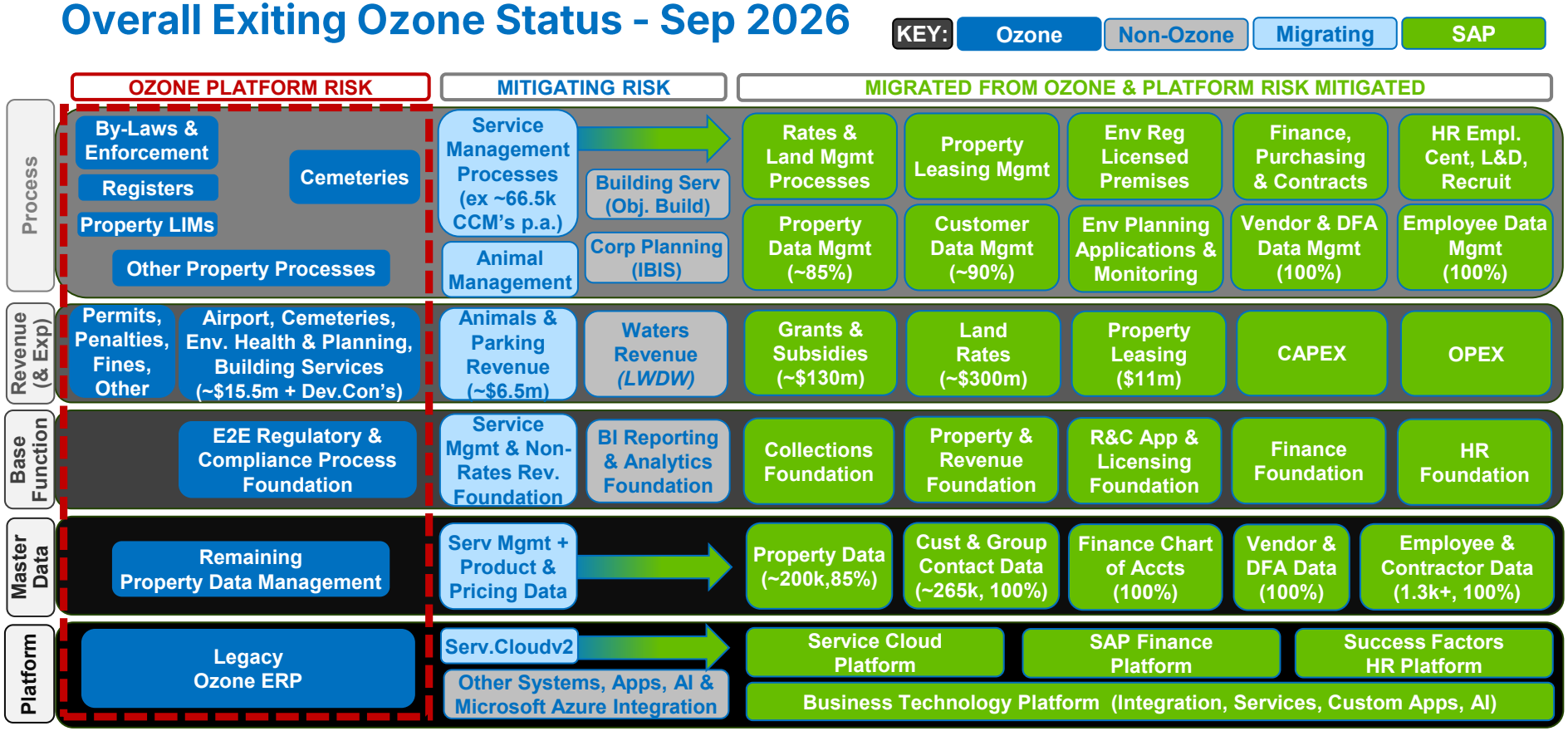
Digital Services Projects

Project	Project Description	Project Updates	Overall RAG	Current Lifecycle Stage	Project Completion Date
ERP **Exiting Ozone** - Parking Revenue Project	**Parking Revenue Project** This project will migrate Parking Infringements and Enforcement processes and revenue to modern technology (i.e. From TicketOr1 and Ozone to TickerOr2 and SAP Finance). The purpose of the project is to: • Assure continuity of Parking Infringements & Enforcement processes; • Reduce revenue leakage and assure revenue collection; • Improve operational processes and insights; • Reduce operational and cyber security risk.	• Project in Delivery phase • On track to date • Forecast estimate at completion in line with P70 'likely case' budget • Risk that any prioritisation and/or delays of other Digital projects will impact Parking Revenue project timeline		Delivery	May - June 2027 TBC
ERP **Exiting Ozone** - Other Processes	**Other Processes** The focus of this area is to complete the migration of cross-programme processes from Ozone to modern technology. Processes primarily relate to non-Rateable property data and processes, customer master data processes, user identity/access management and experience, and cross team process templates	• Other processes are in Discovery phase • Forecast spend estimates will be done once Discovery phase is completed for each process		Discovery	FY28
ERP SAP Finance and Rating Upgrade	Undertaking a major version technical upgrade of the core of our modern ERP, SAP. This will ensure TCC remains under support whilst releasing new features such as embedded Artificial Intelligence (AI functionality).	• Pre-checks will need to be run again, as this was last run before the Rates and Land Management Project. This is a requirement due to new functionality being introduced. • The upgrade schedule has been moved to March –April 27 to align with business availability and minimise business impact.		Delayed / Swapped	March - April 2027 TBC

