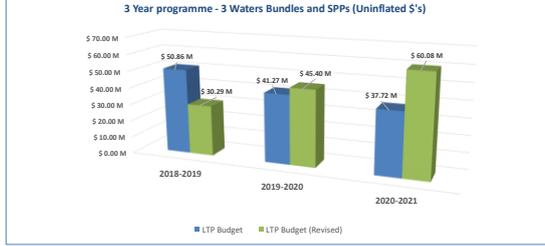
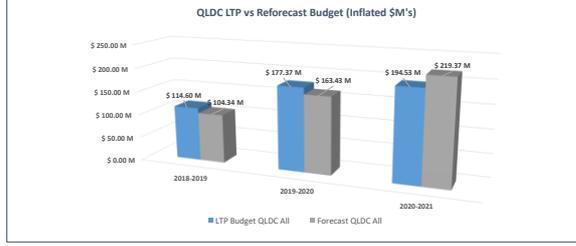
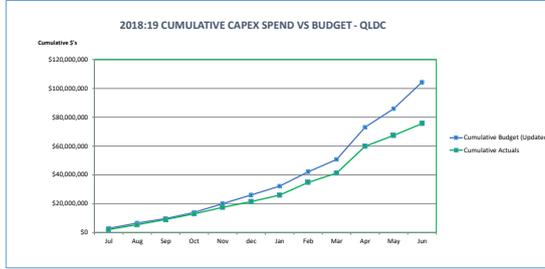
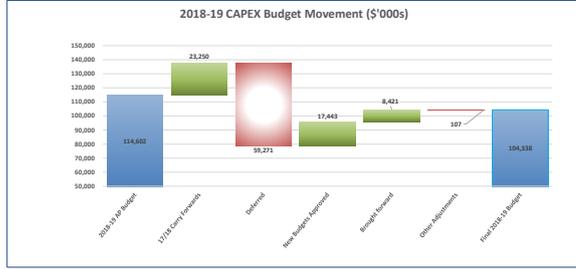


High Level Capex Budget movement for 2018-19

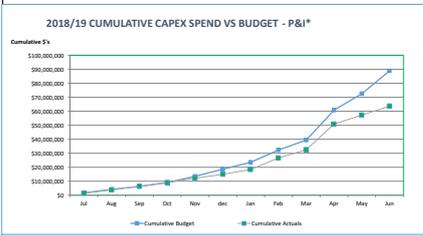


*Note: The Forecast budget for 2018-19 is the final adjusted budget and is not adjusted down for budgets carried forward to 2019-20. The 2019-20 Forecast Budget is the approved annual plan budget excluding final carry forwards from 2018-19. The 2020-21 (Y3) Forecast only reflects updates for the 3 waters bundles and other projects deferred to 2020-21 through the 2018-19 and 2019-20 AP Review process. Hence Year 3 forecast is much higher than we would expect to spend. Further updating of year 3 will occur between September 2019 – March 2020.

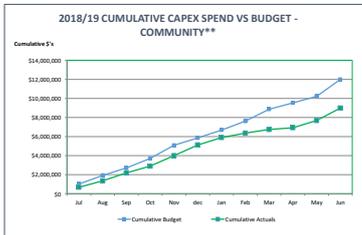
Programme Comments: The complexity and scale of the 3 Waters Programme has led to a bundled approach to take this work to market. To ensure the efficient and effective delivery of asset improvements, similar and compatible types of work have been bundled together into packages, representing approximately 60 projects. A number of project budgets in the 3 year programme have been re-phased to reflect this delivery approach. The overall QLDC capex programme has been updated to reflect the 3 water bundles programming, the 2019-20 Annual Plan Capex Budget update and the December 2018, March 2019 and May 2019 Capex re-forecasts.

