

In confidence

## Financial Update to 30 April 2023

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### Whāinga | Purpose: For noting

This paper summarises the financial performance and position of Waka Kotahi and the National Land Transport Fund (NLTF) for the period ended 30 April 2023 (with summary figures to 31 May).

### Take matua | Key points

- The three-year projection shows that the NLTF position by the end of the current NLTP remains finely balanced but improved from previous forecasts. Successful budget bids have helped to offset pressure on the NLTF.
- Anticipated funding constraints in the 2024-27 NLTP period are now becoming critical and will soon start to significantly impact funding decisions in the remainder of the current NLTP.
- From Budget 2023, adequate funding has been secured for the response phase of the North Island weather events (NIWE). The focus is now on confirming funding arrangements and decision making for the recovery and rebuild phases.
- Agency operational expenditure should remain under budget (and forecast). Cost increases (primarily higher personnel costs) are offset primarily by lower project spend.

### He kōrero mō tēnei kaupapa | Background

As discussed in previous papers over the last year, there are ongoing pressures on several fronts.

- NLTF financial constraints, with lower RUC and FED revenue compared to the original NLTP settings, lower public transport farebox and ongoing inflationary pressure.
- The regulatory business requires a new funding and fee model which is set to go-live in October, following Cabinet approval in March 2023. Significant accounting and system changes are underway to align fees, cost allocations and reporting to the new model.
- Numerous other complex projects continue to stretch Waka Kotahi in terms of resources and focus. Key projects in operation or implementation include: Clean Car Schemes, National Ticketing Solution, Safety Cameras, Tolling back-office upgrade and CERF1 initiatives.

<sup>1</sup> This includes Clean Car Upgrade and Social Leasing Scheme (both now cancelled), as well as the establishment of the Transport Choices programme and various public transport initiatives.

## Kia mōhio mai koe | What you need to know

### Financial performance summary at 30 April (and 31 May)

- The NLTF cash position at 30 April was \$156 million (at 31 May \$224 million).
- NLTF revenue pre-Crown funding at 30 April was 2% or \$80.2 million below budget (at 31 May \$74.3 million).
- Additional Crown funding of \$390 million<sup>2</sup> for 2022/23 revenue has resulted in the forecast being \$303.5 million above budget and approximately \$206 million above the revenue forecast at the time the NLTP was set.
- NLTF funded expenditure at 30 April was 6% or \$290 million below budget (at 31 May \$224 million).
- Operational expenditure at 30 April was 2% (\$8.7 million) below forecast due to lower than expected spend on business initiatives offset by higher personnel costs (at 31 May \$10.1 million).
- The combined regulatory memorandum account deficit at 30 April was \$48.8 million, \$15.0 million favourable to forecast (at 31 May \$50.4 million). The deficit is being funded by a \$95 million Crown loan of which \$60 million is currently drawn. The favourable forecast is due to lower costs, additional revenue (including Budget bids from 2022 and 2023, and S9 (1A) funding<sup>3</sup>).

A summary of financial performance is included as Attachment 1.

Significant changes and updates to the financial position since the last report are set out below.

### NLTF funding position

#### Funding outlook

section 9(2)(g)(i)



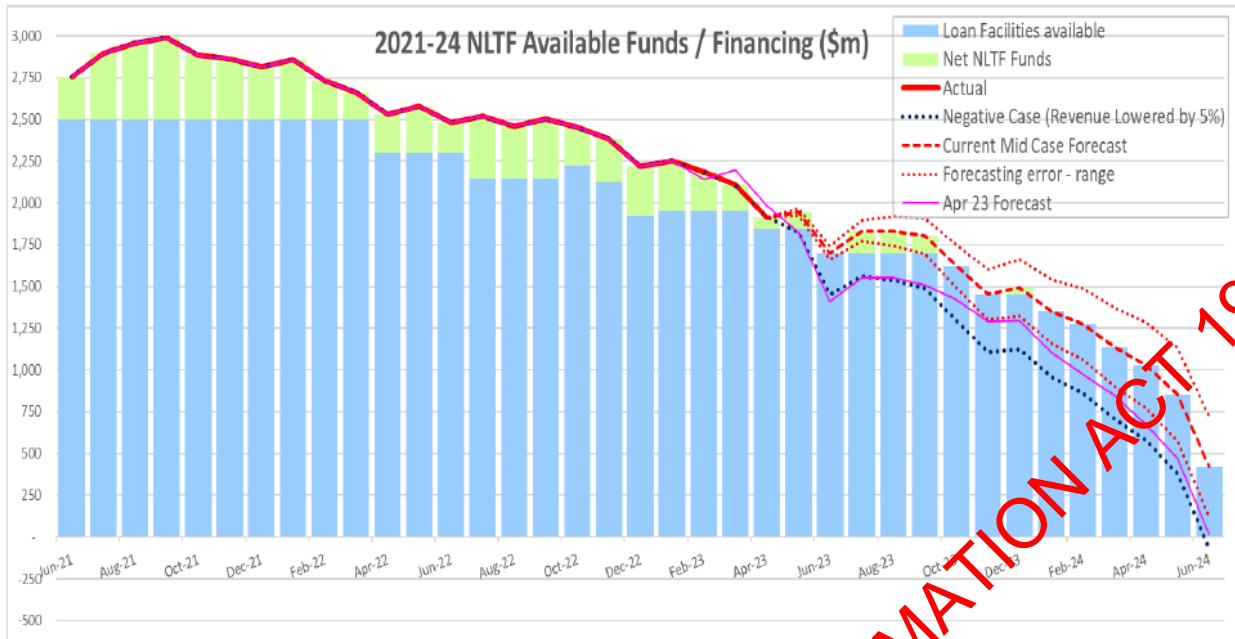
#### NLTP 2021-24

To date, we have drawn \$400 million from the \$2 billion NLTP support facility and fully drawn the \$250 million shock facility.

