



# Capital Expenditure 10 Year Plan 2024-34







# Introduction

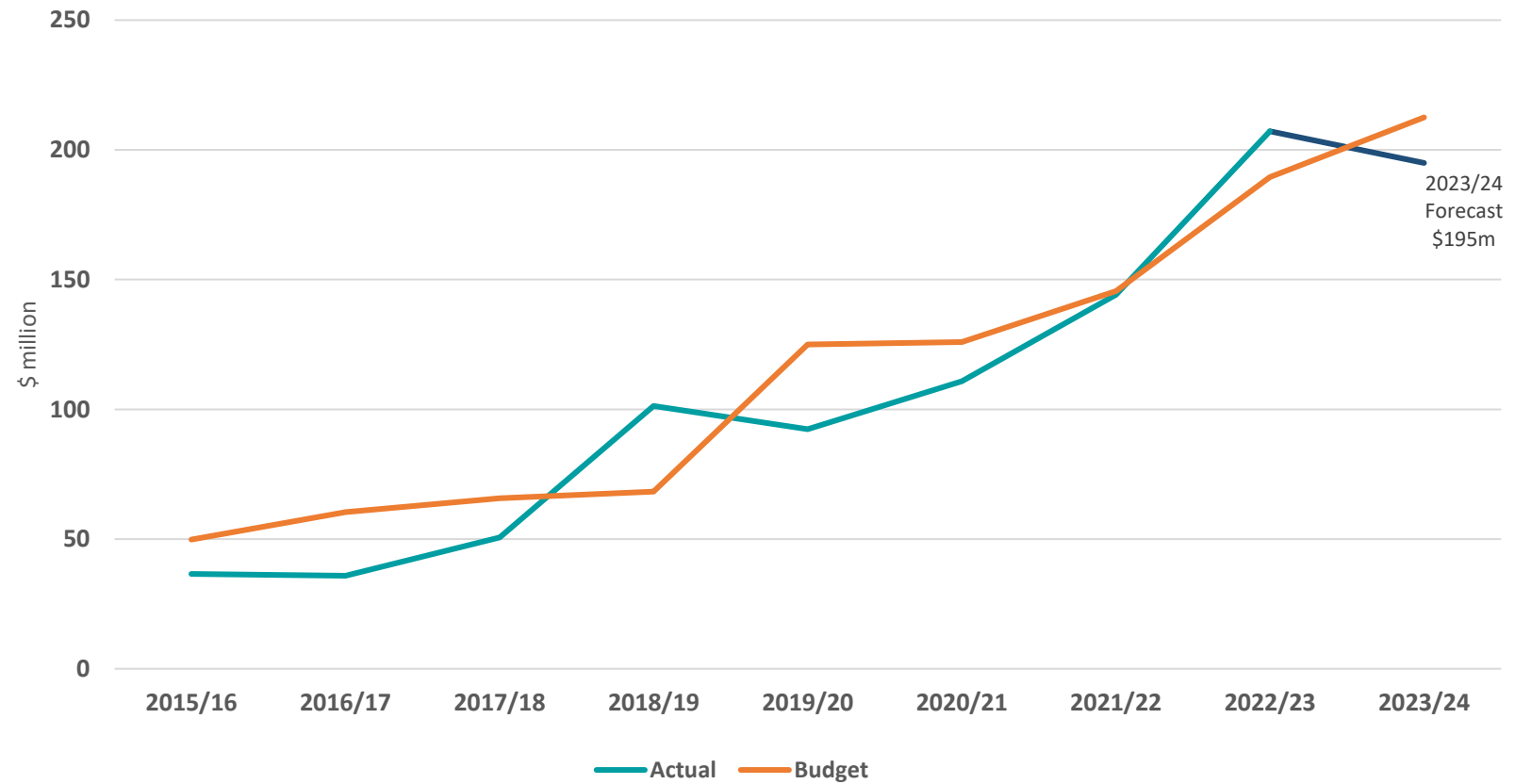
- Background
- Recap Ten Year Plan 2021-31
- Update on current year
- Approach to Ten Year Plan 2024-34
- Capex funding including debt
- Draft programme
- Individual activity areas
- Summary of next steps



