



Agenda

Southland District Council

Wednesday, 1 April 2026, 10am
Council Chamber, Level 2, 20 Don Street, Invercargill



Mayor
Deputy mayor
Councillors

Rob Scott
Christine Menzies
Jaspreet Boparai
Don Byars
Phil Dobson
Paul Duffy
Sarah Greaney
Julie Keast
Tom O'Brien
Brian Somerville
Jon Spraggon
Michael Weusten
Matt Wilson

What is important to us?

Our strategic framework is a big picture of what Council is planning to achieve for our communities in the next three years.

Council vision

Together, with our people, for our future. It's our Southland!

Council mission

Working together for a better Southland.

Our focus is

Strategic priorities



Connected and resilient communities - we collaboratively engage with our partners and communities, along with investing in agile and sustainable practices, to support a vibrant and thriving Southland.



Ease of doing business - we transform the customer experience through partnership, technology and continuous improvement.



Providing equity - we enable all residents to be able to access the same services and tools as part of a fair society.



Robust infrastructure - we deliver innovative and sustainable community focused infrastructure and facilities for the future



Thinking strategically and innovatively - we look for solutions outside of the norm and are not afraid to do something that we have not done before, and we think long-term about the solutions we are providing, while having the flexibility and agility to change direction as necessary.

Our goals for the LTP 2024-2034 are

Outcomes



Social - communities that are connected and have an affordable and attractive lifestyle.



Environmental - communities committed to the protection of our land and water.



Cultural - communities with a sense of belonging for all.



Economic - communities with the infrastructure to grow.



1 Opening

The Mayor will open the meeting with a Karakia Timatanga.

2 Apologies

At the close of the agenda no apologies had been received.

3 Leave of absence

At the close of the agenda no requests for leave of absence had been received.

4 Conflict of interest

Councillors are reminded of the need to be vigilant to stand aside from decision-making when a conflict arises between their role as a councillor and any private or other external interest they might have.

5 Additional agenda items

Any additions to the agenda must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

6 Confirmation of minutes

[Minutes](#) of the Council Meeting held on 25 March 2026.

Confidential Minutes of the Council Meeting held on 25 March 2026.

7 Public participation

Requests to speak should be made by midday of the day before the meeting. Further information is available on www.southlanddc.govt.nz or phoning 0800 732 732.

8 Reports

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8.1 Forecasted financial position for the year ending 30 June 2026

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9 Public excluded reports

Exclusion of the public

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9.1 Rakiura Energy - unbudgeted expenditure for land purchases

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10 Closure

The Mayor will close the meeting.

Summary of reports

	Report Name	Purpose	Report Type	Page
8.1	Forecasted financial position for the year ending 30 June 2026	To inform and seek Council approval for the forecasted year-end financial result. To seek Council approval for unbudgeted expenditure requests and the deletion and deferral of a number of projects.	Decision	7

Forecasted financial position for the year ending 30 June 2026

Record no: R/26/3/106161
Author: Joanie Nel, Senior accountant
Approved by: Anne Robson, Group manager finance and assurance
Report type: Decision

Purpose

- 1 To inform and seek Council approval for the forecasted year-end financial result.
- 2 To seek Council approval for unbudgeted expenditure requests and the deletion and deferral of a number of projects.

Staff recommendations

That the Council:

- a) notes the information contained in the report.
- b) notes that the matter or decision in this report is assessed as being administrative but not significant based on Council's Significance and Engagement Policy.
- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) Approves the following retrospective unbudgeted expenditure and associated funding source (attachment C)

Business Unit	Expense	Amount	Funding source
Rec Reserves Oreti	Miscellaneous grant to Lochiel Hall Society for floor repairs	\$1,783	Reserves
Community Housing Collective	FHOUS014 (Community Housing – internal paint two units)	\$9,418	Loan met from loans not now required on projects P-11494 (Community Housing - replace roof) and P-11490 (Community Housing - exterior repaint 25 units)
Water supply Tuatapere	Ultra violet system replacement needed to maintain levels of service and meet ongoing compliance standards	\$115,155	Loan met from loans not required on other projects

e) Approves the following unbudgeted expenditure and associated funding source (attachment C)

Business Unit	Expense	Amount	Funding source
Dog and Animal Control	Legal costs on prosecutions	\$44,900	Additional infringement income
Southland Joint Mayoral Fund	Miscellaneous grant – wind event	\$94,536	Grant income
Information services	Software licence fees	\$75,000	Reserves
Community facilities	Consultants	\$100,000	Reserves
District water	Maintenance as a result of storm costs	\$130,000	Loan
Resource consent processing	Peer reviews on technical reports	\$198,000	General recoveries
Resource consent processing	Hearing commissioner charges	\$22,560	General recoveries
Roading – district wide	Routine drainage charges	\$300,000	NZTA/reserves
Roading – district wide	Seal Rd resurface renewal	\$300,000	NZTA/reserves
Roading – district wide	Structure component renewal	\$200,000	NZTA/reserves
District sewerage	Maintenance as a result of storm costs	\$130,000	Additional Rental Income
Wheelie bins	Waste disposal volume costs	\$120,000	Reserves
Parks & Reserves Stewart Island	Interpretation panels	\$9,330	Grant income
Septic Tank cleaning Woodlands	Septic tank cleaning	\$1,000	Reserves
Community Housing Collective	FHOUS028 (Community Housing – 6 Pioneer Place refurbishment)	\$45,000	Loan
Community Housing Collective	FHOUS029 (Community Housing – 10 Pioneer Place refurbishment)	\$50,903	Loan
Community Housing Collective	P-11470 (Edendale Community Housing – 56 Seaward Road repairs)	\$25,962	Loan
Information Management	Consultants	\$67,500	Loan
District Sewerage	District wide wastewater strategy planning - WEPS	\$200,000	Loan
District Sewerage	Stewart Island -Wastewater Oxidation Pond Desludging	\$260,000	Loan
Sewerage scheme Winton	Winton Wastewater - Aerator renewal	\$120,000	Loan
District Stormwater	District Wide stormwater improvements	\$227,550	Loan

f) Approves the deferral of the following items to future years as indicated (attachment D)

Business unit	Project/Item	Amount	Year deferred to	Funding Source
Cemetery Riverton	Purchase land to increase Riverton cemetery	\$205,836	2026/2027	Reserves
Water supply Eastern Bush	Eastern Bush water supply upgrade stage 1	\$100,000	2026/2027	Loan
Hall Colac Bay	Colac Bay Hall - Pile fasteners, ramps and paths	\$12,240	2026/2027	Reserves
Harbour	Riverton T Wharf replacement - demolition & construction	\$50,000	2026/2027	Loan
Parks & Reserves – Colac Bay	Colac Bay Surfer statue refurbishment	\$90,000	2026/2027	Loan
Parks & Reserves – Te Anau	Te Anau Basin Development Project	\$377,837	2026/2027	Loan
Parks & Reserves – Wallacetown	Wallacetown Recreational Project	\$70,000	2026/2027	Grants
Parks & Reserves - Winton	Winton Great North Road Development	\$20,000	2026/2027	Reserves
Water supply Takitimu	Te Anau Rural Water Takitimu Scheme - Switchboard & pumps & new bore	\$150,000	2026/2027	Loan
Sewerage Scheme Balfour	Balfour wastewater Consent renewal and replacements multi-year project	\$46,266	2026/2027	Loan
Sewerage Scheme Gorge Road	Gorge Road wastewater consent renewal	\$95,000	2026/2027	Loan
Sewerage Scheme Monowai	Monowai Wastewater resource consent renewal & investment	\$60,000	2026/2027	Loan
Sewerage Scheme Nightcaps	Nightcaps Wastewater treatment upgrade multi-year project	\$50,000	2026/2027	Loan
Sewerage Scheme Te Anau	Te Anau wastewater removal of sludge from geobags onsite at WWTP	\$25,000	2026/2027	Loan
Sewerage Edendale/Wyndham	Edendale/Wyndham Wastewater treatment plant - consent renewal preparation	\$50,000	2026/2027	Loan
Stewart Island Jetties	Stewart Island Rakiura Golden Bay Wharf renewal	\$29,000	2026/2027	Loans, grants
Stewart Island Jetties	Rebuild Ulva Island Jetty	\$60,000	2026/2027	Loans, grants

