

Report To: Council



Meeting Date: 25 February 2025

Subject: **Financial Report for the period ended 31 December 2024**

Type: Information Only

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Chief Financial Officer

1. Purpose of Report

- 1.1 The purpose of this business paper is to provide an overall progress report on WDC's financial activities for the period ended 31 December 2024.

2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.
- 1 The business paper on the Financial Report for the period ended 31 December 2024 be received.

3. Background

- 3.1 The financial report provides financial oversight and accountability of Council's financial performance in delivering core services to the Waitomo District and community. It presents an overview of Council operations for the period including significant variance commentary against year-to-date budget and updates on significant capital expenditure projects.
- 3.2 A copy of the Financial Report for the period ended 31 December 2024 is enclosed separately and forms part of this business paper.

4. Commentary

4.1 INCOME STATEMENT HIGHLIGHTS

- 4.2 The net operating surplus of \$1.9 million was above the revised YTD budget surplus of \$1.3 million for the period ended 31 December 2024.
- 4.3 Total revenue was \$288,000 below budget for the period. The variance against budget is due mostly to:
- Metered water revenue was less than forecast.
 - Subsidy revenue was below budget as the road maintenance expenditure was less than forecast.
 - Interest revenue was more than budget, with favourable bank rates for cash held in the operating account and contracts retentions funds account.

- Fees and Charges reflect lower charges year to date for landfill revenue due to less waste deposited at the landfill, quarry royalties, property rental revenue and building control services. This was offset in part by increased revenue for trade waste and animal control services.
 - Other revenue was more than forecast mostly due to waste minimisation levy revenue which funds waste minimisation programmes. Depreciation recovered on the sale of motor vehicles was also recognised during the period.
- 4.4 Total expenditure was \$1.0 million less than budget for the period. The variance against budget is due to:
- Other expenditure was below budget for sludge disposal, district promotion and housing strategy implementation costs, building services, sealed pavement maintenance and district plan development expenditures. Partly offsetting these under expenditures were over expenditures for maintenance and operations for water supply activities.
 - Depreciation is tracking less than budget for the period for depreciation on newly constructed roads, IS assets and water and property assets. It is anticipated that this favourable variance will reduce with the completion of those capital works and the capitalisation of the assets during the remainder of the year.
 - Finance costs were more than budgeted for the period due to higher interest rates. Although interest costs are tracking more than budget for the period, it is expected that this variance will reduce by the end of the year.

4.5 BALANCE SHEET HIGHLIGHTS

- 4.6 Total assets have decreased to \$709.6 million since June 2024, this is due mostly to a lower NZTA subsidy revenue receivable at end of December.

- 4.7 Total borrowings have remained at the same level as June 2024 at \$33.3 million.

4.8 CAPITAL EXPENDITURE

- 4.9 Capital expenditure was \$5.5 million (20%), against a full year revised budget of \$27.45 million.
- 4.10 Total roads capital expenditure to 31 December 2024 was \$3.9 million, against a full year revised budget of \$13.1 million.
- 4.11 Of the \$21.9 million unspent, roads capital expenditure accounts for \$9 million (42%) of the unspent capital expenditure program. Several significant projects including the landfill cell development project budget of \$2.85 million is on hold and the Te Kuiti water resilience project and Te Kuiti stormwater improvements (attenuation ponds) will not be fully spent this year.
- 4.12 Commentaries on the significant projects within the capital works program are included under each area in the attached Financial Report.

4.13 RISKPOOL UPDATE

4.14 Update for Riskpool Mutual Liability Fund – December 2024

- 4.15 Riskpool is a mutual liability fund that offered public liability and professional indemnity cover to its members from 1 July 1997 to 30 June 2017, a total of twenty years. At its peak, Riskpool provided cover to 82 out of a possible 85 district, unitary and regional councils.

- 4.16 Riskpool ceased to offer cover from 1 July 2017, as support from the sector had dropped, particularly from larger councils, and without good support Riskpool could not offer competitively priced cover and risk management services. Riskpool has now been in run-off mode for over 5 years. It is expected that Riskpool will remain in run off for a further 3-5 years.
- 4.17 Riskpool is governed by a trust deed, with cover provided for members via a series of pooled funds. Riskpool's trustee is able to call on its member councils for financial support for each of Riskpool's funds, commonly referred to as "calls". Riskpool members (including Waitomo District Council) paid an interim call in July 2019 with Riskpool then advising that it expected to make a final call prior to wind up.
- 4.18 In December 2023 a further call of \$51,383 plus GST was paid and Council was advised the final windup process was continuing, which included the possibility of future calls from member councils for fund years that are in deficit.
- 4.19 A contingent liability disclosure for the obligation of future call(s) was included in the 2023/24 Annual Report, however no provision was able to be made due to the uncertainty of the amount and timing at that time.
- 4.20 On 19 December 2024, a letter was received from Riskpool providing a further update on the winding up process. This letter is attached to, and forms part of this business paper.
- 4.21 The letter notes that further litigation has been ongoing, as has been efforts to secure confirmation of reinsurance cover from London, both of which has been resource consuming. An indication of a future call totaling \$2.5 million across all members is given.
- 4.22 Using the previous call as an indication, it is expected Council's share of that call will be approximately \$10,000 plus GST. A further update is expected in March 2025.

