The background of the image is a close-up, high-angle shot of several parallel wooden planks. The wood is dark, heavily weathered, and shows a prominent network of cracks across its surface. A horizontal wooden beam runs across the top of the frame. In the upper left corner, there is a small, light-colored, rounded object, possibly a piece of driftwood or a shell. The text '2015/16' is overlaid in white on a black rectangular background in the upper left area.

2015/16

# Dunedin City Council Annual Report

# Appendices

## Appendix 1

# Community Outcome Reporting Update

Community outcome indicator reporting completed this year is shown below. It should be noted that reporting on indicators that the Council directly controls or influences can be found in Section 2 of this report.

### A thriving and diverse economy

Dunedin has an ambitious, prosperous, diverse and resilient economy that builds on its strengths

Indicators that the Council influences are shown in Section 2: Economic Development and City Promotion Group of Activity

City Indicator	Result 2012/13	Result 2013/14	Result 2014/15	Result 2015/16	Trend	Data Source
Growth in Dunedin GDP (% Growth)	-0.4% (NZ = +1.9%)	2% NZ = 2.7%	2.2%	2.3%	Increasing	Business and Economic Research Ltd
Total Employment (FTE)	50,393 FTE	49,874 FTE	51,118 FTE	51,670 FTE	Increasing	Business and Economic Research Ltd
Number of New Businesses	+22	+113	+315	+218	Decreasing	Business and Economic Research Ltd

### A connected community

Dunedin's communities are connected by safe, effective transportation and communications, linked locally, nationally and internationally

Indicators that the Council influences are shown in Section 2: Roading and Footpaths Group of Activity

City Indicator	Mode	Result 2013/14	Result 2014/15	Result 2015/16	Trend	Data Source
Means of travel to work/school (mode of commute)	Drove truck, van or car (no passengers)*	40%	41%	37%	Decrease	Residents Opinion Survey
	*Privately owned vehicle	84%	88%	Not measured	Increase	
	*Company owned vehicle	16%	12%	Not measured	Decrease	
	Drove truck, van or car (with passengers)	12%	10%	11%	Increase	
	Walk or jog	7%	7%	9%	Increase	
	Work from home	3%	6%	5%	Decrease	
	Passenger in truck, van or car	4%	4%	3%	Decrease	
	Public Transport (Bus)	5%	4%	5%	Increase	
	Bicycle	1%	1%	4%	Increase	
	Motorcycle	0%	1%	0%	Decrease	
	Other	2%	2%	3%	Increase	

City Indicator	Result 2012/13	Result 2013/14	Result 2014/15	Result 2015/16	Trend	Data Source
Frequency of bus use (At least once per week)	15% (2012)	16% (2014)	Not measured	16%	No change	Biennial Quality of Life Survey
Number of international flights per week	4-7	Average of 5 per week (with some seasonal variation)	Average of 4 per week (with some seasonal variation)	Not available at the time of printing	-	Dunedin International Airport Limited
Passenger loadings (international and domestic)	857,951	853,097	861,982	909,617	Increasing	Dunedin International Airport Limited
Value of goods loaded at Port Otago (\$ million)	\$3,805	\$4,517	\$3,611	\$3,428	Decreasing	Statistics NZ

## A safe and healthy city

Dunedin is a clean, green, crime-free city where people feel safe and enjoy a healthy lifestyle.

*Indicators that the Council influences are shown in Section 2: Water Supply, Sewage and Sewerage, Stormwater and Solid Waste Groups of Activity*

City Indicator	Result 2012/13	Result 2013/14	Result 2014/15	Result 2015/16	Trend	Data Source
Total recorded crime (reported incidents)	11,032 Year to 31 Dec 2012	10,726 Year to 31 Dec 2013	9,962 Year to 31 Dec 2014	Not available at the time of printing	-	NZ Police
Feel safe in city centre during the day	97% (2012)	95% (2014)	Not measured	96%	Increasing	Biennial Quality of Life Survey
Feel safe in city centre during the night	49% (2012)	47% (2014)	Not measured	47%	No change	Biennial Quality of Life Survey
Feel safe at home during the day	98% (2012)	98% (2014)	Not measured	96%	Decreasing	Biennial Quality of Life Survey
Feel safe at home during the night	95% (2012)	92% (2014)	Not measured	94%	Increasing	Biennial Quality of Life Survey
Experience of barriers to general practitioners (% no barrier)	79% (2012)	Not measured*	Not measured*	Not measured*	-	Biennial Quality of Life Survey

## A distinctive built environment

Dunedin is a compact city with a vibrant centre for people to work, live and play; complemented by thriving suburban and rural centres.

Indicators that the Council influences are shown in Section 2: City Planning Group of Activity

City Indicator	Result 2012/13	Result 2013/14	Result 2014/15	Result 2015/16	Trend	Data Source
Perceptions of city vibrancy – Dunedin is a fun city (% positive)	37%	54%	49%	66%	Increasing	Residents Opinion Survey
Perception of the value of the city's architecture (% positive)	76%	81%	81%	88%	Increasing	Residents Opinion Survey
Number of properties and structures protected under District Plan that are demolished	Reported in Section 2: City Planning and Regulatory Services					DCC Planning

## A valued and protected natural environment

Dunedin is recognised as a place with outstanding natural environments and significant biodiversity. Dunedin's distinctive rural and coastal landscapes are sustainably managed and protected.

Indicators that the Council influences are shown in Section 2: City Planning and Stormwater Groups of Activity

City Indicator	Result 2012/13	Result 2013/14	Result 2014/15	Result 2015/16	Trend	Data Source
Air quality-number of days PM10 Standards exceeded	1 day (2012)	1 day (2013)	0 days (2014)	Not available at the time of printing	-	Otago Regional Council
Recreational water quality (number of times it is not safe to swim at popular swimming locations)	5	4	5	0	Decreasing	Otago Regional Council
Areas of Significant Conservation Value (Hectares and km)	10,688 Ha plus 91km of estuarine edge	10,688 Ha plus 91km of estuarine edge	10,688 Ha plus 91km of estuarine edge	10,688 Ha plus 91km of estuarine edge	Static	DCC Planning
Total area of indigenous habitat in Dunedin protected by the District Plan, DCC reserve land and land held under QEII covenants and other statute-based protective mechanisms	Reported in Section 2: City Planning and Regulatory Services					DCC Planning

## A supportive community

Dunedin's people feel included and connected with their wider community and enjoy a good quality of life.

Indicators that the Council influences are shown in Section 2: Events and City Development Group of Activity

City Indicator	Result 2012/13	Result 2013/14	Result 2014/15	Result 2015/16	Trend	Data Source
Perceptions of quality of life (% positive) (extremely good or good)	84% (2012)	84% (2014)	Not measured	88% (2016)	Increasing	Biennial Quality of Life Survey
Residents' sense of community within their local community	Reported in Section 2: Community Development and Support					Biennial Quality of Life Survey
Residents' perception that Dunedin recognises and supports cultural diversity	Reported in Section 2: Community Development and Support					Biennial Quality of Life Survey

## A vibrant and creative city

Dunedin is a city known for its diverse and engaging arts and culture.

Indicators that the Council influences are shown in Section 2: Museums, Libraries and Art Gallery and Events and Community Development Groups of Activity

City Indicator	Result 2012/13	Result 2013/14	Result 2014/15	Result 2015/16	Trend	Data Source
Number of residents employed in the arts / creative sector (FTE)	1,350 FTE (2.7% of workforce)	1,286 FTE (2.6% of workforce)	1,383 FTE (2.7% of workforce)	1,334 FTE (2.6% of workforce)	Static	Business and Economic Research Limited
Perception that Dunedin is a creative city	Reported in Section 2: Museums, Art Gallery and Libraries					Residents Opinion Survey
Perceptions of city vibrancy – Dunedin is a fun city (% positive)	37%	54%	49%	66%	Increasing	Residents Opinion Survey

## A city of learning

Dunedin is a leading city of education, and its community engages in lifelong learning.

Indicators that the Council influences are shown in Section 2: Museums, Libraries and Art Gallery Group of Activity

City Indicator	Result 2012/13	Result 2013/14	Result 2014/15	Result 2015/16	Trend	Data Source
Number of tertiary enrolments per year Equivalent Full time students	22,830 (2013)	22,970 (2014)	22,645 (2015)	Data not available at the time of printing	-	Ministry of Education (Education Counts)

## An active city

Dunedin's people lead active, healthy and enjoyable lifestyles.

