



WELCOME TO TODAY'S WORKSHOP

PART ONE



PART TWO





RATING REVIEW + FINANCIAL POLICIES PT. 2

10 Year Plan + Water Services Strategy 2027-37



PART ONE AGENDA

- 1 COMMERCIAL GENERAL RATE DIFFERENTIAL**
- 2 DISCOURAGING DEMOLITION BY NEGLECT**
- 3 RATES REMISSION & POSTPONEMENT: HERITAGE**
- 4 REVENUE & FINANCING: CULTURAL ATTRACTIONS**



RECAP: FINANCE AND PERFORMANCE COMMITTEE

Moved (Cr Andrew Simms/Cr Lee Vandervis):

That the Committee:

- a. **Notes** the Rating and Financial Policy Review report.
- b. **Investigates** and reports back to Council on the below rating matters as part of the development of the 10 Year Plan 2027-37:
 - a. Rating treatment of Forsyth Barr Stadium.
 - b. Funding and rating treatment of the Tertiary Area.
 - c. Rating options for heritage buildings.
 - d. Rating options for vacant buildings and/or abandoned land.
 - e. Development of affordability measures for inclusion in the Financial Strategy of the 10 Year Plan 2027-37.
 - f. Review of rates remission and postponement policy.
 - g. Review the general rate differential for the commercial category
- c. **Requests** advice on possible rating changes to educational institutions including consideration of the meaning of “used primarily for educational purposes.”
- d. **Notes** that the Revenue and Financing Policy will be reviewed as part of the development of the 10 Year Plan 2027-37.

Motion carried (FAPCC/2026/011)



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RECAP: WHY REVIEW RATING + FINANCING?

To ensure costs are being shared fairly and sustainably across the community.

The LGA requires rating information and a Revenue and Financing Policy in every LTP.

9YP Quick References

RATING METHOD

Section 4: Finances
Rating Info (p. 245)

RATES REMISSION & POSTPONEMENT

Section 5: Policies
(p. 295)

REVENUE & FINANCING

Section 5: Policies
(p. 273)



Rating Review - Commercial



RECAP: TYPES OF RATES

General Rates

- Based on capital value (CV)
- Used to fund public goods

Uniform Annual General Charges

- A fixed, flat fee on each rateable property, regardless of value
- Used to fund public goods

Targeted Rates

- For an easily identifiable group of ratepayers
- Used to fund a particular activity or service



RECAP: TYPES OF RATES

General Rates

- Based on capital value (CV)
- Used to fund public goods
- Seven different categories based on land use

Differential	Factor
Residential	1.00
Lifestyle	0.95
Commercial	2.50
Farmland	0.80
Residential Heritage B&B	1.75
Water Services Utilities	1.34
Stadium: 10,000+ Seat Capacity	0.18



RECAP: 2026/27 GENERAL RATES BY DIFFERENTIAL

Differential	Factor	General rate (incl. GST) \$	General rate share	Capital value (CV) \$	CV %
Residential	1.00	102,475,816	58.93%	31,715,581,600	70.36%
Lifestyle	0.95	9,362,277	5.38%	3,050,065,500	6.77%
Commercial	2.50	48,285,999	28.15%	5,977,677,850	13.62%
Farmland	0.80	5,824,425	3.35%	2,253,275,950	5.00%
Residential Heritage B&B	1.75	12,666	0.01%	2,240,000	0.00%
Water Services Utilities	1.34	7,121,853	4.10%	1,644,900,000	3.65%
Stadium: 10,000+ Seat Capacity	0.17	144,373	0.08%	270,450,000	0.60%
Commercial (Half)	1.25	660,301	0.38%	163,487,000	0.36%
Total		173,886,862		45,077,677,900	





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Commercial	2.50	48,285,999	28.15%	5,977,677,850	13.62%
Farmland	0.80	5,824,425	3.35%	2,253,275,950	5.00%
Residential Heritage B&B	1.75	12,666	0.01%	2,240,000	0.00%
Water Services Utilities	1.34	7,121,853	4.10%	1,644,900,000	3.65%
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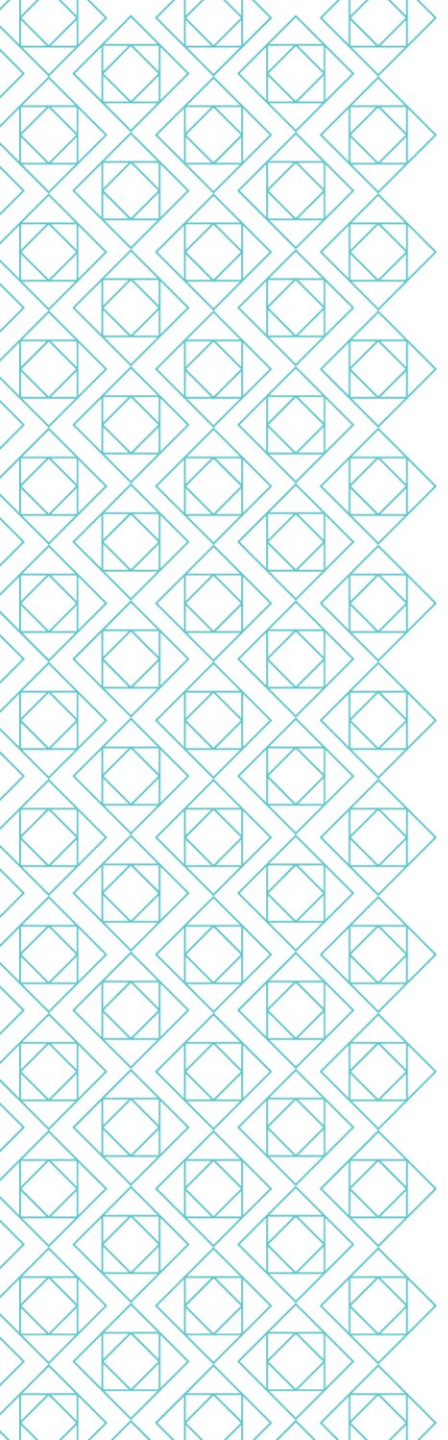




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RECAP: MAKING CHANGES TO RATING

- Changes do not affect the total rates take
- Changes re-allocate the distribution of rates revenue across ratepayers



RECAP: COMMERCIAL DIFFERENTIAL

DCC's general rate differential factor for Commercial = 2.50

Examples Commercial, Business, Industrial, Urban Business vs Rural Business, CBD Commercial or Commercial Central vs Commercial Suburban, Business Improvement Commercial

Factor lower than base: 0.7-0.8 Porirua Rural

No differential / same as base: Invercargill, Queenstown (higher for CBD)

Factor higher than base: 2.22 Christchurch, 2.3848 Auckland, 2.9 Upper Hutt, 2.98 Hamilton, 3.1 Porirua, 3.6 Hutt, 3.70 Wellington, 5.27 Whangarei

Note:

Some councils have differential for commercial, industrial and business.