5. Attachments/Separate Enclosures

Attachments:

- 1 Financial Report for the period ended 31 December 2024 (817123)
- 2 Letter from Riskpool - Update December 2024 (817152)

FINANCIAL REPORT

FOR THE PERIOD 1 JULY 2024 TO 31 DECEMBER 2024



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INTRODUCTION

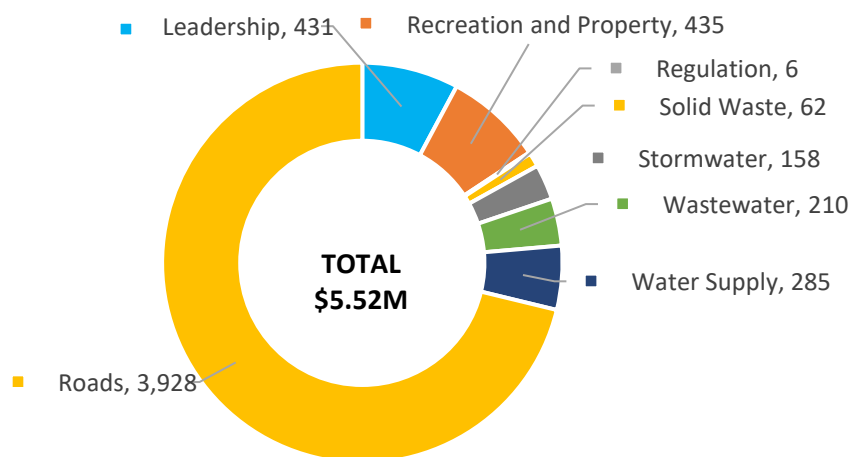
The 2024-34 Long Term Plan (LTP) was adopted in June 2024. It sets out outcomes we aim to deliver for our community, through the activities we undertake. Council also uses Activity/Asset Management Plans to outline the detailed work programme and further communicate an annual programme of work at a high level through Annual Plans.

Progress on the LTP and Annual Plans are reported back to the community at the year-end through Council's Annual Reports.

The purpose of this report is to provide high-level financial update of these Council activities for the period July 2024 to December 2024.

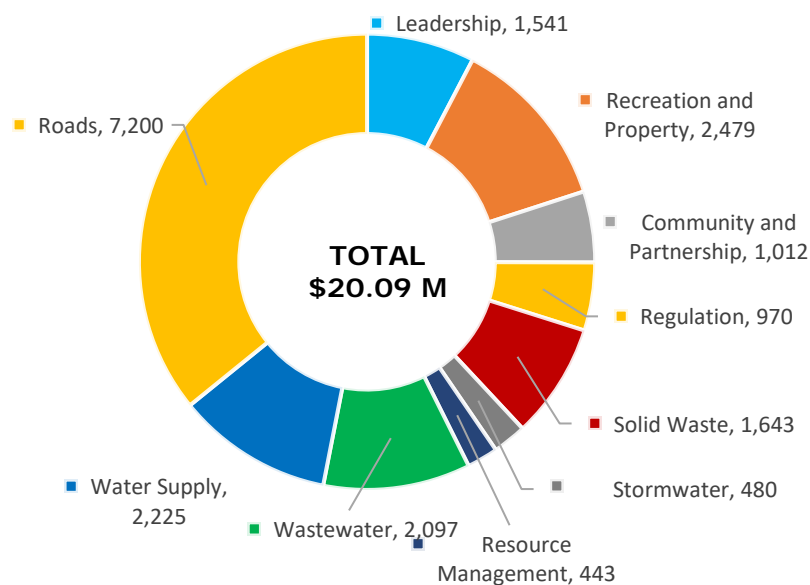
SUMMARY

CAPITAL EXPENDITURE SUMMARY AS AT 31 DECEMBER 2024 \$000'S



OPERATIONAL EXPENDITURE SUMMARY AS AT 31 DECEMBER 2024 \$000'S

OPEX \$000s



FINANCIALS

All figures in the tables, except percentages, are expressed in thousands of dollars (\$000s). Budgets referred to as revised includes the 2024/25 budget, carryovers and any additional budgets approved.

INCOME STATEMENT HIGHLIGHTS

Set out below is the summary of financial information for the period ending 31 December 2024 (A cost of service statement and commentary on significant variances can found within each Group of Activities).

WHOLE OF COUNCIL \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(22,502)	(25,058)	(25,058)	(12,343)	(12,447)	(104)	A
Subsidies and Grants	(20,154)	(15,700)	(18,874)	(6,908)	(7,249)	(340)	B
Interest Revenue	(148)	(66)	(66)	(81)	(17)	63	C
Fees and Charges	(4,386)	(4,850)	(4,850)	(2,401)	(2,515)	(114)	D
Other Revenue incl Gains/Losses	(728)	(334)	(334)	(349)	(142)	208	E
Total Revenue	(47,918)	(46,008)	(49,182)	(22,082)	(22,370)	(288)	1%
Operating Expenditure							
Other Expenditure	22,976	24,068	24,567	10,586	11,491	905	F
Depreciation	9,447	10,018	10,015	4,878	5,006	127	G
Finance Costs	1,633	1,622	1,622	842	811	(31)	H
Employee Benefit Expenditure	7,248	7,788	7,608	3,784	3,804	20	
Total Operating Expenditure	41,304	43,496	43,812	20,090	21,112	1,021	5%
Net (Surplus)/Deficit	(6,614)	(2,512)	(5,370)	(1,992)	(1,258)	733	-58%

Net Operating result: The net operating surplus of \$733,000 is above the revised YTD budgeted surplus of \$1.26 million for the period ended 31 December 2024.

Total Revenue was below budget by \$288,000 due to:

- A Rates revenue was less for metered water.
- B Subsidy revenue was below budget as road maintenance expenditure was less than forecast so the related subsidy revenue was also less.
- B Interest revenue was more than forecast, with favourable bank rates for cash held in the operating account and contract retention account.
- C Fees and Charges reflect lower charges year to date for landfill revenue due to less waste deposited at the landfill, quarry royalties, property rental revenue and building control services. This was offset in part by increased revenue for trade waste and animal control services.
- D Other revenue was more than forecast mostly due to waste minimisation levy revenue which funds waste minimisation programmes. Depreciation recovered on the sale of motor vehicles was also recognised during the period.

Total Operating Expenditure was less than forecast by \$1.02 million:

- E Other expenditure was below budget for sludge disposal, district promotion and housing strategy implementation costs, asset management programme costs, building services, sealed pavement maintenance, wastewater operations and district plan development expenditures. Partly offsetting these under expenditures were over expenditures for maintenance and operations for water supply activities.