The latest three-year equity projection for the NLTF is illustrated below. With budget bids/funding support included, we should have sufficient liquidity to complete the current NLTP. The latest projection shows us using around \$2.1 billion of the \$2.5 billion of debt facilities available.

<sup>2</sup> Of the \$390m, \$321.4m will flow out as an expense, leaving a net benefit of \$68.6m.

<sup>3</sup> This is land transport revenue funding that would otherwise flow into the NLTF.



The forecast is subject to significant uncertainty. The key downside risks are lower NLTF revenue (FED/RUC) than forecast and significant weather events/emergency works claims over the balance of the NLTF. On the upside is the potential for expenditure to slow due to funding and delivery constraints. We may target Budget 2024 for additional funding to support the NLTF (including PT support costs and emergency works).

The forecast above includes use of the \$250 million shock facility (now fully drawn). Ideally, we would repay the shock facility before 30 June 2024 to increase our flexibility in 2024-27 otherwise, under the terms of the facility, it is repayable in 2026/27.

### Regulatory fees and funding

Following Cabinet approval in March, preparatory work continues for a go-live date of October 2023 for the new fees and funding model for roading regulation.

### Operational expenditure

Operational expenditure trends are similar to last month. We expect to remain within budget at year-end.

### Clean car discount

The Clean Car Grant is 81% (\$244 million) utilised. Cabinet approved an increase to the grant of \$100 million in Budget 2023. Changes to fees and rebates from 1 July are designed to enable the grant to be repaid in due course.

### North Island weather events

To date, of the initial \$250 million short-term funding to cover initial response costs, \$166.56 million has been spent and claimed up to 6 June 2023, made up of local roads \$115.5 million and state highways \$51.0 million. Attachment 2 contains the funding approvals and amount claimed for local roads. Total funding approvals for local roads are \$201 million.

The budget approved additional funding of \$275 million (i.e. \$525 million in total) for initial response/early recovery works. Based on trends and indications to date, this funding should be sufficient to cover all initial response costs for local roads (at the special “+40%” funding assistance rate) and state highways. We are working with Treasury on the next stages of recovery funding, costs of which will extend well beyond the current appropriations.

section 9(2)(b)(ii)

## Ngā tūraru matua | Key risks and how we will manage them

Key risk	Management
Reduction in NLTF revenue and higher costs	<p>Provide options to the Minister for additional funding or financing and reduce investment targets as required to match forecast revenue as per the NLTF briefing.</p> <p>Seek further budget funding in 2024 for fare box shortfall and additional resilience costs including emergency works.</p>
Funding for NIWE costs is insufficient	<p>Seek budget funding for the likely cost of the recovery and re-build. Work to further refine initial estimates to ensure any funding request is realistic.</p> <p>Maintain regular dialogue and information exchange with Officials</p> <p>Limit the extent of enhanced FARs</p>
Funding sustainability	Engagement with the Ministry around the impacts of the reduction in NLTP funds with flat revenue, higher costs and interest and debt repayments.
section 9(2)(b)(ii)	

## Ngā whakapiringa | Attachments

Attachment 1	Financial Performance and NLTF Summary to 30 April 2023
Attachment 2	Summary of NIWE initial response costs and payments

# FINANCIAL PERFORMANCE

for TEN MONTHS ENDED 30 APRIL 2023

## FINANCIAL PERFORMANCE SUMMARY

● On Track    
 ● At Risk    
 ● Action Required    
 ↑ Improving Trend    
 ⇨ Neutral Trend    
 ↓ Reducing Trend

 <p><b>\$156 million</b></p>	<p><b>NATIONAL LAND TRANSPORT FUND CASH BALANCE</b>                      The balance reflects the current funds available to manage our short term cash flows.</p>	 <p><b>\$144.7 million Below budget</b></p>	<p><b>NATIONAL LAND TRANSPORT FUND NET REVENUE</b>                      Year to date-revenue is 4% below budget. The trend of lower revenue to budget is largely driven by lower vehicle kilometres travelled.</p>
 <p><b>\$334 million Below budget</b></p>	<p><b>NLTP EXPENDITURE</b>                      NLTF funded expenditure is \$290 million (6%) below budget mainly in State Highway Improvements, Road to Zero, and rail network investment. Crown funded expenditure is \$44 million (9%) below budget, mainly from the NZ Upgrade Programme.</p>	 <p><b>3 of 11 Not on track</b></p>	<p><b>NATIONAL LAND TRANSPORT PROGRAMME ACTIVITY CLASSES</b>                      On current forecasts, activity classes at risk of exceeding their investment targets are:</p> <ul style="list-style-type: none"> <li>State highway improvements</li> <li>State highway maintenance</li> <li>Local road maintenance</li> </ul>
 <p><b>Operating expenditure \$8.7 million Below forecast</b></p>	<p><b>OPERATIONAL REVENUE AND EXPENDITURE</b>                      Operational expenditure is \$8.7 million below forecast. Lower business initiatives are offsetting higher personnel cost spend.</p>	 <p><b>\$15.0 million Better than forecast</b></p>	<p><b>MEMORANDUM ACCOUNTS</b>                      The combined memorandum account deficit is \$48.8 million, \$15m (23%) favourable against forecast, due to better than forecast revenue. A Crown loan is funding the deficit, of which \$60 million is currently drawn down (\$35 million remains available).</p>
 <p><b>All ratios in range</b></p>	<p><b>DEBT MANGEMENT</b>                      All debt management ratios are within the agreed operating ranges.</p>	 <p><b>\$3,536.4 million Total Liability</b></p>	<p><b>LONG-TERM LIABILITIES</b>                      The total long-term funding liability is \$3,536.4 million, incorporating specific loan packages, public-private partnership (PPP) commitments and the derivative financial liabilities. We are compliant with all loan conditions.</p>

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## NATIONAL LAND TRANSPORT FUND NET REVENUE

**National Land Transport Fund (NLTF)** revenue pre-Crown funding is \$80.2 million (2%) below budget. This is primarily driven by total FED and RUC being 2% below budget, which includes Crown reimbursement for the tax reduction.