Business unit	Project/Item	Amount	Year deferred to	Funding Source
Stormwater Drainage Te Anau	Te Anau Stormwater Lakefront discharge improvements multi-year project	\$150,000	2027/2028	Loan
Stormwater Drainage Te Anau	Te Anau Stormwater upgrade	\$250,000	2026/2027	Loan
Public conveniences	District wide toilets renewal preparation	\$101,600	2027/2028	Loan
Public conveniences	District wide toilets renewal preparation	\$37,596	2026/2027	Loan
District refuse sites	Solid Waste - Otautau closed landfill protection works	\$1,000,000	2026/2027	Loan
Information Centre	Lumsden information centre exterior & interior repaint and various repairs	\$30,000	2026/2027	Loan

g) **Approve the bringing forward of the following project budgets from future years (attachment E)**

Business unit	Project	Amount	Funding source
Community housing	FHOUS003A now called "Community housing units refurbishment" from "Internal repaint community housing" for the refurbishment of unit at 50A King Street Otautau	\$60,000	Loan
Sewerage scheme Stewart island	Wastewater consent renewal	\$25,000	Loan
Stewart Island Jetties	Millers Beach refurbishment	\$11,774	Loan
District Sewerage	Purchase of additional SCADA for Te Anau to take advantage of pricing	\$100,000	Loan

h) **Approve the budget reduction of the following project budgets for the 2025/2026 financial year (attachment F)**

Business unit	Project/ comments	Account	Funding source	Forecasting variance
Street works Waikaia	FFOOT100 – Otta Seal Upper Newburn Road	Improvements	Loan	\$55,000
Property Sales	Budget reduced due to spatial plan review	Commission and Levies	Reserves	\$108,583
Property Sales	Budget reduced due to spatial plan review	Legal Costs	Reserves	\$15,992

Business unit	Project/ comments	Account	Funding source	Forecasting variance
Property Sales	Budget reduced due to spatial plan review	Survey expenses	Reserves	\$10,744
Water Supply Mount York	Mt York Rural water consent renewal preparation-multi year	Water acquisition	Loan	\$25,000
Water Supply Takitimu	Te Anau Rural – Takitimu consent renewal	Water acquisition	Loan	\$25,000
Community Housing Collective	Exterior repaint 25 units	Maintenance Project	Loan	\$72,166
Community Housing Collective	Roof replacement	Buildings – Renewal	Loan	\$59,117
Information management	District wide digitisation projects	Consultants	Loan	\$67,500
District Water	Multi-year project for water plant dosing & monitoring instrumentation	Water – Renewal	Loan	\$115,155
District Sewerage	District wide wastewater main reticulation network renewals multi year project	Sewerage – Renewals	Loan	\$100,000
Sewerage Scheme Balfour	Balfour wastewater consent renewal & replacements	Sewerage - Acquisition LOS	Loan	\$100,000
Sewerage Scheme Stewart Island	Stewart island wastewater-replacement of deteriorating wet wells or refurbishment	Sewerage – Renewals	Loan	\$380,000
Sewerage Edendale/ Wyndham	Edendale/Wyndham wastewater treatment plant consent renewal preparation	Sewerage - Acquisition LOS	Loan	\$100,000
Stormwater Drainage - Ohai	Ohai Stormwater - Investigations and renewals	Stormwater – Renewal	Loan	\$227,550

- i) [Receives and agrees to the forecasted changes to Council’s year-end financial performance and position as detailed in attachment A and B](#)
- j) [Notes that approximately \\$915,000 of footpaths will be carried forward at year end at which time the towns and related budgets will be known in detail](#)

Executive summary

- 3 Forecasting the financial position for the year ended 30 June 2026, is intended to provide information about what has changed since the budget was approved on the 25 June 2025, why it has occurred and the expected result at the end of the year. Only major changes have been

- included in this forecasting round. These changes are based on the best knowledge that the relevant staff have at a point in time and events can overtake this.
- 4 The potential sale of Milford Sound Tourism Limited shares has not been included in this report as the share transfer process is still in progress, with a proposed settlement at the end of March. The sale however will be reflected in the relevant monthly and annual financial reports once the transaction has concluded.
 - 5 In considering the final position, staff considered the following:
 - what was planned to be undertaken in the 2025/2026 Annual Plan
 - the projects carried forward from 2024/2025 that were approved by Council on 27 August 2025
 - unbudgeted expenditure requests approved by Council or committees up to the 5th of February 2026
 - the capital delivery programme review as discussed at the Finance and Assurance committee meeting on 10 December 2025
 - the expected year end position as a result of operational decisions and information made in the development of the 2026/2027 Annual Plan.
 - 6 Overall revenue is forecast to increase by \$1.2 million. This is a combination of carry forwards NZTA and other grant income (\$4.9 million increase), changes due to the review of the capital delivery programme undertaken in December 2025 (\$3.5 million decrease), changes as a result of this process (\$198 thousand decrease). The reduction is mainly as a result of lower funding as projects were moved to future years as well as property sales budgets being put on hold due to the spatial plan review.
 - 7 Overall operating expenditure has increased by \$4 million. This is a combination of amounts carried forward from 2024/2025 that was approved by Council in August 2025 (\$4.5 million increase), unbudgeted expenditure and capital delivery changes (\$881 thousand reduction) and further changes as a result of this forecasting process (\$337 thousand increase).
 - 8 The majority of the forecast changes relate to capital spend. The carry forwards resulted in an increase of \$17 million, while the unbudgeted expenditure and capital programme delivery review resulted in a decrease of \$12 million. This round of forecasting resulted in a further decrease in capital spend of \$2 million with projects either moved to future years or deleted.
 - 9 The effect of the forecast changes on the Statement of Comprehensive Revenue and Expenditure and Statement of Financial Position are shown in attachments A and B. Staff have made no attempt to revisit the infrastructure or forestry revaluations. During the development of this report the availability of fuel is becoming a worldwide issue, this has not been addressed in here and may impact both costs and the year end revaluations.
 - 10 As part of the resolutions Council is being asked to approve a number of unbudgeted expenditure requests that have not been considered by Council previously (refer attachment C) including 3 items of retrospective unbudgeted expenditure. Additionally, there are a number of projects that have been identified as needing to be deferred to future years (attachment D) or brought forward from future years (attachment E). Projects budgeted to be reduced are identified in attachment F.