- F Depreciation is tracking less than budget for the period for depreciation on newly constructed roads, IS assets and water supply and property assets. It is anticipated that this favourable variance will decrease with the completion of those capital works and the capitalisation of the assets during the remainder of the year.
- G Finance costs were more than budgeted for the period due to higher interest rates. Although interest costs are tracking more than budget for the period, it is expected that this over expenditure will reduce by the end of the year.

BALANCE SHEET HIGHLIGHTS

Balance Sheet highlights presented below shows the movement in Council's financial position from 1 July 2024 to 31 December 2024.

BALANCE SHEET HIGHLIGHTS (Amounts in \$000's)	Actual Position 30 Jun 2024	Actual Position 31 Dec 2024	Movement from 30 Jun 2024
Assets			
- Cash and cash equivalents	3,093	3,972	879
- Receivables	6,998	4,564	(2,434)
- Other current assets	120	120	0
- Other financial assets	13,624	13,748	124
Derivative financial instruments assets	381	381	0
- Non-current assets	687,057	686,822	(235)
TOTAL ASSETS	711,273	709,607	(1,666)
Liabilities			
- Other Liabilities	8,389	4,803	(3,586)
- Total Borrowings	33,333	33,262	(71)
- Derivative financial instruments liabilities	45	45	0
Total Liabilities	41,767	38,109	(3,658)
Equity			
- Equity	669,506	671,498	1,992
TOTAL LIABILITIES AND EQUITY	711,273	709,607	(1,666)

Total Assets have decreased from \$711.3 million to \$709.6 million.

- Cash and cash equivalents have increased by \$879,000 to \$3.97 million.
- Receivables decreased by \$2.4 million to \$4.6 million mostly due to a lower NZTA Waka Kotahi subsidy receivable.
- Total Liabilities have decreased from \$41.8 million to \$38.2 million, this is due to a decrease in retention monies owing and a decrease in general payables.

Total equity increased from \$669.5 million to \$671.5 million, which equals the net surplus of \$1.99 million.

CAPITAL EXPENDITURE

Set out below is the Capital Expenditure summary for the period ended 31 December 2024.

(Amounts in \$000's)	Annual Plan 2025	Plus Carryover from prior year	Less \$ moved to opex	Plus Additional Approvals by Council Resolution	Plus Rephased BoF Projects	Revised Budget	YTD Actual	Var - Actuals vs Revised Budget
Leadership	707	278	0	0	0	985	431	554
Recreation and Property	1,094	438	0	250	(333)	1,449	435	1,014
Community and Partnerships	3	0	0	0	0	3	0	3
Regulation	10	0	0	0	0	10	6	4
Solid Waste	3,141	112	0	0	0	3,253	62	3,191
Stormwater	1,788	0	0	0	0	1,788	158	1,630
Wastewater	493	987	0	0	0	1,480	210	1,269
Water Supply	5,399	100	(92)	0	0	5,407	285	5,122
Roads	8,906	4,170	0	0	0	13,076	3,928	9,148
Total	21,539	6,085	(92)	250	(333)	27,449	5,515	21,934

Total revised budget

The total revised capital expenditure budget 2024/25 is \$27.45 million including carryovers from the 2023/24 year of \$6.08 million and re-phasing of the Better Off projects of \$333,000.

The significant project budgets carried over from the prior year includes emergency reinstatement and Cyclone Dovi renewals of \$4.17 million, Te Kuiti wastewater reticulation renewals \$351,000 and sludge improvements of \$506,000 and \$438,000 of Recreation and Property projects.

Of the revised budget of \$27.45 million, it is noted that the following significant projects are on hold or will not be fully spent this financial year

- Te Kuiti attenuation ponds improvements will spend only \$240K of the planned Stormwater Improvements of \$1.24M. The remaining budget has been re-forecast in the following year as part of the draft financial forecasts for the 2025/26 annual plan.
- The major solid waste project for the Cell Development of \$2.85 million is on hold pending consultation on the landfill options.
- Te Kuiti water resilience project will not be fully spent by June.

Total spend to 31 December 2024

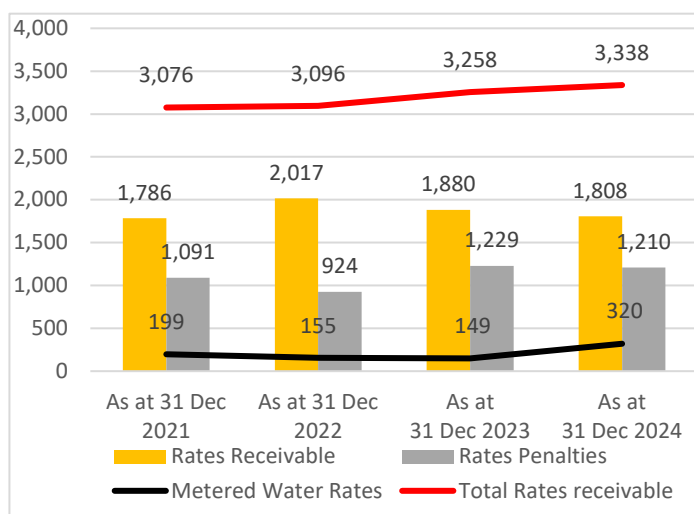
Overall, the capital spend year to date is \$5.5 million that represents 20% of the revised budget.

Further detail on the significant capital expenditure projects is included within each Group of Activities.

