

10YP Reforms Update +
DCHL Letter of Expectation

DUNEDIN CITY COUNCIL | kaunihera a-rohe o Ōtepoti



Systems Improvements & Reforms Update

DUNEDIN CITY COUNCIL | kaunihera a-rohe o Ōtepoti

AGENDA

1. Systems Improvements
2. Other reforms

SYSTEMS IMPROVEMENTS

The Local Government (Systems Improvements) Amendment Act amends the LGA, and was passed into law in September 2026 and **is now in force**.

Changes made through the Act have implications for decision making and consultation on the 10YP and WSS.

SYSTEMS IMPROVEMENTS

Purpose of Local Government

Summary of Changes

The purpose of local government is—

(a) to enable democratic local decision-making and action by, and on behalf of, communities; and

(b) to meet the current and future needs of communities for good-quality, cost-effective, and local—

(i) infrastructure; and

(ii) public services; and

(iii) performance of regulatory functions; and

(c) to support local economic growth and development by fulfilling the purpose set out in paragraph (b).

SYSTEMS IMPROVEMENTS

Purpose of Local Government

Summary of Changes

The purpose of local government is—

(a) to enable democratic local decision-making and action by, and on behalf of, communities; and

(b) to meet the current and future needs of communities for good-quality, cost-effective, and local—

(i) infrastructure; and

(ii) public services; and

(iii) performance of regulatory functions; and

(c) to support local economic growth and development by fulfilling the purpose set out in paragraph (b).

a) Efficient

b) Effective

c) Appropriate to present and anticipated future circumstances

SYSTEMS IMPROVEMENTS

Purpose of Local Government

Summary of Changes

The purpose of local government is—

(a) to enable democratic local decision-making and action by, and on behalf of, communities; and

(b) to meet the current and future needs of communities for good-quality, cost-effective, and local—

(i) infrastructure; and

(ii) public services; and

(iii) performance of regulatory functions; and

(c) to support local economic growth and development by fulfilling the purpose set out in paragraph (b).

a) Efficient

b) Effective

c) Appropriate to present and anticipated future circumstances

Ensuring that the public receives value for money by—

a) Using resources effectively, economically, and without waste

b) Taking into account total costs & benefits of any decision or action

SYSTEMS IMPROVEMENTS

Purpose of Local Government

Summary of Changes

The purpose of local government is—

(a) to enable democratic local decision-making and action by, and on behalf of, communities; and

(b) to meet the current and future needs of communities for good-quality, cost-effective, and local—

(i) infrastructure; and

(ii) public services; and

(iii) performance of regulatory functions; and

(c) to support local economic growth and development by fulfilling the purpose set out in paragraph (b).

SYSTEMS IMPROVEMENTS

Purpose of Local Government

Summary of Changes

The purpose of local government is—

(a) to enable democratic local decision-making and action by, and on behalf of, communities; and

(b) to meet the current and future needs of communities for good-quality, cost-effective, and local—

(i) infrastructure; and

(ii) public services; and

(iii) performance of regulatory functions; and

(c) to support local economic growth and development by fulfilling the purpose set out in paragraph (b).

Implications

- Statutory purpose has changed but Council retains decision making discretion
- Cost-effective does not necessarily mean ‘lowest cost’

SYSTEMS IMPROVEMENTS

Core Services

Summary of Changes

Local authorities must have particular regard to the contribution that the following core services make to its communities:

a) network infrastructure

b) public transport services

c) waste management and minimisation

d) emergency management

e) libraries, museums, reserves, and other community and recreational facilities.

Provision of:

- Roads and other transport
- Water, wastewater and stormwater collection and management

SYSTEMS IMPROVEMENTS

Core Services

Summary of Changes

Local authorities must have particular regard to the contribution that the following core services make to its communities:

a) network infrastructure

b) public transport services

c) waste management and minimisation

d) emergency management

e) libraries, museums, reserves, and other community and recreational facilities.

Reduction of waste, and the reuse, recycling and recovery of waste and diverted material

SYSTEMS IMPROVEMENTS

Core Services

Summary of Changes

Local authorities must have particular regard to the contribution that the following core services make to its communities:

a) network infrastructure

b) public transport services

c) waste management and minimisation

d) emergency management

e) libraries, museums, reserves, and other community and recreational facilities.