- 11 From the project budgets included in Attachment C some projects have been funded through the reduction of budgets in other projects being \$131,283 for Community housing, \$67,500 for Information management, \$580,000 in District sewerage, \$115,155 in District water and \$227,550 in Stormwater.
- 12 In terms of the capital programme, the majority of works are in progress. However, some level of carry forwards at year end will still occur where projects are still in construction etc.
- 13 The footpath activity has a program for delivery in 2025/2026 of \$1.5 million. This is a combination of footpath renewals and other projects including additional treatment of roads, pedestrian facilities and speed feedback signs. The \$1.2 million footpath renewal programme was discussed with Community Boards during the development of the Annual Plan 2025/2026 and procurement is currently underway. It is expected to award the contract(s) relating to the renewals in late April with construction occurring over winter (this timing is when contractors often prefer to undertake this work). This will result in an estimated \$915,000 being constructed early in the 2026/2027 financial year. With this work being completed in fourteen towns across the district, staff are unable to identify which areas will be completed before 30 June 2026. This detail will only be understood once the contract(s) are awarded and staff understand how many contractors are involved and where they intend to start the programme. With each town having its own project and funding stream we have been unable to reliably identify which projects to reduce in this forecast and expect there will be a carry forward in relation to the footpath programme of \$915,000 at year end.
- 14 Changes identified in this report that will affect the 2026/2027 financial year will be incorporated into the final 2026/2027 Annual Plan that will be presented to Council in June 2026

Context

- 15 Forecasting enables transparency and informs Council of the anticipated year-end financial result.
- 16 The finance team, budget managers and their general managers have focussed on major changes in this forecasting round, with a particular emphasis on projects.
- 17 Changes due to forecasting have been included in the attachments as follows:
 - Attachment A - shows the net effect of the changes to the statement of comprehensive revenue and expenditure for the year ended 30 June 2026 including net surplus/(deficit)
 - Attachment B - shows the effect of changes to the statement of financial position for the year ending 30 June 2026
 - Attachment C – provides details of unbudgeted expenditure to be approved as part of forecasting including retrospective unbudgeted expenditure
 - Attachment D - provides details of the specific projects being deferred to future years
 - Attachment E - provides details of the specific projects being brought forward from future years
 - Attachment F – provides details of the specific project budgets being reduced.
- 18 Staff have endeavoured to ensure that Community boards are aware of changes to local budgets.

Revenue

- 19 Overall revenue has increased by \$1.2 million. This is a combination to fund the carry forwards (\$4.9 million increase, NZTA and other grant income mainly) changes due to the review of the project delivery programme undertaken in December 2025 (\$3.5 million decrease), changes as a result of this process (\$198 thousand decrease). The reduction is mainly as a result of lower funding as projects were moved to future years as well as property sales budgets being put on hold due to a pending spatial plan review.
- 20 Operating Costs Overall operating expenditure has increased by \$4 million. This is a combination of amounts carried forward from 2024/2025 (\$4.5 million increase), unbudgeted expenditure and project delivery changes (\$881 thousand reduction) and further changes as a result of this forecasting process (\$337 thousand increase).
- 21 A review of the community housing 2025/2026 projects has been carried out. Some of the planned projects have been amended to ensure funds are available and are directed toward addressing current priority works. In particular, that adequate funds are available for two key priorities, these being the renovation and re-letting of currently vacant housing units and secondly to ensure that there are adequate funds to carry out necessary maintenance works. A key focus for the activity is achieving a break-even financial result in the activity.
- 22 There was no additional budget forecasted for storm damages that occurred at the storm event of 23 October 2025 for the community facilities as the total costs were unknown at the time. Costs are being presented to the insurance brokers as and when they come through and it is expected that part of the costs will be recoverable from insurance. There have been additional budgets forecasted for storm damage in district water and district sewerage related to costs not covered by insurance such as obtaining temporary generators.
- 23 Key explanations of the \$337 thousand of forecasting changes to other council expenditure as a result of this forecasting process are as follows:
- \$44,900 increase in legal costs required for the dog and animal control funded from additional income from infringements
 - \$75,000 increase in software licence fees required due to additional costs from software vendors and the software used, funded from reserves
 - \$94,536 increase in Southland Joint Mayoral fund miscellaneous grant payments in relation to the wind effect to match grants received from Central Government
 - \$100,000 increase in consultants fees to fund community facilities contract renewal processes funded from reserves
 - \$130,000 increase in unplanned maintenance costs for district water due to storm related costs funded from a loan
 - \$198,000 additional consultants costs for resource consent processing due to external peer reviews for technical reports required on more complex consent applications for fast track consents these are on-charged to the applicants
 - \$22,560 increase in hearing commissioner charges as a result of the increased volume of notified consents in the current financial year fully recovered from the applicants
 - \$300,000 added to routine drainage maintenance as part of the additional programme approved by the NZTA

- \$130,000 increase in unplanned maintenance for District sewerage due to storm related costs funded by an increase in rental income
 - \$120,000 increase in waste disposal budget due to higher volumes of waste being disposed, funded from waste reserves
 - \$1,000,000 decrease in landfill remediation costs at Otautau, as the project has been deferred to 2026/2027 to be funded by a loan.
- 24 Capital Expenditure Overall capital expenditure has increased by \$2.8 million. The carry forwards resulted in an increase of \$17 million, while the unbudgeted expenditure and capital programme delivery review resulted in a decrease of \$12 million. This round of forecasting resulted in a further decrease in capital spend of \$2 million with projects principally moved to future years.
- 25 Historically there would be a net decrease from the annual plan for the year after forecasting. This year it has not occurred due to \$7.7 million of unbudgeted expenditure for the SIESA renewable energy project approved on 18 July 2025. Roading has also included additional programme from NZTA of \$500,000. If these were excluded from the overall workings there would be a \$5.4 million decrease in capital expenditure.
- 26 During the year NZTA have approved additional funding of \$1,750,000 for component renewals on the Monowai suspension bridge and \$2,000,000 for local pothole prevention. It is expected that some of this work will be started during 2025/2026 with the majority completed in 2026/2027 and included in the Annual Plan. Included in forecasting is unbudgeted expenditure for \$200,000 for design and investigation for the Monowai suspension bridge and \$600,000 for local pothole prevention. Local pothole prevention has been included as \$300,000 for resurfacing and \$300,000 for drainage maintenance. This work will be funded 55% by NZTA and the remainder from the roading rates already collected.
- 27 Water supply projects being deferred to 2026/2027 include the Eastern Bush water supply upgrade, for which design and investigation work continues. The intention is to go to tender in 2026/2027 with the current budget not required in full for this year and \$100,000 being deferred to 2026/2027. Due to the weather conditions, the pump portion (\$150,000) of the Takitimu rural water scheme switchboard and pump project needs to be removed to next summer (following land access approval.) The switchboard portion is to be completed this year.
- 28 Water Supply projects being cancelled include consent renewals for the Takitimu and Mt York rural water schemes of \$25,000 each as the consent renewals are being prepared in-house, which have now been lodged with Environment Southland and the total allowed budget is not required. A repurpose of budget has been requested as the asset management water plant dosing and monitoring instrumentation project is complete for the year with further budgets allowed next year and the years following. The unutilised budget of \$115,005 has been transferred to the Tuatapere UV replacement unit. The Tuatapere UV system replacement units project has been undertaken for compliance requirements, the costs of installation were higher than originally projected.
- 29 Two stormwater projects in Te Anau have been deferred with the multi-year project for the Lakefront discharge improvements being deferred to the LTP (\$150,000), as only \$76,000 is required for the work to be undertaken this year. The stormwater upgrade (Sandy Brown Road) has moved \$250,000 to the 2026/2027 financial year when the physical works will be undertaken. The remaining budget for the current year will fund consulting, design, and land purchase. The budget in the previous financial year rectified all known drainage issues within Ohai and a large amount in Nightcaps. The LTP budget had funds within the 2025/2026 period

for additional works, in which there is no known issues to rectify. We are proposing to repurpose this budget of \$227,500 to complete urgent issues within the district and is being proposed to reallocate to the new project for District Wide Stormwater Improvements.