- **Total FED and RUC** is \$73.1 million (2%) below budget.
- **Other NLTF Revenue** is \$7.1 million (3%) below budget.

**Crown Funding** is \$64.5 million (26%) below budget. This reflects lower spend from KiwiRail. An additional \$40 million is going to KiwiRail via budget bids following NIWE.

A Crown funding injection of \$390 million has changed the 2022/23 revenue forecast to be \$303.5 million above budget and approximately \$206 million above the revenue forecast at the time the NLTP was set. This increase is from the Crown funding injection for Cyclone Gabrielle recovery and public transport support, totalling \$390m.

Budget bids will increase revenue by \$726 million over the NLTP period. On top of this, there is \$40 million for KiwiRail<sup>4</sup>.

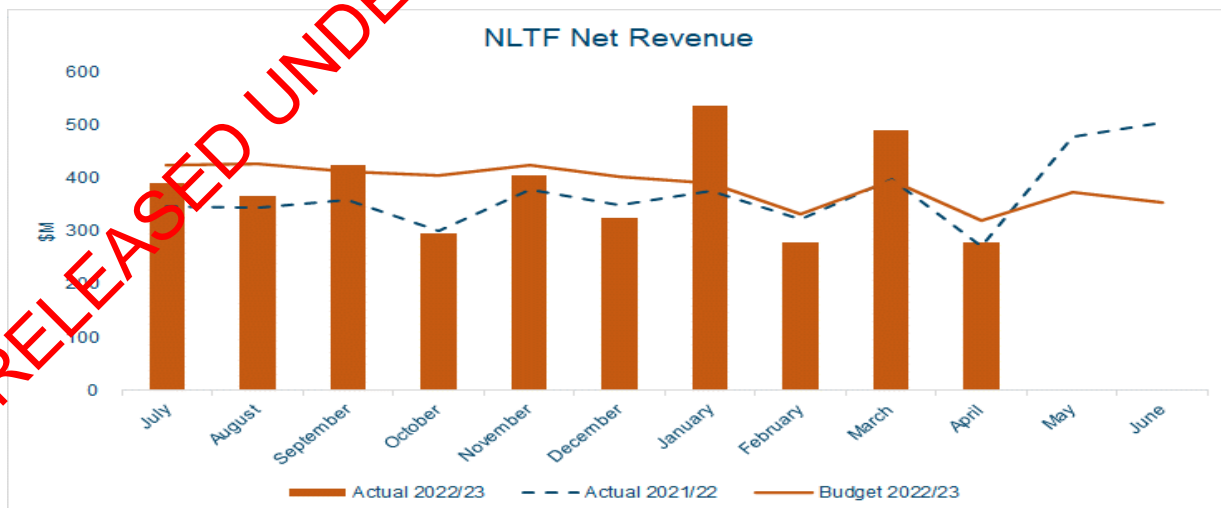
### SUMMARY

**\$144.7m**  
below budget

NLTF Revenue  
\$80.2m below  
budget

Crown Funding is  
\$64.5m below  
budget

	MONTH				YEAR TO DATE				FULL YEAR	
	Actual \$m	Budget \$m	Variance \$m	Var %	Actual \$m	Budget \$m	Variance \$m	Var %	Forecast \$m	Budget \$m
Fuel Excise Duty	71.4	124.9	(53.5)	(43%)	1,081.8	1,535.2	(453.4)	(30%)	1,242.8	1,859.3
Road user charges	89.1	152.8	(63.7)	(42%)	1,111.6	1,549.2	(437.6)	(28%)	1,270.8	1,853.4
Crown Temp Tax Reduct.	92.3	0.0	92.3	0%	1,187.9	370.0	817.9	221%	1,449.1	370.0
<b>Total FED and RUC</b>	<b>252.8</b>	<b>277.7</b>	<b>(24.9)</b>	<b>(9%)</b>	<b>3,381.3</b>	<b>3,454.4</b>	<b>(73.1)</b>	<b>(2%)</b>	<b>3,962.7</b>	<b>4,082.7</b>
MV registration & Lic	15.7	14.8	0.9	6%	192.3	194.7	(2.4)	(1%)	234.8	234.2
Other revenue	3.5	5.6	(2.1)	(38%)	51.6	55.3	(3.7)	(7%)	57.0	66.4
Less disbursements <sup>5</sup>	(1.4)	(1.4)	0.0	0%	(15.1)	(14.1)	(1.0)	7%	(23.5)	(17.0)
<b>NLTF Revenue</b>	<b>270.6</b>	<b>296.7</b>	<b>(26.1)</b>	<b>(9%)</b>	<b>3,610.1</b>	<b>3,690.3</b>	<b>(80.2)</b>	<b>(2%)</b>	<b>4,231.0</b>	<b>4,366.3</b>
Crown Funding NIWE / PT <sup>6</sup>	0.0	0.0	0.0	0%	0.0	0.0	0.0	0%	390.0	0.0
Crown Funding (RNIP) <sup>1</sup>	8.2	23.7	(15.5)	(65%)	184.5	249.0	(64.5)	(26%)	349.2	300.4
<b>Total Crown Funding</b>	<b>8.2</b>	<b>23.7</b>	<b>(15.5)</b>	<b>(65%)</b>	<b>184.5</b>	<b>249.0</b>	<b>(64.5)</b>	<b>(26%)</b>	<b>739.2</b>	<b>300.4</b>
<b>Total NLTF net revenue</b>	<b>278.8</b>	<b>320.4</b>	<b>(41.6)</b>	<b>(13%)</b>	<b>3,794.6</b>	<b>3,939.3</b>	<b>(144.7)</b>	<b>(4%)</b>	<b>4,970.2</b>	<b>4,666.7</b>