Indicators that the Council influences are shown in Section 2: Sport, Recreation and Leisure Group of Activity

City Indicator	Result 2012/13	Result 2013/14	Result 2014/15	Result 2015/16	Trend	Data Source
Frequency of physical activity (% of nearly every day)	33% (2012) (6 or more days/week)	36% (2014) 6 or more days/week)	Not measured	35% (2016) 6 or more days/week)	Decreasing	Biennial Quality of Life Survey
Perception of overall health (Rate health as excellent, very good or good)	82% (2012)	81%	Not measured	81%	Decreasing	Biennial Quality of Life Survey
Ratio of sportsfields to population (hectares per 1,000 population)	Reported in Section 2: Sport, Recreation and Leisure					DCC Parks and Reserves Yardstick statistic
Participation at Council-owned pools (total attendances)	Reported in Section 2: Sport, Recreation and Leisure					DCC Internal attendance data
The Botanic Gardens maintains a grading of "International Significance" from the New Zealand Gardens Trust	Reported in Section 2: Sport, Recreation and Leisure					NZ Gardens Trust



## A sustainable and resilient city

Dunedin is a resilient city with communities prepared for the impacts of climate change and extreme natural events, and reduced reliance on non-renewable resources

City Indicator	Result 2012/13	Result 2013/14	Result 2014/15	Result 2015/16	Trend	Data Source
Decrease in the waste sourced from within Dunedin and disposed of to DCC landfills in Dunedin (kg/person/year)	412kg/person	396kg/person	423kg/person	457kg/person	Increasing	DCC Internal reporting
Increase in the quantity of diverted material collected via the DCC's collection service for diverted material	Reported in Section 2: Solid Waste					DCC Quarterly reports
Decrease in the number of dry weather sewerage overflows from the DCC's sewerage system, expressed per 1,000 sewerage connections (required under DIA mandatory measures)	Reported in Section 2: Sewerage and Sewage					DCC Internal Reporting
Increase in the percent of Dunedin residents agreeing that Dunedin is a sustainable city (Residents' Opinion Survey)	36%	40%	37%	52%	Increasing	Residents' Opinion Survey
Increase in the percent of Dunedin residents who feel a sense of community with others in their local neighbourhood (Quality of Life Survey)	Reported in Section 2: Community Development and Support					Biennial Quality of Life Survey

## Appendix 2

# Schedule 5: Annual Report Disclosure Statement

### Annual Report Disclosure Statement for the Year Ending 30 June 2016

#### What is the purpose of this Statement?

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

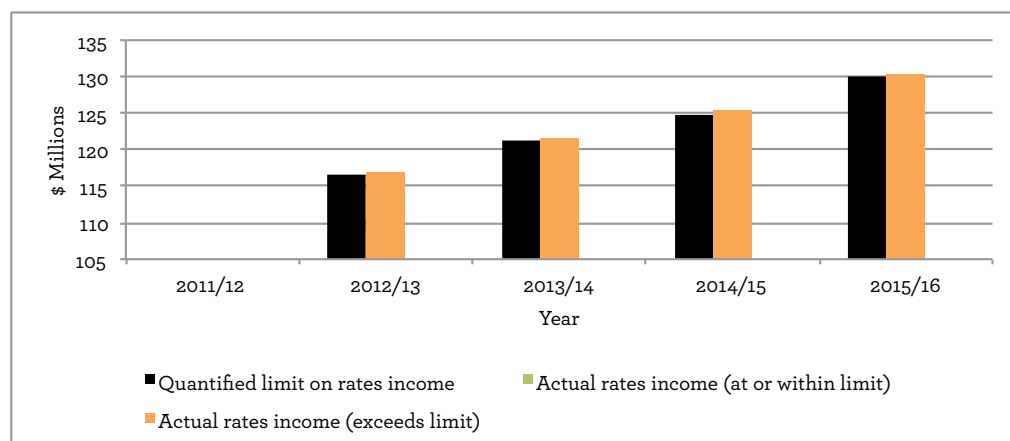
#### Rates affordability benchmark

The Council meets the rates affordability benchmark if –

- Its actual rates income equals or is less than each quantified limit on rates; and
- Its actual rates increases equal or are less than each quantified limit on rates increases.

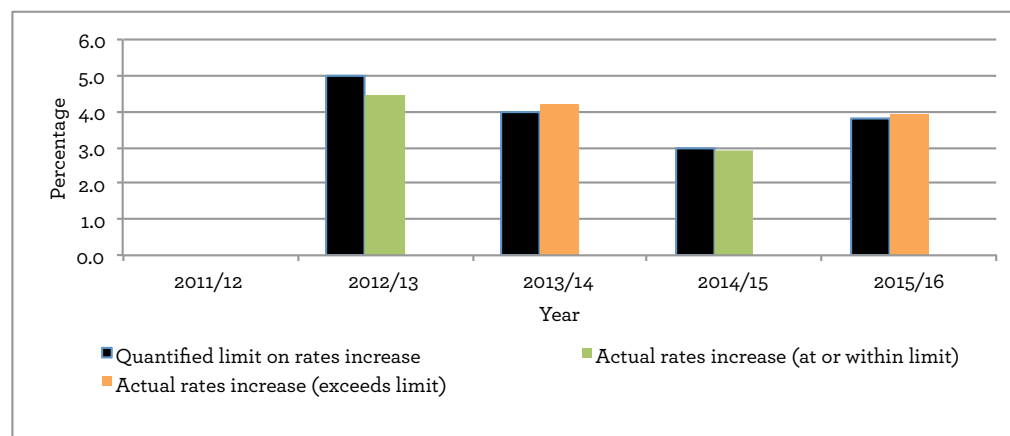
#### Rates (income) affordability

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's long term plan. The quantified limit is \$130 million in 2015/16.



#### Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long term plan. The quantified limit is 3.8% in 2015/16.

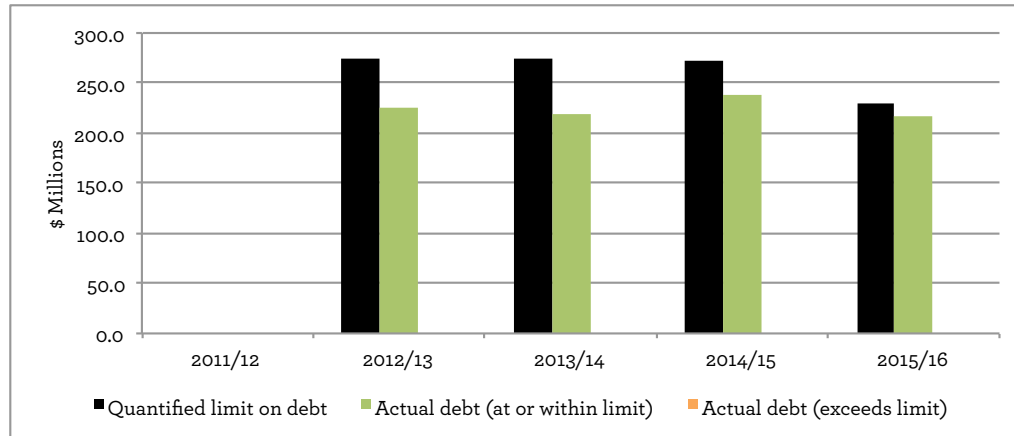




### Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

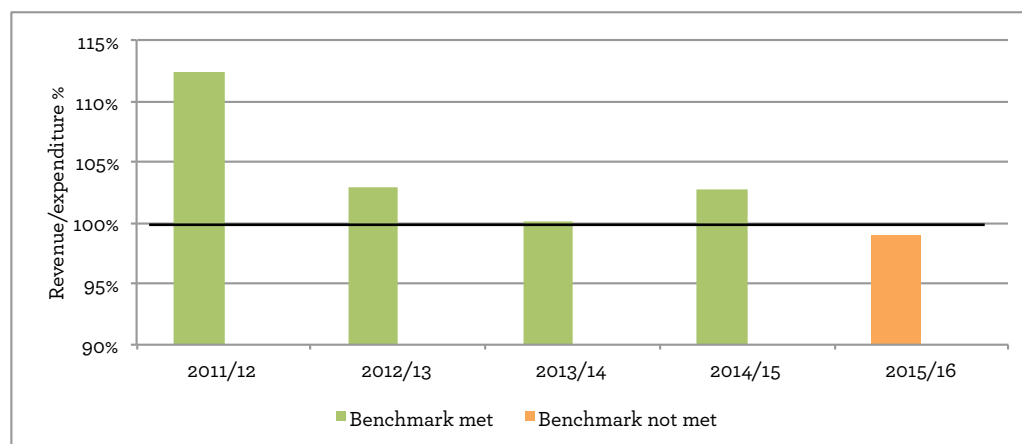
The following graph compares the Council's actual borrowing with a quantified limit on borrowing statement in the financial strategy included in the Council's long term plan. The quantified limit is \$230 million in 2015/16.