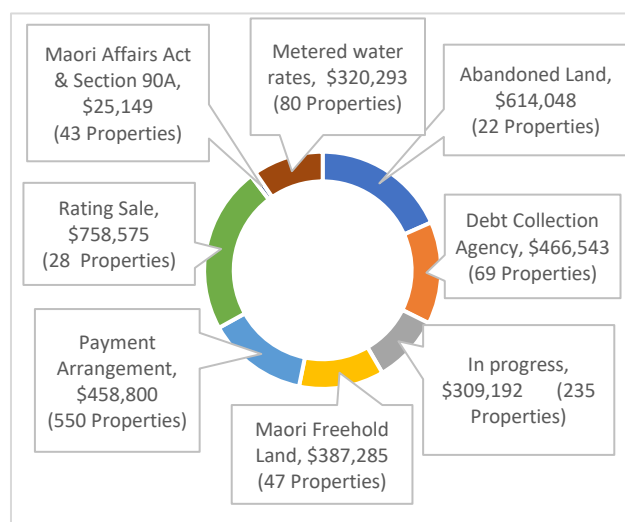
RATES RECEIVABLES

TOTAL RATES RECEIVABLES \$000's

Set out below is the summary of Rates Receivables as at 31 December 2024.



RATES OUTSTANDING AT 31 DECEMBER



PREVIOUS YEARS RATES ARREARS \$000's*



*excludes metered water rates

Progress:

The second quarter has been busy for rates collection staff.

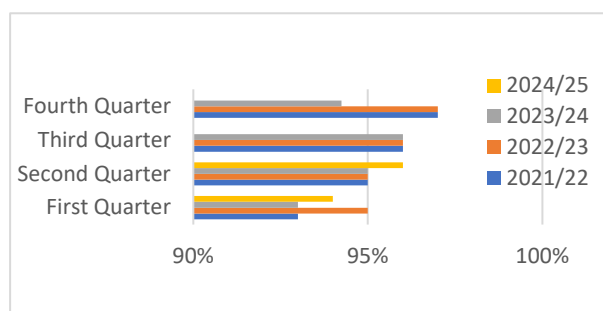
The rating sale process was completed for two properties in November. A further property is being re-tendered for rating sale closing February 2025.

Five properties were advertised for sale as abandoned land with the tenders closing in January 2025.

WDC applied to court for judgment on a further 18 properties which have a combined outstanding arrears total of \$197,000.

DMC sent out Mortgagee Notifications in November with Mortgage Demands to completed in January. There are 33 properties with mortgages currently loaded with DMC.

RATES INSTALMENT COLLECTION



Rates Rebates to 31/12/2024	Rates Rebates to 30/09/2024	Rates Rebates to 30/06/2024
318	227	323

LEADERSHIP

FINANCIAL UPDATE

LEADERSHIP \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(3,814)	(3,341)	(3,341)	(1,786)	(1,785)	1	
Subsidies and Grants	(262)	(270)	(270)	(28)	0	28	A
Interest Revenue	(148)	(66)	(66)	(81)	(17)	63	B
Fees and Charges	(27)	(105)	(105)	(4)	(55)	(51)	C
Other Revenue incl Gains/Losses	(76)	0	0	(118)	0	118	D
Total Revenue	(4,327)	(3,781)	(3,781)	(2,017)	(1,858)	159	-9%
Operating Expenditure							
Other Expenditure	3,429	2,745	2,769	1,024	1,086	62	E
Depreciation	679	777	777	362	388	26	F
Finance Costs	351	365	365	154	182	28	G
Total Operating Expenditure	4,460	3,889	3,912	1,541	1,657	116	7%
Net (Surplus)/Deficit	133	108	131	(477)	(201)	276	-137%

Variance Comments:

- A Better Off funding was recognised for the Waikato Waters investigations cost.
- B Interest revenue was more than budget, with favourable bank rates for cash held in the operating account and contracts retentions funds account.
- C Fees and charges were below budget for royalties for council owned quarries due to less use of WDC owned quarries by lessee.
- D Other revenue was recognised for depreciation recovered on the sale of ten motor vehicles. This recovery will be added to the asset replacement reserve to fund future vehicle replacements.
- E Other expenditure was below budget mostly for IS costs and cloud migration expenditure.
- F Depreciation is tracking less than budget as information services capital expenditure was less than forecast last year.
- G Finance costs are less than budget for leadership as the Treasury Management activity also includes the recovery of internal interest from other groups. Overall interest cost for all council activities is ahead of budget for the six months.

CAPITAL EXPENDITURE

LEADERSHIP \$000's	AP 2025	Revised Budget 2025	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Quarry Safety Improvements	40	81	0	81	A
Information Systems Improvements	11	29	5	23	B
Information Systems Renewals	147	180	17	163	C
Aerial Photography	50	100	0	100	D
Fleet Replacements	419	470	394	77	E
Administration Building Renovations	0	85	0	85	F
Other minor renewals	41	41	15	26	
Total Capital Expenditures	707	985	431	554	

Variance Comments:

The revised budget includes carryover budgets of \$278,000.

- A Includes a carryover of \$41,000 for quarry safety improvements. The quarry safety improvements project is not expected to commence this financial year and will be carried over.
- B Includes a carryover of \$18,000 for system improvements.
- C Includes a carryover of \$33,000 for hardware replacement. There are plans for the upgrade of laptops and cell phones before year end however the full budget may not be required.
- D Includes a carryover of \$50,000. The Aerial Photography project has been delayed but is expected to commence before the end of the financial year.
- E Includes a carryover of \$51,000. Fleet replacements for vehicles are complete with a mower replacement still to be done.
- F A project plan is in progress for the administration building facility upgrades with an expectation of spending to be underway before the end of the financial year. The total approved budget for this project is \$85,000.

COMMUNITY AND PARTNERSHIPS

FINANCIAL UPDATE

COMMUNITY AND PARTNERSHIP \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(1,694)	(1,583)	(1,583)	(787)	(792)	(5)	
Subsidies and Grants	(599)	(735)	(785)	(283)	(269)	14	A
Interest Revenue	0	0	0	0	0	0	
Fees and Charges	(16)	(4)	(4)	(8)	(2)	6	
Other Revenue incl Gains/Losses	0	0	0	0	0	0	
Total Revenue	(2,308)	(2,322)	(2,373)	(1,078)	(1,062)	16	-2%
Operating Expenditure							
Other Expenditure	2,144	2,463	2,523	1,002	1,263	261	B
Depreciation	9	10	10	10	5	(6)	
Finance Costs	0	0	0	0	0	0	
Total Operating Expenditure	2,152	2,473	2,534	1,012	1,268	256	20%
Net (Surplus)/Deficit	(155)	151	161	(66)	206	272	132%

Variance Comments:

- A Subsidies and grants revenue recognised during the period includes the Mayors Taskforce for Jobs.
- B Other expenditure was below budget for the safe communities, youth engagement and district promotion costs and the housing strategy implementation.