- 30 The new wastewater discharge standards were initially due in September 2025 but delayed until December in 2025/2026. \$200,000 of the consent renewal budgets for the various projects are proposed to be combined into a new project to develop a Districtwide Wastewater Environmental Performance Standards (WEPS) Strategy with the balance of the budgets (\$301,266) deferred to 2026/2027. The Stewart Island wet well chamber replacement project budget is forecast to be reduced as this will only be in final design in the current year. The reduction in the budget of \$380,000 is proposed to be utilised on two other projects being the desludging on Stewart Island and a replacement aerator for Winton. There is further budget allowed for wet wells in later years. Further budget (\$260,000) is required for the oxidation pond desludging on Stewart Island due to the earthworks involved in the project. The original plan was to use the materials removed at the site, however imported fill is now required onto the site and there has also been delays with weather conditions. The current oxidation pond has experienced treatment issues that relate to odour complaints from elected members and members of public. A new project is proposed to upgrade the current aerator system at Winton (\$120,000). The Stewart Island consent renewal has been issued in the current year with final costs received, during the December capital delivery review it had been forecast to be finalised in the 2026/2027 financial year and \$25,000 had been moved as part of that process, this is being reversed as part of forecasting, with the project in 2026/2027 no longer being required

Forecasted financial results

- 31 The 2025/2026 Annual Plan anticipated a deficit of \$7.9 million for the year ended 30 June 2026. As a result of carry forwards, approved unbudgeted expenditure and forecasting changes outlined in this report, the overall total forecast net deficit for the year is projected to be \$10.6 million. Refer to attachment A for detail of the forecasted statement of comprehensive income and expense.
- 32 The net asset position at 30 June 2026 was anticipated to be \$2.27 billion in the 2025/2026 Annual Plan. The forecast position after forecasting, adjusting for the actual 30 June 2025 results and other adjustments (carry forwards and unbudgeted expenditure), is projected to be \$2.34 billion. Refer to attachment B for detail of the forecasted statement of financial position.
- 33 The potential sale of Milford Sound Tourism Limited shares has not been included in this report as the share transfer process is still in progress, with a proposed settlement at the end of March. The sale however will be reflected in the relevant monthly and annual financial reports once the transaction has concluded.

Benchmarks

- 34 As part of the 2025/2026 Annual Plan, Council budgeted to achieve 153% of its benchmark of capital expenditure to exceed depreciation, on the four network infrastructure services (transport, stormwater, sewerage and water supply) in 2025/2026. The essential services benchmark set by legislation is 100%. After the changes proposed for forecasting, this benchmark is now expected to achieve 80%. The revaluations of these assets at year-end will have an impact on the depreciation, and accordingly this benchmark.

35 The summary of the year-end benchmarks based on the revised forecasted results are as follows:

Benchmark	Quantified Limit	Planned as per AP 25/26	Achieved	Revised Forecasted Result 25/26	Achieved
Essential Services Benchmark	100%	152.7%	✓	79.6%	not achieved
Debt Affordability Benchmark	175%	110.0%	✓	91.3%	✓
Balanced Budget Benchmark	100%	98.5%	not achieved	91.9%	not achieved
Debt Servicing Benchmark	10%	4.8%	✓	3.9%	✓

ISSUES

- 36 Forecasting is part of the ongoing process to enable Council to understand its year end result. This includes early identification of projects that will not be completed by the end of the current financial year. Forecasting also provides an opportunity to approve anticipated unbudgeted expenditure during the year. This should reduce the number of individual requests needing to be considered by Council. Any works not started or completed by year end will be included as part of the carry forward report presented to Council in August/September 2026
- 37 The forecasting report was presented to the Finance and Assurance Committee meeting held on the 25th of March 2026.
- 38 The forecasting process has identified projects to be deferred and brought forward. Schedules of these projects are included in attachment D and E.
- 39 From the project budgets included in Attachment C some projects have been funded through the reduction of budgets in other projects being \$131,283 for Community housing, \$67,500 for Information management, \$580,000 in District sewerage, \$115,155 in District water and \$227,550 in Stormwater. The below tables summarise this:

Community facilities:

Project No.	Project Description	Budget Prior to Reallocation Request	Reallocation of Budget Request	Budget Post Reallocation Request
P-11494	Community Housing - Replace roof	\$149,900	(\$59,117)	\$90,783
P-11470	56 Seaward Road repairs	\$114,038	\$25,962	\$140,000
P-11491	Community Housing Internal paint 2 units	\$12,240	\$9,418	\$21,658
New project	Refurb to 6 Pioneer Place Edendale	-	\$23,737	\$45,000
			\$ 21,263	
New project	Refurb to 10 Pioner Place Edendale	-	\$50,903	\$50,903
P-11490	Community Housing - Exterior repaint 25 units	\$129,540	(\$72,166)	\$57,374
		\$405,718	-	\$405,718

Water and Wastewater:

Project Number	Project Name	Budget Prior to Reallocation Request	Reallocation of Budget Request	Budget Post Reallocation Request
Retrospective Unbudgeted				
P-10489	District Water Supply - Dosing and monitoring instrumentation	\$ 115,005	(\$115,005)	\$ -
P-11266	Tuatapere Water Supply - Ultraviolet system replacement	\$ 42,479	\$ 115,005	-\$ 157,484
Unbudgeted				
P-10436	Ohai Stormwater - Investigations and renewals	\$ 227,550	(\$227,550)	\$ -
P-11501	District Wide stormwater improvements	\$ -	\$ 227,550	-\$ 227,550
P-11381	Stewart Island/Rakiura Waste Water - Wetwell chamber replacement	\$ 500,000	(\$380,000)	-\$ 120,000
P-10452	District Wide Waste Water - Completion of oxidation pond desludging	\$ 325,102	\$ 260,000	-\$ 585,102
P-11503	Winton Waste water aerator replacement	\$ -	\$ 120,000	-\$ 120,000
P-10453	Edendale/Wyndham Waste Water Treatment Plant - Consent renewal treatment upgrade	\$ 103,734	(\$100,000)	-\$ 3,734
P-10454	Edendale/Wyndham Waste Water Treatment Plant - Consent renewal preparation	\$ 100,000	(\$100,000)	-\$ 0
P-11502	District wide waste water strategy planning - WEPS	\$ -	\$ 200,000	-\$ 200,000
		\$ 1,413,870	\$ -	-\$ 1,413,870

- 40 A summary of the movement of projects (both capital and operational) as a result of carry forwards, unbudgeted expenditure requests and forecasting for the 2025/2026 year is as follows, resulting in a revised programme of \$73 million:

Activities	2025/2026 Annual Plan	Carry Forwards	Unbudgeted Expenditure	Other council approved changes	Proposed Forecast	Total Expected Budget
Community Resources:						
Offices & Buildings	\$6,778,927	\$339,400	-	-	-	\$7,118,327
Toilets	\$1,769,336	\$1,295,227	-	(\$943,934)	(\$139,196)	\$1,981,433
Parks & Reserves	\$2,666,842	\$1,434,954	\$308,726	(\$1,194,584)	(\$557,837)	\$2,658,101
SIESA	\$288,150	-	\$7,750,000	-	-	\$8,038,150
Community Housing	\$316,160	\$114,038	-	-	\$60,000	\$490,198
Others (*)	\$495,249	\$1,967,512	\$74,021	(\$126,595)	(\$1,248,076)	\$1,162,111
Corporate Service	\$754,800	\$904,123	-	(\$574,360)	-	\$1,084,563
Three Waters and Waste						
Water	\$6,536,807	\$1,518,718	\$750,000	(\$3,359,812)	(\$300,000)	\$5,145,713
Sewerage	\$13,759,350	\$2,550,509	-	(\$8,592,857)	(\$301,266)	\$7,415,736
Stormwater	\$3,278,790	\$1,475,228	-	(\$195,000)	(\$400,000)	\$4,159,018
Transport:						
Airport	-	\$818,845	-	-	-	\$818,845
Footpaths	\$1,384,159	\$218,958	-	(\$40,000)	(\$55,000)	\$1,508,117
Roading	\$30,753,157	\$5,297,220	-	(\$5,394,987)	\$500,000	\$31,155,390
Others (**)	\$1,759,091	\$853,294	-	(\$1,864,304)	(\$127,226)	\$620,855
	\$70,540,818	18,788,025	\$8,882,747	(\$22,286,433)	(\$2,568,601)	\$73,356,556
**Others* - under Community Resources includes activities such as Cemeteries, Halls, Library Services, Other Property and Waster Services						
** *Others* under Transport includes activities such as Boat Ramps, Cycle Trails, Harbour and Stewart Island Jetties						

“Other council approved changes” in the above table refer to the capital programme delivery review changes discussed in December 2025 as well the changes approved as part of the Annual Plan discussion to by Council on the 25th of February 2026.