Application of knowledge, measures and practices that are necessary or desirable for the safety of the public or property, and are designed to guard against, prevent, reduce, recover from or overcome any hazard, harm or loss that may be **associated with any emergency**. It includes planning, organising, coordinating and implementing those measures, knowledge and practices.

SYSTEMS IMPROVEMENTS

Core Services

Summary of Changes

Local authorities must have particular regard to the contribution that the following core services make to its communities:

a) network infrastructure

b) public transport services

c) waste management and minimisation

d) emergency management

e) libraries, museums, reserves, and other community and recreational facilities.

Implications

- Must have particular regard to Core Services
- Implied that non-core activities should not be undertaken at the expense of core services
- Community consultation gives a mandate for activities that serve the community's needs

SYSTEMS IMPROVEMENTS

Mandatory Groups of Activity

Summary of Changes

1. Adaptation and Emergency Management
2. Community and Recreational Facilities
3. Governance, Planning and Reporting
4. Parks and Reserves
5. Public Regulatory Services
6. Roading and Transport
7. Waste Management and Minimisation
8. Other Activities

SYSTEMS IMPROVEMENTS

Mandatory Groups of Activity

Summary of Changes

1. Adaptation and Emergency Management
2. Community and Recreational Facilities
3. Governance, Planning and Reporting
4. Parks and Reserves
5. Public Regulatory Services
6. Roading and Transport
7. Waste Management and Minimisation
8. Other Activities

Other Activities is designed to be used for activities that aren't 'core':

- Community development
- Economic development
- Grants
- International relations
- Events and festivals
- Forestry
- Social housing
- Commercial property
- Heritage property
- Community safety
- Tourism
- Investments

SYSTEMS IMPROVEMENTS

Mandatory Groups of Activity

Summary of Changes

1. Adaptation and Emergency Management
2. Community and Recreational Facilities
3. Governance, Planning and Reporting
4. Parks and Reserves
5. Public Regulatory Services
6. Roading and Transport
7. Waste Management and Minimisation
8. Other Activities

Implications

- Must use all eight groups (though possible to create subgroups or additional groups)
- Other activities is designed to be used for non-core services
- Consideration of the order of the groups

SYSTEMS IMPROVEMENTS

Voting for non-elected members

Summary of Changes

- The Act outlines committees, sub-committees and subordinate bodies on which non-elected appointed members cannot vote.
- The Act also makes clear that non-elected appointed members on those committees do not count towards the quorum.
- It also describes the process by which councils can seek an exemption.

SYSTEMS IMPROVEMENTS

Voting for non-elected members

Summary of Changes

- The Act outlines committees, sub-committees and subordinate bodies on which non-elected appointed members cannot vote.
- The Act also makes clear that non-elected appointed members on those committees do not count towards the quorum.
- It also describes the process by which councils can seek an exemption.

Implications

- The changes will not apply until six months after the enactment of the Bill (i.e., 18 March 2027).
- Ability to apply for exemption
- If no exemption, may change Terms of Reference or take an alternative approach (e.g., advisory group)

OTHER REFORMS

Emergency Mgmt	Increased expectations EM system and everyone involved. New tools and mechanisms to strengthen capability, improve consistency, and lift performance across the sector.	Significant funding implications (quantum not yet known)
Resource Mgmt	Biggest change to planning system in over 30 years. Changes to consenting first. FDS and 2GP replaced by a Regional Spatial Plan, which must be notified 21 months after royal assent (i.e., June 2028).	Significant funding implications, estimated at $800k p.a.
Rate Capping	Legislation introduced but not yet passed. Three year phase in but Councils required to consider target from now. Cap limits average rates revenue per rating unit.	Minister has set the cap at 2-4%

KEY TAKEAWAYS

- Council must have regard to the purpose of local government and its core services when making decisions.
- Explicit reference to statutory context in which the Council is operating should be laid out in the Consultation Document, so the community can effectively respond to options and trade-offs.
- Balance is required between affordability, cost-effectiveness and impact on rates, which acting prudently and in the current and future interests of the community.

