

# Operating performance financial summary

## Operating performance

\$(000's)	FY19 Quarter 2			FY 19	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
<b>Net operating expenditure</b>	<b>4,910</b>	<b>5,590</b>	<b>680</b>	<b>11,244</b>	<b>10,041</b>
<b>Operating revenue</b>	<b>532</b>	<b>686</b>	<b>(154)</b>	<b>1,077</b>	<b>1,077</b>
Community services	532	686	(154)	1,077	1,077
<b>Operating expenditure</b>	<b>5,441</b>	<b>6,277</b>	<b>836</b>	<b>12,321</b>	<b>11,119</b>
Community services	4,559	5,310	751	10,624	9,422
Environmental services	46	130	84	300	300
Governance	421	421	0	832	832
Planning	415	416	1	565	565

Note: Includes Asset Based and LDI

## LDI by activity

<b>Operating expenditure</b>	<b>501</b>	<b>793</b>	<b>292</b>	<b>1,830</b>	<b>1,366</b>
Community services	442	650	208	1,504	1,040
Environmental services	44	127	83	295	295
Planning	16	16	0	32	32

## Commentary

The overall operating results (**net direct expenditure**) at \$4.910 million is 12 percent (\$680,000) below the budget in the first six months of the financial year.

**Operating revenue** is below budget by \$154,000 and mainly from the Landing operations. There is a revenue shortfall on car parking due to an inability to enforce car parking fee payments. Also, current community rates for boat haulage and storage does not provide the revenue generation to meet the forecasted budgets.

**Operating expenditure** at \$5.441 million is below the budget by \$836,00 in the full facility maintenance contract and Locally Driven Initiatives (LDI) expenditure. In LDI, expenditure is below the budget by \$292,000. Several LDI projects are in progress and will be delivered in the next six months.

Projects that are delayed include:

- Mangrove removal at Hobson Bay (\$49,000) and ecological restoration projects (\$56,000) are delayed as the procurement processes are taking longer than expected. In Tahuna Torea (\$50,000), stage one work of removing mangrove is completed in mid-December and an updated monitoring report will be provided in January 2019.
- Enhancing council-owned heritage features (\$43,000), tender documents are completed and request for tender is to be released.
- Christmas event (\$11,000) at Vellenoweth Green was delivered on 2 December 2018 and further invoices are still to be processed.

Consequential opex \$48,000 over the budget. The Board had approval to convert part of their operational expenditure in financial years 2016 to 2018 to fund capital projects and this is reflected under "Consequential opex". The whole year's expenditure has been charged in December instead of June next year.

Note that the 2017/2018 approved operating expenditure carry forward has now been included in the revised budget.

## LDI Operating Expenditure – all projects

Net Operating Expenditure	Year to Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
ACE LDI Staff allocation	95	95	0	189	189
ANZAC	0	0	0	16	16
Christmas events	11	22	11	22	22
Churchill Park planning	0	4	4	10	10
Coastal ecological restoration (mangrove removal at Tahuna Torea)	0	50	50	120	62
Coastal ecological restoration (mangrove removal Hobson Bay)	63	112	49	262	150
Colin Maiden Park planning and prog	13	15	2	30	30
Community Arts Programmes	0	22	22	22	22
Community Library programs	1	1	0	2	2
Consequential opex	96	48	(48)	96	96
Ecological volunteers environmental programme	14	24	10	60	60
Enhancing council-owned heritage features in the area	0	43	43	129	0
Hakumau planning	2	4	2	10	10
Inclusion and diversity	4	5	1	10	10
Landing planning	0	10	10	30	0
Local civic functions	0	2	2	4	4
Local community grants	101	109	8	219	219
Movies in parks local	14	14	0	14	14
OBAG state of the basin/management plan revision	0	13	13	40	20
Parks response fund	10	10	0	40	0
Parks Sports and Rec svc provision	17	8	(9)	20	20
Sport and Active rec facility plan	0	0	0	50	50
Tinana Walkway planning/ Wilson Beach to Shore Road	0	15	15	45	0
Urban Forest (Ngahere) strategy	0	6	6	15	15
Waiatarua Reserve development plan	1	8	7	20	20
Weed management prog parks and walkways	0	10	10	30	0
<b>Total Community services</b>	<b>442</b>	<b>650</b>	<b>208</b>	<b>1,504</b>	<b>1,040</b>

Net Operating Expenditure	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Hobson Bay Catchment Care	0	7	7	28	28
Ecological projects - Restoration of SEA & local parks & reserves	2	58	56	169	169
Ecological restoration in partnership with community/Eastern Bays Songbird initiatives	40	40	0	40	40
Environment Enhancement Plan	0	10	10	10	10
Local streams restoration - Madills Farm Stream restoration & Streamside Assistance Remuera	0	10	10	43	43
Manukau Harbour forum contribution	1	0	(1)	0	0
Tamaki Estuary environmental forum	1	2	1	5	5
<b>Total Environmental services</b>	<b>44</b>	<b>127</b>	<b>83</b>	<b>295</b>	<b>295</b>
Locally Driven Initiatives (ATEED)	16	16	0	32	32
<b>Total Planning</b>	<b>16</b>	<b>16</b>	<b>0</b>	<b>32</b>	<b>32</b>
<b>Total</b>	<b>501</b>	<b>793</b>	<b>292</b>	<b>1,830</b>	<b>1,366</b>

