

TCC Update

2022.AR; 2023.H1.SFR; 2024.AP

Finance & Other Stuff

[Headlines NOT in the BOP Times]

John Robson

- Management Consultant: 1988-2000
 - Associate Member of MRS
- Retired: 2000-2013, 2016-2018, ?
- Councillor: 2013-2016, 2018-2019, 2019-2024?
 - Commission: 2021-2024?
- Former Chair: Finance & Risk; Finance, Audit & Risk
- Former Member: SmartGrowth

Context

- **First Commission:**
 - Term from 9 Feb 2021 to 8 October 2022:
 - Develop an engagement mechanism
 - Deliver a robust 2021-31 LTP
 - Identify and address problems and issues
 - Work with CE to build 'machine' capability & capacity
 - Collaborate to deliver growth plans – esp. housing and transport
 - Develop an exit plan
 - Anything else required to restore trust and confidence
- **Second Commission:**
 - Term from October 2022 to July 2024:

Context

- DIA Assessment of Commissioners' Strengths:
 - 3 Governance & Leadership
 - 1 Local Government Processes
 - 4 Stakeholder Engagement
 - 1 Maturanga Maori & Te Tiriti o Waitangi
 - 1 Infrastructure / Urban Design / Sustainable Infrastructure
 - 2 Natural Resource Management
 - 0 Asset & Financial Management

2022 Annual Report:

- Rates Revenue:
 - 2022: \$234 million
 - 2021: \$190 million
 - **YoY: +23%**

2022 Annual Report:

- Rating Units:
 - 2022: 60,130
 - 2021: 59,650
 - **YoY: +1%**

2022 Annual Report:

- Total Revenue:
 - 2022: \$377 million
 - 2021: \$296 million
 - **YoY: +27%**

2022 Annual Report:

- Net Debt:
 - 2022: \$794 million
 - 2021: \$594 million
 - **YoY: +34%**

2022 Annual Report:

- Expenditure: YoY:
 - Depreciation: +16%
 - Personnel: +13%
 - Finance: +4%
 - Other: +16%

2022 Annual Report:

- Surplus:
 - 2022: \$137 million
 - 2021: \$65 million
 - **YoY: +111%**

2022 Annual Report:

- Current Assets:
 - 2022: \$170 million
 - 2021: \$127 million
 - **YoY: +34%**

2022 Annual Report:

- Other Current Assets:
 - 2022: \$50 million
 - 2021: \$10 million
 - YoY: +400%

2022 Annual Report:

- Current Liabilities:
 - 2022: \$167 million
 - 2021: \$210 million
 - **YoY: -20%**

2022 Annual Report:

- Provisions:
 - 2022: \$7 million
 - 2021: \$32 million
 - **YoY: -78%**

2022 Annual Report:

- Capital Funding:
 - Growth: \$93 million
 - Level of Service: \$81 million
 - **Growth = 53%**

2023 (H1) – SFR Agenda:

- Rates Revenue:
 - 2023: \$266 million (forecast)
 - 2022: \$234 million (actual)
 - **YoY: +14%**

2023 (H1) – SFR Agenda:

- Personnel Expense:
 - 2023: \$94 million (forecast)
 - 2022: \$76 million (actual)
 - **YoY: +24%**

2023 (H1) – SFR Agenda:

- Consultants & Contractors:
 - 2023: \$54 million (forecast)
 - 2023: \$34 million (budget)
 - **Var: +59%**

2023 (H1) – SFR Agenda:

- Operating Deficit:
 - 2023: \$71 million (forecast)
 - 2023: \$42 million (budget)
 - **Var: +69%**

2023 (H1) – SFR Agenda:

- Capital Programme:
 - “High Strategic Impact Project”:
 - 15 green / 15 amber / 1 red
 - “High Strategic Impacts Programmes”:
 - 17 green / 15 amber / 1 red

2023 (H1) – SFR:

- Cameron Road:
 - Stage 1: Amber
 - Completed by end 2023
 - Additional funding MAY be required
 - Stage 2: Amber
 - Business case 6 months behind

2023 (H1) – SFR Agenda (+ LGOIMA):

- Cameron Road Stage 1:
 - Additional funding MAY be required
 - 2020: No ratepayer funding
 - 2021: \$22.5 million
 - 2023: \$48.6 million

2023 (H1) – SFR Agenda:

- Annual Residents Survey:
 - Overall Performance: Net Score
 - 2018/19 (Brownless): +54
 - 2019/20 (Brownless-Powell): +34
 - 2020/21 (Powell-Commission): -2
 - 2021/22 (Commission): -7
 - 2022/23* (Commission): +4

2023 (H1) – SFR Agenda:

- Annual Residents Survey:
 - Image & Reputation: Net Score
 - 2018/19 (Brownless): +24
 - 2019/20 (Brownless-Powell): +5
 - 2020/21 (Powell-Commission): -38
 - 2021/22 (Commission): -29
 - 2022/23* (Commission): -25

LGOIMA:

- Advertising [“All of Council”]:
 - 2023: \$3.4 million
 - 2022: \$3.1 million (YoY: +343%)
 - 2021: \$0.7 million

2024 Annual Plan (draft):

- Rates Revenue:
 - 2024: \$291 million
 - 2021: \$190 million
 - **3xYoY: +53%**
- **Memo: Median Rates 3xYoY: +40%**

2024 Annual Plan (draft):

- Net Debt:
 - 2024: \$1,050 million (\$1.05 billion)
 - 2021: \$594 million
 - **3xYoY: +77%**
- **Memo: Commission cannot deliver developable land!**

2024 Annual Plan (draft):

- Capital Programme: Civic Rebuild
 - 2024AP: \$72 million
 - 2024LTP: \$60 million
 - **Var: +20%**
- **Memo: Civic Rebuild's \$36 million '3Ws' funding gone!**

2024 Annual Plan (draft):

- Capital Programme: Tauriko West Networks
 - 2024AP: \$29 million
 - 2024LTP: \$64 million
 - **Var: -55%**
- Memo: “Re-phased to 2025...”

2024 Annual Plan (draft):

- Capital Programme: Te Maunga
 - 2024AP: \$12 million
 - 2024LTP: \$135 thousand
 - **Var: +8,441%**
- Memo: “Re-phased to 2025...” ??!!

2024 Annual Plan (draft):

- Capital Programme: Te Papa Intensification
 - 2024AP: \$41 million
 - 2024LTP: \$59 million
 - **Var: -31%**
- Memo: “Cameron Road S1 slower than expected...”

2024 Annual Plan (draft):

- No consultation as no significant changes:
 - \$46 million increase in 'op' deficit
 - "... the net increase... is significant"
- **Memo: You couldn't make this shit up!**

Questions...:

- ?