# Background

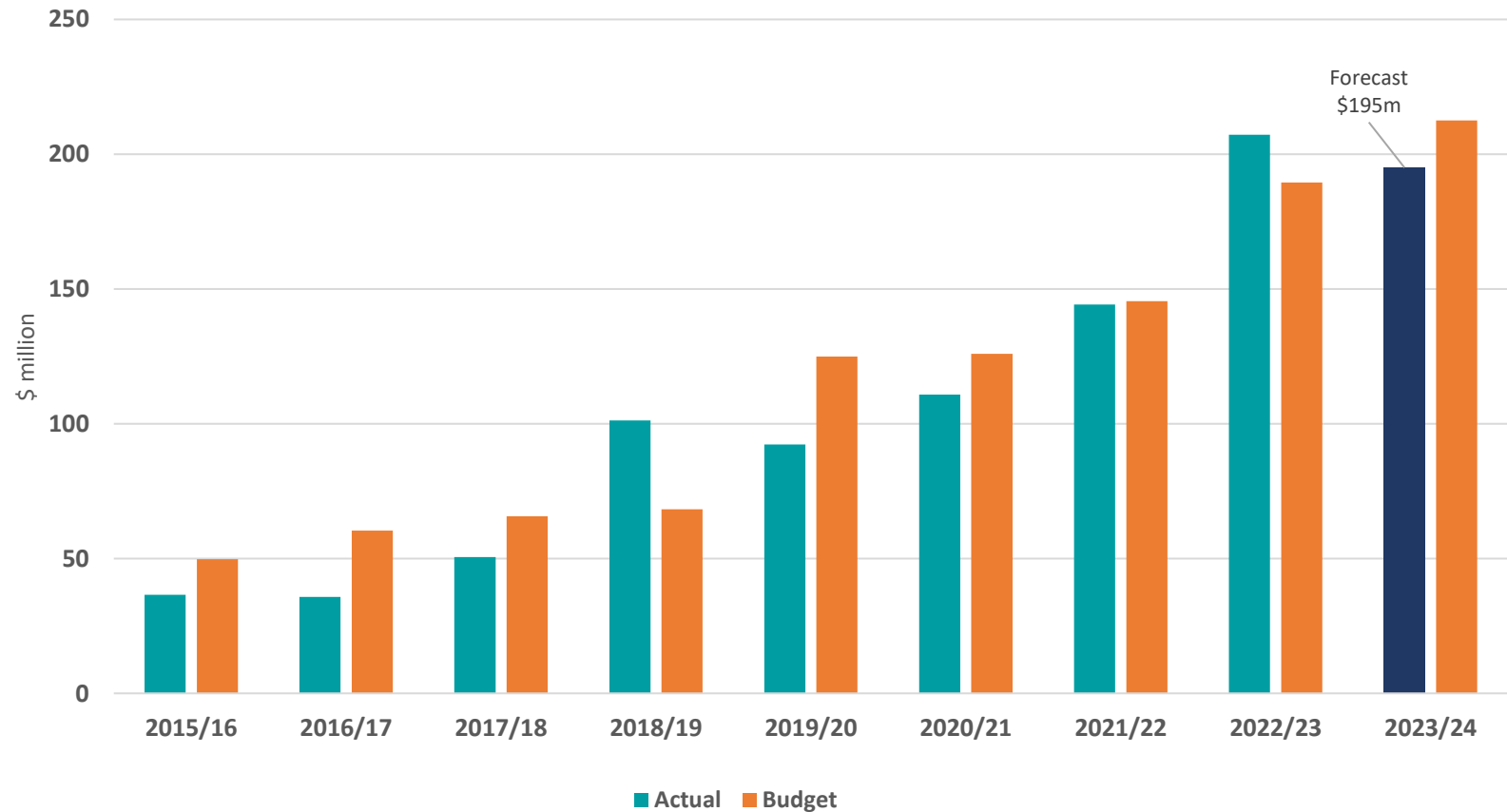
- 10 year plan 2021-31
  - \$1.5 billion over 10 years
  - The budget in years 1-3 \$450 million
  - Actual and forecast years 1-3 \$546 million
  - 3 Waters reform
  - Other projects accelerated

# Capital Expenditure Actual vs Budget





# Capital Expenditure Actual vs Budget





## Current Year

- \$213 million budget in 2023-24
- YTD expenditure to 31 October 2023 \$68 million, 107% of budget
- Forecast \$195 million

# Approach to 10 year Plan 2024-34

- A continuation of the programme developed for the 2021-31 10 year plan
- Prioritise renewals and cost escalations
- No new projects included until Council approval
- Attempted to limit annual capex to \$150 million
- Considered annual renewals vs depreciation
- First version includes Three Waters unconstrained programme
- Zero Carbon plan - high and medium investment options
- Inflation to be included