Some councils have differentials for *Shopping Plazas* (3.1 for Porirua) and *Motels* (1.41 for Porirua)





SAMPLE RATES – 2026/27

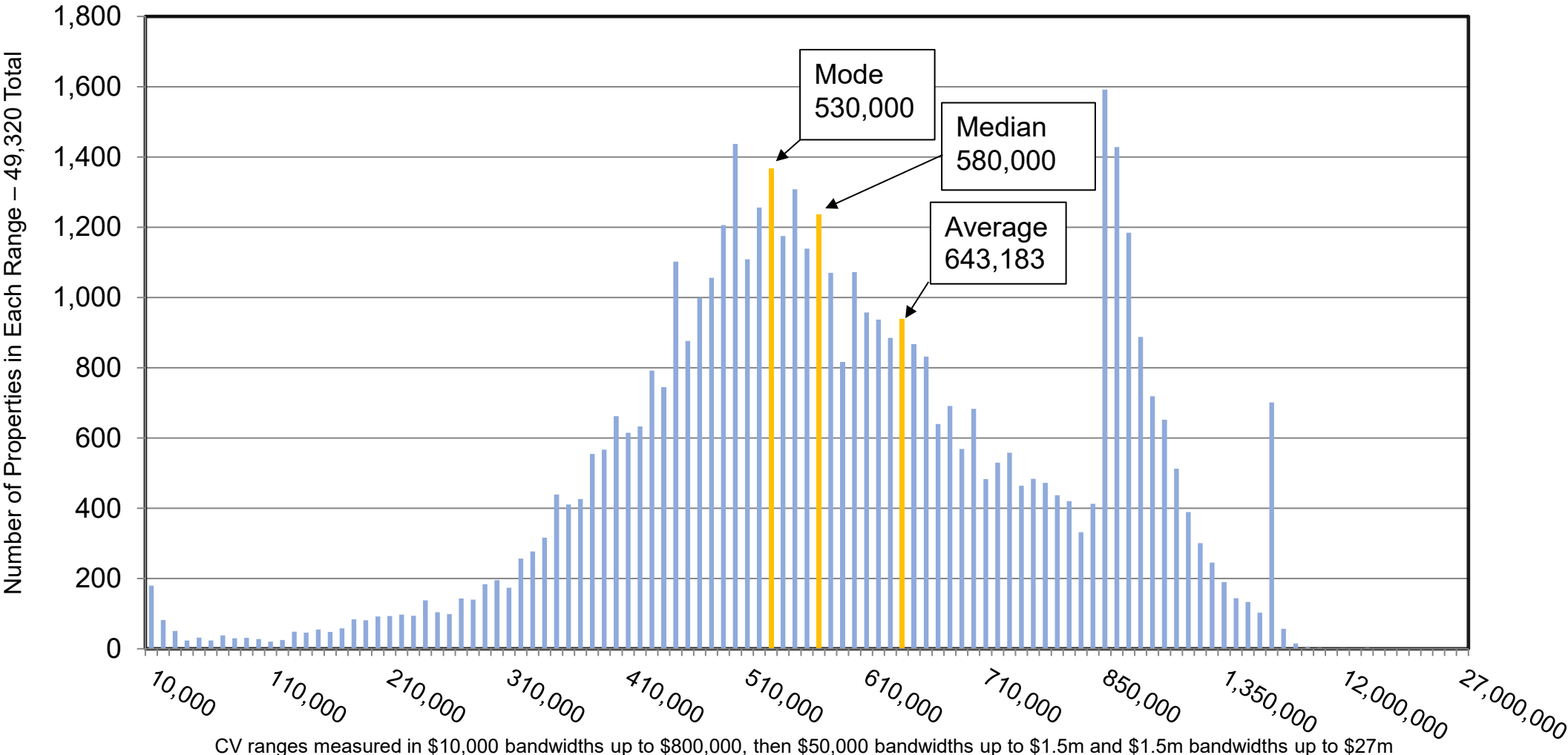
Breakdown of a sample rate account for the 2026/27 rating year:

Average CV	643,183	1,962,562
	Residential	Commercial
General rates	\$2,078	\$15,854
Community services	\$124	\$124
Kerbside collection	\$348	
Water (fixed)	\$810	
Fire protection (CV)		\$1,996
Drainage (fixed)	\$1,000	\$1,000
Drainage (CV)		\$6,628
Total rates	\$4,360	\$25,601





DISTRIBUTION OF RESIDENTIAL PROPERTY CVs





DIFFERENTIAL FOR COMMERCIAL RATEPAYERS

Many councils have a higher differential factor for Commercial ratepayers – why?

1. Disproportionate benefits from council activity

- Roading and footpaths
- Parking
- CBD improvements
- Economic development, city marketing and tourism promotion