- 41 Additional changes identified as part of this forecasting process, will affect the 2026/2027 Annual plan and the quantum of projects to be delivered. This is summarised as below:

Projects as per the 2026/2027 Annual Plan	\$
Projects for the 2026/2027 draft Annual Plan	87,777,360
Projects from 2025/2026 to be moved to future years	3,030,374
Revised Projects 2026/2027	90,807,734

Impact of forecasting on rates

- 42 The changes indicated may impact future years rates requirements depending on how they are funded. Council generally only rate for loan repayments in the year following the loan being established, however in some cases rates may have been collected if it was expected that a loan would be drawn down and it wasn't as a result of resource delays etc. Where rates are collected these are transferred to the relevant rates reserve for use in the future. Additionally, some costs indicated may have flow on effects to future operational costs, where possible the 2026/2027 Annual Plan has incorporated these.
- 43 The changes will not impact the rates for the current 2025/2026 year, as the rates have been struck for this year and three of four instalments have been invoiced. Generally, rates to repay loans used to fund projects are collected in the year following the loan draw down however there may be a few instances where projects are expected to be completed in a year and for some reason they are not. As a result, collection of principal and interest may occur, should this happen the remaining funds are transferred to the relevant rating reserve at year end to be used for costs going forward.
- 44 There is still a risk that the actual result achieved at 30 June 2026 differs from what has been forecasted and therefore this could give rise to over or under rating depending on the circumstances.

Options

- 45 The options are to approve or not, in full or in part, the forecasted adjustments to the expenditure for the 2025/2026 Annual Plan.
- 46 **Recommended option:** Option 1 – Approve all forecast changes recommended including any adjustments agreed at the meeting.

Option 1 – Approve all forecast changes recommended including any adjustments agreed at the meeting

Advantages	Disadvantages
<ul style="list-style-type: none"> • Council is informed of anticipated changes from the 2025/2026 Annual Plan • Council has had the opportunity to prioritise expenditure to be incurred in the current financial year • Council staff are able to procure as required to provide services to the community in the most appropriate manner 	<ul style="list-style-type: none"> • Deferral of projects which are going to be completed and/or costing more than previously indicated

Option 2 – Do not approve, in part or in full, the forecast changes recommended

Advantages	Disadvantages
<ul style="list-style-type: none"> • Council has more time to consider anticipated changes from the 2025/2026 Annual Plan • Council has the opportunity to prioritise expenditure to be incurred in the current financial year 	<ul style="list-style-type: none"> • Processes may be delayed where further approval needs to be sought from Council before committing to additional expenditure • Impact of the flow on effect of changes may not be incorporated into the 2026/2027 Annual Plan

Legal considerations

- 47 There are no legal or statutory requirements in regards to forecasting Council's end of year position.

Strategic alignment

Strategic direction

- 48 Forecasting support the Council's strategic direction by ensuring accurate, transparent and reliable financial reporting. This contributes to effective decision making and public trust

Policy and plan consistency

- 49 Council staff must ensure that all expenditure is carried out within approved delegations. The current financial delegations only allow the chief executive to approve district unbudgeted purchases of plant, capital items and goods and services expenditure up to \$10 thousand. Everything else must be approved by Council.

Financial considerations

- 50 The forecasting that has been completed shows that a net deficit after these forecasting changes are approved will be \$10.6 million (attachment A)
- 51 Overall capital expenditure is expected to increase by \$2.8 million in this forecasting round as outlined in attachment B and discussed in this report.
- 52 The funding source for all forecasted changes are identified as part of this process and are predominantly; reserves, loans, external revenue sources (fees, charges, grants etc) and savings in current budgets. The impact on rates is addressed in the issues section of this report

Significance assessment

- 53 The assessment of significance needs to be carried out in accordance with Council's Significance and Engagement Policy. The Significance and Engagement Policy requires consideration of the impact on social, economic or cultural wellbeing of the region and consequences for people who are likely to be particularly affected or interested. The content of this report is not deemed significant.

Level	Likelihood of engagement
Some importance or administrative	Council is not likely to carry out any engagement.
Moderate importance	Council may choose whether it carries out engagement, which may be targeted to directly affected individuals or groups.
Significant	Council will engage with directly affected individuals and groups and wider community engagement is likely, unless there are reasons under policy not to.
Critical	Council will engage with directly affected individuals and groups and wider community engagement is highly likely, unless there are reasons under policy not to.

Community views

- 54 Changes proposed to capital and operational expenditure for townships have been or will be reported to the relevant community board.

Climate change considerations

- 55 There are no climate change considerations relevant to this matter or decision.

Risk and mitigations

- 56 There are no significant risks in relation to this matter or decision.

Next steps

- 57 Council staff will advise activity managers of the approval of unbudgeted expenditure and/or confirmed project amendments for the 2025/2026 financial year. Additionally, the approved forecasted information will be incorporated into Council financial systems.

Attachments

- A Appendix A - Forecasted profit & loss [↓](#)
- B Appendix B - Forecasted balance sheet [↓](#)
- C Appendix C - Unbudgeted expenditure [↓](#)
- D Appendix D - Items deferred to future years [↓](#)
- E Appendix E - Projects brought forward [↓](#)
- F Appendix F - Project budgets reduced [↓](#)

ATTACHMENT A

SOUTHLAND DISTRICT COUNCIL
FORECAST STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE
30-Jun-26

	Annual Plan 2025/2026 (\$000)	Amounts Carried Forward from 2024/2025 (\$000)	Approved Unbudgeted Expenditure (\$000)	February 2025/2026 Forecast adjustments (\$000)	Forecast Result for 2025/2026 (\$000)
Revenue					
Rates	77,151	10	-	(208)	76,953
Other revenue	13,530	0	(40)	512	14,002
Interest and Dividends	20	0	-	280	300
Grants and Subsidies (including NZTA)	28,491	4,599	(3,634)	(46)	29,409
Other Gains/(Losses)	2,408	288	-	(701)	1,995
Vested Assets	-	0	-	-	0
Development and Financial Contributions	-	35	173	(35)	173
	121,600	4,931	(3,501)	(198)	122,832
Expenditure					
Employee Benefit Expenses	22,120	-	-	-	22,120
Depreciation and Amortisation	45,894	-	-	-	45,894
Finance Costs	4,807	-	-	-	4,807
Other Council Expenditure	56,667	4,541	(881)	337	60,664
	129,488	4,541	(881)	337	133,485
OPERATING SURPLUS/(DEFICIT)	(7,888)	390	(2,619)	(535)	(10,653)
Share of Associate Surplus/(Deficit)	-	-	-	-	-
SURPLUS/(DEFICIT) BEFORE TAX	(7,888)	390	(2,619)	(535)	(10,653)
Income Tax Benefit	-	-	-	-	-
SURPLUS/(DEFICIT) AFTER TAX	(7,888)	390	(2,619)	(535)	(10,653)
Share Revaluation	1,957	-	-	(392)	1,565
Gain/(Loss) on Property, Plant and Equipment Revaluations	46,756	-	-	-	46,756
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	38,868	390	(2,619)	(928)	37,668