# Key Considerations

- Ability to fund
- Ability to deliver
- Timing of work
- Priority - renewals vs new capital



# Capital Funding Mechanisms

- Funded depreciation (renewals)
- Debt, used for
  - Renewals - shortfall in funded depreciation
  - New capital
- Waka Kotahi NZTA funding
- Development Contributions (growth)
- Rates impact from
  - Cost of borrowing
  - Depreciation

# Debt funding

- Debt limit
  - Debt limit less than 250% of revenue
  - Budgeted revenue 2023/24 \$340 million
  - 250% of revenue is \$850 million
  - Budgeted debt 2023/24 \$589 million
- Other ratios
  - Interest as a % rates revenue <30%
  - Interest as a % total revenue <20%
- Interest expense
  - Interest rate assumption last 10 year plan 2.85%





# Three Waters Approach

- Current legislation requires only 2 years
- Government intends to repeal the legislation
- Two years of Three Waters budgets will be included in Consultation Document
- Initial draft budget had unconstrained Three Waters



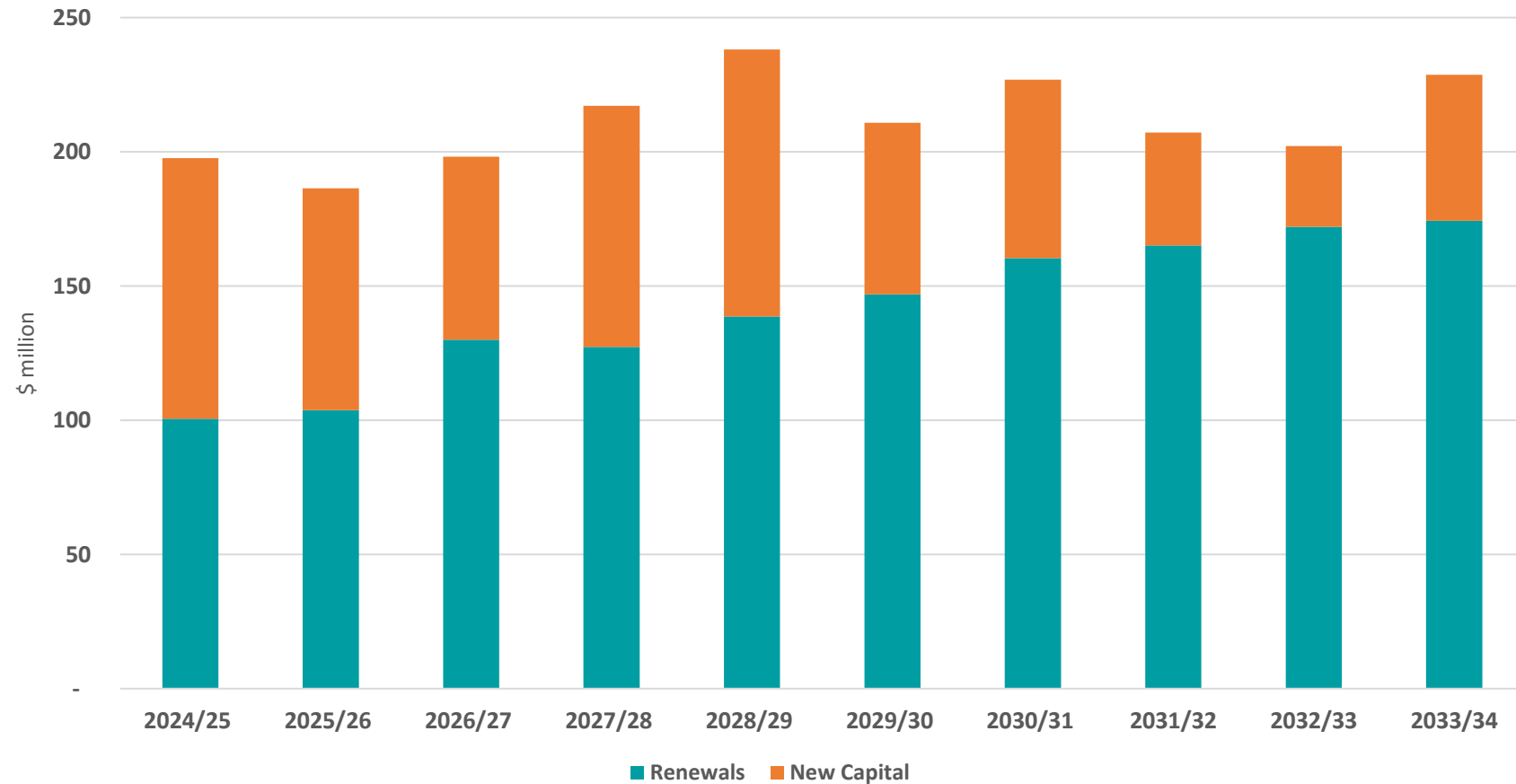
# Ten Year Capital Programme 2024-34

	First Version	Current Draft	2021-31 10YP	10 Year Change	
	\$'000	\$'000	\$'000	\$'000	%
New Capital	1,561,808	694,281	542,836	151,445	28%
Renewal	1,833,397	1,419,289	992,508	426,781	43%
<b>Total</b>	<b>3,395,205</b>	<b>2,113,570</b>	<b>1,535,344</b>	<b>578,226</b>	<b>38%</b>

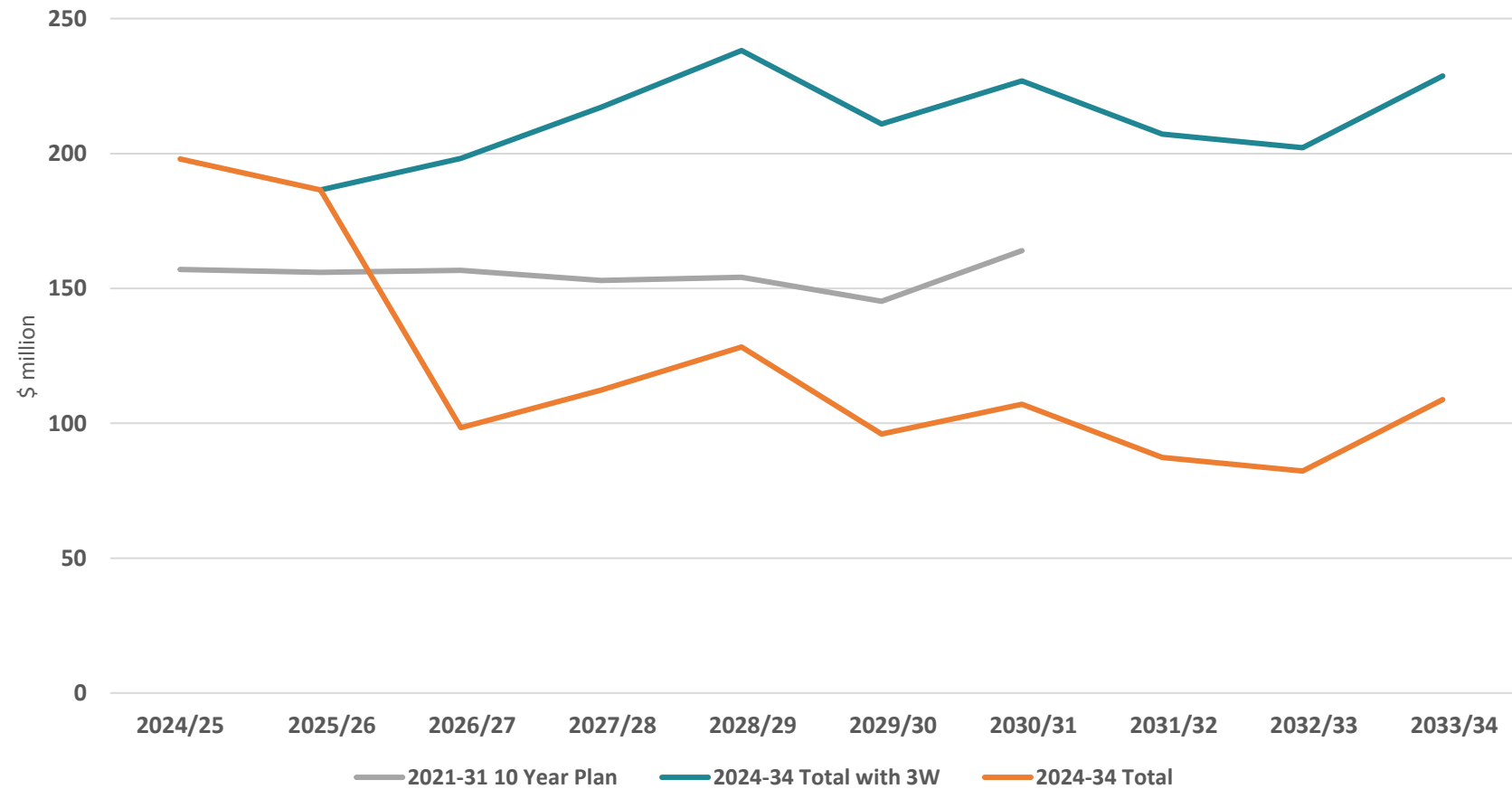
First version includes Three Waters unconstrained programme