**2017/2018 approved carried forward**

Activity name	Budget
Enhancing council-owned heritage features	\$129,000
Mangrove removal Hobson Bay	\$112,000
Mangrove removal at Tahuna Torea	\$57,700
The Landing planning for dinghy boat ramp	\$30,000
Weed management programme parks and walkways	\$30,000
OBAG state of the basin/management plan revision	\$20,000
Parks response fund	\$40,000
Tinana Walkway planning	\$45,000
<b>Total</b>	<b>\$463,700</b>

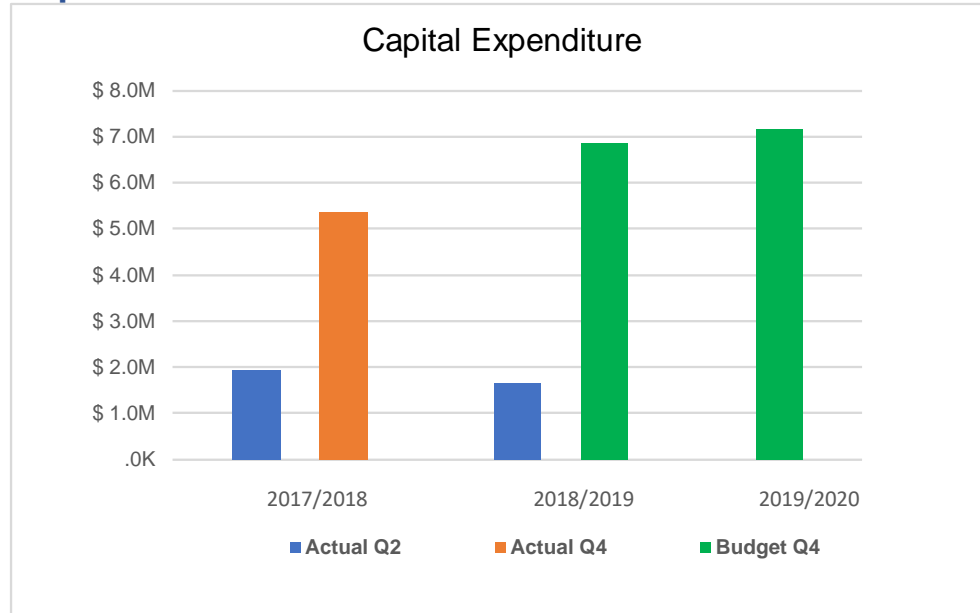
# Capital expenditure summary

## Capital expenditure

\$(000's)	FY19 Quarter 2			FY 19	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
<b>Capital expenditure</b>	<b>1,658</b>	<b>3,212</b>	<b>1,554</b>	<b>6,859</b>	<b>6,754</b>
Community services	1,658	3,212	1,554	6,859	6,754

Note: Includes Asset Based and LDI

## Capital delivered



## Commentary

Capital expenditure at \$1.658 million is 48 percent (\$1.554 million) below the budget in all projects except for Waiatarua Reserve and Shore Road Reserve carpark development which were completed in November 2018.

Capital projects are at various stages of delivery and key projects that are currently below the budget include:

- Greenway and walkway development - Orakei Spine shared path and Tahapa Reserve East improvements - projects are in progress with the completion of detailed design and tender documents.
- Sports development include Colin Maiden Park and Michaels Avenue Reserve. In Colin Maiden Park, Stage 2 have been deferred and Stage 3 to install double hockey turf is on hold awaiting a signed funding agreement. In Michaels Avenue Reserve toilets and changing room, the project is awaiting a decision about ownership/lease arrangement and confirmation from the club as to the extent of the facility and funding.
- Open space redevelopment in Stonefields – Prepared planting design for tender in January 2019.
- Orakei open space development – contract for the path works have been awarded and will start in early February.
- Coastal asset renewals – Anderson Beach renewal of retaining seawall – reviewing tenders received.

Further details by projects are in the Quarter 2 Work Programme update.

Note that the revised budget (\$6.859 million) included the 2017/2018 approved capital expenditure brought forward.

## Capital Expenditure – all projects

Project Name	Year To Date (\$000)			Full Year (\$000)	
	Actual	Revised Budget	Variance	Revised Budget	Annual Plan
Local asset renewals programme	424	840	416	2,253	2,175
Greenway and walkway development	31	667	636	1,658	1,585
Parks - Coastal asset renewals	44	373	329	644	657
Sport development	85	356	271	552	1,260
Locally driven initiatives (LDI Capex)	146	322	176	1,098	536
Open space redevelopment (Stonefields)	61	292	231	292	200
Orakei Open Space development	(83)	200	283	200	270
Waiatarua Reserve carpark development	600	70	(530)	70	70
General park development	38	62	24	62	0
Shore Road Reserve eastern carpark development	172	29	(143)	29	0
Various parks projects - AT funded	137	0	(137)	0	0
Wilson's Beach Reserve	2	0	(2)	0	0
<b>Total Community services</b>	<b>1,658</b>	<b>3,212</b>	<b>1,554</b>	<b>6,859</b>	<b>6,754</b>
<b>Total</b>	<b>1,657</b>	<b>3,211</b>	<b>1,554</b>	<b>6,859</b>	<b>6,754</b>

<b>Locally driven initiatives (LDI Capex)</b>	<b>\$'000</b>
FY2018/19 capex allocations	990
FY 2017/18 c/f Churchill pathways design and consent in FY18 and build in FY19	101
FY 2017/2018 c/f Built Heritage Improvements	7
<b>Revised LDI budget</b>	<b>1,098</b>