### Balanced budget benchmark

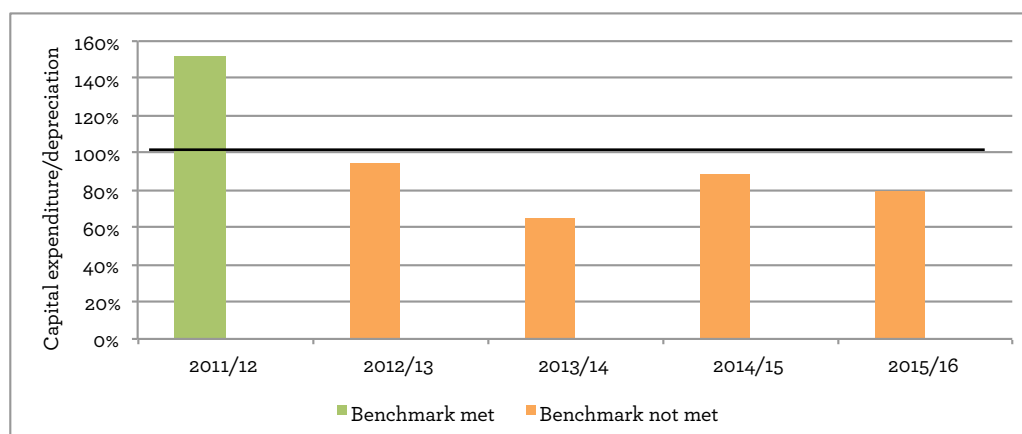
The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



### Essential services benchmark

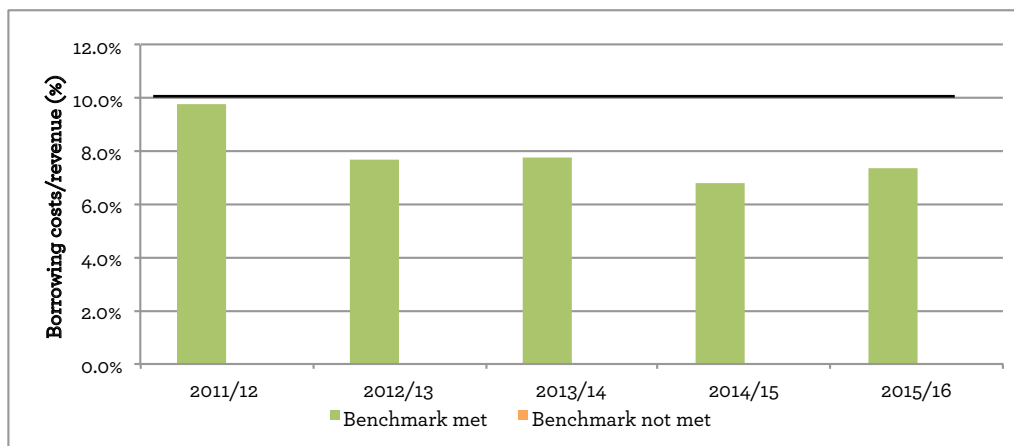
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



### Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

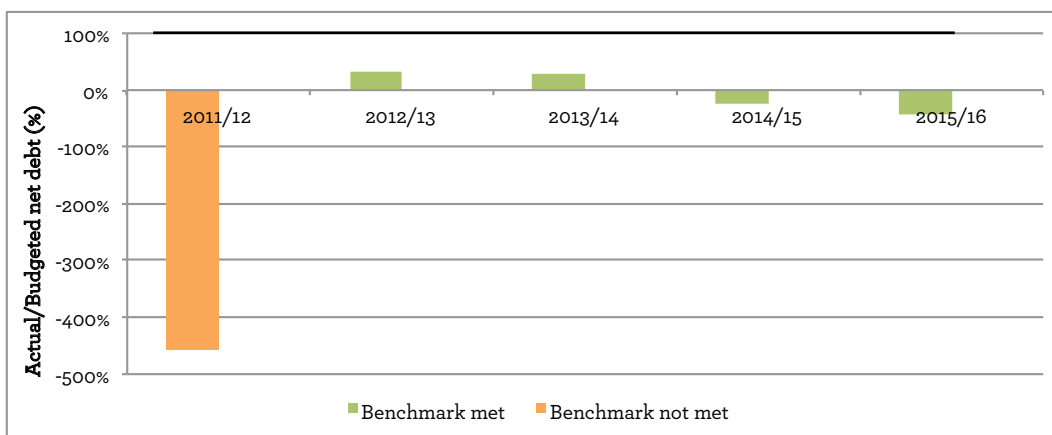
Because Statistics New Zealand projects the Council's population will grow below the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



### Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

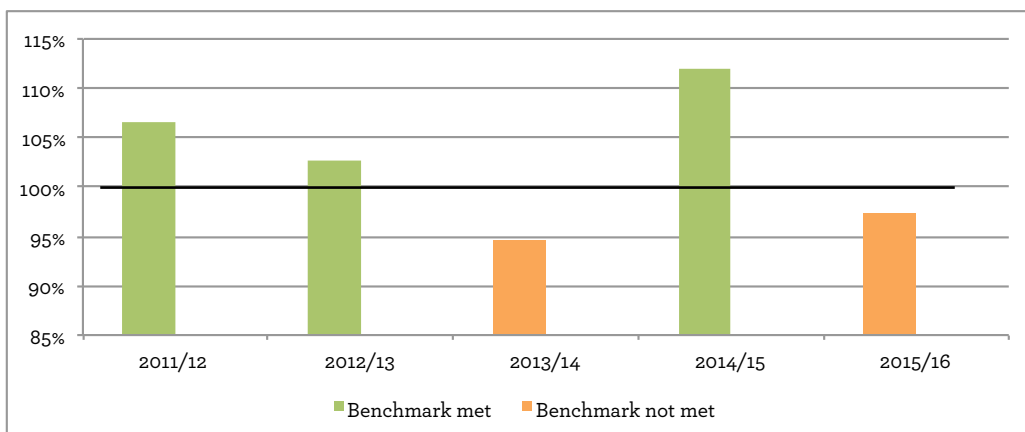
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



### Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



**Additional information or comment**

- Note 1: The Rates Affordability and Debt Affordability benchmarks do not include Quantified Limits for 2011/12 as these were not included in the 2009/10 Long Term Plan.
- Note 2: Budgets, including rates are approved and set at the end of May each year. Between May and June, additional rates revenue arises due to growth (eg subdivisions, extensions), and budgets don't include this. Actual rates include this growth. This affects the Rates Affordability benchmarks.
- Note 3: The Quantified Limit used in the 2012/13 Long Term Plan is the forecast as opposed to the target in the Rates (Income) Affordability benchmark.
- Note 4: Voluntary rates (eg Warm Dunedin) are excluded from the quantified limits for rates in the 2012/13 Long Term Plan but are included in actual rates revenue in the Rates Affordability benchmarks.
- This is because the Council has no control over uptake of the scheme and it only effects rates of those in the scheme.
- Note 5: In the Debt Control benchmark the Stadium debt was transferred to Dunedin Venues Limited in 2011/12. In that year the Council planned to have net assets – that is, its financial assets (excluding trade and other receivables) were planned to exceed its financial liabilities. The results shown graphically above are correct. The graph shows 'benchmark met' whenever the Council is better off (either less indebted or with greater net assets) than planned. Conversely, it shows 'benchmark not met' whenever the Council is either more indebted or has less net assets than planned.

## Appendix 3

# Report on Council Controlled Organisations

To achieve the objectives of the Council a Council Controlled Organisation has been established. This organisation was set up to independently manage Council investments and significant Council facilities. Below is the Statement of Service Performance reflecting the achievement of this organisation in meeting Council expectations.