ATTACHMENT B

**SOUTHLAND DISTRICT COUNCIL
FORECAST STATEMENT OF FINANCIAL POSITION
30-Jun-26**

	Actual 30 June 2025 (\$000)	Movement Annual Plan 2025/2026 (\$000)	2024/2025 Carried forwards (\$000)	Approved Unbudgeted Expenditure* (\$000)	February 2025/2026 Forecast adjustments (\$000)	Forecast Result for 2025/2026 (\$000)	Annual Plan 2025/2026 (\$000)
Equity							
Retained Earnings	696,473	(7,888)	390	(2,619)	(535)	685,820	689,933
Asset Revaluation Reserves	1,517,844	46,756				1,564,600	1,602,617
Fair Value Reserves	9,173	1,957			(392)	10,737	8,734
Other Reserves	46,650	3,854	5,410	(3,972)	(11,753)	40,188	33,864
TOTAL EQUITY	2,270,140	44,678	5,799	(6,592)	(12,681)	2,301,345	2,335,148
Current Assets							
Cash and Cash Equivalents	23,822	3,401	0		(26,223)	1,000	1,000
Trade and Other Receivables	8,579	2,830		0	0	11,409	10,801
Inventories	149	0		0	0	149	130
Work in Progress	-	0		0	0	0	-
Other Financial Assets	2,197	0		0	(740)	1,457	667
	34,747	6,231	0	0	(26,963)	14,016	12,598
Non Current Assets							
Property, Plant and Equipment	2,287,123	70,114	17,155	(12,216)	(2,064)	2,360,111	2,409,133
Intangible Assets	6,655	0		0	0	6,655	5,728
Forestry Assets	13,490	1,260		0	0	14,750	15,780
Internal Loans	79,094	26,317	11,356	(13,375)	(2,287)	101,105	-
Investments in Associates	3,028	0		0	0	3,028	2,185
Other Financial Assets	41,106	(2,980)		0	6,628	44,754	40,534
	2,430,496	94,711	28,511	(25,591)	2,276	2,530,403	2,473,360
TOTAL ASSETS	2,465,243	100,942	28,511	(25,591)	(24,687)	2,544,419	2,485,958
Current Liabilities							
Trade and Other Payables	8,860	(2,293)		0	0	6,567	11,754
Deferred Revenue	1,699	0		0	0	1,699	
Contract Retentions and Deposits	492	(116)		0	0	376	2,156
Employee Benefit Liabilities	2,816	260		0	0	3,076	3,301
Development and Financial Contributions	1,061				0	1,061	1,045
Provisions	1,127	378		0	(378)	1,127	-
Borrowings	9,000	1,000		0	0	10,000	10,000
	25,055	(772)	-	-	(378)	23,905	28,256
Non-Current Liabilities							
Employee Benefit Liabilities	9			0	0	9	11
Provisions	8,369	0		0	378	8,747	8,316
Borrowings	82,575	30,718	11,356	(5,625)	(9,719)	109,305	114,227
Internal Loans - Liability	79,094	26,317	11,356	(13,375)	(2,287)	101,105	
	170,047	57,036	22,711	(19,000)	(11,628)	219,166	122,554
TOTAL LIABILITIES	195,102	56,264	22,711	-	(12,006)	243,072	150,810
NET ASSETS	2,270,141	44,678	5,799	(6,591)	(12,681)	2,301,347	2,335,148

* Includes the Approved Capital Delivery programme review changes agreed to on 10/12/2025

ATTACHMENT C - Unbudgeted expenditure that requires Council resolution

Retrospective Unbudgeted expenditure

Business Unit Name	Project no	Project name	Account Name	Further Comments	Funded from	Total 2025/2026 Amended Budget*	Forecasted total 2025/2026 Budget	2025/2026 February Forecasted variance
Rec Reserve - Oreti			Miscellaneous Grant	Grant to the Lochiel Hall Society for floor repairs in line with rental agreement	Lochiel recreation reserve lease	\$0	\$1,783	\$1,783
Community Housing Collective C	FHOUS014	Community Housing - Internal paint two units	Maint - Project	Budget underspend transferred from projects P-11494 (Community Housing - Replace roof) and P-11490 (Community Housing - Exterior repaint 25 units) to increase the budget.	Loan	\$12,240	\$21,658	\$9,418
Water supply Tuatapere	P-11266	Tuatapere Water supply - ultra violet system replacement	Water - renewal	UV replacement units project undertaken for compliance requirements, the costs of installation were higher than originally projected, the additional budget is being transferred from unutilised budget for dosing and monitoring which has been completed for the year	Loan	\$42,479	\$157,634	\$115,155
						\$54,719	\$181,075	\$126,356

Other

Business Unit Name	Project no	Project name	Account Name	Further Comments	Funded from	Total 2025/2026 Amended Budget*	Forecasted total 2025/2026 Budget	2025/2026 February Forecasted variance
Dog and Animal Control			Legal Costs	Legal costs are higher than normal due to one case which is an unusual occurrence whereby the individual had contravened the dog control act on numerous occasions and was subject to legal action.	Additional income in business from infringement income	\$5,100	\$50,000	\$44,900
StHld Joint Mayoral Fund			Miscellaneous Grant	To match the amount of grants received in relation to the storm	Grant income	\$0	\$94,536	\$94,536
Information services			Software Licence Fees	additional costs for software due to increase costs from vendors on a per user basis and the software being used by the organisation	District Operations reserve	\$1,214,308	\$1,289,308	\$75,000
Community Facilities			Consultants	To fund contract renewal processes	District Operations reserve	\$150,000	\$250,000	\$100,000
District Water			Maint - Unplanned	Increase in unplanned maintenance due to storm related costs	Loan	\$102,500	\$232,500	\$130,000
Resource Consent Processing			Consultants	External peer reviews for technical reports on more complex consent applications for fast track consent and SDC consents which we are seeing a higher volume of (the cost of which is recovered in full from the applicant or the EPA)	Increase in general recoveries	\$102,000	\$300,000	\$198,000
Resource Consent Processing			Hearing Commissioner Charges	Increased volume of notified consents in the current financial along with the external decision makers for SDC consent applications (fully recovered from the applicant)	Increase in general recoveries	\$22,440	\$45,000	\$22,560
Roading - District Wide			Routine Drainage Maintenance	Additional programme approved by NZTA	NZTA	\$1,337,238	\$1,637,238	\$300,000
Roading - District Wide	FROAD003		Seal Rd Resurface - Renewal	Additional programme approved by NZTA	NZTA	\$9,024,717	\$9,324,717	\$300,000
Roading - District Wide	FROAD012		Structure Component - Renewal	Additional funding received from NZTA for work replacing the deck at Monowai swing bridge, main construction to occur in 2026/2027	NZTA	\$0	\$200,000	\$200,000
District Sewerage			Maint - Unplanned	Increase in unplanned maintenance due to storm related costs	Rental Income	\$102,500	\$232,500	\$130,000
Wheelie Bins			Waste Disposal	Increase waste disposal budget due to higher volumes of waste being disposed. The budget was based on 2023/2024 volumes year to date there is a 10% increase in volume on 2023/2024.	Waste min levy reserve	\$1,435,000	\$1,555,000	\$120,000
Parks & Reserves - Stewart Isl			Improvements - Acq LOS	interpretation panels with macrocarpa timber posts x4	Grant income	\$0	\$9,330	\$9,330
Septic Tank Cleaning Woodlands			Septic Tank Cleaning	Increase budget allowance for cleaning	Woodlands Septic tank reserve	\$7,483	\$8,483	\$1,000
Community Housing Collective C	FHOUS028	Community Housing - 6 Pioneer Place refurb	Maint - Project	Budget underspend transferred from projects P-11494 (Community Housing - Replace roof) and P-11490 (Community Housing - Exterior repaint 25 units) to increase the budget.	Loan	\$0	\$45,000	\$45,000
Community Housing Collective C	FHOUS029	Community Housing - 10 Pioneer Place refurb	Maint - Project	Budget underspend transferred from projects P-11494 (Community Housing - Replace roof) and P-11490 (Community Housing - Exterior repaint 25 units) to increase the budget.	Loan	\$0	\$50,903	\$50,903
Community Housing Collective C	P-11470	Edendale Community Housing- 56 Seawood Road Repairs	Maint - Project	Budget underspend transferred from projects P-11494 (Community Housing - Replace roof) and P-11490 (Community Housing - Exterior repaint 25 units) to increase the budget.	Loan	\$114,038	\$140,000	\$25,962
Information management	FINFO002A		Consultants	Project FINO002A combined into this one	Loan	\$609,500	\$677,000	\$67,500
District Sewerage	P-11502	District wide waste water strategy planning - WEPS	Maint - Planned	The new wastewater discharge standards were initially due in September 2025, but delayed until December in 2025/2026 a portion of the consent renewal budgets for the various projects have been combined to develop a Districtwide Wastewater WEPS Strategy with the balance of the budgets for consent renewals deferred to 2026/2027	Loan	\$0	\$200,000	\$200,000
District Sewerage	P-10452	Stewart Island -Wastewater Oxidation Pond Desludging	Sewerage - Renewals	Further budget is required due to the earthworks involved in the project where it the original plan was to use the materials removed at the site, it has needed to have imported fill onto the site and there has also been delays with weather conditions	Loan	\$325,102	\$585,102	\$260,000
Sewerage Scheme Winton	P-11503	Winton Waste Water - Aerator renewal	Sewerage - Renewals	The current oxidation pond has experienced treatment issues that relate to odour complaints from elected members and members of public. The upgrade of the current aerator system will mitigate the current treatment issues.	Loan	\$0	\$120,000	\$120,000
District Stormwater	P-11501	District Wide stormwater improvements	Stormwater - Renewal	The LTP had funds within the 25/26 period for additional works at Ohai, which there are no known issues to rectify. We are repurposing this money to complete urgent issues within the District wide.	Loan	\$0	\$227,550	\$227,550
TOTAL						\$14,551,926	\$17,274,167	\$2,722,241