NEXT STEPS

- Summary of Considerations in the options report template has been updated
- Consultation Document and Summary of Matters will include context for the reader, including statutory context
- Reform funding requirements will be included in budget reports for the December budget meeting



DCHL Letter of Expectation for 2027/28

DUNEDIN CITY COUNCIL | kaunihera a-rohe o Ōtepoti

AGENDA

1. Quick refresher on LoE
2. Discussion – DCHL Group companies

TODAY'S WORKSHOP

PURPOSE

Refresher on Letter of Expectation purpose and process

Councillor discussion on contents of 2027/28 Letter

OUTPUT

Focus areas and content identified for draft Letter

REFRESHER: LETTER OF EXPECTATION

Purpose

Council's expectations for 2027/28 year communicated to DCHL leadership

Expectations discussed and considered with broader DCHL Group as Statements of Intent developed

REFRESHER: STATEMENTS OF INTENT

Local Government Act

64 Statements of intent for council-controlled organisations

(1) Every council-controlled organisation must prepare and adopt a statement of intent in accordance with Part 1 of Schedule 8.

(2) The purpose of a statement of intent is to—

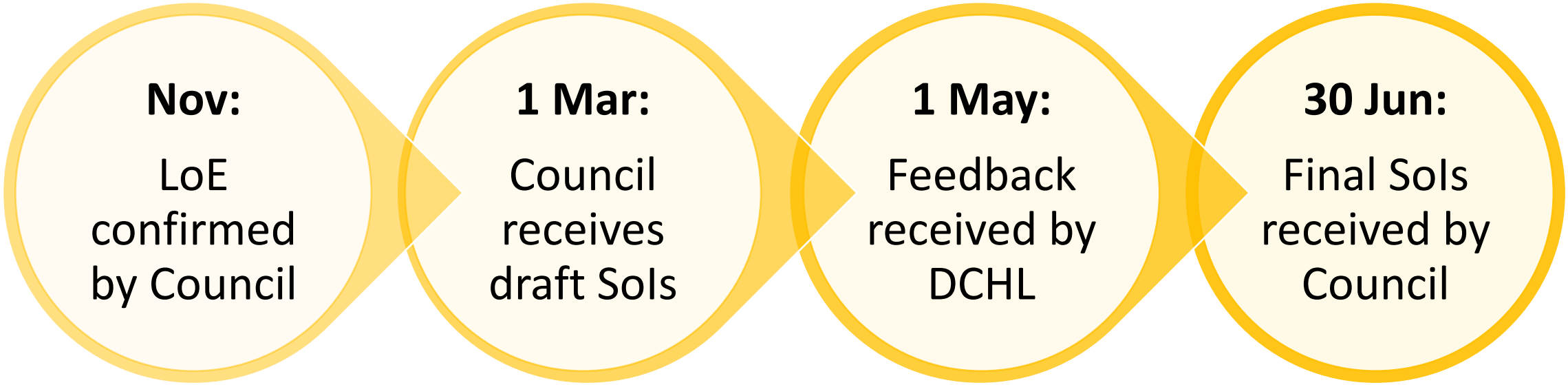
(a) state publicly the activities and intentions of the council-controlled organisation for the year and the objectives to which those activities will contribute; and

(b) provide an opportunity for shareholders to influence the direction of the organisation; and

(c) provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.