CAPITAL EXPENDITURE

COMMUNITY PARTNERSHIPS \$000's	AP 2025	Revised Budget 2025	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Minor Improvements	3	3	0	3	
Total Capital Expenditures	3	3	0	3	

RECREATION AND PROPERTY

FINANCIAL UPDATE

RECREATION AND PROPERTY \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(3,866)	(4,486)	(4,486)	(2,229)	(2,243)	(14)	
Subsidies and Grants	(851)	(547)	(422)	(139)	(339)	(200)	A
Fees and Charges	(530)	(614)	(614)	(270)	(311)	(41)	B
Other Revenue incl Gains/Losses	(320)	(53)	(53)	(68)	0	68	C
Total Revenue	(5,567)	(5,700)	(5,575)	(2,706)	(2,893)	(186)	6%
Operating Expenditure							
Other Expenditure	3,879	4,000	3,963	2,049	2,017	(32)	D
Depreciation	1,524	1,584	1,584	762	791	30	E
Finance Costs	149	132	132	79	66	(13)	F
Total Operating Expenditure	5,551	5,716	5,680	2,890	2,874	(17)	-1%
Net (Surplus)/Deficit	(16)	16	105	184	(18)	(203)	1101%

Variance Comments:

- A Subsidies and grants include Better Off Funding for demolition of the old schoolhouse at Marokopa and the Walkways project.
- B Fees and charges were less than forecast due to lower rental revenue from housing, hall hire, the holiday parks and the Aerodrome.
- C The other revenue is from the gain on the sale of properties at 4 and 8 Jennings Street and 59 Esplanade.
- D Consultants fees were more than forecast for the aerodrome (Council approved additional funding in the previous year for the development of the sustainability report) and cleaning costs across the recreation and property activity were also more than budget. Offsetting these expenditures were repairs and maintenance costs that are tracking below forecast.
- E Due to the delay in the capital spend for last year and this year, depreciation on assets is less than budgeted.
- F Finance costs were higher than forecast due to higher interest rates.

CAPITAL EXPENDITURE

RECREATION AND PROPERTY \$000's	AP 2025	Revised Budget 2025	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Aquatic Centre Renewals	22	44	7	37	A
BoF Town Gateways	446	0	0	0	
BoF and TIF funded Walkways	0	113	67	46	B
Library Building and Book Renewals	68	68	43	24	
Mokau seawall renewal	32	106	25	81	C
Housing and Other property renewals	57	57	30	27	
Parks and Reserves improvements and renewals	134	230	18	212	D
Public facilities renewals	72	148	22	126	E
Te Kuiti cemetery improvements	50	50	1	49	F
Les Munro Centre air conditioning renewal	12	163	15	148	G
Centennial Park Grandstand Ablutions and Changing Rooms Upgrade	0	269	207	62	H
Centennial Park improvements	200	200	0	200	I
Total Capital Expenditures	1,093	1,448	435	1,014	

Variance Comments:

The revised budget includes carryover budgets of \$155,000 and \$250,000 for Centennial Park ablutions and changing rooms updated (funded by Grassroots)

- A Includes a carryover of \$22,000 for repairing the sand filter to be done in April 2025.
- B Includes a re-sequenced budget of \$113,000. The major work to date has been along the Mangaokewa walkway with approximately \$30,000 still to spend on storyboards.
- C Includes a carryover budget of \$74,000. Costs spent to date are for the survey and the design of the seawall.
- D Includes a carryover of \$96,000 for revocation of reserve classifications and completion of subdivisions for Eketone Stret, Mangarino Rd, Esplanade, Moa Street; playground renewals and Motakiora/Brook Park renewals.
- E Includes a carryover of \$76,000 for skatepark and toilet renewals. This budget also includes security camera renewals and tables and bin renewals. The majority of expenditure to date is for park tables.
- F The budget is for the installation of berms, landscaping and fencing of the new plot at Te Kuiti cemetery. The design work is complete and the project should be finished this financial year.
- G Includes a carryover of \$151,000 for the replacement of air conditioning system installation and ducting. The upgrade of the air conditioning is underway at the Les Munro Centre.
- H The Centennial Park ablutions and changing room upgrade is well underway. With internal refurbishment expected to be completed at the end of February and the remaining works by mid April.
- I This budget is for the Centennial Park project including improvements to the north field and Oval. Installation of the cricket pitch and cages and rugby goals should be completed by April 2025, weather dependant.

REGULATORY SERVICES

FINANCIAL UPDATE

REGULATORY SERVICES \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(878)	(1,420)	(1,420)	(706)	(710)	(4)	
Subsidies and Grants	(17)	0	0	0	0	0	
Fees and Charges	(520)	(713)	(713)	(482)	(439)	43	A
Other Revenue incl Gains/Losses	(19)	(17)	(17)	(8)	(9)	(1)	
Total Revenue	(1,435)	(2,150)	(2,150)	(1,196)	(1,158)	38	-3%
Operating Expenditure							
Other Expenditure	1,574	2,195	2,199	962	1,074	112	B
Depreciation	14	15	15	8	8	0	
Total Operating Expenditure	1,588	2,211	2,215	970	1,082	112	10%
Net (Surplus)/Deficit	153	61	65	(226)	(76)	150	-196%

Variance Comments:

- A Additional revenue for animal control services from Otorohanga District Council for the period January to June 2024. This additional revenue was partly offset by less revenue for building services as building consents applications for new houses were down as building activity in Waitomo has followed the national trend of a reduction in building consent applications and activity.
- B Other expenditure was below budget for noise control, animal control contractor, consultant's fees and earthquake prone building expenditure. Spends for the consultants and earthquake prone building costs are expected to remain below budget for the year.