## Dunedin City Holdings Limited

### Statement of Service Performance for the Year Ended 30 June 2016

The performance targets established in the 2015/16 Statement of Intent for Dunedin City Holdings Limited, and Group, and the results achieved for the Year Ended 30 June 2016 are as follows.

Performance Targets	Outcome Achieved
<b>Economic</b>	
<b>Statement of Intent Review</b> A review of the draft Statements of Intent for 2016/17 to be completed by 31 December 2015.	The review of the draft 2016/17 Statements of Intent was completed by 31 December 2015.
<b>Operating Activities</b> Reviews of the operating activities of the subsidiaries are to be performed annually or as required by the board of Dunedin City Holdings Limited.	Monthly reviews of the operating activities of the Group companies have been performed.
<b>Matters of Substance</b> Dunedin City Holdings Limited is to report matters of substance to Dunedin City Council within five days of the board becoming aware of them.	All matters of substance were reported to the Council within five (5) days of occurrence.
<b>Financial</b>	
<b>Performance Monitoring</b> Continual reviews to be performed on a monthly basis in relation to operating initiatives and financial performance of each of the Group companies, excluding Dunedin International Airport Limited which reports on a quarterly basis.	Continual monthly reviews of performance throughout the Group have been undertaken.
<b>Reporting</b> Monthly reports to be received from each of the Group companies within 30 days from the end of the month under review. Quarterly updates of the consolidated result for the Group be provided to Council. An annual review of the performance of the board for each company within the Group be undertaken.	Monthly reports were received within 30 days for inclusion in the Dunedin City Holdings Limited monthly board agendas. Quarterly updates were provided to Council during the year. The boards are constantly reviewed during the year. As directors come up for rotation the composition of the directors is reviewed.
<b>Financial Strength</b> The capital structure of the Group companies will be reviewed at the half year and full year balance dates.	The Company's Standard & Poor's long term credit rating was reaffirmed at AA in December 2015. The A1+ short term rating remained the same. Ongoing reviews of capital structure within the Group were performed.
<b>Non-financial</b>	
<b>Corporate Citizen</b> A review of the activities undertaken by the group companies for purposes of being a good corporate citizen will be completed annually.	A review of activities undertaken in the group in support of being a good corporate citizen was completed and disclosed in the earlier social section of this report.

## Financial Projections

The 2015/16 Statement of Intent, presented to the shareholder in February 2015, projected that the parent company surplus before tax would be \$0.2 million and that the shareholder's funds at year end would be \$117.2 million based upon the continual application of the accounting policies that applied at the date of the Statement of Intent. The actual surplus before tax was \$4.1 million, \$3.9 million higher than expected. The shareholder's funds at the end of the period is \$145.3 million, \$28.1 million higher than expected. The dividends to the Dunedin City Council, the interest on the Shareholder's advance from the Dunedin City Council plus the net subvention payment from Aurora Energy Limited to Dunedin Venues Limited in February 2015 were projected to be \$11.2 million. A total of \$11.2 million was paid.

## Aurora Energy Limited

### Statement of Service Performance for the Year Ended 30 June 2016

The performance targets established in the 2015/16 Statement of Intent for Aurora Energy Limited, and the results achieved for the Year Ended 30 June 2016 are as follows.

Performance Targets	Outcome Achieved
<b>Economic</b>	
<b>Statement of Intent</b>	
The Statement of Intent will be submitted to and approved by Dunedin City Holdings Limited (DCHL), ensuring consistency across the DCHL Group.	The Statement of Intent for the 2016 financial year was submitted to and accepted by prior to 30 June 2015.
<b>Operating Activities</b>	
Monthly Board reports which review the operating activities of Aurora Energy for compliance with the goals and objectives stated in the Statement of Intent and the Strategic Plan will be prepared.	Board reports were produced and meetings were held each month to review the Company's compliance with goals and objectives stated in the Statement of Intent and Strategic Plan.
Zero serious harm events involving members of the public.	There were no serious harm incidents during the year involving the public.
Reduce harm to contractors $\leq 7.00$ total recordable injury frequency rate (TRIFR) per 200,000 man hours.	Aurora's largest contractor achieved a TRIFR of 3.11 per 200,000 hours worked during the year.
<b>Network Operations</b>	
Consumer connections (ICP count) 85,000 average per annum.	Achieved 86,375
Energy received into the network 1,375 Gigawatt hours per annum	Achieved 1,388
Load factor $\geq 54.00\%$ energy into network/peak kW hours.	Achieved 54.37%
Loss ratio $\leq 6.0\%$ energy into network less energy delivered/energy into network.	Not achieved 6.1%
Capacity utilisation $\geq 30.0\%$ peak network kW/installed distribution transformer capacity kVA.	Achieved 30.7%
<b>Network Reliability</b>	
SAIDI ( <i>System Average Interruption Duration Index</i> )	
Class B interruptions planned $\leq 14.10$ minutes	Not achieved 36.25 minutes
Class C interruptions unplanned $\leq 76.31$ minutes	Not achieved 110.60 minutes
SAIFI ( <i>System Average Interruption Duration Index</i> )	
Class B interruptions planned $\leq 0.09$	Not achieved 0.23 interruptions
Class C interruptions unplanned $\leq 1.40$	Not achieved 1.63 interruptions

Performance Targets		Outcome Achieved	
Financial			
Objectives			
	\$'000		\$'000
EBITDA (before subvention)	39,010	Achieved	39,917
Net surplus (before subvention)	9,971	Achieved	11,713
Shareholder's funds	185,559	Not achieved	183,648
Cash flow from operations (after subvention)	26,106	Not achieved	23,286
Capital expenditure	≥ 41,145	Not achieved	37,196
Term debt	179,050	Achieved	170,460
Dividends and or subvention	7,500	Achieved	8,250
Shareholder's funds to total assets	42.5%	Not achieved	42.1%
Monthly financial results will be provided to DCHL in line with the agreed timetable between Aurora Energy and the Shareholder.		Monthly financial results were provided to DCHL in line with the agreed timetable.	
Non-financial			
Corporate Citizen			
Support community initiatives with \$40,000 of sponsorship per annum.		\$15,452 was spent in support of community initiatives during the year. Aurora's main community sponsorship the Southern Lakes Festival of Colour is a biennial event not held this year.	
To undertake a review of activities for the purposes of being a good corporate citizen.		The company continually reviews its activities which include sponsoring cultural and education events.	
No transgression of the environmental and resource laws occurs.		There were no Resource Management Act breaches during the year.	
To review the activities undertaken by the Company to ensure health and safety responsibilities are met.		The Company continually monitors all health and safety aspects.	
To prepare a stakeholder engagement plan to identify stakeholders and their priorities for informed Company decision making.		The Company implemented activities in accordance with its stakeholder engagement plan.	

## City Forests Limited

### Statement of Service Performance for the Year Ended 30 June 2016

The performance targets established in the 2015/16 Statement of Intent for City Forests Limited, and the results achieved for the Year Ended 30 June 2016 are as follows.