REFRESHER: LETTER OF EXPECTATION

Process



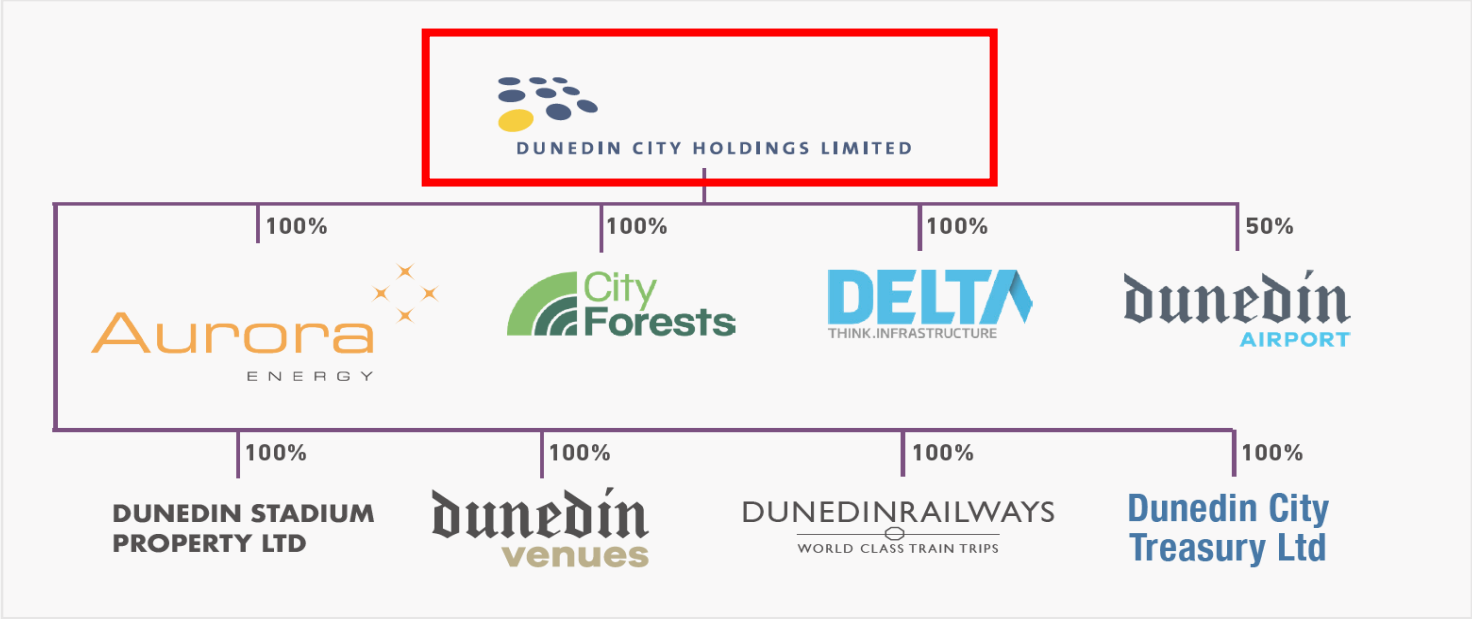
REFRESHER: 2026/27 LETTER

Focus Areas

- Financial Returns and Dividends
- Strategic Options for DCC Consideration
- Waipori SIPO
- Waste Reduction Goals
- Clear, measurable, relevant and outcome-focused performance measures
- Internship Programme
- Caversham Train Tunnel (Aurora)
- Single-use Cup Free (DVML)

DISCUSSION

Dunedin City Holdings Ltd



Items identified during the year

- Group investment framework
- Te Taki Haruru integration
- Group strategy opportunity
- Information and data sharing
- Risk visibility and risk appetite
- Property portfolio consideration
- Reporting

Anything else?

DISCUSSION

Aurora Energy



Items identified during the year

- Work with DCC to prepare a solar and alternative energy strategy across all council facilities

Anything else?

DISCUSSION

City Forests



Items identified during the year

- (No identified items)

Anything to add?

DISCUSSION

Delta



Items identified during the year

- (No identified items)

Anything to add?

DISCUSSION

Dunedin Airport



Items identified during the year

- (No identified items)

Anything to add?

DISCUSSION

Stadium Property



Items identified during the year

- Debt repayment plan
- Asset management plan

Anything else?

DISCUSSION

Dunedin Venues



Items identified during the year

- Alternative uses / turf

Anything else?

DISCUSSION

Dunedin Railways



Items identified during the year

- $2m contribution for track renewal/maintenance
- Detailed financial reporting

Anything else?

DISCUSSION

Dunedin City Treasury



Items identified during the year

- Waipori Fund SIPO implementation

Anything else?

NEXT STEPS

- DCHL Letter of Expectation for 2027/28 will be drafted and presented to Council in November 2026
- Once approved, the Letter will be sent to the DCHL board
- DCHL will share draft Statements of Intent for the group by 1 March 2027



Kā mihi nui | Thank you

ARTIST: Jon Thom

DUNEDIN CITY COUNCIL | kaunihera a-rohe o Ōtepoti