2. Affordability and ability to pay

- Rates offset as a tax deductible business expense, GST can be recovered





DIFFERENTIAL FOR COMMERCIAL RATEPAYERS

Figure 11: Box & Whisker Plot for Business General Rate Differentials



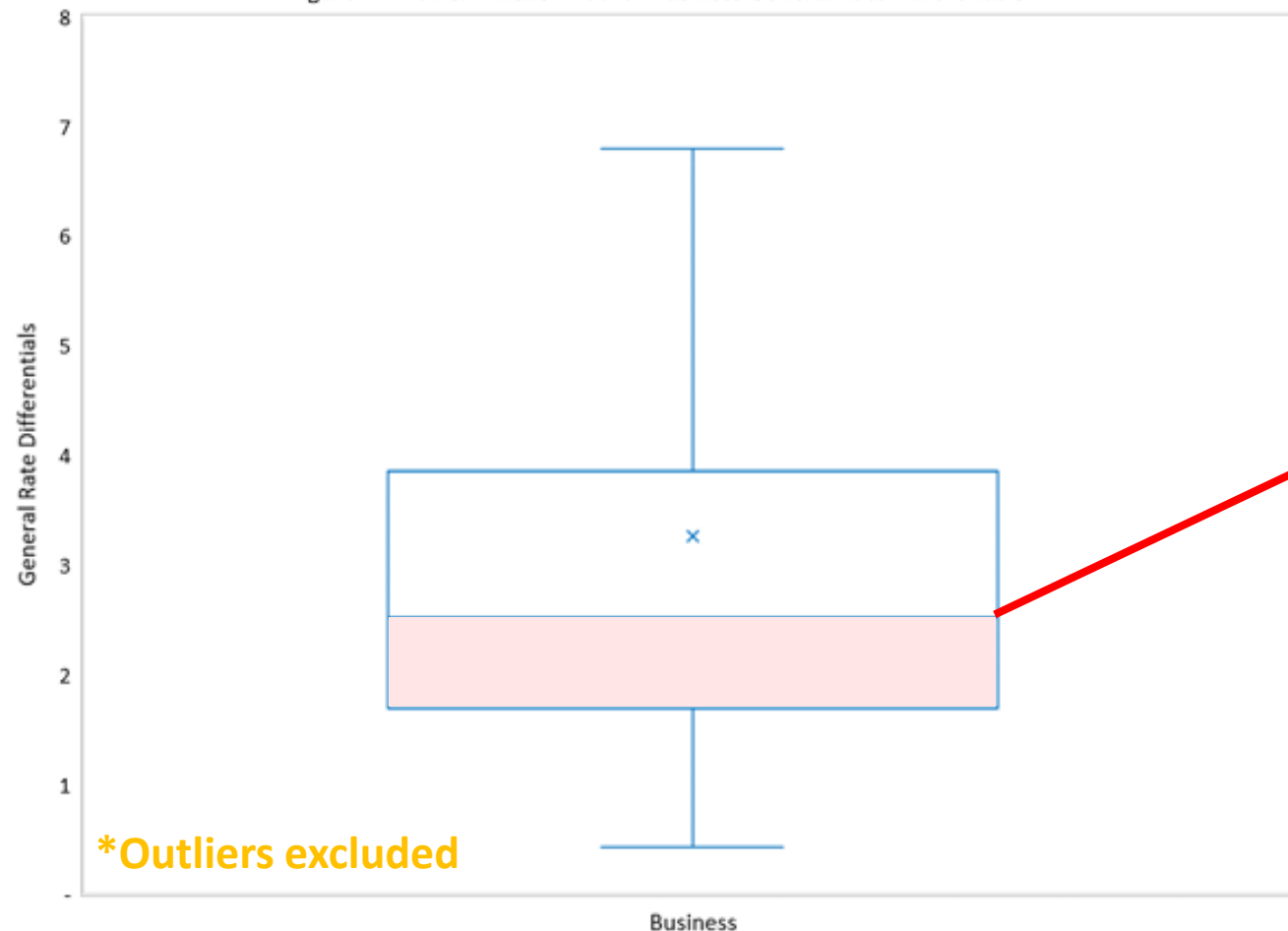
Source: Analysis of the Current and Past Use of Council Rating Tools in New Zealand – New Zealand Productivity Commission (2019)





DIFFERENTIAL FOR COMMERCIAL RATEPAYERS

Figure 11: Box & Whisker Plot for Business General Rate Differentials



Median = 2.5

Source: Analysis of the Current and Past Use of Council Rating Tools in New Zealand – New Zealand Productivity Commission (2019)

*Outliers excluded





EFFECT OF CHANGING DIFFERENTIALS

- In previous discussions, some Councillors have indicated a preference to reduce the Commercial differential factor

DCC's current general rate differential factor for Commercial = 2.50

- The following examples illustrate the effect of reducing the factor to:

↓ 2.25

↓ 2.0

- Note: changes to differential factors can be phased in





EFFECT OF CHANGING DIFFERENTIALS

Methodology

- Examples of changes to the Commercial differential are **based on 2026/27 rates data**, including capital values and targeted rates.
- The sample rates shown for each example property **represent total rates**. The only component that changes is the general rate.
- Where any differential category's factor decreases, **rates requirement is reallocated** across other categories.





COMMERCIAL RATES DIFFERENTIAL – 2.25

Differential	Factor	General Rate (incl GST) \$	General Rate Share	Factor	General Rate (incl GST) \$	General Rate Share	Impact \$
Residential	1.00	102,475,816	58.93%	1.00	105,446,412	60.64%	2,970,596
Lifestyle	0.95	9,362,277	5.38%	0.95	9,633,673	5.54%	271,396
Commercial	2.50	48,285,999	27.77%	2.25	44,717,153	25.72%	(3,568,846)
Farmland	0.80	5,824,425	3.35%	0.80	5,993,265	3.45%	168,840
Residential Heritage B&B	1.75	12,666	0.01%	1.75	13,033	0.01%	367
Water Services Utilities	1.34	7,121,853	4.10%	1.34	7,328,303	4.21%	206,450
Stadium: 10,000+ Seat Capacity	0.17	144,373	0.08%	0.16	144,373	0.08%	-
Commercial Half	1.25	660,301	0.38%	1.13	611,498	0.35%	(48,803)
Total		173,887,710			173,887,710		





SAMPLE RATES COMMERCIAL DIFFERENTIAL – 2.25

Differential		Capital Value	2026/27 Total Rates \$	Revised Diff. Total Rates \$	General Rate Inc/(Dec) \$	General Rate Inc/(Dec) %
Residential	Median	580,000	4,156	4,211	55	1.3%
	Example	1,003,000	5,523	5,617	94	1.7%
Commercial	Median	715,000	10,042	9,615	(427)	-4.3%
	Average	1,962,562	25,601	24,430	(1,171)	-4.6%
	Example	3,080,000	39,538	37,699	(1,839)	-4.7%
Lifestyle	Average	1,661,077	4,418	4,543	125	2.8%
Farmland	Median	1,090,000	3,819	3,916	97	2.5%
	Example	2,450,000	7,994	8,212	218	2.7%