<sup>4</sup> \$40 million relates to NIWE. On top of this there is a \$160 million tagged contingency.

<sup>5</sup> Disbursements relate to FED/RUC administration, forecasting and strategy, and regulatory functions (section 9(1a) and 9(2))

<sup>6</sup> Crown funding for NIWE recovery and public transport support

## NATIONAL LAND TRANSPORT PROGRAMME (FUNDED FROM THE NATIONAL LAND TRANSPORT FUND AND CROWN-FUNDED EXPENDITURE)

**National Land Transport Fund (NLTF) expenditure** is \$290 million (6%) below budget, mainly due to lower spending in State Highway Improvements, Road to Zero and Rail. This is partially offset by higher expenditure in state highway and local road maintenance, partially driven by the North Island weather events. The \$525 million (\$250+\$275 million) will flow into the NLTF so will show as NLTP spend. Activity class ranges will be exceeded and may require adjustment upwards. Similarly, Public Transport Services spend will increase by \$69 million being the AO share of the Public Transport budget allocation of \$140 million. The NLTF benefits by the remaining \$71 million.

**Specific Crown-funded projects** expenditure is \$44 million (9%) below budget. Spending on the NZ Upgrade and Supporting Regions programmes are below budget to date.

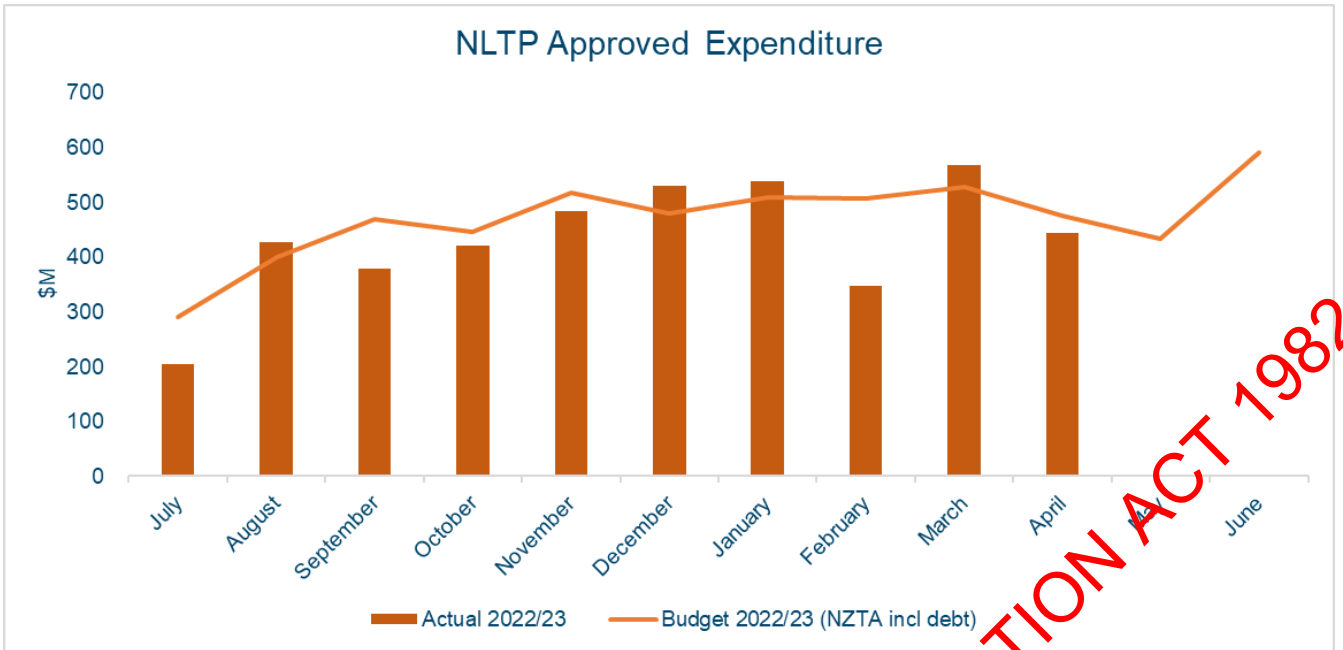
	2022/23 YEAR TO DATE				2022/23 FULL YEAR		NLTP 2021-24		INVESTMENT TARGETS <sup>7</sup>	
	Actual	Budget	Variance		Forecast	Budget	Forecast	Budget <sup>8</sup>	Lower	Upper
	\$m	\$m	\$m	%	\$m	\$m	\$m	\$m	\$m	\$m
State highway improvements	732	885	153	17%	859	978	2,739	2,640	2,530	2,640
Local road improvements	91	125	34	27%	152	200	506	671	485	525
Walking and cycling improvements	124	170	46	27%	165	233	539	618	515	550
State highway maintenance	952	854	(98)	(11%)	1,211	1,184	3,157	2,805	2,260	2,940
Local road maintenance	679	592	(87)	(15%)	938	774	2,656	2,339	2,000	2,340
Public transport services	380	412	33	8%	458	484	1,444	1,330	1,370	1,480
Public transport infrastructure	430	343	(87)	(25%)	522	467	1,504	1,699	1,520	1,640
Road to Zero	614	752	139	18%	843	934	2,535	2,673	2,530	2,660
Coastal shipping	18	26	8	28%	20	27	30	30	30	45
Investment management	52	66	13	20%	91	89	250	262	220	270
Rail	260	390	129	33%	349	467	1,200	1,200	1,194	1,344
<b>NLTP approved expenditure</b>	<b>4,332</b>	<b>4,615</b>	<b>283</b>	<b>6%</b>	<b>5,648</b>	<b>5,637</b>	<b>16,560</b>	<b>16,267</b>	<b>14,654</b>	<b>16,434</b>
Housing Infrastructure Fund (LRI) <sup>9</sup>	21	28	7	26%	44	44	186	308	0	0
<b>NLTF funded expenditure</b>	<b>4,353</b>	<b>4,643</b>	<b>290</b>	<b>6%</b>	<b>5,692</b>	<b>5,681</b>	<b>16,746</b>	<b>16,575</b>	<b>14,654</b>	<b>16,434</b>
Crown Infrastructure Partners	37	15	(22)	(146%)	40	22	107	106		
Kaikoura earthquake response <sup>10</sup>	(3)	3	6	184%	6	4	7	7		
SuperGold card	35	29	(4)	(13%)	36	31	103	93		
COVID-19 fund (PT farebox)	14	3	(11)	(370%)	45	3	173	99		
NZ Upgrade Programme	355	415	60	15%	589	606	1,953	2,541		
Supporting Regions Programme	31	46	15	32%	53	58	158	161		
Climate Emergency Res. Fund	0	0	0	0%	12	138	129	438		
<b>Crown funded expenditure</b>	<b>467</b>	<b>511</b>	<b>44</b>	<b>9%</b>	<b>780</b>	<b>863</b>	<b>2,629</b>	<b>3,445</b>		
<b>NLTP &amp; Crown expenditure</b>	<b>4,820</b>	<b>5,154</b>	<b>334</b>	<b>6%</b>	<b>6,472</b>	<b>6,544</b>	<b>19,375</b>	<b>20,020</b>		