# Capital Programme Draft 2024-34



# Capital Programme – 3W Change

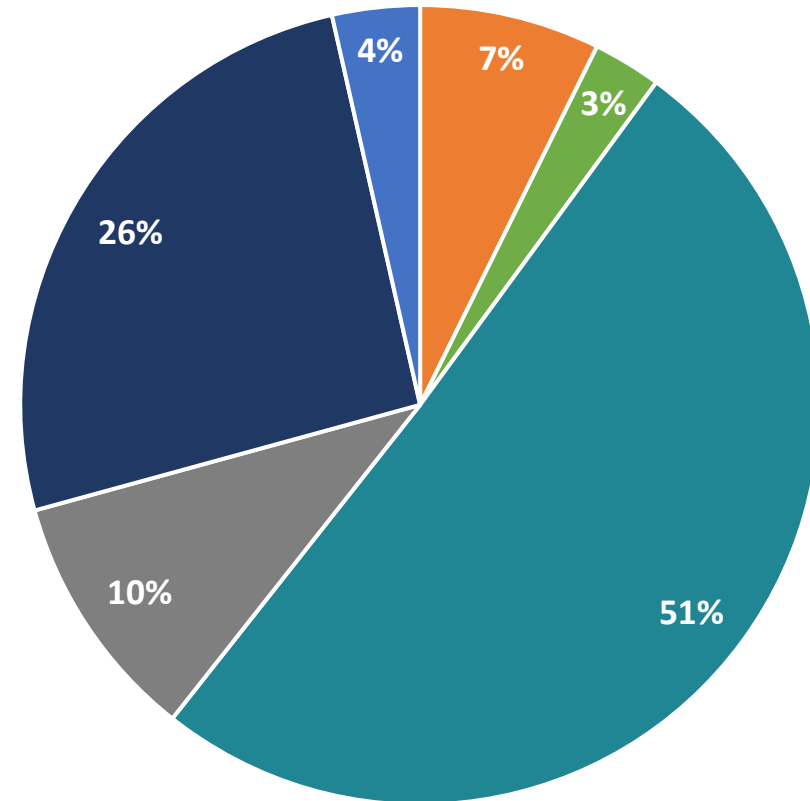




# Capital Expenditure 10 years

**Total \$2,114m**

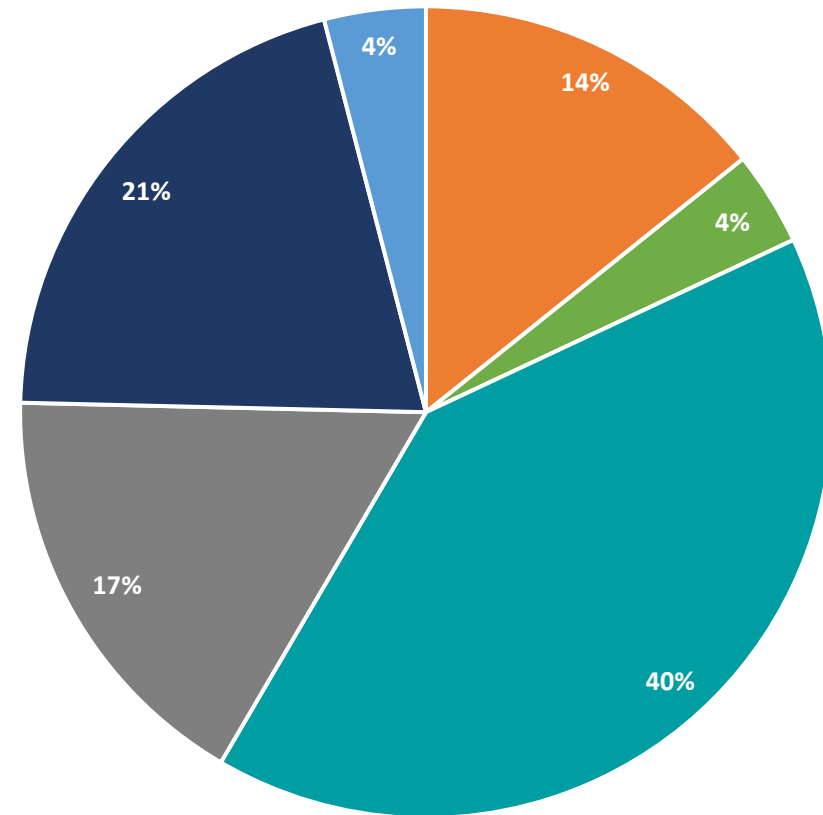
- Waste Management \$154m
- Reserves and Recreational Facilities \$58m
- Three Waters \$1,069m
- Property \$214m
- Transport \$543m
- Other \$75m



