

13 May 2026

Request details:

Good afternoon, As per your draft annual plan 2026/27, you are going to increase personnel costs by 3.8% to \$91,433,000. Could you please provide a breakdown for this number and also include the quantity of current personnel and the planned quantity in 2026/27. Please also provide a detailed breakdown of "occupancy costs". Thank you in advance!

Response:

See below for excerpts of two reports put to Council as part of the 4 March 2026 Meeting.

Further information on groups and activities can be found in the full agenda document:

[Agendas and minutes - Dunedin City Council](#)

<https://www.dunedin.govt.nz/do-it-online/search/agendas-and-minutes>

CEO OVERVIEW REPORT - ANNUAL PLAN 2026/27

4 March 2026

Personnel costs

- 31 The budget for the current financial year provided for 881.2 full time equivalent (FTE) staff (including 3 Waters). As previously reported, this incorporated a reduction in FTE, reflecting the number of vacancies held, including some long-term vacant roles of 61.7 FTE (including 3 Waters). The quantum of savings achieved through this process is around \$6 million. This work has been underway for the last two years and it should be noted that personnel costs in the current financial year are tracking favourably. Work to ensure the organisational structures align to current budgets is progressing and should be finalised by 30 June 2026.
- 32 The draft budget provides a general placeholder increase but this is subject to ongoing union bargaining. It is also considered in detail in a separate confidential report to this meeting. The draft budget incorporates scheduled changes to salaries and superannuation as well as an increase in the living wage.
- 33 Personnel costs have increased from \$88.076 million to \$91.433 million, an increase of \$3.357 million (3.8%). This includes an FTE staff budget of 879.9.
 - Non-waters personnel costs have increased from \$76.292 million to \$79.043 million, an increase of \$2.751 million (3.6%). This includes a net reduction of 3.1 FTE compared to the current budget.

Occupancy costs

- 35 Non-waters occupancy and property-related costs, such as rates, insurance and fuel, have increased from \$22.291 million to \$24.285 million, an increase of \$1.994 million (8.9%). The main changes are:
- City Properties: an increase of \$1.438 million (11.6%), primarily reflecting an increase in rates (\$602k), energy costs (\$495k) and an allowance for increased cleaning and insurance. Some of the increase in electricity is recoverable (\$369k).
 - Community Recreation: an increase of \$464k (7.5%) mainly due to higher energy costs and rates expense.

3 WATERS - DRAFT OPERATING AND CAPITAL EXPENDITURE BUDGETS 2026/27

March 2026

Personnel costs

- 15 Personnel costs have increased from \$11.784 million to \$12.390 million, an increase of \$606k (5.1%). This reflects a general salary increase along with an additional \$250k provision for the implementation of Local Water Done Well, to respond to new economic regulation and reporting requirements.

Occupancy costs

- 16 Occupancy costs have increased from \$15.471 million to \$15.608 million, an increase of \$137k (0.9%), due to:
- a) Rates expenditure increased by \$234k (3.0%). Please note that this assumes the introduction of a new rating differential for water utility general rates. This proposed change is outlined in the Rating Method report included on this agenda. If this option isn't approved by Council, rates expenditure will need to be increased by \$5.291 million.
 - b) Electricity and water charges have increased by \$308k (7.8%) resulting from increases to unit charges.

Insurance costs have decreased by \$367k (12.8%) reflecting a softening in the insurance market relating to the underground pipe network.