CAPITAL EXPENDITURE

REGULATORY SERVICES \$000's	AP 2025	Revised Budget 2025	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Dog Pound Renewals	10	10	6	4	
Total Capital Expenditures	10	10	6	4	

RESOURCE MANAGEMENT

FINANCIAL UPDATE

RESOURCE MANAGEMENT \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(418)	(445)	(445)	(221)	(223)	(1)	
Fees and Charges	(254)	(216)	(216)	(69)	(108)	(39)	A
Total Revenue	(671)	(661)	(661)	(291)	(331)	(40)	12%
Operating Expenditure							
Other Expenditure	1,185	970	970	408	482	74	B
Finance Costs	55	67	67	35	33	(2)	
Total Operating Expenditure	1,241	1,036	1,037	443	515	72	14%
Net (Surplus)/Deficit	569	375	376	153	184	31	17%

Variance Comments:

- A Resource consent revenue is below budget. However, there are some larger resource consents yet to be invoiced that are expected to bring the revenue back closer to budget.
- B Other expenditure was less during the period for legal and general expenses for the District Plan development. Due to the involved and complex nature of this project. It is not unexpected to have variations in the timing of expenditure. It is expected that the legal fees spend will increase with arbitration actions due.

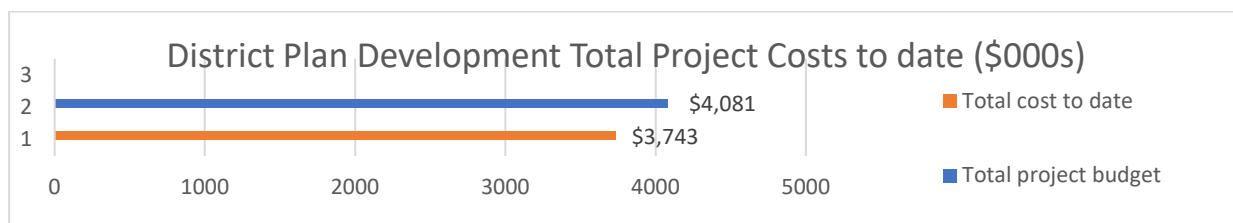
PROJECTS AND PROGRAMME UPDATES



Programme Summary: A review of the Operative Waitomo District Plan in accordance with statutory requirements.

The Proposed Waitomo District Plan (PDP) must be legally robust and provide guidance for long term resource management issues in the District and is inherently complex with many associated workstreams. This project will continue through the 2024/25 period.

Progress: The second tranche of hearings on the Proposed District Plan was held on 27 and 28 November 2024. The Commissioners are now preparing their decisions on submissions with the decisions due to be issued in late April 2025.



Next steps: Draft decisions reports and issue the Decisions Version of the PDP.

End date: Decisions on submissions and Decisions Version of the PDP due to be issued in late April 2025.

SOLID WASTE

FINANCIAL UPDATE

SOLID WASTE \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(1,445)	(1,633)	(1,633)	(827)	(816)	11	
Subsidies and Grants	(56)	0	0	(10)	0	10	A
Fees and Charges	(1,692)	(2,237)	(2,237)	(953)	(1,120)	(167)	B
Other Revenue incl Gains/Losses	(185)	(125)	(125)	(92)	(62)	30	C
Total Revenue	(3,378)	(3,994)	(3,994)	(1,882)	(1,998)	(116)	6%
Operating Expenditure							
Other Expenditure	3,210	3,708	3,711	1,527	1,447	(80)	D
Depreciation	115	122	122	56	61	4	
Finance Costs	130	124	124	60	62	2	
Total Operating Expenditure	3,455	3,953	3,956	1,643	1,570	(74)	-5%
Net (Surplus)/Deficit	77	(41)	(38)	(239)	(429)	(190)	44%

Variance Comments:

- A A grant payment was received from the Ministry for Environment (MfE) for the feasibility study of the kerbside organic collection. A shared project between MfE, Otorohanga District Council (ODC) and WDC where MfE contributes 75%, ODC 12.5% and WDC 12.5% of total costs.
- B Revenue received from the landfill was less for general refuse charges as waste volumes deposited at the landfill were reduced. This is offset partly by increased revenue for green waste and rubbish bag sales.
- C Other revenue was more than budget for Waste Minimisation Levy revenue which is used to fund waste minimisation programmes.
- D Other expenditure is above budget due to increased contract costs for landfill operations, recycling removal and landfill bin movement. This has been partly offset by lower waste minimisation levy expenditure.

CAPITAL EXPENDITURE

SOLID WASTE \$000's	AP 2025	Revised Budget 2025	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Gas Flaring Equipment	165	165	0	165	A
New Cell Development	2,846	2,846	48	2,798	B
Resource Consent Renewal	40	100	4	96	C
Te Kuiti Transfer Station Improvements	0	27	0	27	D
Transfer Station Renewals	90	116	10	105	E
Total Capital Expenditures	3,141	3,253	62	3,191	

Variance Comments:

The revised budget included carryovers of \$112,000.

- A The cell development and gas flaring equipment project is currently on hold pending the review of landfill operations.

- B New cell development is on hold pending a decision on the future of the landfill. There was necessary work undertaken on the highwall overburden, the catchpits and culverts. Final costs are expected to be about \$80K.
- C Includes carryover of \$60,000 for delaying the consent activation date and to comply with new resource consent conditions. Resource consent work is on hold pending a decision on the future of the landfill.
- D Includes carryover of \$27,000. Work on this project is currently on hold.
- E Includes carryover of \$26,000. Transfer station renewals work is on hold pending a decision on the landfill.