# Capital Expenditure Year 1

**Total \$198m**

- Waste Management \$28m
- Reserves and Recreational Facilities \$7m
- Three Waters \$80m
- Property \$33m
- Transport \$41m
- Other \$8m







# Individual Activity Areas

- Waste Management
- Parks and Recreation
- Three Waters
- Property
- Transport



# Total Capital by Activity

	Current Draft	2021-31 10YP	10 Year Change	
	\$'000	\$'000	\$'000	%
Waste Management	154,309	109,139	45,170	41%
Parks and Recreation	58,362	113,446	(55,084)	(49%)
Property	213,530	234,836	(21,306)	(9%)
Three Waters	1,068,998	561,677	507,321	90%
Transport	543,466	439,614	103,832	24%
Other	74,925	76,632	(1,707)	(2%)
<b>Total</b>	<b>2,113,570</b>	<b>1,535,344</b>	<b>578,226</b>	<b>38%</b>



# Renewals by Activity

	Current Draft	2021-31 10YP	10 Year Change	
	\$'000	\$'000	\$'000	%
Waste Management	8,320	8,933	(613)	(7%)
Parks and Recreation	39,222	76,975	(37,753)	(49%)
Property	149,250	168,226	(18,976)	(11%)
Three Waters	799,798	437,926	361,872	83%
Transport	369,874	245,796	124,078	50%
Other	52,825	54,652	(1,827)	(3%)
<b>Total</b>	<b>1,419,289</b>	<b>992,508</b>	<b>426,781</b>	<b>43%</b>





# New Capital by Activity

	Current Draft	2021-31 10YP	10 Year Change	
	\$'000	\$'000	\$'000	%
Waste Management	145,989	100,206	45,783	46%
Parks and Recreation	19,140	36,471	(17,331)	(48%)
Property	64,280	66,610	(2,330)	(3%)
Three Waters	269,200	123,751	145,449	118%
Transport	173,572	193,818	(20,246)	(10%)
Other	22,100	21,980	120	1%
<b>Total</b>	<b>694,281</b>	<b>542,836</b>	<b>151,445</b>	<b>28%</b>



# Parks and Recreation: Summary

	Current Draft	2021-31 10YP	10 Year Change	
	\$'000	\$'000	\$'000	%
New Capital	19,140	36,471	(17,331)	(48%)
Renewal	39,222	76,975	(37,753)	(49%)
<b>Total</b>	<b>58,362</b>	<b>113,446</b>	<b>(55,084)</b>	<b>(49%)</b>





# Parks and Recreation: Renewals

Project		Current Draft	2021-31 10YP	10 Year Change	
		\$'000	\$'000	\$'000	%
St Clair Pool	\$850k in Y1 for heat pump replacement	1,300	1,974	(674)	(34%)
Playgrounds	Skateparks deferred, St Clair and Botanic Garden Playgrounds upgrade in Y1	8,620	9,734	(1,114)	(11%)
Recreation Facilities	Gymnasiums, sports pavilions, changing rooms, hard surfaces (paths, carparks)	15,359	29,836	(14,477)	(49%)
Moana Pool	Hydroslide removed, renewals budget subject to Council decision	1,743	19,939	(18,196)	(91%)
Te Puna o Whakaehu	Full facility renewals budget \$50k pa from Year 3	400	678	(278)	(41%)
Greenspaces	Annual renewal across network of sports fields and gardens	5,510	6,068	(558)	(9%)
Other Renewals		6,290	8,746	(2,456)	(28%)
<b>Total</b>		<b>39,222</b>	<b>76,975</b>	<b>(37,753)</b>	<b>(49%)</b>