Digital Services Projects

Project	Project Description	Project Updates	Overall RAG	Current Lifecycle Stage	Project Completion Date
Business Improvements Information Management Modernisation	We are upgrading how Council manages its data and information to ensure everything is accurate, secure, and easy to access. This enables and supports better decision-making, meets legal requirements, and promotes community trust. It is a smart investment that improves efficiency, accuracy and reduces risk.	• We have implemented Phase one which is duplications. So far we have run this across 1.8 million documents and we are finding on average 10% of duplications. Clean up phase will happen soon. • Phase two has begun and we are working with Policy, Procurement and a Waters contract to curate and create a copilot agent to look directly at the information in Objective.		Delivery	December 2026
Business Improvements AI	TCC has established an AI Centre of Excellence to lead the responsible, strategic adoption of artificial intelligence across Council operations. This initiative will improve service delivery, reduce costs, and increase productivity by embedding AI into core services, enabling smarter, faster, and more efficient ways of working.	• **AI solutions moved into production:** The Delegations Manual Agent has been rolled out to the whole organisation. Legal case intake is now automated, with 200 cases been processed through the solution at the cost of ~$1. • **We worked out where AI can help across the organisation:** Through the AI defined engagement, we ran 4 + 1 workshops with about 50 staff, built 14 use cases and found five problems that came up in every team. This led to the Risk Agent chosen as the next priority (and is already underway). It also shaped the Draft AI Strategy 2026–27. • **We built up the governance, skills and platforms to keep scaling:** We put formal testing in place, including an Authority to Operate and separate Dev, Test and Production environments.		Ongoing Delivery	June 2027

Overall Exiting Ozone Status - Sep 2026



Major Transport FY2026/27 Projects

	FY26/27					Total Project				
	FY26/27 Actuals (as of Q1) ($)	FY26/27 Budget ($)	FY26/27 Forecast ($)	FY26/27 % Forecast to Budget	Primary Cause of Variance Forecast - Budget	Actuals to Date [1] ($)	Total Project Budget per 24-34 LTP ($)	Total Project Budget per 27AP [2] ($)	Total Forecast EAC [3] ($)	Total Forecast Variance [4] ($)
Turret Road & 15th Ave Corridor	1.4m	8.6m	8.1m	94%	Design / Technical Issues	9.8m	146.5m	144.0m	138.2m	(5.8m)
Cameron Road Stage 2	0.1m	4.0m	2.8m	70%	Design / Technical Issues	7m	224.4m	105.3m	99.2m	(6.1m)
Connecting Mount Maunganui	0.3m	2.7m	2.3m	84%	Dependencies / Third Parties	1.8m	39.5m	211.5m	183.2m	(28.3m)
Tauriko West Network Connections	10.7m	45.0m	32.6m	72%	Savings / Delivered Under Budget	157.1m	223.4m	218.3m	195.9m	(22.4m)
The Strand Level Crossings	0.1m	5.0m	3.9m	79%	Dependencies / Third Parties	1.4m	0	6.2m	5.7m	(0.5m)
Te Maire Street Link (CMM)	0.1m	1.9m	1.8m	96%	-	0.6m	2.6m	2.4m	2.3m	(0.1m)
Total	**$12.7m**	**67.1m**	**51.2m**	**76%**	-	**177.7m**	**636.3m**	**687.7m**	**624.5m**	**(63.2m)**

[1] *Includes all historic multi-year spend to the Q1'2026/27*
[2] *Reflects budgets to the end of FY34 and is subject to future Annual Plan/Long-term plan decision making, impacting phasing and inflationary allowances.*
[3] *Reporting and forecast reflects approved spend as part of council resolution 14 July 2025*
[4] *Includes any forecast unspent project contingency and risk allowances that are part of the total project budget.*

FY26/27 revised budget excludes land sales, vested assets and BVL new capital offset