<sup>7</sup> Investment targets revised in September 2022

<sup>8</sup> Budget originally set at the start of the NLTP 2021-24 period

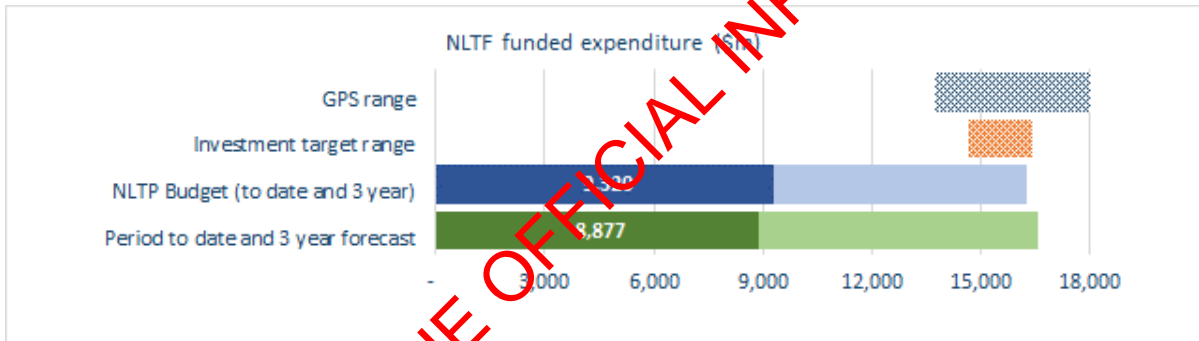
<sup>9</sup> The three-year HIF forecast has been reduced from \$308 million to \$186 million to reflect a lower level of expected spend from councils

<sup>10</sup> A cost share allocation review by BondCM, has resulted in an increase allocation share to KiwiRail and a credit to Waka Kotahi



The graphs below show the progress of the 2021-24 NLTF expenditure for the 22 months ended 30 April 2023, against the updated Activity Class Investment Targets.

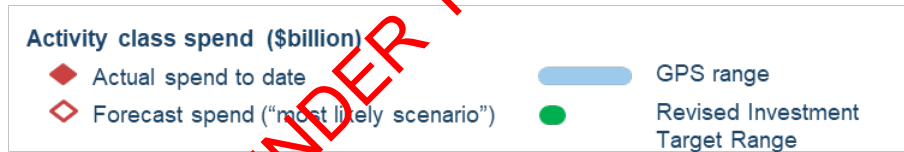
**Total NLTF Funded Expenditure**



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**NLTF Funded Expenditure by Activity Class**



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## WAKA KOTAHI OPERATIONAL REVENUE; OPERATING AND CAPITAL EXPENDITURE