Performance Targets	Outcome Achieved
<b>Economic</b>	
<b>Statement of Intent</b> <p>The Statement of Intent will be submitted to and approved by Dunedin City Holdings Limited (DCHL), ensuring consistency across the DCHL Group.</p>	<p>The Statement of Intent for the 2016 financial year was submitted to and accepted by prior to 30 June 2015.</p>
<b>Operating Activities</b> <p>A comprehensive review of the Company's long term strategic plan will have been completed which meets the objective of a 7% return on Shareholder's funds.</p> <p>Opportunities for expanding the Company's scale will have been investigated.</p> <p>Opportunities for balancing the Company's exposure to United States Dollar revenues taking into account market and product margin factors will have been implemented.</p> <p>Strategic marketing plan will support regional wood processing.</p> <p>The marketing strategy and plan will be updated.</p> <p>No single customer will have received more than 30% of the Company's annual harvest by volume.</p> <p>The company will maximise financial opportunities from the sale of Carbon stored in the company forests.</p> <p>Contracted monthly log delivery requirements for customers will be met within plus or minus ten percent 80% of the time.</p> <p>Log deliveries will be at least 95% within specification measured by log quality audit.</p> <p>The annual harvest from the forest estate will be within 20% of the long term sustainable yield.</p> <p>An annual forest health report will have been completed by 30 June 2015.</p> <p>The annual fire plan will be updated and operational.</p> <p>The Company will actively participate in regional land use planning processes.</p> <p>The Company will have reviewed the best species and silvicultural management plan to apply to annual operational areas.</p> <p>The Company will participate in Industry Research Consortia.</p>	<p>A strategy day was held on 10th June 2016 involving the Board and Senior Managers. The Company's long term strategic plan has been reviewed and accepted by the shareholder as part of the annual budget and strategy process.</p> <p>The strategic plan incorporates a modest forest expansion program. One new property purchase occurred during the year and a number of opportunities were investigated.</p> <p>The Company maintains a significant USD foreign exchange forward cover position in line with Company policy. Domestic Log sales are a key part of the marketing strategy.</p> <p>The strategic plan incorporates a domestic log sales strategy and optional stumpage tender sales providing logs for regional wood processing.</p> <p>Our log marketing strategy has been reviewed during the year and approved by the Board.</p> <p>Our largest customer Craigpine Timber Limited received 13.8% of the Company's annual harvest volume.</p> <p>The Company has monitored Carbon sales price during the period and considered its Carbon Sales policy at board level. No Carbon Sales occurred during the period.</p> <p>On an annualised basis all customers received their contracted volumes within plus or minus 10%. Variations were by mutual agreement.</p> <p>Sampled logs were 95.96% within specification for the year.</p> <p>The annual harvest from the Company forest estate was 306,452 m<sup>3</sup>. Excluding billet wood which is not part of sustainable cut calculation the Harvest is 287,464m<sup>3</sup>. This is 104.5% of sustainable yield of 275,000 m<sup>3</sup>.</p> <p>An annual forest health report was completed in 2015.</p> <p>Fire plan was completed in September 2015 prior to the start of the fire season.</p> <p>The Company actively participated in the Otago Regional Council Plan Change 6a process and the Forestry National Environmental Standard process.</p> <p>This process was completed and the Company reviewed and approved its pruning strategy during the year.</p> <p>The Company has paid the Forest Growers Levy and is directly involved through the Forest Owners Association in the allocation of Levy Funds.</p>



Performance Targets		Outcome Achieved	
At least one new forest management technique will be introduced as a result of research findings.		Increased forest plantings of clonal seedlings have been established across a range of sites. Forest management plans have been modified to incorporate research results.	
Every staff member will have a personal development plan in place.		Forest staff members are working towards achieving Personal Development Plans. Other training provided as necessary. Contractors are required to have a training plan for their employees.	
Harvesting and Silviculture contractors will have a training plan in place for their employees.		Each contract crew has training plans and training records for all employees audited by the Company.	
Each harvesting crew will have a trained log maker.		Each harvest crew has multiple trained log makers.	
There will be “nil” instances of non-compliance with the Company’s EEO policy.		There were no instances of non-compliance with the Company’s EEO policy.	
City Forests Limited is to report matters of substance to Dunedin City Holdings Limited.		City Forests Limited reported matters of substance to Dunedin City Holdings Limited in a timely fashion.	
Financial			
Targets			
	\$’000		\$’000
Profit before income tax	8,300	Profit before income tax	22,273
Profit after income tax	5,972	Profit after income tax	16,021
Shareholder’s equity	97,767	Shareholder’s equity	116,059
Normal dividend	3,000	Normal dividend	4,500
Special dividend	1,500	Special dividend	2,000
Operating cashflow	6,163	Operating cashflow	11,787
Capex	932	Capex	1,406
Term debt	22,570	Term debt	18,518
Non-financial			
Corporate Citizen			
Forest Stewardship Council Certification will be maintained for Forest Operations.		Forest Stewardship Council Certification was maintained following audit in the last quarter of 2015.	
Lost time accident rates for staff and contractors will minimised and not more than 25 lost time accidents per 1,000,000 hours worked.		Lost time accident rate for staff and contractors was 18.2 lost time injuries per 1,000,000 hours. (12.4 in 2014)	
A current forest management plan will be in place which identifies social and environment, as well as economic outputs.		The company has a comprehensive forest management plan that has been externally audited as part of the FSC certification process. This covers all forest areas.	
The Company will have in place an environmental management system which will include procedures for sustainability monitoring. Results will be publically available.		An environmental management system is in place with on-going monitoring of environmental values. This is available on the Company’s website and includes water, soil disturbance and reserve biodiversity monitoring.	
The Company will incorporate carbon accounting in the strategic plan through the Emissions Trading Scheme.		The Company has prepared and reported on a carbon budget in the annual accounts. A carbon strategy review formed part of the 10 <sup>th</sup> June 2016 strategy review and is being implemented.	
All the Company’s forest management plans will have a section allocated to Recreation and Educational use of the forests.		The Company’s forest management plans have sections allocated to recreation and education. Recreation use is monitored through permit issuance.	

## Delta Utility Services Limited

### Statement of Service Performance for the Year Ended 30 June 2016

The performance targets established in the 2015/16 Statement of Intent for Delta Utility Services Limited, and the results achieved for the Year Ended 30 June 2016 are as follows.

Performance Targets		Outcome Achieved	
<i>Economic</i>			
<b>Statement of Intent</b>			
The Statement of Intent will be submitted to and approved by Dunedin City Holdings Limited (DCHL), ensuring consistency across the DCHL Group.		The Statement of Intent for the 2016 financial year was submitted to and accepted by prior to 30 June 2015.	
<b>Operating Activities</b>			
Monthly Board reports which review the operating activities of Delta for compliance with the goals and objectives stated in the Statement of Intent and the Strategic Plan will be prepared.		Board reports were produced and meetings were held each month to review the Company's compliance with goals and objectives stated in the Statement of Intent and Strategic Plan.	
Monthly financial results will be provided to DCHL in line with the agreed timetable between Delta and the Shareholder.		Monthly financial results were provided to DCHL in line with the agreed timetable.	
Support Delta apprenticeship scheme. Average number of apprentices in the scheme of 10 or more per annum.		Achieved - During the year, 18 staff were involved in an apprenticeship scheme.	
Monitor absences due to illness. Lower than 2.5% sick leave based on hours.		Achieved - Staff sick leave was 1.5% of total hours during the year.	
Monitor voluntary leavers relative to permanent staff - Below 15.0% staff turnover.		Achieved - Voluntary staff turnover was 9.0% over the 2015/16 year.	
Reduce harm to employees and contractors. ≤ 7.00 total recordable injury frequency rate (TRIFR) per 200,000 hours worked.		Achieved - The TRIFR achieved for the year was 3.11 per 200,000 hours worked.	
Zero serious harm events involving members of the public.		Achieved - There were no serious harm incidents during the year involving the public.	
Maintain tertiary level ACC workplace management practices accreditation. To be obtained.		Achieved - Tertiary level ACC workplace is audited biennially. An audit was undertaken in 2016. Accreditation was maintained.	
Maintain all existing environmental accreditations.		Achieved - Three Delta sites have EnviroMark® Gold status. EnviroMark® Bronze status is also accredited to one other site.	
Maintain full compliance with the Resource Management Act (RMA) – Zero breaches.		Achieved - There were no RMA breaches during the year.	
Maintain or lower fuel efficiency - ≤ 10.25 litres fuel used per 100 kilometres		Achieved - Fuel efficiency across the Delta fleet was calculated at 9.62 litres per 100 kilometres.	
<i>Financial</i>			
<b>Objectives</b>			
	\$'000		\$'000
EBITDA	11,720	Not achieved	11,473
Net profit after income tax	4,610	Achieved	4,673
Shareholder's funds	17,828	Not achieved	17,618
Cash flow from operations	9,974	Not achieved	3,439
Capital expenditure	≤ 6,421	Achieved	4,101
Term debt	21,728	Not achieved	29,165
Dividends	2,500	Achieved	2,500
Shareholder's funds to total assets	31%	Not achieved	29%
<i>Non-financial</i>			
<b>Corporate Citizen</b>			
Support community initiatives. \$20,000 of sponsorship per annum		Achieved - Over \$40,000 was paid in sponsorship to community groups during the year.	

## Dunedin City Treasury Limited

### Statement of Service Performance for the Year Ended 30 June 2016

The performance targets established in the 2015/16 Statement of Intent for Dunedin City Treasury Limited, and the results achieved for the Year Ended 30 June 2016 are as follows.