COMMERCIAL RATES DIFFERENTIAL – 2.00

Differential	Factor	General Rate (incl GST) \$	General Rate Share	Factor	General Rate (incl GST) \$	General Rate Share	Impact \$
Residential	1.00	102,475,816	58.93%	1.00	108,594,374	62.45%	6,118,558
Lifestyle	0.95	9,362,277	5.38%	0.95	9,921,273	5.71%	558,996
Commercial	2.50	48,285,999	27.77%	2.00	40,935,221	23.54%	(7,350,778)
Farmland	0.80	5,824,425	3.35%	0.80	6,172,186	3.55%	347,761
Residential Heritage B&B	1.75	12,666	0.01%	1.75	13,422	0.01%	756
Water Services Utilities	1.34	7,121,853	4.10%	1.34	7,547,080	4.34%	425,227
Stadium: 10,000+ Seat Capacity	0.17	144,373	0.08%	0.16	144,373	0.08%	-
Commercial Half	1.25	660,301	0.38%	1.00	559,781	0.32%	(100,520)
Total		173,887,710			173,887,710		

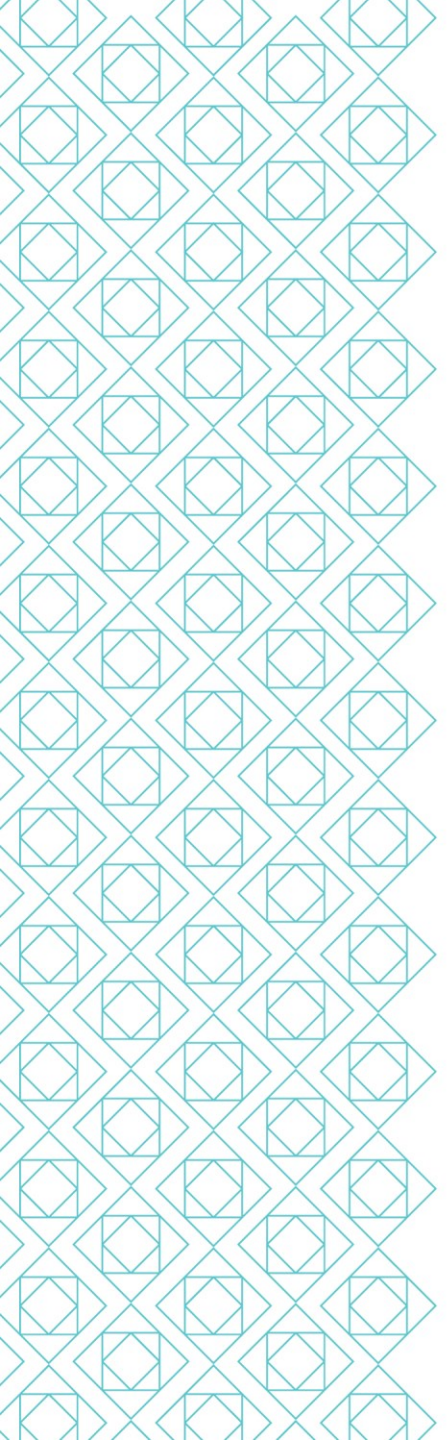




SAMPLE RATES COMMERCIAL DIFFERENTIAL – 2.00

Differential		Capital Value	2026/27 Total Rates \$	Revised Diff. Total Rates \$	General Rate Inc/(Dec) \$	General Rate Inc/(Dec) %
Residential	Median	580,000	4,156	4,268	112	2.7%
	Example	1,003,000	5,523	5,717	194	3.5%
Commercial	Median	715,000	10,042	9,162	(880)	-8.8%
	Average	1,962,562	25,601	23,187	(2,414)	-9.4%
	Example	3,080,000	39,538	35,750	(3,788)	-9.6%
Lifestyle	Average	1,661,077	4,418	4,674	256	5.8%
Farmland	Median	1,090,000	3,819	4,018	199	5.2%
	Example	2,450,000	7,994	8,442	448	5.6%





NEXT STEPS

Commercial Rate Differential

PLANNED WORK

- Commercial general rate differential options will be brought to Council in a report

DIRECTION REQUIRED

- Factors explored today OK (i.e., 2.25 and 2.0)?
- Retirement villages
- Heritage
- Anything else?



Discouraging Demolition by Neglect



MECHANISM ONE:

Discouraging vacant/derelict buildings with a rate increase factor.

DESIRED OUTCOME:

Owners are motivated to either sell or redevelop vacant and/or derelict buildings to reduce demolition by neglect.



THE OUTCOMES WE WANT TO
DISCOURAGE:





METHOD:

- The mechanism proposes a higher rating differential (that increases general rates by an amount that represents a penalty) for vacant land and vacant/derelict buildings.
- The mechanism seeks to create a financial disincentive for not remediating vacant/derelict buildings.





PRINCIPLES:

- DCC has no regulatory method for addressing demolition by neglect.
- The mechanism is modelled on a rating policy recently introduced by Wellington City Council that targets owners of vacant land or derelict buildings.
 - 5:1 rating differential (that increases general rates by 500%)





PRINCIPLES (continued)

Could apply to:

- A targeted area of the city (zone to be specified but most likely the central city with higher public visibility)





PRINCIPLES (continued)

Could apply to:

- A targeted area of the city (zone to be specified but most likely the central city with higher public visibility)
- Undeveloped land that has an area greater than 40sqm (e.g. at-grade carparking)





PRINCIPLES (continued)

Could apply to:

- A targeted area of the city (zone to be specified but most likely the central city with higher public visibility)
- Undeveloped land that has an area greater than 40sqm (e.g. at-grade carparking)
- Buildings that have been vacant for a specified period (to be stated in the policy) and demonstrate evidence of being derelict (specific metrics to be developed)





PRINCIPLES (continued)

Could apply to:

- A targeted area of the city (zone to be specified but most likely the central city with higher public visibility)
- Undeveloped land that has an area greater than 40sqm (e.g. at-grade carparking)
- Buildings that have been vacant for a specified period (to be stated in the policy) and demonstrate evidence of being derelict (specific metrics to be developed)
- Vacant and derelict buildings irrespective of heritage status i.e., it is not a targeting only protected heritage buildings.





PRINCIPLES (continued)

Will not apply if the property owner (within agreed timeframes to be specified in the policy):

- Has recently purchased the property (and the seller/purchaser parties are not related)





PRINCIPLES (continued)

Will not apply if the property owner (within agreed timeframes to be specified in the policy):

- Has recently purchased the property (and the seller/purchaser parties are not related)
- Has recently obtained either resource or building consent





PRINCIPLES (continued)

Will not apply if the property owner (within agreed timeframes to be specified in the policy):

- Has recently purchased the property (and the seller/purchaser parties are not related)
- Has recently obtained either resource or building consent
- Is actively marketing the property for either sale or lease





PRINCIPLES (continued)

Will not apply if the property owner (within agreed timeframes to be specified in the policy):

- Has recently purchased the property (and the seller/purchaser parties are not related)
- Has recently obtained either resource or building consent
- Is actively marketing the property for either sale or lease
- Is undertaking the construction work to develop the land/remediate the building.