Civic & City Centre FY2026/27 Projects

	FY26/27					Total Project				
	FY26/27 Actuals (as of Q1) ($)	FY26/27 Budget ($)	FY26/27 Forecast ($)	FY26/27 % Forecast to Budget	Primary Cause of Variance Forecast – Budget	Actuals to Date [1] ($)	Total Project Budget per 24-34 LTP ($)	Total Project Budget per 27AP [2] ($)	Total Forecast EAC [3] ($)	Total Forecast Variance [4] ($)
Baycourt Upgrade	0m	2.0m	2.0m	100%	-	0.3m	10.9m	17.3m	18.2m	0.9m
Civic Plaza	2.6m	5.3m	4.7m	89%	Timing	4.9m	17.1m	15.4m	15.2m	(0.2m)
CWEM	10.7m	34.7m	34.2m	103%	Timing	74.2m	128.4m	133.2m	133.0m	(0.2m)
Fisherman's Wharf	0m	2.3m	2.3m	100%	-	0m	7.1m	7.4m	7.9m	0.5m
Site A Civic Establishment	0m	1.0m	1.0m	100%	-	5.1m	7.8m	7.7m	7.7m	0m
Wharewaka	0m	2.1m	2.1m	100%	-	0.3m	4.0m	1.1m	2.4m	1.3m
Total	13.4m	**47.4m**	**47.9m**	**101.0%**	-	**84.9m**	**175.4m**	**181.1m**	**184.4m**	**2.3m**

[1] *Includes all historic multi-year spend to the Q1'2026/27*
[2] *Reflects budgets to the end of FY34 and is subject to future Annual Plan/Long-term plan decision making, impacting phasing and inflationary allowances.*
[3] *Reporting and forecast reflects approved spend as part of council resolution 14 July 2025*
[4] *Includes any forecast unspent project contingency and risk allowances that are part of the total project budget.*

Other Key Projects

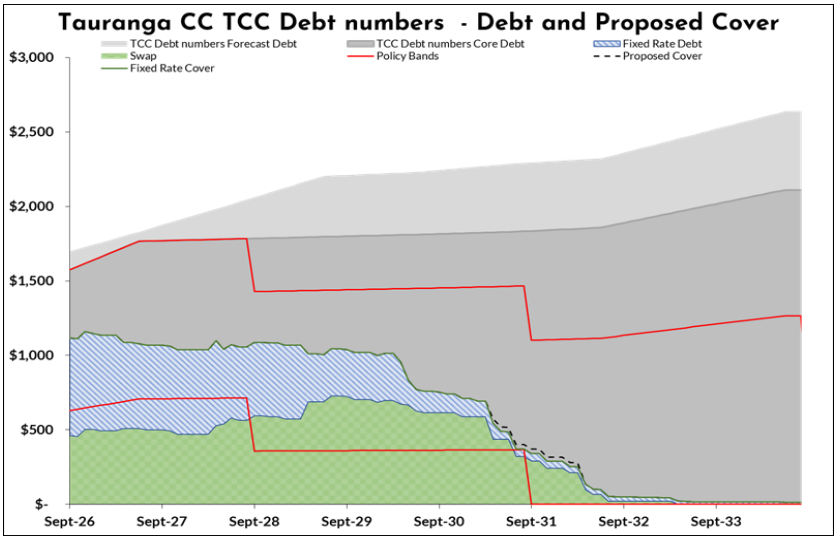
Project / Programme	Project Updates
Major Projects: Transport	This programme is reported separately to City Delivery Committee
Major Projects: Civic & City Centre Projects	This programme is reported directly to Council

Treasury Policy Compliance **Sept-26**

5.1.1 Interest Rate Exposure

Fixed debt remains within policy bands.

Policy compliant to end of September. Previous orders cancelled. No current orders with banks.
Note, to remain policy compliant, TCC will need to add ~$30m by end of October and then a further ~$50m by end of December.



5.1.2 Liquidity

Financial Accomodation remains above 100%
Debt refinancing remains below 25% in the rolling 12 month period

5.1.3 Credit Exposure

Counterparty credit ratings align with policy
Investments per counterparty breach $120m at month end due to rates instalment. Cash is being held in call account until next creditors payment.
No electricity hedging in place
Interest rate swap exposure remains below $50m

5.1.4 Debt repayment

Debt is repaid as it falls due

5.1.5 Borrowing Limits

Net interest as % of operating revenue remains below 20%
Net interest expense as % of rate revenue remains below 25%
Forecast debt to revenue ratios remian below 285%

5.1.6 Security

No security over assets or revenue outside of LGFA covenents

5.1.7 Guarantees

No guarantees made known to Treasury

5.1.8 Internal Borrowing

Internal borrowing metrics remain within policy

5.1.9 LGFA

Transactions with LGFA remain within policy

5.2.1-4 Investments

Investments remain within policy

5.3 Assessment and Management of risks associated with Financial Investments

Calculations for exposure align to policy

5.4 Foreign Exchange

No foreign exchange contracts in place

5.5 Electricity Hedging

No electricity hedging in place. Main contract is fixed price

6 Retentions

Rententions held in trust align with policy and legislation

8 Measuring treasury performance

Current forecast net interest expense is lower than budget

Actual average cost of borrowing is measured againt benchmark