# Parks and Recreation: New Capital

Project		Current Draft	2021-31 10YP	10 Year Change	
		\$'000	\$'000	\$'000	%
Cemeteries & Crematorium	New infrastructure to meet future capacity	3,590	1,875	1,715	91%
Playground Improvements	Includes destination playgrounds (Years 2-4) and other community playground upgrades	9,910	4,284	5,626	131%
Moana Pool Improvements	Subject to Council decision	200	4,104	(3,904)	(95%)
Te Puna o Whakaehu	Facility build complete	0	19,164	(19,164)	(100%)
Recreation Facilities Improvements	Field lights, small projects & improvements	3,300	4,440	(1,140)	(26%)
Track Network Development	Network safety & accessibility including new signage	1,000	500	500	100%
Other New Capital		1,140	2,104	(964)	(46%)
<b>Total</b>		<b>19,140</b>	<b>36,471</b>	<b>(17,331)</b>	<b>48%</b>





# Waste Management: Summary

	Current Draft	2021-31 10YP	Change	
	\$'000	\$'000	\$'000	%
New Capital	145,989	100,206	45,783	46%
Renewal	8,320	8,933	(613)	(7%)
<b>Total</b>	<b>154,309</b>	<b>109,139</b>	<b>45,170</b>	<b>41%</b>





# Waste Management: New Capital

Project		Current Draft	2021-31 10YP	Inc(Dec)	
		\$'000	\$'000	\$'000	%
Bulk Waste System	Green Island transfer system (Years 2-3)	6,966	2,541	4,425	174%
Material Recovery Facility	Buildings & infrastructure (Years 1-2)	19,957	6,285	13,672	218%
Smooth Hill Landfill	From Y4	73,950	56,434	17,516	31%
Green Island Landfill	Gas collection system (\$2.8m Y1-2), leachate system (\$1.8m Y1-3)	6,350	7,000	(650)	(9%)
Green Island Landfill Aftercare		7,100	1,820	5,280	290%
Green Island Landfill Solar Farm		10,300	5,100	5,200	102%
Other New Capital	City hubs, Community recycling facilities	21,366	21,026	340	2%
<b>Total</b>		<b>145,989</b>	<b>100,206</b>	<b>45,783</b>	<b>46%</b>







# Waste Management: Renewals

Project		Current Draft	2021-31 10YP	10 Year Change	
		\$'000	\$'000	\$'000	%
Forrester Park Landfill	Culvert pipe renew (Years 6-7)	3,015	3,794	(779)	(21%)
Kerbside Bin Replacements	Annual ongoing replacement	2,000	1,987	13	1%
Public Place Recycling & Rubbish Bins	Annual ongoing replacement of public recycling & rubbish bins	1,075	680	395	58%
Green Island Landfill	General asset renewals, \$400k Y5 for leachate pump replacement	2,035	2,348	(313)	(13%)
Other Renewals		195	124	71	57%
<b>Total</b>		<b>8,320</b>	<b>8,933</b>	<b>(13)</b>	<b>(7%)</b>





# Three Waters: Summary

	First Version	Current Draft	2021-31 10YP	10 Year Change	
	\$'000	\$'000	\$'000	\$'000	%
Growth	68,132	68,132	35,304	32,828	93%
New Capital	869,328	201,068	88,447	112,621	127%
Renewal	1,249,943	799,798	437,926	361,872	83%
<b>Total</b>	<b>2,187,403</b>	<b>1,068,998</b>	<b>561,677</b>	<b>507,321</b>	<b>90%</b>





# Three Waters: Year 1

	First Version	2024/25 Draft	2024/25 2021-31 10YP	Change	
	\$'000	\$'000	\$'000	\$'000	%
Growth	2,951	2,951	3,786	(835)	(22%)
New Capital	31,145	31,145	8,480	22,665	267%
Renewal	60,303	45,807	35,781	10,026	28%
<b>Total</b>	<b>94,399</b>	<b>79,903</b>	<b>48,047</b>	<b>31,856</b>	<b>66%</b>







# Three Waters: Year 2

	First Version	2024/25 Draft	2024/25 2021-31 10YP	Change	
	\$'000	\$'000	\$'000	\$'000	%
Growth	6,855	6,855	4,220	2,635	62%
New Capital	31,358	31,358	9,890	21,468	217%
Renewal	72,869	41,691	33,380	8,311	25%
<b>Total</b>	<b>111,082</b>	<b>79,904</b>	<b>47,490</b>	<b>32,414</b>	<b>68%</b>





## Property: Summary

	Current Draft	2021-31 10YP	10 Year Change	
	\$'000	\$'000	\$'000	%
New Capital	64,280	66,610	(2,330)	(3%)
Renewal	149,250	168,226	(18,876)	(11%)
<b>Total</b>	<b>213,530</b>	<b>234,836</b>	<b>(21,306)</b>	<b>(9%)</b>