Heritage Rates Postponement Policy



MECHANISM TWO:

Encouraging redevelopment of heritage buildings by delaying rates increases after capital improvement

DESIRED OUTCOME:

This mechanism seeks to make investing in protected heritage buildings more financially viable for private owners.





THE OUTCOMES WE WANT TO ENCOURAGE:





METHOD:

This mechanism would allow the owner to continue to pay pre-improvement rates for a set period after the improvements are finished. The period for beginning to pay post-improvement rates could:

- occur after a set period (e.g., start five years after the work is finished), or
- have a stepped transition (e.g., increase by one-fifth each year for five years).





PRINCIPLES

- The policy is specifically linked to investment in heritage buildings.





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- This mechanism is based on DCC a change to rates income (that may or may not materialise) for a set period, to incentivise owners' investing in their protected heritage buildings.





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- DCC would be forgoing rates income that is neither projected nor guaranteed.





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- This mechanism is based on DCC a change to rates income (that may or may not materialise) for a set period, to incentivise owners' investing in their protected heritage buildings.
- DCC would be forgoing rates income that is neither projected nor guaranteed.
- Increased rates, because of capital improvement, is only realised if and when private development occurs. If owners do not redevelop their buildings, there will be no increase in capital value, and DCC's existing rates income remain the same.





PRINCIPLES

- The policy is specifically linked to investment in heritage buildings.
- This mechanism is based on DCC a change to rates income (that may or may not materialise) for a set period, to incentivise owners' investing in their protected heritage buildings.
- DCC would be forgoing rates income that is neither projected nor guaranteed.
- Increased rates, because of capital improvement, is only realised if and when private development occurs. If owners do not redevelop their buildings, there will be no increase in capital value, and DCC's existing rates income remain the same.
- This method is a financial mechanism that DCC can use to encourage non-financial goals of revitalising and upgrading the city's built heritage. The city benefits the more the mechanism is taken up.





PRINCIPLES (continued)

Could apply to:

Work to improve the capital value of a **protected heritage building**. Such work typically includes:

- Restoring the building.
- Upgrading or rehabilitating the building.
- Seismic strengthening that means the building is no longer earthquake-prone (if a capital value increased).

Will not apply to:

- Non-heritage buildings.





FUNDING

- Requires an increase in general rate, unless existing funding can be used
 - Existing heritage budget
- Rate capping implications
- Budget uncertainty – grant line





Revenue and Financing Policy review

*Special thanks to DCC staff
member Emma Morey for a deep
dive on Cultural Attractions*



RECAP: REVENUE AND FINANCING POLICY

The LGA requires that the LTP includes a Revenue and Financing Policy

The policy must include:

1

How operating and capital expenditure will be funded

2

Sources of those funds, which may be from:

- General rates
- Targeted rates
- Lump sum contributions
- Fees and charges
- Interest and dividends
- Borrowing
- Proceeds from sale of assets
- Development contributions
- Grants and subsidies
- Any other source





RECAP: 9YP REVENUE AND FINANCING POLICIES

Cultural Attractions

	9 Year Plan 2025-34 Policy		Annual Plan 2026/27 budget	
ACTIVITY	Rates %	Other %	Rates %	Other %
Creative and Cultural Vibrancy group				
Gallery, Garden and Museum	85%	15%	86%	14%
Olveston Historic Home	45%	55%	47%	53%

33% rates, 67% other
in 2021 LTP –
amended to account
for fewer cruise ships





WHO VISITS OUR CULTURAL ATTRACTIONS?

Dunedin
residents

Domestic
tourists

International
tourists





WHO VISITS OUR CULTURAL ATTRACTIONS?

Dunedin
residents

Domestic
tourists

International
tourists

Cultural Attraction	Residents who visit at least once per year	Satisfaction
DPAG	38%	89%
Toitū	52%	92%
Lan Yuan	15%	87%
Olveston	9%	94%





WHO VISITS OUR CULTURAL ATTRACTIONS?

Dunedin
residents

Domestic
tourists

International
tourists

38%

of domestic tourists **visit a museum or gallery** when taking an overnight trip

Source: MBIE Domestic Visitor Survey (October 2025)

\$31.3m

domestic tourism spend in Dunedin in December 2025

Source: MBIE Tourism Electronic Card Transactions (TECTs) (December 2025)



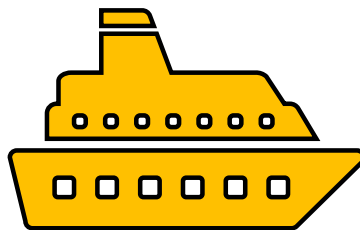


WHO VISITS OUR CULTURAL ATTRACTIONS?

Dunedin
residents

Domestic
tourists

International
tourists



110,000 cruise ship passengers
across **74** vessels in 2025/26
(Down from **118** vessels in 2023/24)





NZ TOURISM IS RECOVERING

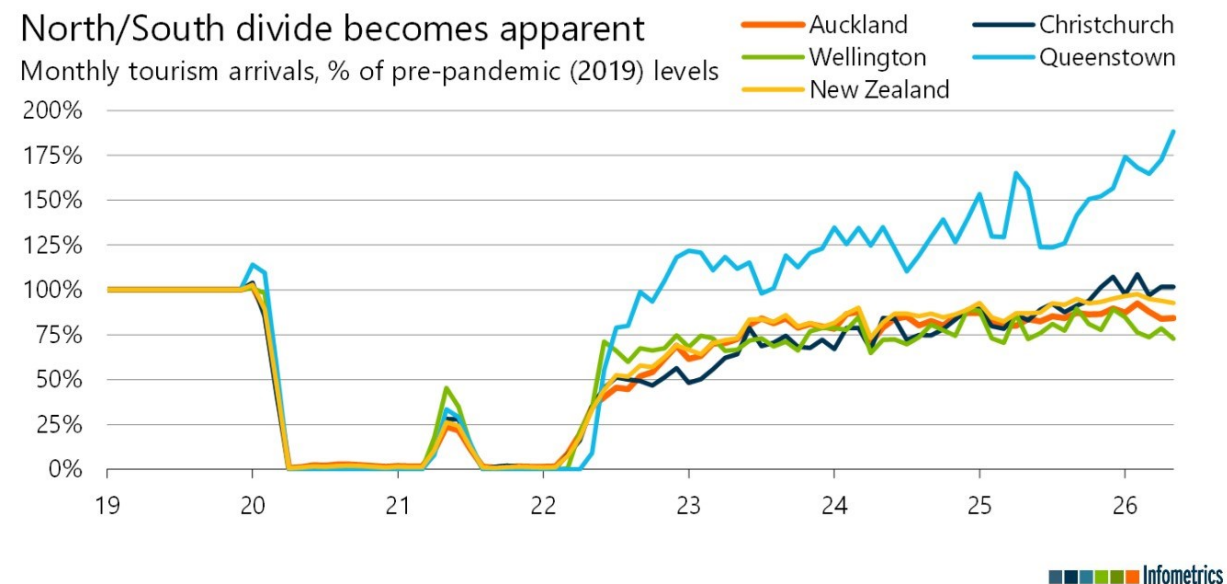
Tourist arrival recovery takes until start of 2029