Performance Targets	Outcome Achieved
<b>Economic</b>	
<b>Statement of Intent</b> The Statement of Intent will be submitted to and approved by Dunedin City Holdings Limited (DCHL), ensuring consistency across the DCHL Group.	The Statement of Intent for the 2016 financial year was submitted to and accepted by prior to 30 June 2015.
<b>Operating Activities</b> Implementation of the Dunedin City Council Treasury Risk Management Policy approved on 15 December 2014 taking existing arrangements into consideration.  To manage the 'Waipori Fund' in accordance with the Statement of Policy and Objectives set by Council.	Achieved. The Dunedin City Council Treasury Risk Management Policy was implemented taking existing arrangements into consideration.  Achieved - The 'Waipori Fund' recorded a return for the year of \$3,971,981 which is a return of 4.8%. After deduction of inflation of 0.4%, the 'real' return is 4.4%.
<b>Financial</b>	
<b>Performance Monitoring</b> Completion of the issue of range of debt instruments at rates which are consistent with, or better than organisations with similar credit ratings.  Through the successful utilisation of facilities available, maintain the required level of liquidity for the Dunedin City Council Group at margins in line with market movements.  All surplus funds deposited outside the Dunedin City Council Group have satisfied the investment criteria approved by the Board; and at least 80% of investments are placed with organisations with a Standard & Poor's credit rating of investment grade or better.  Derivatives to protect Dunedin City Council Group debt in accordance with the policies of the Group.  Preparation of a report for every quarter assessing the company's achievement against the benchmark, and achieve an improvement in the actual portfolio performance against the benchmark.	Achieved. During the year the Company successfully issued: - 19 tranches of promissory notes - 1 tranche of Floating rate notes - 2 tranches of Fixed rate bonds at rates which were consistent or better than organisations with similar ratings  Achieved. Nineteen (19) tranches of promissory notes were successfully offered for tender or privately placed during the year, plus one (1) tranche of Floating rate notes and two (2) tranches of Fixed rate bonds were issued at competitive rates.  Achieved. All funds deposited outside the Dunedin City Council Group have satisfied the investment criteria approved by the board with not less than 80% of the funds managed being invested with organisations having a Standard & Poor's rating of investment grade or better.  Achieved. Interest Rate Risk for the Dunedin City Council Group is managed by Dunedin City Treasury Limited using a portfolio approach where interest rate risk parameters are specified over multiple time frames.  Not achieved. The report assessing the company's achievement against the benchmark was implemented from March 2016.
<b>Non-financial</b>	
<b>Corporate Citizen</b> Complete a review of the Company's operations for any potential social or environmental issues by 30 June 2016.	Not achieved. A review of the Company's operations for any potential social or environmental issues was last carried out prior to 30 June 2014.

## Dunedin International Airport Limited

### Statement of Service Performance for the Year Ended 30 June 2016

The performance targets established in the 2015/16 Statement of Intent for Dunedin International Airport Limited, and the results achieved for the Year Ended 30 June 2016 are as follows.

Performance Targets	Outcome Achieved
<b>Economic</b>	
<b>Statement of Intent</b> Prepare annually the company's Statement of Intent having given consideration to shareholder's expectations.	The Company's Statement of Intent was submitted to both shareholders for review and comment and subsequently approved in a timely manner as required.
<b>Operating Activities</b> <i>To work with our staff and stakeholders to maximise safety on site for all staff and visitors.</i> Hold a minimum of 2 airport Health and Safety Committee meetings each year. Review the Health and Safety Plan with the Health and Safety Committee each year. Attend a minimum of 2 of our stakeholder's Health and Safety meetings each year. Report on Health and Safety management and provide statistical data to the company's monthly board meetings.	2 H&S Committee meetings took place during the year. The H&S Plan was reviewed with no changes being implemented. In this reporting period the DIAL Safety and Compliance Manager has attended the H&S meetings of both our major airline partners and ground crew. H&S management is reported via: Monthly Board reports with both statistical data and commentary. Safety Alerts / memos issued to relevant stakeholders. H&S updates provided and minuted during staff and management meetings.
<i>Maintain our CAA operating certificate obligations.</i> Successfully achieve compliance in our annual CAA safety and security audits with no major findings. Conduct an annual internal audit of our CAA safety and security systems.	The Annual CAA Safety Audit and Security Audit were both completed successfully this year with no major findings. The last annual internal audit was undertaken in May 2015. The audit must be undertaken in every calendar year in order to maintain compliance with the airports CAA Exposition. It is scheduled to be carried out in the second half of 2016, which will ensure CAA compliance requirements are achieved. Therefore, this timing issue has led to this objective not being achieved within FY15/16.
<i>Maintain our obligations on any current resource consents in place.</i> Report as required to the Authority each year on bore water consent RM 11.369.01. Report as required to the Authority on sewage discharge consent 2004.309. Maintain voluntary annual reporting on de-icing fluid usage at the airport.	The annual report for consent RM 11.369.01 for bore water was issued to the Otago Regional Council (ORC) in September 2015. The report was accepted with no issues raised. Monthly reporting and an annual report for consent 2004.309 for sewage discharge was issued to the ORC in April 2016. The report was accepted with no issues raised. A voluntary annual report on de-icing fluid usage at the airport was issued to the ORC in March 2016.
<i>Maintain high quality dairy farming practices.</i> No 'Critical' findings raised by any Fonterra dairy farm inspections.	Both of the airports dairy farms were inspected by Fonterra in December 2015 with no critical findings.
<i>Maintain food hygiene standards at Momona Garage.</i> Maintain grade 'A' food hygiene certificate.	The Dunedin City Council carried out the annual inspection of the Momona Garage in June 2016 and the Grade A certification was maintained.

Performance Targets	Outcome Achieved
<p><i>Implement initiatives to improve the performance of non-aeronautical activities.</i></p> <p>Foster productive relationships with our business partners to identify potential opportunities through facilitating a minimum of 5 meetings with each partner per year.</p> <p>In productive relationships with our non-aeronautical business partners implement initiative's to improve business performance.</p>	<p>We have focussed on creating stronger and more collaborative relationships with our airport partners. Over the year we met with our partners on 29 occasions.</p> <p>We have shared more information with our business partners with regard to airline developments to enable them to understand the strategy for airport growth. We have had greater engagement with our food and beverage operators, identifying ways to improve the customer experience and product offering. We have worked closely with our Duty Free partner over the last 6 months to drive change within the airport customer proposition. This has enabled a much stronger partnership to be developed and we will be seeing a number of changes implemented within the Airport retail stores during the next period. We were very pleased to introduce a new operator into the terminal this year, Skyline Sushi, offering a new product to our passengers. An ongoing partnership with Otago Museum enabled a new retail offering to be trialled over the Christmas period via a pop-up shop. This concept showcased some of the great Museum customer experiences along with a selection of specific retail products.</p>
<p><i>Ensure all airside infrastructure maintenance to meet the needs of our customers.</i></p> <p>No delays to regular scheduled passenger operations.</p>	<p>All airside work is controlled under an approved Method of Work Plan which resulted in no delays to any aircraft operations with any of our airline partners due to airside maintenance work.</p>
<p><i>Ensure the future of the airport is protected.</i></p> <p>Review the airport master plan.</p> <p>Promote the airports needs for inclusion in the Second Generation District Plan.</p>	<p>In May 2016 work commenced with our master plan partner, AirBiz Aviation Consulting, on the review of our 25 year master plan. This project will be completed in the next period, with the end result providing a platform for growth while ensuring capital expenditure into airport infrastructure is appropriately timed and budgeted for.</p> <p>Second Generation District Plan – 2GDP</p> <p>We continue to remain engaged with city planners and have submitted on the Dunedin City Council, Second Generation District Plan (2GDP). The main areas of involvement are in:</p> <ul style="list-style-type: none"> <li>• Protecting our flight paths and designations for future runway extensions if required.</li> <li>• Improving commercial returns from outdoor advertising.</li> <li>• Improving conditions for parking footprint extensions.</li> </ul>
<p><i>To provide relevant training to our staff.</i></p> <p>Ensure recurrent safety training for all staff is provided.</p> <p>Allocate 0.1% of revenue to staff training.</p>	<p>All Required recurrent safety and compliance training for staff has been undertaken which Includes but is not limited to:</p> <ul style="list-style-type: none"> <li>• First Aid refresher training.</li> <li>• Basic Life Support/Pre Hospital Emergency Care training for AES staff.</li> <li>• Rescue Fire Annual Competency training.</li> <li>• Confined space entry training for foul sewer pump chamber.</li> <li>• NZQN Level 3 and Level 4 Health and Safety representative training.</li> <li>• Forklift operator training.</li> <li>• Fire extinguisher training.</li> </ul> <p>\$12,700 was allocated to staff training with \$20,088 spent during the year, comprising of:</p> <ul style="list-style-type: none"> <li>• \$6,160 - safety and compliance training</li> <li>• \$13,928 – professional development</li> </ul>