Summary July 2018 - June 2019 CAPEX Budget Vs Actuals

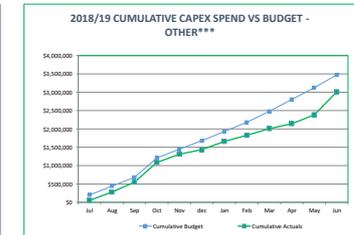
Programme	2018/19 Full Year Adjusted Budget	2018/19 Full Year Actuals	Var	% of budget spent	Major Project Variances Comments
Buildings	7,704,799	4,604,062	3,100,737	60%	New projects \$1.1m - Luggate Hall Prefab and Wanaka Rec Centre Prefab added in Mar reforecast plus Bradley Building added in Dec reforecast. Luggate Hall Replacement \$523k budget with actuals of \$65k. Design currently underway. Athensium Hall Toilet \$200k budget re-allocated to \$16 Ladies Mile Development (pending title transfer as at 30 June). Glenorchy Main Town Pier budget of \$230k with \$2k spend. Design currently underway. Project Connect \$500k budget with spend of \$314k and Civic Heart \$500k budget with spend of \$218k. Remains in feasibility stage and considering delivery/procurement strategy under joint venture with Ngāi Tahu. \$5.3m was deferred to 2020/21 in the Dec 18 re-forecast.
Camp Grounds	38,000	1,690	36,300	4%	Budget adj. approved in June to allocate to Arrowtown camp ground for reusing access way (earned forward to be completed 19/20)
Land	13,531,906	13,526,499	5,407	100%	\$16 Ladies Mile Land Purchase \$13.5m budget added following council decision in 2019. Title received July 2019.
Libraries	827,371	778,999	50,372	94%	Wakatipu library service \$373k budget with \$350k actuals for the Frankton library
Parks and Reserves	7,132,836	5,695,259	1,437,577	80%	Queenstown Gardens Development Plan \$500k budget with a \$61k spend, tender for design closed and to be awarded in September 2019. Wanaka & Arrowtown Skate Park Renewals \$400k budget with actuals of \$56k. Currently working on scope of services to go to tender for design & construction.
Solid Waste	1,439,235	745,055	714,180	51%	
Storm Water	9,835,977	5,996,995	3,838,982	61%	NE Frankton Stormwater \$6.8m budget with actual spend \$4.9m - Construction scheduled for completion October 2019. Lakeview Storm Water upgrade budget of \$310k with spend of \$50k, subject to development agreement. Three Parks catchment new SW outlet budget of \$214k with spend of \$5k. BBC identified project not necessary but being investigated as part of wider Wanaka SW bundle.
Transport	26,380,013	18,736,269	7,643,744	71%	On Town Centre Pedestrianisation \$2.5m budget with actuals of \$1.1m. Contract for design underway. Implementation subject to NZTA funding. Glenorchy & Crown Range resilience budgets of \$819k with \$200k actuals. Glenorchy \$319k c/f to 2019-20. Wanaka Minor Improvements - Budget of \$2.1m with \$1.2m actuals. Budget was increased in June by \$1.15m for potential Wanaka underpass and Anderson Road Cycleway. Wakatipu Active Travel \$1.3m budget with actuals of \$728k. Concept design underway but awaiting NZTA funding approval. Renewals \$4.7m budget with actuals of \$3.8m.
Venues and Facilities	4,321,287	2,592,868	1,528,419	63%	QEC/Alpine Aqualand renewals \$889k budget vs actuals of \$393k. Awaiting roof tile replacement shut down Sept 2019 to complete. Wanaka Rec Centre Field Floodlights \$150k budget with \$5k actuals. Additional budget required through reallocation 2019-20. Artificial Turf Programme - budget of \$150k with actuals of \$18k. Feasibility and design underway. Implementation re-prioritised due proposed reallocation to \$16 Ladies Mile Development.
3 Waters Programme	60,020	107,295	47,271	179%	Credit reflects reallocation of prior year costs. Procurement and Programme Management costs are allocated to 3-waters projects on a monthly basis.
Information Management	1,491,412	1,087,060	404,352	70%	ICT Projects budget of \$523k with actuals of \$265k. \$207k budget was only allocated in March reforecast. Works commenced for Unified communication project (Skye for business), Citrix and Wi-Fi upgrade to be completed 19/20 due to QLDC resourcing (vacancies/turnover)
Regulatory and Civil Defence	98,500	98,724	224	99%	
Waste Water	17,199,774	11,507,445	5,612,329	67%	Willow Place WWPS Rising Main upgrade \$1.1m budget with actuals of \$0.2m. \$500k budget added in May reforecast. Construction 2019-20. Luggate new WWPS & Cnt to Project Pure \$3m budget with actuals of \$2.2m. Bal c/f to be completed 2019. Recreation Ground new WW Pump Station \$0.6m budget with actuals of \$0.1m. \$0.45m budget allocated in May reforecast. Design contract awarded. Project Pure WWTP upgrade \$23k budget with actuals of \$174k. Design ongoing with completion planned for 2022. Waterwater Treatment Screenings Facility \$599k budget with spend \$37k. Final construction claim expected September 2019. Cardrona new Wastewater Scheme budget of \$656k with spend of \$300k - Negotiating with developers to build. Design 2018-19. Construction 2020-21. Wastewater - Renewals budget of \$1.7m with spend of \$1m. Bal c/f to be completed by August 2019.
Water Supply	14,567,820	10,103,437	4,464,383	69%	Capell Ave House Watermain extension budget of \$564k spend of \$36k. Construction underway, forecast to be completed Nov 2019. Frankton WS Ring Main (Robertson St) \$1.3m budget with actuals of \$1.5m. Bal c/f to be completed 2019. Glenorchy Reservoir upgrade budget of \$470k with spend of \$86k. Council currently undertaking procurement options to mitigate programme risk. Arrowtown new WPS & bores budget of \$1m vs spend of \$734k. Contract for construction awarded June 2019. Shotover Country WS new Bore PS budget of \$247k with spend of \$3k. Business case underway. On track for completion 2020.
Grand Total	104,337,970	76,599,694	28,738,277	72%	



*P&I 3 waters projects delivered under budget include Project Shotover new WW disposal and Quail Rise HIF WW servicing. Projects c/f to be completed late 2019 include N East Frankton SW, Luggate new WWPS c/m to Project Pure and Wastewater Treatment Screenings Facility and Frankton WS Ring Main. \$1m was reallocated from the Wanaka Town Centre Shared Space in the May re-forecast to new minor improvement projects. Renewals for Roadside \$0.9m under budget to offset with maintenance overspend for emergency works. 3 Waters renewal budgets totalling \$0.7m were carried forward to 2019-20 to complete by August. Many of the P&I projects are in early stages of design so substantial carry forwards were approved at the year-end as only major deferrals greater than \$300k have previously been indicated.