* Refers to the approved Annual plan budget, plus budgeted carry forwards and any unbudgeted expenditure

ATTACHMENT D - Items planned to be deferred to future years

Business Unit Name	Project no	Project/Account Name	Further Comments	Funded from	Total 2025/2026 Budget	Year deferred to	2025/2026 February Forecasting variance
Cemetery - Riverton	P-10989	Purchase land to increase size of Riverton Cemetery	\$205,836 moved to 26/27	Riverton cemetery reserve, Riverton Parks contribution reserve	\$225,836	2026/2027	(\$205,836)
Water Supply - Eastern Bush	P-10007	Eastern Bush Water Supply Upgrade - Stage 1	Design and investigation work continues, intention to go to tender in 2026/2027, current budget allowance not required in full for this year and is deferred to 2026/2027	Loan	\$512,500	2026/2027	(\$100,000)
Hall - Colac Bay	FHALL046	Colac Bay Hall - Pile fasteners, ramps and paths	Forecast to 2026/2027	Community centre Colac Bay reserve	\$12,240	2026/2027	(\$12,240)
Harbour	P-11225	Riverton T Wharf replacement - demolition & construction	Forecast \$50k to 2026/2027 as per activity manager and project manager due to project progress	Loan	\$1,014,000	2026/2027	(\$50,000)
Parks & Reserves - Colac Bay	P-11076	Colac Bay Surfies statue refurbishment	Forecast \$90,000 to 2026/2027 per activity manager and project manager due to project progress	Loan	\$90,000	2026/2027	(\$90,000)
Parks & Reserves - Te Anau	P-10933	Te Anau Basin Development Project	Forecast \$377,837 to 26/27 as per scoping manager and project progress	Loan	\$510,463	2026/2027	(\$377,837)
Parks & Reserves - Wallacetown	P-10829	Wallacetown Recreational Project	Forecast out \$70k as per activity manager and project manager due to project progress	Grants	\$243,643	2026/2027	(\$70,000)
Parks & Reserves - Winton	P-11205	Winton Great North Road Development	Forecast \$20,000 to 2026/2027 per activity manager due to project progress	Winton Property sales reserve, Winton Capital dev reserve	\$85,000	2026/2027	(\$20,000)
Water Supply Takitimu	P-10514	Te Anau Rural Water Takitimu Scheme - Switchboard & pumps & new bore	Due to the weather conditions the pump portion needs to be moved to next summer (following land access approval). The switchboard portion is to be completed this year.	Loan	\$203,297	2026/2027	(\$150,000)
Sewerage Scheme Balfour	P-10453	Balfour wastewater Consent renewal and replacements multi year project	The new wastewater discharge standards were initially due in September 2025, but delayed until December in 2025/2026 a portion of the consent renewal budgets for the various projects will be combined to develop a Districtwide Wastewater WEPS Strategy with the balance of the budgets deferred to 2026/2027	Loan	\$800,000	2026/2027	(\$46,266)
Sewerage Scheme Gorge Road	P-10455	Gorge Road wastewater consent renewal	The new wastewater discharge standards were initially due in September 2025, but delayed until December in 2025/2026 a portion of the consent renewal budgets for the various projects will be combined to develop a Districtwide Wastewater WEPS Strategy with the balance of the budgets deferred to 2026/2027	Loan	\$205,000	2026/2027	(\$95,000)
Sewerage Scheme Monowai	P-10461	Monowai Wastewater resource consent renewal & investment	The new wastewater discharge standards were initially due in September 2025, but delayed until December in 2025/2026 a portion of the consent renewal budgets for the various projects will be combined to develop a Districtwide Wastewater WEPS Strategy with the balance of the budgets deferred to 2026/2027	Loan	\$153,750	2026/2027	(\$60,000)
Sewerage Scheme Nightcaps	P-10462	Nightcaps Wastewater treatment upgrade multi year project	The new wastewater discharge standards were initially due in September 2025, but delayed until December in 2025/2026 a portion of the consent renewal budgets for the various projects will be combined to develop a Districtwide Wastewater WEPS Strategy with the balance of the budgets deferred to 2026/2027	Loan	\$189,824	2026/2027	(\$50,000)
Sewerage Scheme Te Anau	P-11331	Te Anau wastewater removal of sludge from geobags onsite at WWTP	The current consent for pond sludge has the condition all sludge must be removed from site, estimated 3 - 5 million project. The revised project is to seek a consent condition to leave all pond sludge onsite. This portion of the project relates to the consent renewal which is being prepared inhouse and does not require the full budget allocation, the balance is to be moved to 2026/2027	Loan	\$206,025	2026/2027	(\$25,000)
Sewerage Edendale/ Wyndham	P-10454	Edendale/Wyndham Waste water treatment plant - consent renewal preparation	The new wastewater discharge standards were initially due in September 2025, but delayed until December in 2025/2026 a portion of the consent renewal budgets for the various projects will be combined to develop a Districtwide Wastewater WEPS Strategy with the balance of the budgets deferred to 2026/2027	Loan	\$6,500,001	2026/2027	(\$49,999)
Stewart Island Jetties	P-10670	Stewart Island Rakiura Golden Bay Wharf renewal	Forecast \$29k to 26/27 as per activity manager and project manager and progress on the project	Loans, grants	\$55,000	2026/2027	(\$29,000)
Stewart Island Jetties	P-10203	Rebuild Ulva Island Jetty	Forecast \$60k to 26/27 as per activity manager and project manager and progress on the project	Loans, grants	\$265,000	2026/2027	(\$60,000)
Stormwater Drainage - Te Anau	P-10443	Te Anau Stormwater Lakefront discharge improvements multi year project	For the work to be undertaken this year the budget required is only \$76K, the remainder to be moved to the LTP	Loan	\$227,550	2027/2028	(\$150,000)
Stormwater Drainage - Te Anau	P-11060	Te Anau Stormwater upgrade	Budget required for this year is for the land purchase and consulting, physical works will be in 2026/2027	Loan	\$866,792	2026/2027	(\$250,000)
Public Conveniences	P-10637	District wide toilets renewal preparation	Tokanui toilet project (P-10637) of \$101,600 to be moved to LTP	Loan	\$101,600	2027/2028	(\$101,600)
Public Conveniences	P-10649	District wide toilets renewal preparation	Thornbury toilet project of \$18,596 moved to LTP and Otautau Arboretum toilet project of \$19,000 moved to 26/27	Loan	\$297,780	2026/2027	(\$37,596)
District Refuse Sites	P-11158	Solid Waste - Otautau closed landfill protection works	This project is ready to go Tender, waiting on MFE approval for grant before proceeding with the Tender process. Physical works would be deferred until Oct/Nov 2026	Loan	\$1,127,117	2026/2027	(\$1,000,000)
Information - Centre	FBUILD003A	Lumsden Information Centre - Exterior and interior paint and various repairs	Forecast \$30,000 to 2026/2027 per activity manager and project manager due to project progress	Loan	\$81,000	2026/2027	(\$30,000)
TOTAL					\$ 13,973,418		(\$3,060,374)