Tourist arrivals, millions, annual running totals



North/South divide becomes apparent

Monthly tourism arrivals, % of pre-pandemic (2019) levels

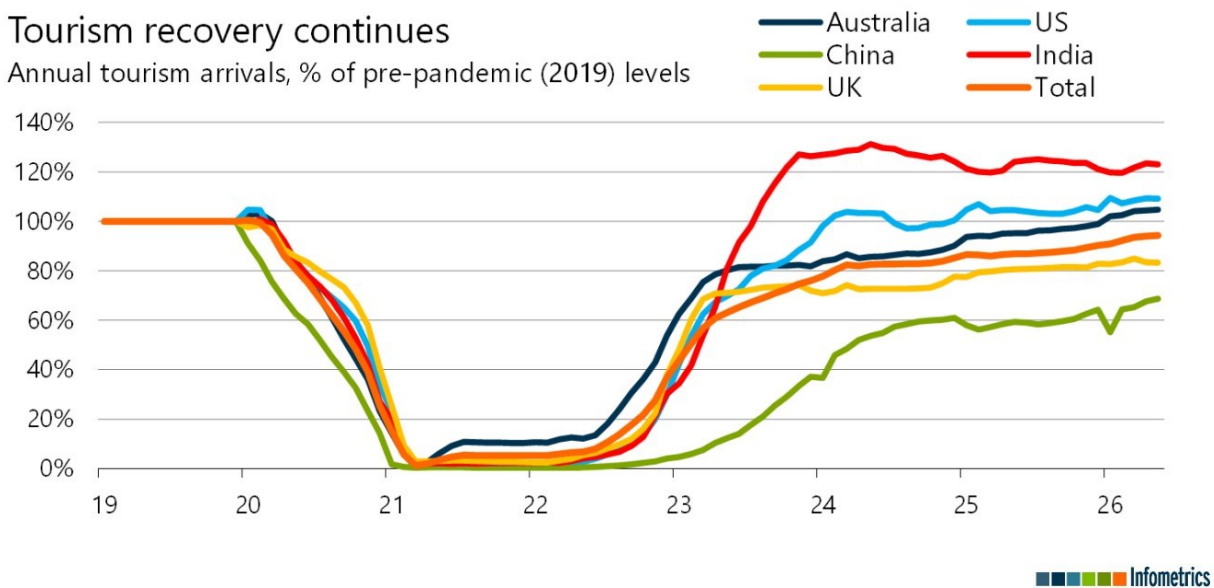




NZ TOURISM IS RECOVERING

Tourism recovery continues

Annual tourism arrivals, % of pre-pandemic (2019) levels



New Trans-Tasman flights adding to local activity

Direct tourist arrivals by Airport, annual running totals





HOW DO WE COMPARE?

Revenue and Financing Policies

Galleries and Museums

Council	Rates Funded
Dunedin (DPAG, Toitū and Lan Yuan)	85%
Dunedin (Olveston)	45%
Christchurch	75-100%
Wellington	100%
Lower Hutt	80-100%
Palmerston North	80-100%





HOW DO WE COMPARE?

Entry Fees

Historic Homes

Attraction	Adult Entry Fee
Olveston Historic Home (Dunedin)	\$26.50 pp
Larnach Castle (Dunedin)	\$48 pp
The Elms (Tauranga)	\$20 pp
Riccarton House (Christchurch)	\$20 pp
Highwic House (Auckland)	\$10 pp



The Elms, Tauranga



Highwic House, Auckland



Riccarton House, Christchurch





HOW DO WE COMPARE?

Entry Fees

Gardens

Attraction	Adult Entry Fee
Lan Yuan Chinese Garden (Dunedin)	\$13.50 pp
Hamilton Gardens (Hamilton)	\$20 pp
<i>Most other gardens</i>	Free



Hamilton Gardens, Hamilton





HOW DO WE COMPARE?

Entry Fees

Films and Cultural Experiences

Attraction	Description	Adult Entry Fee
Te Awa – Introduction to Ōtepoti film (Dunedin)	8 min film	\$10 pp
Perpetual Guardian Planetarium films (Dunedin)	45 min film	\$15 pp
Manea – Footprints of Kupe (Hokianga)	20 min film + storytelling experience (75 min total)	\$75 pp