**Actuals below budget due to Wanaka Lakefront Development Plan (stage 2 deferred, awaiting decision on preferred options), Queenstown Gardens Development Plan (under tender for design) and TIF funded new toilets (to be completed by Jan 2020 along with bundling construction for other TIF projects)



***Actuals below budget due to timing for Project Connect along with underspends on the enterprise system and GIS software and projects within Knowledge Management of which budgets have now been reallocated to ICT projects which are carried forward to 2019-20.

2018-19 Budget Capex Carry Forward Amounts of \$87.3m to future years

2018-19 was the first year of the 2018-28 LTP, which saw a substantial increase in annual plan budgets (including carry forwards) from \$73m across 253 projects in 2017/18 to \$138m across 350 projects in 2018/19. Adjustments to this budget have been agreed throughout the year as shown in the waterfall graph above. The actual expenditure in 2018/19 was \$75.6m, which was 72% of the adjusted budget of \$104.3m as at 30 June 2019. Overall in the 2018-19 there has been \$87.2m of deferred capex projects. The main reasons for the large number of carry forward into future years from 2018-19 are due to the following:

Programme	2018-19 Budget Carry Forward Amount to future years	Commentary
Property	10,542,829	\$5.3m deferral for Project Manawatu, which includes the new council office and civic heart precinct in Queenstown, has involved working through the new joint venture agreement with Ngāi Tahu before the projects can be progressed further. The agreement was reached with Ngāi Tahu at the June 2019 council meeting. The Wanaka Land Provision carry forward of \$2.0m was just a provision for a land purchase which has not yet been defined.
HIF	10,268,402	A number of HIF (Housing Infrastructure Fund) projects have been delayed due to the Council decision in April around proposed Special Housing Areas in Ladies Mile. Kingston has been dependent on the developer agreements which have now been reached.
Lakeview	4,238,667	The Lakeview Development projects are dependent on developer and lease agreements which are in process
Solid Waste	1,093,950	Solid Waste projects are underway to upgrade facilities in-line with the new contract which was implemented as at 1 st July 2019.
Transport	25,517,560	Deferral of parking improvements \$10.7m to progress options and site investigations and getting considered via RFP. \$8m due to a number of roading projects being in various stages of NZTA approval namely Queenstown Arterials, Queenstown Town Centre Pedestrianisation, park and ride options and mass rapid transit interventions and active travel programme which are dependent on the business cases and masterplan activities. Also Ballymore Road was only approved by NZTA after the 2018-19 financial year by Council following a detailed industry engagement.
Storm Water	3,840,348	A number of projects are awaiting results from modelling outcomes or investigations to inform how the budget should be prioritised, or have been carried forward due to delays in the design process and/or start of construction. Stormwater Carry Forwards total \$1.3m with an additional \$2.4m of costs to come for North East Frankton Stormwater, which is due to be completed August 2019. Storm Water carry forwards total \$3.7m.
Waste Water	7,576,811	The complexity and scale of the 3 Waters Programme has led to a bundled approach to take this work to market. To ensure the efficient and effective delivery of asset improvements, similar and compatible types of work have been bundled together into packages, representing approximately 60 projects. A number of project budgets in the 3 year programme have been re-phased to reflect this delivery approach and are consistent with the long term plan. This approach was agreed early in the financial year by Council following a detailed industry engagement.
Water Supply	17,039,439	The complexity and scale of the 3 Waters Programme has led to a bundled approach to take this work to market. To ensure the efficient and effective delivery of asset improvements, similar and compatible types of work have been bundled together into packages, representing approximately 60 projects. A number of project budgets in the 3 year programme have been re-phased to reflect this delivery approach and are consistent with the long term plan. This approach was agreed early in the financial year by Council following a detailed industry engagement.
Parks and Reserves	3,780,140	\$2.1m relates to the Wanaka lakefront Development Plan which was put on hold awaiting outcomes from the Millennium Tiles discussions and options to offset parking to be removed from the Lakefront.
Venues and Facilities	2,897,619	Venues & Facilities have significantly re-prioritised and rescheduled works due to the QEC pool roof tile and ventilation project. \$0.9m was deferred to 2019/20 for the Two new courts to current stadium project and a number of renewal projects need to wait until the shut-down period of the pool in September to December.
Library	175,335	Still to complete analysis.
Information Management	284,301	Still to complete analysis.
Grand Total	87,255,456	