STORMWATER

FINANCIAL UPDATE

STORMWATER \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(510)	(918)	(918)	(465)	(459)	6	
Subsidies and Grants	0	(719)	(719)	0	0	0	
Fees and Charges	(7)	0	0	(26)	0	26	A
Total Revenue	(517)	(1,637)	(1,637)	(491)	(459)	32	-7%
Operating Expenditure							
Other Expenditure	404	651	652	339	340	1	
Depreciation	257	259	259	129	129	0	
Finance Costs	14	40	40	12	20	9	
Total Operating Expenditure	675	950	951	480	490	10	2%
Net (Surplus)/Deficit	158	(687)	(686)	(11)	31	42	136%

Variance Comments:

A Fees and charges revenue includes stormwater connection fees for Te Kuiti.

CAPITAL EXPENDITURE

Stormwater \$000's	AP 2025	Revised Budget 2025	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Stormwater Discharge Resource Consent Renewals	45	45	7	38	
Stormwater Improvements	1,240	1,240	80	1,160	A
Stormwater Renewals	503	503	71	432	B
Total Capital Expenditures	1,788	1,788	158	1,630	

Variance Comments:

A The budget is for the attenuation ponds at Te Kuiti. It is expected only \$240,000 will be spent this year with the remainder to be spent next year.

B Major works have commenced for the Carroll Street SH3 project, Hospital Road and Awakino Road being from this budget. Other works have been completed at Piopio and Mokau with invoicing to come.

WASTEWATER

FINANCIAL UPDATE

WASTEWATER \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(2,378)	(2,713)	(2,713)	(1,361)	(1,357)	5	
Fees and Charges	(1,083)	(796)	(796)	(473)	(398)	75	A
Total Revenue	(3,461)	(3,510)	(3,510)	(1,834)	(1,755)	79	-5%
Operating Expenditure							
Other Expenditure	2,757	3,213	3,215	1,439	1,610	171	B
Depreciation	1,043	1,088	1,088	524	543	19	C
Finance Costs	251	217	217	134	109	(25)	D
Total Operating Expenditure	4,051	4,518	4,520	2,097	2,262	165	7%
Net (Surplus)/Deficit	590	1,008	1,010	263	507	244	48%

Variance Comments:

- A Fees and charges were more than budget for trade waste revenue. Additional revenue was also recognised for wastewater connection fees for Te Kuiti.
- B Other expenditure was below budget for sludge disposal costs as dried sludge has not been delivered to landfill and electricity. This was offset partly by increased chemicals costs, sampling costs and Te Kuiti reticulation maintenance costs.
- C Due to the capital spend for 2023/24 being less than forecast, the depreciation on assets is less than budget.
- D Finance costs were higher than forecast due to higher interest rates.

CAPITAL EXPENDITURE

Wastewater \$000's	AP 2025	Revised Budget 2025	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Pump Stations Improvements	75	75	1	74	A
Benneydale Resource Consent Renewals	30	55	128	(73)	B
Resource Consent Vegetation Planting and wetland	0	26	0	26	
Reticulation Renewals	344	551	63	506	C
Sludge Removal improvements	0	506	9	497	D
Te Waitere Wastewater	0	18	0	18	
Treatment Plant Renewals	44	249	10	222	E
Total Capital Expenditures	493	1,480	210	1,269	

Variance Comments:

The revised budget includes carryover budgets of \$987,000.

- A This project is currently underway with pumps and equipment being purchased and ready for installation.
- B Includes carryover of \$25,000. The application was lodged in November however is now on hold due to changes in the national wastewater environmental performance standards and higher costs than anticipated in assessing the cultural impact report. A business paper will be provided to Council with an update on this project.

- C Includes a carryover of \$351,000 for reticulation renewals. Renewals projects are planned and ready to start with Te Kuiti plant mechanicals renewals to take place, Telemetry/Scada renewals approved and starting along with work on the Carroll Street SH3 projects.
- D Includes a carryover of \$506,000 for sludge improvements.
- E Includes a carryover of \$60,000 for improvements to Te Kumi, Tammadge and Hillview pump stations by installation of new SCADA and renewal of old aerals at Redwood and the treatment plant sludge area. The project is progressing, awaiting the supply of the equipment for installation.

WATER SUPPLY

FINANCIAL UPDATE

WATER SUPPLY \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(3,006)	(3,714)	(3,714)	(1,758)	(1,857)	(99)	A
Fees and Charges	(34)	0	0	(11)	0	11	B
Total Revenue	(3,040)	(3,714)	(3,714)	(1,769)	(1,857)	(88)	5%
Operating Expenditure							
Other Expenditure	2,864	2,867	2,961	1,583	1,469	(114)	C
Depreciation	935	954	954	469	478	9	
Finance Costs	317	377	377	174	188	14	D
Total Operating Expenditure	4,117	4,198	4,292	2,225	2,134	(91)	-4%
Net (Surplus)/Deficit	1,077	484	578	456	278	(179)	-64%

Variance Comments:

- A Metered water revenue was below budget for all schemes.
- B Connection fees revenue was received for Te Kuiti.
- C Other expenditure was above budget, expenditure for maintenance for Te Kuiti and Piopio schemes were more than forecast, with chemicals and sampling also above budget. There was also a lightning strike on Telemetry/Scada equipment at Maniaiti/Benneydale.

CAPITAL EXPENDITURE

Water Supply \$000's	AP 2025	Revised Budget 2025	YTD Actuals	Var to Revised Budget	%Var and Note Ref
SCADA improvements and renewals	65	65	0	65	
WSP improvements	277	277	0	277	A
Reticulation Renewals	366	366	60	306	B
Te Kuiti water resilience project	4,250	4,345	142	4,203	C
Backflow preventors and bulk monitoring improvements	147	147	37	110	
Treatment Plant Renewals	293	206	45	161	D
Total Capital Expenditures	5,399	5,407	285	5,122	

Variance Comments:

The total revised budget includes carryover budgets of \$100,000

- A Major parts of the approved Te Kuiti Water Safety plan have been approved and are about to start. Projects have recently been approved for the Piopio and Mokau water safety improvements for \$100K and are expected to be spent this financial year.
- B Projects have been approved and are underway with the major project being Carroll Street SH3.
- C The Te Kuiti water resilience project is underway. It is expected the total spend for this year with the remainder of the budget to be spent in the following year.
- D A portion of the renewals budget has been transferred to operations for the contribution to fencing at Mokau.