**Operational expenditure** is \$8.7 million below forecast (excluding contingency).

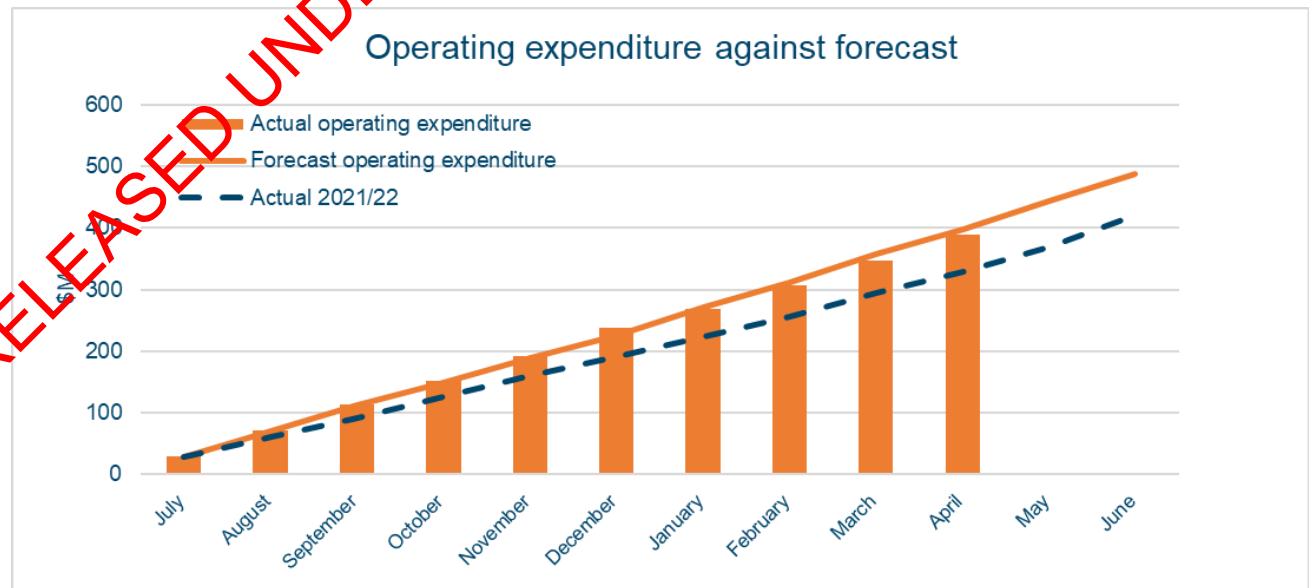
- **Personnel costs** are \$9.5 million (5%) above forecast. This reflects higher contractor costs (\$7.6 million), lower salary recharges to projects (\$8.3 million) partially offset by leave liability being \$4.1 million below forecast. In response to the lower recharges, we have updated charge out rates and reinforced the requirements to recharge time where appropriate.
- **Operating expenses** are \$17.8 million (10%) below forecast primarily from Regulatory and Digital business initiatives spend.

**Operational revenue** is \$12.4 million (10%) above forecast. Higher than forecast revenue in driver testing and RUC collections are offsetting lower driver licensing revenue.

**Capital expenditure** is \$7.0 million (23%) below forecast, of which \$6.2 million is a timing variance in relation to the new Wellington office.



	MONTH				YEAR-TO DATE				FULL YEAR	
	Actual \$m	Forecast \$m	Variance \$m	Var %	Actual \$m	Forecast \$m	Variance \$m	Var %	Forecast \$m	Budget \$m
<b>Expenditure classified by:</b>										
Personnel costs	23.1	20.9	(2.2)	(11%)	220.4	211.3	(9.5)	(5%)	249.6	248.5
Operating expenses	17.2	19.0	1.8	10%	154.5	172.3	17.8	10%	219.9	212.0
Depreciation/amortisation	1.3	1.5	0.2	13%	14.2	14.6	0.4	3%	17.5	15.2
<b>Operational expenditure</b>	<b>41.6</b>	<b>41.4</b>	<b>(0.2)</b>	<b>(1%)</b>	<b>389.5</b>	<b>398.2</b>	<b>8.7</b>	<b>2%</b>	<b>487.0</b>	<b>475.7</b>
<b>Expenditure classified by:</b>										
NLTP and Crown	27.4	26.1	(1.2)	(5%)	239.7	245.8	6.0	2%	301.8	279.8
Regulatory (memo) account	14.2	15.3	1.1	7%	149.8	152.4	2.7	2%	185.2	195.9
<b>Regulatory (memo) account revenue</b>	<b>13.5</b>	<b>11.8</b>	<b>1.7</b>	<b>14%</b>	<b>141.9</b>	<b>129.5</b>	<b>12.4</b>	<b>10%</b>	<b>153.7</b>	<b>155.7</b>
<b>Capital expenditure</b>	<b>7.0</b>	<b>6.8</b>	<b>(1.1)</b>	<b>(16%)</b>	<b>22.9</b>	<b>29.9</b>	<b>7.0</b>	<b>23%</b>	<b>24.4</b>	<b>24.4</b>



## REGULATORY MEMORANDUM ACCOUNTS

The combined regulatory memorandum accounts deficit of \$48.8 million, is \$15.0 million better than forecast.

Revenue is \$12.4 million above the forecasted \$129.5 million. Expenditure is \$2.7 million (2%) below the forecasted \$152.4 million.

Higher volumes than forecast in most memorandum accounts, primarily driver testing and MVR, are the main reason for the positive outcome.

The opening balance was also higher than expected due to Crown funding to offset COVID losses announced after budgets were set.

Approved funding and financing should be sufficient to meet regulatory costs until the commencement of the revised regulatory fees and funding regime of 1 October 2023. Rail is to receive \$1.3m from the Budget, to replace lost revenue due to lower passenger numbers from the previous year's lockdowns.

