

7.3 WASTEWATER TREATMENT PLANT AND SPICER LANDFILL FINANCIAL REPORT OCTOBER TO DECEMBER 2023

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PURPOSE

The purpose of the report is to provide the Wastewater Treatment Plant and Landfill Joint Committee with a financial update on the Porirua Wastewater Treatment Plant and the Spicer Landfill for the period ending December 2023.

NGĀ TŪTOHUTANGA

RECOMMENDATIONS

That the Wastewater Treatment Plant and Landfill Joint Committee | Komiti Ngātahi Mīhini Whakapai Waipara me te Ruapara:

1. Receive the report.

Reports contain recommendations only. Refer to the meeting minutes for the final decision.

HE WHAKAMĀRAMA BACKGROUND

1. The joint ownership, management and operations of the wastewater treatment plant are set out in an agreement named “Deed Relating to Joint Wastewater Works 2008”.
2. The deed sets out that existing Land and any further land acquired for the purpose of the Joint Wastewater Works must be held by Porirua as registered proprietor on trust for Porirua and Wellington for the purpose of the Joint Wastewater Works as tenants in common in shares determined in accordance with the allocation on percentage basis described in the deed.
3. All other assets acquired by Porirua and Wellington or one of them for the purposes of the Joint Wastewater Works or held by Porirua and Wellington or one of them for such purposes must be held beneficially by Porirua and Wellington as tenants in common in shares determined in accordance with the allocation on percentage basis described in the deed.
4. The joint ownership, management and operations of the Spicer Landfill are set out in an agreement named “Agreement related to Joint Refuse Disposal Works 1983”.
5. This regular financial update is to inform the Joint Committee of the progress and year end forecast on operating and capital expenditure for both.

NGĀ MATAPAKI ME NGĀ KŌWHIRINGA
DISCUSSION AND OPTIONS

Wastewater Treatment Plant Operating and Capital Result

6. Variances on other controllable costs total \$208k unfavourable and mainly relate to lower than budgeted interest capitalisation.
7. There has been a monthly invoice for \$301k to Wellington Water however the December invoice did not get raised until January, so the variance is timing only. This will be rectified by the next report.
8. Interest expense is \$545k under budget, again this relates to internal interest calculations.
9. Internal charges are \$229k higher than budget, these mainly result from increased landfill charges.

Operating (\$000s)	Year to Date			Annual Budget
	Actual	Budget	Variance	
Income				
Fees and charges	8	8	0	15
Investment revenue	0	2	(2)	4
Total Income	8	10	(2)	19
Expenditure				
Contract Services and Consultants	1,078	1,404	326	2,807
Repairs and Maintenance	0	0	0	0
Depreciation and Amortisation	1,071	1,052	(19)	2,104
Other controllable costs	317	109	(208)	217
Total Expenditure	2,466	2,565	99	5,128
Net Surplus/(Deficit) before Internal/Other	(2,458)	(2,555)	97	(5,109)
Internal/Other Income & Expenditure				
PCC Contribution to JV1	3,923	3,923	0	7,847
WCC Contribution to JV1	1,509	1,810	(301)	3,621
Total Internal/Other Income	5,432	5,733	(301)	11,468
Interest Expense	1,230	1,775	545	3,550
Internal charges and allocations	2,028	1,799	(229)	3,598
Total Internal/Other Expenditure	3,258	3,574	316	7,148
Total Internal/Other Income & Expenditure	2,174	2,159	15	4,320
Net Surplus/(Deficit)	(284)	(396)	112	(789)

Capital Projects (\$000s)	Year to Date			Annual Budget
	Actual	Budget	Variance	
Work in Progress	17,895	11,998	(5,897)	30,044
Total Capital Projects	17,895	11,998	(5,897)	30,044

Spicer Landfill Operating and Capital Budget

10. The subsidy income shown is Ministry for the Environment funding for the Construction and Demolition facility of \$232k.
11. Internal charges are a net income, due to internal revenues from the Wastewater Treatment Plant.
12. Due to two large projects being delayed the capital expense full year budget will not be spent. These projects are the construction of Cell 3a, now due to commence in the next financial year, and continued work on the Resource Consent application, currently mostly on hold.
13. The new end of year forecast of \$5.67m will be reflected in the next finance report.
14. Note that the revenue continues to be ahead of forecast and is now projected to be around \$14.6m by end of year.

Operating (\$000s)	Year to Date			Annual Budget
	Actual	Budget	Variance	
Income				
Fees and charges	7,310	6,830	480	13,660
Subsidies and grants	232	0	232	0
Investment revenue	227	227	0	455
Total Income	7,769	7,057	712	14,115
Expenditure				
Contract Services and Consultants	2,010	1,803	(207)	3,606
Depreciation and Amortisation	218	332	114	663
Other controllable costs	3,380	3,446	66	6,892
Total Expenditure	5,608	5,581	(27)	11,161
Net Surplus/(Deficit) before Internal/Other	2,161	1,476	685	2,954
Internal/Other Income & Expenditure				
Internal charges and allocations	769	521	248	1,041
Total Internal/Other Income	769	521	248	1,041
Interest Expense	103	149	46	299
Total Internal/Other Expenditure	103	149	46	299
Total Internal/Other Income & Expenditure	666	372	294	742
Net Surplus/(Deficit)	2,827	1,848	979	3,696

Capital Projects (\$000s)	Year to Date			Annual Budget
	Actual	Budget	Variance	
Work in Progress	950	5,183	4,233	14,615
Total Capital Projects	950	5,183	4,233	14,615

NGĀ ĀPITI HANGA

ATTACHMENTS

Nil