COMMUNITY RECREATION - DRAFT OPERATING BUDGET 2026/27

Department: Parks and Recreation

EXECUTIVE SUMMARY

1 This report provides an overview of the draft operating budget for the Annual Plan 2026/27 for the Community Recreation Group, as shown at **Attachment A**. A draft funding impact statement is shown at **Attachment B**. The following activities are provided for:

- Aquatic Services
- Botanic Garden
- Cemeteries and Crematorium
- Parks and Reserves

2 A schedule of proposed fees and charges for the 2026/27 year is also presented at **Attachment C.**

3 This report asks the Council to adopt the draft operating budget and fees and charges for the purpose of developing the annual plan 2026/27.

RECOMMENDATIONS

That the Council:

a) **Adopts** for the purposes of developing the Annual Plan 2026/27:

i) The draft 2026/27 operating budget for the Community Recreation Group as shown/amended at Attachments A and B.

ii) The draft 2026/27 fees and charges schedules for the Community Recreation Group as shown/amended at Attachment C.

OPERATING BUDGETS

4 The 2026/27 draft operating budget is $47.714 million. This is an increase of $1.910 million (4.2%) from the 2025/26 year. The following sections explain the revenue and expenditure change from the previous year.

Revenue

Rates

5 Rates revenue increased from $38.467 million to $40.174 million, an increase of $1.707 million (4.4%).

External revenue

6 External revenue increased from $7.123 million to $7.320 million, an increase of $197k (2.8%), mainly driven by an increase in Aquatic Services gym/swim membership revenue of $168k (12.7%).

Expenditure

Personnel costs

7 Personnel costs have increased from $11.052 million to $11.348 million, an increase of $296k (2.7%). This includes an increase in Aquatic Services of $326k (5.0%) and a reduction in Parks of $65k (2.0%) due to removal of two fixed term city sanctuary roles in September 2025 that are no longer funded. Budget for mileage costs for staff travelling has increased $20k (25.3%) to reflect actual costs in 2024/25.

Operations and Maintenance

8 Operations and maintenance costs increased from $14.269 million to $15.148 million, an increase of $879k (6.2%), due to the following changes:

a) A 2% contractually agreed annual increase in the Greenspace contracts totalling $207k;

b) In addition to the above contractual uplift, an additional $268k is required to cover the increase in living wage over the past three years, which has exceeded the annual 2% contractual increase;

c) Additional new asset maintenance required for transport buildouts, e.g., George St ornamental gardens, St Leonards to Port Chalmers maintenance previously varied into the maintenance contract without a corresponding budget uplift, costing $250k annually;

d) Aquatics increase in plant maintenance costs of $40k (6.8%) across all pools, and pool chemicals increase of $13k (15.6%); and

e) Botanic Garden apprenticeship training increase of $31k (6.2%).

Occupancy costs

9 Occupancy costs have increased from $6.208 million to $6.672 million, an increase of $464k (7.5%), due to:

a) Energy costs have increased by $303k. This is made up of gas $87k, electricity $106k, and other energy costs (such as fuel and woodchips) $110k.

b) Rates and insurance have increased by $97k and $19k respectively; and

c) Water costs for Aquatics and the Botanic Garden have increased by $30k (9.0%), based on prior year actual consumption.

Consumables and general costs

10 Consumables and general costs have increased from $705k to $801k, an increase of $96k (13.6%), due to scheduled asset valuations and condition assessments required in the 2026/27

financial year that were not required in 2025/26, which is in line with the triannual valuation process.

Grants and subsidies

11 Grants and subsidies costs have increased from $611k to $762k, an increase of $151k (24.7%), primarily due to the start of the $150k Predator Free grant, as approved by Council as part of the 9 year plan, and agreed CPI increases for swimming grants.

Depreciation costs

12 Depreciation costs have decreased from $7.988 million to $7.850 million, a decrease of $138k (1.7%), due to the timing of capital works on Moana Pool.

Interest costs

13 Interest has increased from $1.614 million to $1.712 million, an increase of $98k (6.1%), due to increased debt associated with the capital programme and the change in interest rate.

FEES AND CHARGES

14 Fees and charges for Community Recreation have generally either remained flat or increased by 2.0 to 3.5% to reflect inflation forecasts and increases to contractor costs. Exceptions include:

a) Swim school "Just Swim For You" group lessons have increased by 30%, bringing the charge more into line with other group lesson charges.

b) Swim membership with access to all pools have increased by 5.7-18.0% due to weekly direct debit charges, which have been updated to be relative to the adult weekly direct debit charges for consistency.

c) Swim and gym concessions have decreased by 1-4%, to align with a 'buy X, get Y free' promotion, i.e., buy 10 swims and get two free, to encourage participation.

d) Swim teacher travel charges have shifted from a flat fee to a variable charge based on distance travelled.

e) 'Toddler time' pool rates have decreased by 20-23%, (from $5.40 to $4.30 at Moana, St Clair and Te Puna, $5.20 to $4.00 at Port Chalmers) to encourage more parents to enjoy swimming with their pre-schoolers. The fee covers an adult and an under 5 pool entry and brings the fee in line with a child entry.

f) Sportsground lighting has increased by 10.0%, in line with increases in electricity costs.

15 Two new fees have been introduced for 5 week bookings of Swim School lessons at Moana and Whakaehu pools.

Signatories

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Authoriser:	Scott MacLean - General Manager, City Services

Attachments

	Title	Page
A	Draft Operating Budget 2026/27	
B	Funding Impact Statement - Community Recreation	
C	Draft 2026/27 fees and charges - Community Recreation	

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This decision enables democratic local decision making and action by, and on behalf of communities, and promotes the social, economic, environmental and cultural well-being of communities in the present and for the future.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	✓	☐	☐
Economic Development Strategy	☐	☐	✓
Environment Strategy	✓	☐	☐
Arts and Culture Strategy	☐	☐	✓
3 Waters Strategy	☐	☐	✓
Future Development Strategy	☐	☐	✓
Integrated Transport Strategy	☐	☐	✓
Parks and Recreation Strategy	✓	☐	☐
Other strategic projects/policies/plans	✓	☐	☐

The Community Recreation Group activities primarily contribute to the objectives and priorities of the above strategies.

Māori Impact Statement

Council budgets impact broadly across all Dunedin communities, including Māori. The adoption of Te Taki Haruru – Māori Strategic Framework signals Council's commitment to mana whenua and to its obligations under the Treaty of Waitangi. Mana whenua and matāwaka will have the opportunity to engage in the Annual Plan 2026/27 consultation process.

Sustainability

The Annual Plan 2026/27 is not proposing any changes to that provided for in the 9 year plan 2025-34. Major issues and implications for sustainability are discussed in the Infrastructure Strategy and financial resilience is discussed in the Financial Strategy of the current 9 year plan 2025-34.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

This report provides draft budgets for the Community Recreation Group for inclusion in the Annual Plan 2026/27.

Financial considerations

Financial considerations are detailed in the report.

Significance

The 9 year plan 2025-34 budgets were considered significant in terms of the Council's Significance and Engagement Policy, and were consulted on. Variations to those budgets are discussed in this report. The draft budgets will be included in the Annual Plan 2026/27 and will be consulted on.

Engagement – external

There has been no external engagement in developing the draft budgets for the Community Recreation Group.

SUMMARY OF CONSIDERATIONS
Engagement - internal Staff and managers from across Council have been involved in the development of the draft budgets.
Risks: Legal / Health and Safety etc. There are no identified risks.
Conflict of Interest There are no known conflicts of interest.
Community Boards Community Boards will have an opportunity to engage in the Annual Plan 2026/27 consultation process.