SUMMARY

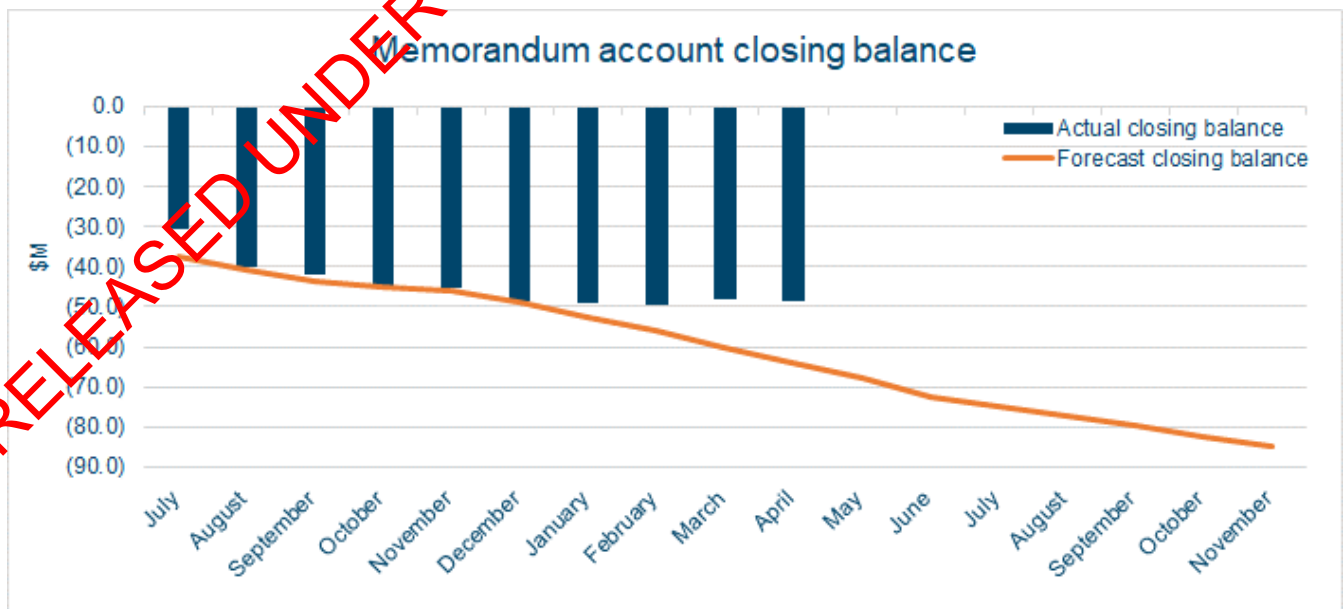
\$15.0m

below  
forecast

Closing balance

23% below forecast

CLOSING BALANCE	YEAR TO DATE				FUL. YEAR		
	Actual \$m	Forecast \$m	Variance \$m	Variance %	Opening Actual balance	Closing Forecast balance	Closing Budget balance
					July 2022 \$m	30 June 2023 \$m	30 June 2023 \$m
Border inspection	4.7	4.7	0.0	0%	4.4	4.7	4.7
Certification review	(5.0)	(5.6)	0.6	11%	(2.4)	(6.5)	(8.3)
Driver licensing	(49.7)	(41.9)	(7.8)	(19%)	(51.7)	(38.5)	(49.6)
Driver testing	15.8	3.4	12.4	364%	11.8	(0.0)	15.1
Motor vehicle registry	(15.1)	(17.4)	2.2	13%	(5.0)	(21.4)	(28.2)
Over dimension permits	1.0	1.0	0.1	(8%)	0.4	1.0	1.0
Rail licensing	(2.0)	(2.2)	0.2	8%	(1.1)	(2.6)	(2.8)
RUC collections	(10.0)	(14.8)	4.8	32%	(2.4)	(18.1)	(20.9)
Standard development	22.4	22.1	0.4	2%	16.4	23.1	23.1
Transport licensing	(11.0)	(13.1)	2.2	16%	(11.4)	(14.0)	(15.4)
<b>Total closing balances</b>	<b>(48.8)</b>	<b>(63.8)</b>	<b>15.0</b>	<b>23%</b>	<b>(41.0)</b>	<b>(72.3)</b>	<b>(81.2)</b>



## FUNDING AND LONG-TERM LIABILITIES

The total long-term funding liability is \$3,536.4 million, incorporating specific loan packages, public-private partnership (PPP) commitments and the derivative financial liability. We are compliant with all loan conditions.

**NLTP loan 2021-24:** \$200 million was drawn down in December.

**Short term revolving facility (shock):** \$150 million was registered against the August 2021 COVID event for revenue reductions. A further \$100 million has been drawdown for unforeseen and unavoidable reduction in revenues in 2022-23. This was from the effects on vehicle kilometres travelled during COVID-19 restrictions.

**Housing Infrastructure Fund loan:** \$23.5 million was requested for the Hamilton City Council's Peacockes development.

**Regulatory loan:** \$9 million was drawn down in December 2022 to meet approved regulatory cost pressures. Further drawdowns have not been required due to memo accounts performing better than budget.

### SUMMARY

**Long-term funding liability**  
\$3,536.4m

### Clean Car Discount

Waka Kotahi has a repayable grant for \$301.4 million for the Clean Car Scheme. It is only repayable to the extent that fees exceed rebates. The Minister has announced Cabinet approval for an increase to the grant by \$100 million in Budget 2023, and changes to the scheme to reduce the net costs to the Crown.