ROADS AND FOOTPATHS

FINANCIAL UPDATE

ROADS AND FOOTPATHS \$000's	Actual 2023/24	Annual Plan	Revised Budget	YTD Actual	YTD Revised Budget	Var to YTD Revised Bud	%Var and Note Ref
Revenue							
Rates	(4,495)	(5,197)	(5,197)	(2,614)	(2,599)	16	
Subsidies and Grants	(18,369)	(13,429)	(16,678)	(6,448)	(6,641)	(193)	A
Fees and Charges	(222)	(165)	(165)	(105)	(82)	23	B
Other Revenue incl Gains/Losses	(127)	(140)	(140)	(62)	(70)	(8)	
Total Revenue	(23,213)	(18,931)	(22,180)	(9,230)	(9,392)	(162)	2%
Operating Expenditure							
Other Expenditure	8,775	9,438	9,604	4,448	4,901	452	D
Depreciation	4,871	5,206	5,206	2,558	2,603	44	E
Finance Costs	366	299	299	193	149	(44)	F
Total Operating Expenditure	14,012	14,943	15,109	7,200	7,653	453	6%
Net (Surplus)/Deficit	(9,201)	(3,988)	(7,071)	(2,030)	(1,739)	290	-17%

Variance Comments:

- A Subsidies and grants revenue was less than budget as road maintenance costs were less than forecast for the period.
- B Capitation fees received towards road maintenance were more than budget year to date.
- C Other expenditure was below budget for sealed pavement maintenance, professional services, allocated roading business unit costs, structures maintenance, and traffic services maintenance. This was offset in part by emergency reinstatement, network and asset management and drainage maintenance.
- D Depreciation is tracking less than budget as asset additions for the prior year were higher than forecast. It is anticipated that this favourable variance will decrease with the completion of those capital works and the capitalisation of the road reseals.
- E Due to interest rates being higher than budget finance costs are higher. This activity has picked up a significant portion of this cost increase due to the level of internal loans attributed to this activity.

CAPITAL EXPENDITURE

Roads \$000's	AP 2025	Revised Budget 2025	YTD Actuals	Var to Revised Budget	%Var and Note Ref
Footpaths and Road to Zero Improvements	280	280	6	274	A
Unsubsidised Road Improvements	136	136	0	136	B
Other Road Renewals	2,292	2,292	272	2,020	C
Pavement Rehabilitation Renewals	1,683	1,683	139	1,545	D
Sealed Surfacing Renewals	2,665	2,665	4	2,661	E
Bridge and Bridge Structures Replacement	270	270	55	215	F
Unsealed Road Metalling Renewals	880	880	730	150	G
Cyclone and Wet Weather Reinstatements	700	4,870	2,722	2,148	
Total Capital Expenditures	8,907	13,077	3,928	9,149	

Variance Comments:

The total revised budget of includes \$4.17 million of carryover budgets.

- A The footpath improvements works are no longer funded and no further work will be done.
- B No work is planned for the unsubsidised road improvements.
- C This budget has had major changes and now only has \$2.3 million available over three years. This year's spend is projected to be \$850K.
- D Tenders are out for these projects with an expectation of spending this budget by the end of the financial year.
- E Major works have started for sealed surfacing renewals and the expectation is it will be spent by the end of the financial year.
- F Programmed works are being undertaken on bridge upgrades with the expectation that this budget will be spent by the end of the financial year.
- G The work on the Unsealed Road Metalling has largely been completed by Inframax Construction Ltd, these works are generally undertaken during the wetter months to reduce dust impacts.
- H Includes carryover of \$4.17 million to continue the emergency reinstatement programme. Major works are currently underway, with \$2.7 million spent at the end of December.

19 December 2024

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Riskpool: Update on run-off

Dear Ben

Thank you to those members who attended our information-sharing webinar in November. We hope you found the webinar useful, and we appreciated the opportunity to answer questions from the membership. It is a busy time of year, so if you would like to watch back the webinar, or forward it to a colleague, please find a link to the recording here [Final Riskpool Webinar Recording.mp4](#)

As we outlined in our last letter, in July, Riskpool is committed to keeping members updated as we look to bring the scheme to a conclusion. Our next correspondence, which will cover a range of issues and updates, will likely be sent in February.

In the meantime, and as promised, we signal that Riskpool intends to make at least one call on members in 2025. Riskpool is engaged in significant domestic litigation (having been sued by several members) and is busy attempting to secure confirmation of reinsurance cover in London, which is consuming considerable resources (both in-house and external).

Riskpool hadn't expected to need litigation lawyers so late in the piece, but it is important that all efforts are made to provide value for members' investment over many years.

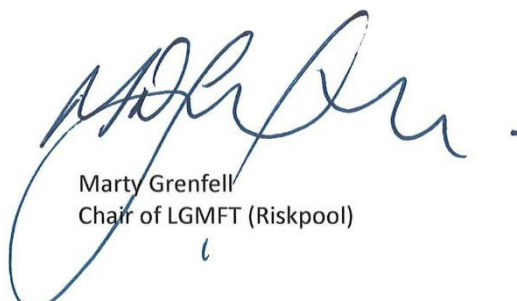
More information will be provided in our next update, but it is important that you know now that a call is likely to be made in **March 2025**. This call, which we expect to be in the region of **\$2.5 million** (across the membership, not per individual member), will be to cover ongoing operational expenses. This compares to a total call of \$12.88 million in November 2023. We look forward to providing you more detail on this call early in the new year.

The Riskpool board thanks you all for your patience as we navigate the remaining issues, and we wish you and your families a safe and enjoyable summer break.

Yours sincerely



Charlie Howe
CEO Civic Financial Services Ltd



Marty Grenfell
Chair of LGMFT (Riskpool)