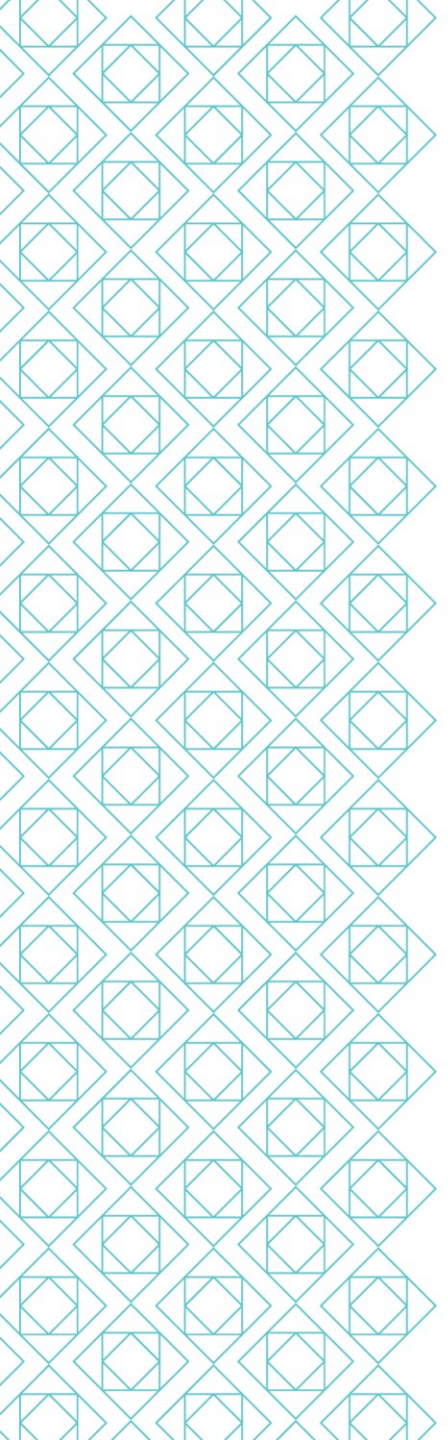
SUMMARY

1. Tourism has substantially recovered but is still evolving
2. Dunedin has a valuable mix of visitor markets (domestic, international, cruise, etc.)
3. Domestic tourism remains critically important

Recommendations

- Maintain current Revenue and Financing Policies
- Continue to increase value
 - This may be through bundling products, promoting memberships, events and venue hire





NEXT STEPS

Revenue and Financing Policy

PLANNED WORK

- Staff to continue work on Revenue and Financing Policy across Council's activities
- Upcoming Community Housing workshop
- A draft Policy will be brought to Council for consideration

DIRECTION REQUIRED

- Anything else?



Part One complete!

ARTIST: Jon Thom



DUNEDIN | kaunihera
CITY COUNCIL | a-rohe o
Ōtepoti



WELCOME TO TODAY'S WORKSHOP

PART ONE



PART TWO





LONG TERM PLANNING UPDATE + CONSULTATION

10 Year Plan + Water Services Strategy 2027-37



AGENDA

1

SIGNIFICANCE AND ENGAGEMENT POLICY

2

APPROACH TO CONSULTATION

3

REFORMS UPDATE

4

10YP/WSS FORWARD WORK PROGRAMME

Significance and Engagement Policy review





SIGNIFICANCE AND ENGAGEMENT POLICY

The LGA requires that the LTP includes a Significance and Engagement Policy

Objectives of the Policy:

- establish a process for **determining significance**
- support **public involvement** in significant decisions
- promote **on-going engagement** on DCC's activities and projects
- **build positive relationships** with stakeholders and the wider community
- meet all **legislative requirements** for consultation and engagement, including s76AA of the LGA.





SIGNIFICANCE AND ENGAGEMENT POLICY

Current Policy

Is it significant? Four criteria

- Importance to Dunedin
- Community interest
- Consistency with existing policy and strategy
- Impact on DCC's finances, capacity, and capability

Whether to engage

- Low significance → engagement is optional
- Medium or high significance → engagement is recommended
- If significance is unclear, the criterion is treated as more significant





SIGNIFICANCE AND ENGAGEMENT POLICY

How to engage on significant, local issues

On significant, local issues, DCC will engage with affected communities directly, taking a flexible approach according to the community's preference.

International Assn for Public Participation IAP2 spectrum

	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives and/or solutions.	To obtain public feedback on analysis, alternatives and/or decision.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision-making in the hands of the public.
PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.





SIGNIFICANCE AND ENGAGEMENT POLICY

Specific engagement considerations

1 Strategic assets:

Special consultative procedure is used for significant changes to ownership or control, and for decisions to construct, replace, or sell.

2 Water Services:

Separate test to decide whether a water services contract is 'significant' under the Local Government (Water Services) Act 2025.

3 Māori engagement:

Te Taki Haruru: Tū Hono (Māori Engagement Framework), Tū Kotahi (Cultural Capability Framework), and Te Pae Māori





REVIEW OUTCOME – BUILDING ON WHAT WE HAVE

Current policy provides a strong foundation

- Compliant with s76AA of LGA
- Aligns with current sector practice

Targeted updates proposed

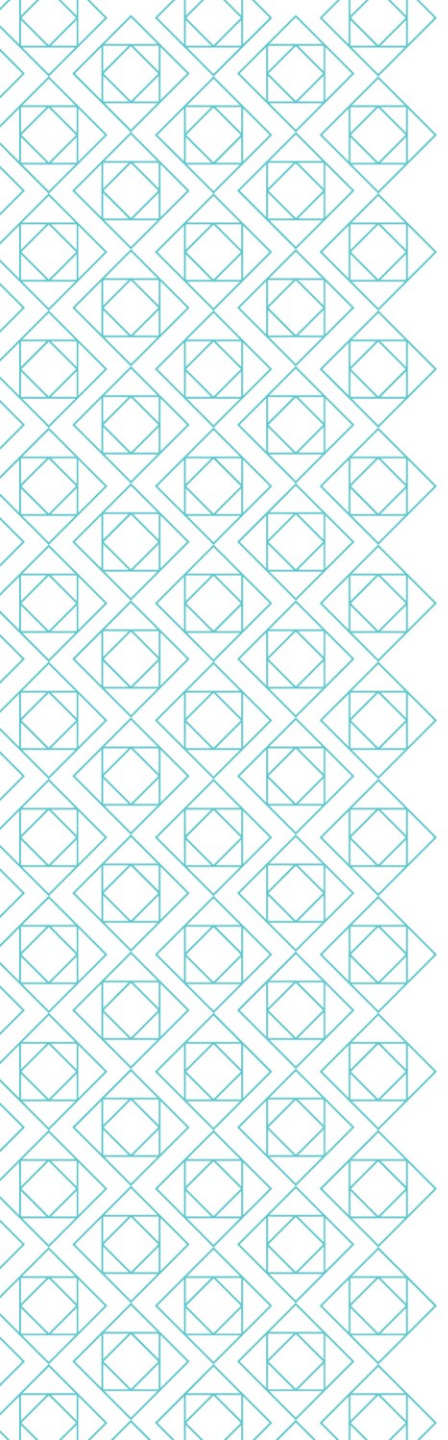
- Amendments to ensure compliance with LGWSA
- Amendments to reflect Te Taki Haruru and DCC's evolving Māori engagement framework

Other refinement opportunities

- Communication of options and trade-offs
- Visibility of assumptions and uncertainty

Recommendation: Carry forward the current policy with targeted updates





NEXT STEPS

Significance and Engagement Policy

PLANNED WORK

- The draft Policy will be brought to Council for consideration as part of a report

DIRECTION REQUIRED

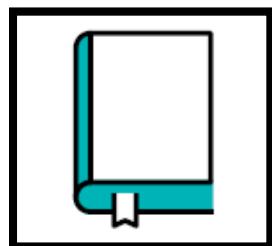
- OK with approach?
- Anything else?