Performance Targets	Outcome Achieved
<p><i>To recognise and review staff performance.</i></p> <p>Each staff member to have a formal annual performance review.</p>	All employees have had Employee Performance Reviews (EPR) during the year.
<p><i>Ensure that our staff are fully engaged with the company's Vision, Purpose and Values.</i></p> <p>Conduct an annual staff engagement survey.</p>	In 2016 the company completed its first staff engagement survey. The results of the survey were then taken further and workshops were undertaken with all staff to provide more information on what the areas for improvement were and how we could provide solutions together. We will continue to undertake staff engagement surveys on an annual basis. We plan to review the Company's VISION, PURPOSE and VALUES in the next period when the new Senior Leadership team are in place.
<p><b>Matters of Conflict</b></p> <p>Report to and consult with Shareholders on matters where the company's and shareholders' requirements are in conflict.</p>	No such areas of conflict arose during the year.
<p><b>Matters of Substance</b></p> <p>Report to Shareholders within 24 hours substantive matters which have the potential to impact negatively on shareholders and the company with a particular focus on matters of interest to the media.</p>	Dunedin Airport maintained communication with its Shareholders through regular quarterly reporting. There were no instances of any issues that required specific attention outside of these normal regular communication channels.
<b>Financial</b>	
<p><b>Performance Monitoring</b></p> <p>Increase revenue from car parking by a minimum of 3%.</p> <p>Increase total non-aeronautical revenue by a minimum of 1.5%.</p> <p>Reduce the long term bank debt by \$2,200,000 to \$10,800,000.</p> <p>Monthly financial report to the Board.</p> <p>Quarterly detailed cost centre reports to the Board. Quarterly financial statements, cash flows and aircraft passenger activity to the Board and Shareholders.</p> <p>Six monthly risk analysis undertaken and reported to the Board.</p>	<p>Parking revenue was 6.5% above last year as a result of an increase in the number of domestic flights and passengers. There was no increase in parking fees during the year.</p> <p>Non-aeronautical income was 0.3% above last year with the main impact coming from the reduction in revenue from the company's two dairy farm operations, which fell by -34.3% compared to the previous year.</p> <p>Increases in terminal rentals, property, car parking and dividend incomes assisted in reducing the impact of the downturn in dairying, with all non-aeronautical revenues, excluding dairy farm operations increasing by 3.1%.</p> <p>Long term bank debt at 30 June 2016 was \$9,100,000, a reduction of \$2,900,000 on 2015 and \$1,700,000 below budget. This was achieved through an increase of 10.7% in aeronautical income resulting from an increase in domestic flights and passengers. Operating expenditure and capital expenditure were both below budget.</p> <p>Monthly and Quarterly Financial Reports were circulated to the Board for review and comment.</p> <p>Quarterly Shareholder Reports including financial statements, cash flows, aircraft and passenger movements are reviewed and approved by the Board prior to being sent to Shareholders.</p> <p>Six monthly Statutory Compliance and Risk Analysis Reports were circulated to the Board for review and comment.</p>

Performance Targets	Outcome Achieved
<b>Non-financial</b>	
<p><b>Corporate Citizen</b></p> <p>Foster productive relationships with our airlines, City and industry partners through a minimum of 5 meetings per year.</p> <p>Invest 0.25% of revenue to sponsorship.</p> <p>Conduct a minimum of 10 school or community group visits per year.</p> <p>Invest in strategic route development opportunities.</p> <p>Develop and implement sustainable practices for our waste streams.</p> <p>In accordance with the Procurement Policy, NZ manufactured or supplied goods will be used wherever possible.</p>	<p>Over 100 meetings were attended with our airline, city and industry partners this year. We engaged with our airline partners on a regular basis and have strengthened our relationships through broadening the network of contacts within the airlines. We met with a number of different airline teams including scheduling, strategy, revenue management and marketing. We continue to meet regularly with the Enterprise Dunedin team to share information and identify ways in which we can develop inbound tourism campaigns focusing on the trans-Tasman and domestic markets.</p> <p>This year we allocated \$32,000 to the sponsorship of community organisations and events. We distributed \$32,919 to the following organisations/events:</p> <ul style="list-style-type: none"> <li>• iD Fashion 2016 – International Guest Designer</li> <li>• Yellow Eyed Penguin Trust</li> <li>• Fortune Theatre</li> <li>• Otago Hospice</li> <li>• Cancer Society NZ</li> <li>• RSA – Poppy Appeal</li> <li>• Surf Life Saving.</li> <li>• Leukaemia and Blood Cancer NZ</li> <li>• Street Art Dunedin</li> <li>• Outram School Cookbook.</li> </ul> <p>25 organised community airport visits were facilitated this year by our airport customer service and Airport Emergency Services teams who welcomed in excess of 600 adults and children to the airport. These visits continue to be an important part of our community engagement strategy and creating a stronger connection between the airport, City and region.</p> <p>This year we engaged with our community at a much higher level than in the past. We presented in the community on 12 occasions throughout the year. This included presentations to 6 Rotary Clubs and 1 Lions Club as well as engaging with 5 other Dunedin organisations. The feedback was complimentary and it enabled us to tell the airport story and inform the community on the part we play in our region. More regular presentations are now organised in the future to our City partners allowing us to share airport information that will enable us to identify opportunities for collaboration.</p> <p>We continue to work with our airline partners to identify new route opportunities in both the domestic and trans-Tasman markets. In conjunction with this work, we have also maintained our investment with our Aviation Consultants to provide robust market information and create strong route development cases that we have presented to our airline partners. This will remain a strategy of focus for 2016/17.</p> <p>Our total waste system design was completed with our new waste management service provider, OCS. We are targeting a 15% reduction in waste to landfill over the coming year.</p> <p>Dunedin Airport only has procurement relationships with organisations outside of New Zealand with the following companies:</p> <ul style="list-style-type: none"> <li>• Three Consulting of Sydney for Aviation Strategy and Route Business case.</li> <li>• Tourism Futures – Dunedin Aviation Monitoring Report.</li> </ul>



## Dunedin Venues Limited

### Statement of Service Performance for the Year Ended 30 June 2016

The performance targets established in the 2015/16 Statement of Intent for Dunedin Venues Limited, and the results achieved for the Year Ended 30 June 2016 are as follows.

Performance Targets		Outcome Achieved	
<i>Economic</i>			
<b>Statement of Intent Review</b>			
The Statement of Intent will be submitted to and approved by Dunedin City Holdings Limited (DCHL), ensuring consistency across the DCHL Group.		The Statement of Intent for the 2016 financial year was submitted to and accepted by prior to 30 June 2015.	
<b>Matters of Substance</b>			
To report matters of substance to the Shareholder within five (5) days of occurrence.		There were no matters of substance to report to the Shareholder.	
<i>Financial</i>			
<b>Performance Monitoring</b>			
Strive to meet all financial targets. The financial targets are:		All but one financial target were met. The actual results are:	
	\$'000		\$'000
EBITDA	1,968	EBITDA	1,915
Net Loss	(5,090)	Net Loss	(3,558)
Operating Cash Flow	1,968	Operating Cash Flow	4,913
Capital Expenditure	238	Capital Expenditure	-
Term Debt	98,371	Term Debt	94,000
Shareholder Funds	86,808	Shareholder Funds	88,911
Keep the Shareholder fully informed of the actual implementation and delivery of the organisation's Asset Management Plan.		The contractor attended the Dunedin Venues Limited Board meetings and updated the Shareholder on the status of the Asset Management Plan.	

## Dunedin Venues Management Limited

### Statement of Service Performance for the Year Ended 30 June 2016

The performance targets established in the 2015/16 Statement of Intent for Dunedin Venues Management Limited, and the results achieved for the Year Ended 30 June 2016 are as follows.