# Property: New Capital

Project		Current Draft	2021-31 10YP	10 Year Change	
		\$'000	\$'000	\$'000	%
Performing Arts	Years 5-8	17,100	17,100	0	
Public Toilets (Growth)	\$510k pa Years 1-8	4,080	2,050	2,030	99%
Sammy's	Year 5	4,800	4,800	0	
Housing (Growth)	Including Oxford & Thorn St	18,800	20,000	(1,200)	6%
South Dunedin Library & Community Centre	\$17.5m Year 1 & \$2m Year 2	19,500	11,560	7,940	69%
District Energy Scheme		0	11,100	(11,100)	(100%)
<b>Total</b>	<b>Check these lines</b>	<b>64,280</b>	<b>66,610</b>	<b>(2,300)</b>	<b>(3%)</b>





# Property: Renewals

Activity	Current Draft	2021-31 10YP	10 Year Change	
	\$'000	\$'000	\$'000	%
Community	34,810	36,180	(1,370)	(4%)
Housing	21,500	29,803	(8,303)	(28%)
Investment	14,705	13,443	1,262	9%
Commercial	5,640	21,656	(16,016)	(74%)
Operational	72,595	67,144	5,451	8%
<b>Total</b>	<b>149,250</b>	<b>168,226</b>	<b>(18,976)</b>	<b>(11%)</b>







# Property: Operational Renewals

Project	Current Draft	2021-31 10YP	10 Year Change	
	\$'000	\$'000	\$'000	%
Asset Renewals	30,500	42,653	(12,153)	(28%)
Civic Centre	10,355	3,000	7,355	245%
Dunedin City Library	8,025	1,691	6,334	375%
Dunedin Public Art Gallery	5,585	893	4,692	525%
Town Hall & Municipal Chambers	11,830	3,555	8,275	233%
Other Renewals	6,300	15,352	(9,052)	(59%)
<b>Total</b>	<b>72,595</b>	<b>67,144</b>	<b>5,451</b>	<b>8%</b>





# Transport: Summary

	Current Draft	2021-31 10YP	10 Year Change	
	\$'000	\$'000	\$'000	%
New Capital	173,572	193,818	(20,246)	(10%)
Renewal	369,874	245,796	124,078	50%
<b>Total</b>	<b>543,446</b>	<b>439,614</b>	<b>103,832</b>	<b>24%</b>





# Transport: Renewals

Project	Current Draft	2021-31 10YP	10 Year Change	
	\$'000	\$'000	\$'000	%
Footpath Renewals	71,708	48,184	23,524	49%
Gravel Road Re-Metaling	13,392	14,297	(905)	(6%)
Major Drainage Control	87,166	49,170	37,996	77%
Pavement Rehabilitations	36,395	17,171	19,224	112%
Pavement Renewals	122,630	84,700	37,930	45%
Structure Component Replacement	23,064	22,618	446	2%
Traffic Services Renewal	15,519	9,656	5,863	61%
<b>Total</b>	<b>369,874</b>	<b>245,796</b>	<b>124,078</b>	<b>50%</b>





# Transport: New Capital

Project		Current Draft	2021-31 10YP	10 Year Change	
		\$'000	\$'000	\$'000	%
Central City Upgrade		36,232	60,000	(23,768)	(40%)
City to Waterfront Connection		20,000	20,000	0	
Dunedin Urban Cycleways		30,949	21,925	9,024	41%
Shaping Future Dunedin		32,136	51,157	(19,021)	(37%)
Major Centres & Other Centres Upgrade		11,280	9,400	1,880	20%
Peninsula Connection	Ōtākou/Harrington Point section subject to Council decision	3,500	9,728	(6,228)	(64%)
Other New Capital	Includes Low Cost Low Risk, FDS	39,475	21,608	17,867	83%
<b>Total</b>		<b>173,572</b>	<b>193,818</b>	<b>(20,246)</b>	<b>(10%)</b>





# Transport: Co-Funding Assumption

- Funding Assistance Rate (FAR) 51%
- This doesn't apply to all projects eg amenity
- Funding was capped in 10 year plan 2021-31
- DCC funded a greater share of renewals
- In the current year, Transport renewals budget \$22m, subsidy \$8m (36%)

## Next Steps

- Finalise draft capital budget
- Review against Financial Strategy
- Inflation assumptions
- Infrastructure Strategy approval
- Options reports (December - January)
- Zero Carbon plan - high and medium investment options
- Draft budget approval - January
- Development contributions policy





ARTIST: Phlegm