Summary - Capital Programme

Stormwater – New Works and Renewals are $3.98M (79%) favourable YTD.%

•Capex New Works are $3.054M or 134% under budget, with actuals of $846K against a budget of $2.76M. this

The largest underspends are:

•Project 240162 – Kaitāia Commerce St: $1.094M underspend ($25K actuals vs $1.120M budget). $800K from this budget will be reforecast to PR 241088 – Kaitaia Parkdale Crescent Stormwater Renewals Project for FY27

•Project 241817 – Reef View Road SW Upgrade: No actuals to date, despite a YTD budget of $585K

•Project 241093 – Kaitāia Urban Stormwater RC: No actuals to date, despite a YTD budget of $157K.

There is also a $1.245M underspend across several projects (240026 – District Wide MCW, 241063 – Ahipara Tasman Heights SW Lines, 241065 – Stormwater Imps Moerewa, 241085 – East Coast, 241814 – Stormwater). This figure does not include committed costs of $618K. Including committed costs, the overall actuals for these projects total $848K, which is $627K below the YTD budget of $1.475M.

•Capex Renewals are $923K under budget, with actuals of $213K compared to a budget of $1.137M

Several **renewal projects** are $650K under budget, including: 241086 – Kaitaia Parkdale, 241090 – Stormwater Reactive Renewals, 241807 – 348A SH12 Omapere Stream Culverting Pipe Renewal, and 241818 – Kaitaia Stormwater Renewal (Diversion to Mathews to Farrimond), which show a $646K underspend ($179K actuals vs $825K budgeted). This does not include $270K in committed costs for POs that have not yet been invoiced; including these committed costs, the adjusted variance is $376K favourable. Additional renewal projects, 241089 – Stormwater Network ($205K budget) and 241822 – Kaikohe Stormwater Network Gross Debris Traps Upgrade ($102K budget), show no actuals to date, further contributing to the overall favourable variance.

Wastewater – New Works and Renewals are $25.4M (62.8%) favourable YTD.

•Capital New Works are $22M (61%) below budget YTD ($13.8M actual vs $36M YTD budget). The underspend is primarily due to project timing delays and works progressing more slowly than planned across several projects. Key variances include:

• 551358 – Kawakawa WW Treatment Plant Upgrade: $4.96M below budget ($54K actual vs $5M budgeted YTD), in line with the project still being in the early stages of development.

• 551018 – Wastewater Telemetry: $3.8M under budget ($1.18M actual vs $4.97M YTD budget). Of the $8.5M full-year budget, $3M will be reforecast to FY27 and $2.3M to FY28.

• 551302 – Hihi WWTP Construction: $2.24M under budget; of the $3.59M total budget, $3M will be reforecast to FY27.

• 551352 – Kaikohe Wastewater Scheme Improvements: $1.6M under budget; of the $2.2M capital budget, $1.7M will be reforecast to FY27.

• 551360 – Kaikohe WWTP Upgrade: $1.5M under budget, with only $46K in committed costs. this project is tied into the wider IAF project which is in the design phase and still progressing.

• 551357 – Kaikohe WW Reticulation: $5.9M under budget ($5.5M actual vs $7M budgeted YTD). The project is currently in Stage 3 of construction, and the variance does not include $7.2M in committed costs where POs have been raised and invoices are pending. Costs are expected to increase significantly as works progress, and overall the project budget is being utilised.

• 551361 – Kaitaia WWTP Upgrades: $1.2M under YTD budget, with $1.5M of the $1.9M budget to be reforecast to FY27.
• 551388 – Land Purchase for Discharge (Ōmāpere/Ōpononi): $682K under budget, relating to $1.02M budgeted for land purchase.

Water – New Works and Renewals are $23.7M 73.2%) favourable YTD.
•Capital New Works are $23M below budget YTD ($7.6M actual vs $23M YTD budget). The underspend is primarily due to timing delays, with work progressing more slowly than planned across several major projects. Key variances include:
•571347 – Kawakawa WTP Upgrade: $6.48M below budget, in line with the project still being in the early stages of development.
•570023 – Kerikeri Water Network Upgrade To Heritage Bypass: $4.7M below budget, with $6.9M to be reforecast to FY27.
•571340 – WTP Upgrade Kerikeri: $2.3M below budget-some stage 1 works have been completed, but there is still a significant upgrade required as advised by PM
•571228 – Water treatment plant relocation Paihia: $2.1M below budget. The full $2.55M is committed for land purchase, however an assessment of purchase vs lease options will be presented to Council, with a decision expected in Dec 2026 (FY27).
•571834 – SCADA System Upgrades: $1.47M below budget, with $1M to be reforecast to FY27/28.
• MOH Fluoridation Projects – Kerikeri (571840) and Kaitāia (571839): $1.6M below budget, with procurement to be finalised in Feb 2026 and construction expected to commence in April 2026
•571350- Kaikohe WTP Upgrade: $660K below YTD budget ($4.47M actual vs $5.13M budget). However, this does not include $4.7M in committed costs where POs have been raised and invoices are still pending. As the project is now in the construction stage, costs are expected to increase as works progress.
•571097-Paihia Water New Minor Upgrades: $502K under budget, with works yet to be scoped and funded from the global budget held under PR 571073.
•571358-District Wide Water Storage Improvements- $0 YTD spend against a $426K budget. **$639K will be reforecast to FY27**
•Capex Renewals are $691K (42%) unfavourable YTD ($939K actuals vs $1.61M budgeted). Several projects have $0 YTD spend against their budgets, including:
•571128 – Paihia Te Haumi Reservoir ($341K)
•571360 – DW Water Pump Station Renewal Programme ($238K)
•571359 – DW Water Reactive Renewals ($204K)
•571224 – PRG Water Supply Network Renewals Triggered by Roading ($204K)
These underspends are offset by reactive renewal projects incurring unbudgeted expenditure, primarily Ventia MCW charges across Paihia, Ōpononi, Kerikeri, Kaitāia, and Kaikohe Reactive Renewal projects. These renewal budgets are set at a district-wide level, while spend is recorded at the scheme level, in line with the requirements of targeted rate-funded activities.

Roading - favourable variance $42M due to:
*Stellar. Reforecast to be processed in March26, for EW $15M to FY26/27. EW work planned to be completed in this financial year $15M. EW has been prioritised due to the strong NZTA subsidy rate. Cyclone Tam Initial Response has been completed, and an additional $6.74M has been approved to progress Phases 2 & 3. LCLR Crown Resilience work of $4.8M to be completed in this financial year.
Updated submissions for slip repairs, Traction Seal, Speed Management, and Bridge Resilience are being provided to NZTA to enable approvals and delivery.
Some programmes such as WC215 and WC216 will now deliver later than originally planned. A cashflow out (reforecast March26 for WC215/WC216) to next financial year $5M. Design and investigation work to be completed this year $2M and construction to start next year.

Community Engagement -$2.9M favourable variance due to underspend on Project 531058 – Kaikohe Library, with $1.85M actuals against a $4.38M budget. This variance is primarily timing-related, as $5.9M of committed costs (POs raised) are yet to be delivered and invoiced, and are expected to reduce the favourable position as work progresses
CycleTrail - favourable variance $1.386M due to: * Reallocation of $550k in prior-year costs from Capex to Opex following Hoskin Civil's assessment that these expenses are operational rather than capital in nature. *Keteriki Trust leading project between Opua-Kawakawa. $2.8m is carry forward post LTP24-27 $4m programme. This budget incorporated the Te Raupo Road bridge and road improvements, along with the alternative link via Oromahoe & Whangae Roads - both of which are now completed.