ATTACHMENT E - Projects Brought Forward from Future Years

Business Unit Name	Project no	Project Name	Further Comments	Financial Year	Funded from	2025/2026 February Forecasting variance
Community Housing Collective C	FHOUS003	Originally called "Internal repaint community housing" now called "Community housing units refurbishment"	Moving portion of FHOUS003A budget from 26/27 and name change of project for 50A King Street Otautau unit	2026/27	Loan	\$60,000
Sewerage Scheme Stewart Island	P-10474	Stewart Island wastewater consent renewal	The consent has been issued in the current year with final cost budget received (had previously moved final costs to 2026/2027), the project in 2026/2027 will not be required	2026/27	Loan	\$25,000
Stewart Island Jetties	P-10674	Stewart Island Wharves - Refurbishment Millers Beach	Forecast \$11,774 back to 25/26 from 26/27 as was needed in 25/26	2026/27	Loan	\$11,774
District Sewerage	P-10446	Waste water SCADA replacement district multi scheme	SCADA upgrades have been completed at Stewart Island And Riverton, as part of the bulk purchasing the hardware for Te Anau was purchased at the same time the budget shortfall is being met with a budget swap from the network renewals	2027/28	Loan	\$100,000
TOTAL						\$196,774

ATTACHMENT F - Project/Item budgets to be reduced

Business Unit Name	Project no	Project Name (where applicable)	Account Name	Further Comments	Funded from	Total 2025/2026 Amended Budget *	Forecasted total 2025/2026 Budget	2025/2026 February Forecasting variance (Portion reduced)
Street Works - Waikaha	FFOOT100	Waikaha - Otta Seal Upper Newburn Road	Improvements - Acq LOS	Following further discussion with the Community Board looking to complete remedial works rather than the planned Otta seal.	Loan	\$ 65,000.00	\$ 10,000.00	(\$55,000)
Property Sales			Commission and Levies	Budget reduced due to property sales on hold due to pending spatial plan review	Property development reserve	\$ 123,582.96	\$ 15,000.00	(\$108,583)
Property Sales			Legal Costs	Budget reduced due to property sales on hold due to pending spatial plan review	Property development reserve	\$ 20,991.96	\$ 5,000.00	(\$15,992)
Property Sales			Survey Expenses	Budget reduced due to property sales on hold due to pending spatial plan review	Property development reserve	\$ 15,744.00	\$ 5,000.00	(\$10,744)
Water Supply Mount York	P-10501	Mt York Rural Water - consent Renewal Preparation Multi Year project	Water - Acquisition LOS	Consent renewal being prepared in-house and has now been lodged with ES, total allowed budget not required	Loan	\$ 51,750.00	\$ 26,750.00	(\$25,000)
Water Supply Takitimu	P-10515	Te Anau Rural- Takitimu consent renewal	Water - Acquisition LOS	Consent renewal being prepared in-house and has now been lodged with ES, total allowed budget not required	Loan	\$ 50,086.00	\$ 25,086.00	(\$25,000)
Community Housing Collective C	FHOUS002	Exterior repaint 25 units	Maint - Project	\$50k is required to complete this project. Savings from the project is reallocated to fund other community housing project.	Loan	\$ 129,540.00	\$ 57,374.00	(\$72,166)
Community Housing Collective C	FHOUS017	Roof replacement	Buildings - Renewal	\$90k is required to complete this project. Underspend from the project is reallocated to fund other community housing project.	Loan	\$ 149,900.00	\$ 90,783.00	(\$59,117)
Information management	FINFO003A	District wide digitisation projects	Consultants	Project budget to be combined into FINFO003A ongoing digitisation projects	Loan	\$ 67,500.00	\$ -	(\$67,500)
District Water	P-10489	Multi-year project for water plant dosing & monitoring instrumentation	Water - Renewal	This project is complete for the year with further budgets allowed next year and the years following the unutilized budget has been transferred to the Tuatapere UV replacement unit	Loan	\$ 115,155.00	\$ -	(\$115,155)
District Sewerage	P-11219	District wide waste water main reticulation network renewals multi year project	Sewerage - Renewals	Reduce the budget allowance to fund the SCADA hardware for Te Anau	Loan	\$ 1,615,057.00	\$ 1,515,057.00	(\$100,000)
Sewerage Scheme Balfour	P-10453	Balfour waste water consent renewal & replacements	Sewerage - Acquisition LOS	The new wastewater discharge standards were initially due in September 2025, but delayed until December in 2025/2026 a portion of the consent renewal budgets for the various projects will be combined to develop a Districtwide Wastewater WEPS Strategy with the balance of the budgets deferred to 2026/2027	Loan	\$ 150,000.00	\$ -	(\$100,000)
Sewerage Scheme Stewart Island	P-11381	Stewart island waste water - replacement of deteriorating wet wells or refurbishment	Sewerage - Renewals	Reduce budget for wetwell as only going to be in final design in the current year. Difference to be utilised on 2 other projects being desludging on the Island and an Aerator for Winton. There is further budget allowed for Wetwells in later years.	Loan	\$ 500,000.00	\$ 120,000.00	(\$380,000)
Sewerage Edendale/ Wyndham	P-10454	Edendale/Wyndham waste water treatment plant consent renewal preparation	Sewerage - Acquisition LOS	The new wastewater discharge standards were initially due in September 2025, but delayed until December in 2025/2026 a portion of the consent renewal budgets for the various projects will be combined to develop a Districtwide Wastewater WEPS Strategy with the balance of the budgets deferred to 2026/2027	Loan	\$ 149,999.00	\$ -	(\$100,000)
Stormwater Drainage - Ohai	P-10436	Ohai Stormwater - Investigations and renewals	Stormwater - Renewal	The budget in the previous financial year rectified all known drainage issues within Ohai and a large amount in Nightcaps. The LTP had funds within the 25/26 period for additional works, in which there is no known issues to rectify. We are repurposing this money to complete urgent issues within the District and has been reallocated to the new project for District Wide Stormwater Improvements	Loan	\$ 227,550.00	\$ -	(\$227,550)
TOTAL								(\$1,461,807)

* Refers to the approved Annual plan budget, plus budgeted carry forwards and any unbudgeted expenditure

Exclusion of the public: Local Government Official Information and Meetings Act 1987

Recommendation

That the public be excluded from the following part(s) of the proceedings of this meeting.

9.1 Rakiura Energy - unbudgeted expenditure for land purchases

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Rakiura Energy - unbudgeted expenditure for land purchases	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>s7(2)(h) - the withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p>	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.