Performance Targets	Outcome Achieved
<b>Economic</b>	
<b>Statement of Intent Review</b> A review of the draft Statements of Corporate Intent for 2016/17 to be completed by 31 December 2015.	The review of the draft 2016/17 Statements of Intent was completed by 31 December 2015.
<b>Operating Activities</b> Goals and objectives of the SOI and Strategic Plan are met. Annually present the Company's five year strategic plan to the Shareholder. Through surveys for all major events, achieve a minimum 80% satisfaction rating, and have 60% of attendees come from outside of Dunedin City. Establish and operate best practice measures with understanding and support of staff and suppliers. Increase the number of event days at all facilities under management from the previous year. Reporting deadlines are met to the satisfaction of the Shareholder.	The Company is in the process of updating the five year Strategic Plan. Once the plan has been completed it will be presented to the Shareholder. The following targets were achieved Neil Diamond 24 October 2015 Satisfaction rating 97% Attendees from outside Dunedin 59% Fleetwood Mac 18 November 2015 Satisfaction rating 93% Attendees from outside Dunedin. 59% Please note that at the time of preparing this report the satisfaction rating and attendee numbers for Black Sabbath and the All Blacks v Wales Test are unknown. The Company continues to establish and work towards best practice measures both: <ul style="list-style-type: none"> <li>• Operationally</li> <li>• In regards to health and safety</li> <li>• Financially</li> <li>• Contractually</li> </ul> To ensure that the Company achieves best practice the Company implements a number of processes, including: <ul style="list-style-type: none"> <li>• Training of staff</li> <li>• Engaging of consultants</li> <li>• Obtaining legal advice where appropriate</li> <li>• Actively engaging with Insurance Broker where appropriate</li> </ul> A total of 549 events were held over all venues in the 2015/16 financial year. In 2014/15 there were a total of 558 events. The Company is required to report to the Shareholder both on a contractual and governance level. At a governance level the Company is required to report: <ul style="list-style-type: none"> <li>• Monthly via submitting of monthly Board papers</li> <li>• Six monthly via submission of the draft Statement of Intent and six monthly Financial Statements</li> <li>• Annual via submission of the Final Statement of Intent and Annual Financial Statements</li> </ul> Contractually the Company is required to submit six monthly reports of both the use of funding for: <ul style="list-style-type: none"> <li>• The Event Attraction Fund</li> <li>• The Stadium Service Level Agreement</li> </ul> The company met all of its reporting requirements.

Performance Targets		Outcome Achieved	
Increased economic benefit to Dunedin City from the previous year.		The economic benefit for the year under review from Neil Diamond, Fleetwood Mac, Black Sabbath and All Blacks v Wales was \$21.8 million. The economic benefit achieved in the previous year from NZ Kiwis v England and Rod Stewart was \$9.3 million.	
For all major events achieve a minimum \$5m visitor spend for Dunedin City.		The four major events economic benefit was \$21.8 million.	
Facilities and infrastructure are maintained to the standard required by and funded by the Shareholder.		During the financial year the Company attended regular monthly Board meetings with the Dunedin Venues Limited Board (the Landlord).	
Zero staff, company contractor and service supplier injuries for all venues under Company management.		During the year there were four injuries. All injuries were classified as minor.	
Financial			
Targets		Achieved	
	\$'000		\$ ,000
EBITDA and rent	2,549	EBITDA and rent	2,568
Net Surplus (Loss)	395	Net Surplus/(Loss)	407
Operating Cashflow	1,058	Operating Cash flow	3,457
Capital Expenditure	200	Capital Expenditure	1,440
Term Debt	-	Term Debt	-
Shareholder's Funds	(947)	Shareholder's Funds	484
Dividends	-	Dividend	-
Reporting			
Monthly financial report presented to the Board. Quarterly detailed Cost Centre reports to the Board. Six monthly Risk Analysis undertaken and reported to the Board.		Monthly financial reports have been presented to the board which includes detailed financial Cost Centre Reports and Risk Analysis.	
Non-financial			
Corporate Citizen			
Increase the % of recycled waste from the previous year.		A total of 43% (2015: 38%) of waste was recycled during the year.	
Service Level Agreement for community funding is applied efficiently and caters to a variety of events and community groups. Initiate opportunities to speak to the community, stakeholders and organisations.		For the year to 30 June 2016 a total of 126 events involving 33,131 attendees (2015: 102 events with 29,070 attendees) had community access funding allocated.	
Report to and consult with the Shareholder on matters where the Company's and Shareholder's requirements are in conflict.		The Shareholder is consulted on any matters where the Company and Shareholder are in conflict.	

## Taieri Gorge Railway Limited

### Statement of Service Performance for the Year Ended 30 June 2016

The performance targets established in the 2015/16 Statement of Intent for Taieri Gorge Railway Limited, and the results achieved for the Year Ended 30 June 2016 are as follows.

Performance Targets	Outcome Achieved
<b>Economic</b>	
<b>Statement of Intent Review</b>	
A review of the draft Statements of Corporate Intent for 2016/17 to be completed by 31 December 2015.	The review of the draft 2016/17 Statements of Intent was completed by 31 December 2015.
<b>Operating Activities</b>	
To develop a customer survey and to monitor Trip Advisor to ensure customer satisfaction levels of 85% or better.	Achieved for customer satisfaction. With Trip Advisor rating the product as 4.5 star we are achieving overall satisfaction levels of at least 90%. Work is progressing on developing a new customer survey.
To carry at least 70,000 passengers across no fewer than 600 trips per annum.	Achieved. Total passenger numbers on trains were 84,947 over the year carried on 743 train trips.
To undertake an annual Safety Audit as required by NZTA and to pass this safety audit and be issued with a Rail Service Licence as at 30 June 2016.	Achieved. The company undertook a Safety Audit in November 2015 and retains a Rail Service Licence as at 30 June 2016.
To maintain a detailed Internal Audit system and to ensure that critical items such as track, tunnel and bridge inspections, and rolling stock inspections and certification are completed within three months of their scheduled dates.	Achieved. Internal Audit System in place and continually monitored with critical items such as inspections and certification completed within 3 months of scheduled dates.
To have a year on year reduction in work related accidents until the target of no work related accidents is achieved.	Not achieved. There were 51 work-related accident versus 32 in the previous year. There was only 1 work related accident with lost time hours versus 1 in the previous year. The increase in the current year is related to an improved reporting system.
To ensure there are no breaches of the company's EEO policy.	Achieved. There were no reports of EEO breaches.
To maintain the level of support provided by volunteers in the year to 30 June 2016 at least at the level of that in the previous year measured from the number of cruise visits and the ability to staff these trains with volunteers.	Not achieved. All cruise trains were fully staffed with volunteers. Otago Excursion Train Trust keep records and recorded 7,198 man-hours of voluntary work versus 9,415 in the previous year with 64 cruise ship visits versus 65 in the previous year.
<b>Financial</b>	
<b>Performance Monitoring</b>	
To achieve an accounting result which shows profitability and a positive cash flow for the year ending 30 June 2016.	Achieved with a profit being achieved by the company and a positive cash flow for the year resulting in nett debt reducing from \$210K to \$173K over the year.
To achieve margin growth on train services and within the travel agency through introduction of additional or enhanced products and services.	Achieved for the daily train and Dunedin Silver Fern with the gross margins increasing by 22% and 347%. Not achieved for Excursions. Achieved for the Travel Agency with the gross margin increasing by 303%.

Performance Targets	Outcome Achieved
<i>Non-financial</i>	
<p><b>Corporate Citizen</b></p> <p>To have carried out a waste minimisation, weed and pest control programme, and to continually review company operations to identify any potential environmental issues by 30 June 2016.</p> <p>To enhance the heritage experience by continuing to preserve the heritage aspects of the line and to recognise the heritage nature of rolling stock, structures in the gorge and at Middlemarch, to be measured by any adverse comment from public or from staff.</p> <p>To carry out a survey of carbon-based fuel usage and electricity usage in the year to 30 June 2016. To record passenger numbers carried per litre of fuel used with a view to improving this figure over time.</p>	<p>Achieved. Waste recycling, weed and pest operations continued during the year. The company Health and Safety Committee discusses and reports on all matters of safety and environmental concerns on a monthly basis.</p> <p>Achieved. The company has a history of protecting the heritage nature of aspects of the line and there have been no reports of disturbance to heritage items.</p> <p>Achieved with a listing of fuel and electricity usage maintained over the year. Not achieved for fuel usage with passengers carried per litre of fuel used reducing from 0.275 to 0.269 as a result of safety requirements to power each train with at least two locomotives.</p>



**DUNEDIN CITY  
COUNCIL**

*Kaunihera-a-rohe o Otepoti*

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