	BALANCE			STATUS		
	30 April 2023	30 June 2022	Movement	Total Facility Remaining	Total Facility	Final repayment date
	\$m	\$m	\$m	\$m	\$m	Year
NLTP loan 2021-24	400.0	200.0	200.0	1,600.0	2,000.0	
Short term revolving facility (shock)	250.0	0.0	250.0	0.0	250.0	
Short term revolving facility (seasonality)	0.0	0.0	0.0	250.0	250.0	
COVID-19 NLTF borrowing facility	325.0	325.0	0.0	0.0	425.0	July 2027
Auckland Transport Package loan	354.0	354.0	0.0	0.0	375.0	June 2027
Tauranga Eastern Link loan	107.0	107.0	0.0	0.0	107.0	June 2050
Housing Infrastructure Fund loan	79.0	55.5	23.5	278.0	357.0	March 2032
Regulatory loan - operating costs	57.1	48.1	9.0	22.9	80.0	March 2032
Regulatory loan – rectification	2.9	2.9	0.0	12.1	15.0	June 2031
<b>Loans</b>	<b>1,575.0</b>	<b>1,092.5</b>	<b>482.5</b>	<b>2,163.0</b>	<b>3,859.0</b>	
Fair value and other adjustments	(24.8)	(29.9)	5.1			
<b>Total loans</b>	<b>1,550.2</b>	<b>1,062.6</b>	<b>487.6</b>			
Transmission Gully (PPP)	1,049.0	1,048.7	0.3			
Pukekohe to Warkworth (PPP)	925.8	850.4	75.4			
<b>Total public-private partnerships</b>	<b>1,974.8</b>	<b>1,899.1</b>	<b>75.7</b>			
Derivative financial liability	11.4	131.0	(119.6)			
<b>Total funding liability</b>	<b>3,536.4</b>	<b>3,092.7</b>	<b>443.7</b>	<b>2,163.0</b>	<b>3,859.0</b>	
<b>CC Discount Grant</b>						
Drawn down to date	235.0	114.4	120.6	66.4	301.4	

## DEBT MANAGEMENT

Based on current borrowing, annual debt servicing costs associated with debt and long-term liabilities are expected to average around 5.4% of annual NLTF inflows in 2022/23.

Total debt and long-term liabilities as a percentage of annual revenue is expected to average 89.3%.

	June 2023 Forecast \$m	Change from prior year \$m	Preferred Ratio %
<b>Debt Management</b>			
Annual debt servicing costs (including PPP unitary charge)	255.3	78.3	
Total debt at period end*	4,257.1	1,259.6	
NLTF annual inflows (including opening cash balance)	4,767.2	205.2	
Annual discretionary expenditure**	1,729.8	(754.8)	
<b>Debt Management Ratios</b>			
Annual debt servicing costs/NLTF annual inflows	5.4%	1.5%	<=10%
Total debt at period end/NLTF annual inflows	89.3%	23.3%	<=250%
Annual debt servicing costs/annual discretionary expenditure	14.8%	7.6%	<=33%

\* Total debt excludes derivative financial liabilities and seasonal facility

\*\* Discretionary expenditure available from NLTF inflows after funding to support:

- debt servicing costs including PPP unitary charges
- contractual commitments
- anticipated funding to approved organisations.

	June 2023 Forecast \$m	Change from prior year \$m
<b>Estimated Annual Discretionary Expenditure Calculation</b>		
NLTF annual inflows (including opening cash balance)	4,767.2	205.2
Add annual Debt Facilities	2,300.0	(125.0)
<b>Total Funds available</b>	<b>7,067.2</b>	<b>80.2</b>
Less committed expenditures	(5,561.9)	893.2
Add Annual debt servicing costs (included in the committed expenditure) *	224.5	58.1
<b>Annual Discretionary Expenditure</b>	<b>1,729.8</b>	<b>(754.8)</b>

\* PPP estimated repayments and related interest rate swap.

## Attachment 2

### NIWE Emergency Works – Local Roads Funding Summary

Date: 8/06/2023

Council	Normal FAR	Special FAR	Submitted and Unapproved NLTF 2022//23 (\$m)	Approved NLTF share 2022/23 (\$m)	Claims paid to 6/06/2023 (\$m)
Auckland Transport	51%	91%		28,182,700	28,182,700
Carterton District	52%	92%		840,085	247,020
Central Hawkes Bay District	60%	100%		35,935,000	9,342,141
Far North District	69%	100%		5,873,000	1,039,106
Gisborne District	67%	100%		29,338,000	22,126,291
Hastings District	53%	93%	16,917,473	41,850,000	38,481,333
Hauraki District	60%	100%		2,700,000	1,800,109
Kaipara District	62%	100%	12,383,430		
Manawatu District	52%	92%		1,968,191	1,162,635
Masterton District	57%	97%		1,309,500	1,309,500
Matamata-Piako District	51%	91%		245,700	161,668
Napier City	51%	91%		832,371	1,329,780
New Plymouth District	51%	91%	182,000		
Otorohanga District	61%	100%		200,000	13,626
Palmerston North City	51%	91%		132,790	
Rangitikei District	64%	100%		908,049	319,871
Rotorua Lakes	56%	96%		816,000	779,180
Ruapehu District	74%	100%	1,228,470		
South Wairarapa District	52%	92%		662,400	228,136
Tararua District	69%	100%		10,239,417	5,232,969
Taupo District	51%	91%		250,250	250,250
Tauranga City	51%	91%		1,183,000	108,264
Thames-Coromandel District	51%	91%		7,120,750	3,658,281
Waikato District	51%	91%		3,439,800	
Wairoa District	75%	100%		16,175,000	5,674,803
Waitomo District	75%	100%		547,200	439,652
Western BoP District	51%	91%		3,421,600	1,499,899
Whanganui District	60%	100%		668,105	387,904
Whangarei District	53%	93%		5,409,355	1,724,964
<b>Totals:</b>			<b>30,711,373</b>	<b>201,268,263</b>	<b>115,510,090</b>