Consultation approach



CONSULTATION DOCUMENT DEVELOPMENT



Long Term Plan
(excluding Water Services)



Consultation Document



Water Services Strategy
(the Water Services LTP)



Summary of Matters





CONSULTATION DOCUMENT DEVELOPMENT

Consultation Information

- CD must provide a fair representation of the draft LTP
- CD must identify significant and important issues facing the Council
- Supporting information provided for more detail

Possible Treatment in CD

1. Specific question and plain English commentary
2. Plain English commentary
3. Not specifically mentioned but included in supporting information

Options Reports

- Treatment in CD guided by Councillors, LGA requirements, and Significance and Engagement Policy
- Options reports to include staff recommendation
- Report in December to confirm Councillors preferences





CONSULTATION DOCUMENT DEVELOPMENT

Process

- Streamlining the document design process to allow more time to focus on content
- Tagline decided after two rounds of input from Councillors “Building Our Future Together”
 - removes potential confusion with the existing Shaping Future Dunedin transport programme
- Designers to develop Consultation Document look and feel during October (accommodates workload in Nov/Dec and staff leave during Jan/Feb)





CONSULTATION DOCUMENT DEVELOPMENT

Process

- Content developed into draft narrative as each Option is decided by Councillors
- Majority of narrative to be written and refined in January
- Draft Consultation Document deadline to Audit Office – 5 February 2027





PUBLIC CONSULTATION

- Consultation in April 2027, to fit Audit Office requirements
- Activities designed around key options (once known)
- Standard consultation process available
 - Community is already familiar with DCC Consult

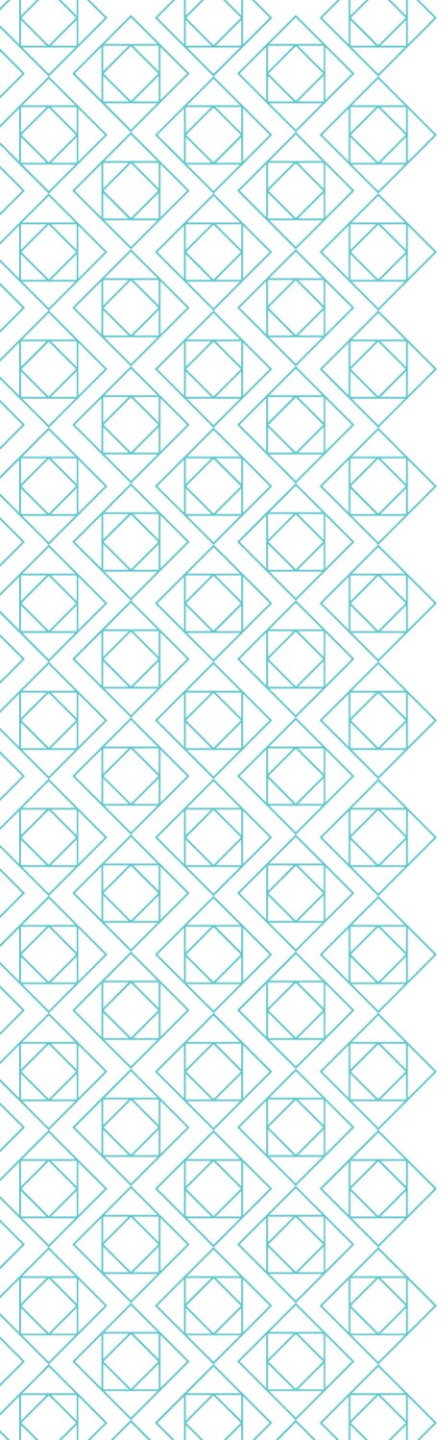




PUBLIC CONSULTATION

- Additional proactive approach – going to the community
 - More frequent, smaller sized pop-up engagement sessions
 - Councillor-owned sessions (with staff support) to reach own networks and encourage broader community trickle-through awareness
 - Potential for new digital engagement tool trial use (being scoped Sept/Oct)





NEXT STEPS

Consultation

PLANNED WORK

- Staff will develop CD document templates
- Options reports will recommend CD treatment

DIRECTION REQUIRED

- OK with approach?
- Anything else?



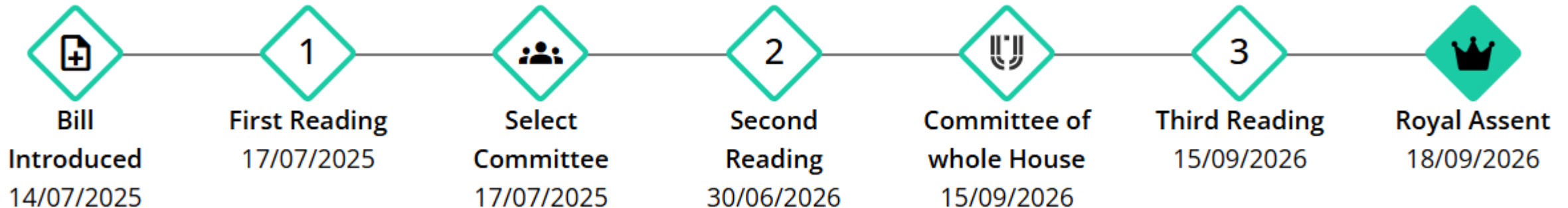
Reforms update



REFORM UPDATES – Acts in place

1. Local Government (System Improvements) Amendment Bill – Act in Place

- The Act amends the Local Government Act 2002 to remove the promotion of the "four well-beings" from the statutory purpose and refocus councils on cost-effective infrastructure, public services, regulatory functions, and local economic growth.
- MCERT now have the authority to make the groups of activity regulations – expected within the next few weeks.
- The new Act timeline.





REFORM UPDATES – Other Acts in place

- *The Fast-track Approvals Act - 23/12/2024.*
- *Building and Construction (Small Stand-alone Dwellings) Amendment Bill – 24/10/2025.*
- *Employment Relations Amendment Act - 20/02/2026 (updated 08/03/2026).*

- **Climate Change Response (2050 Target and Other Matters) Bill – 16/12/2025**
- **The Emergency Management Bill – Royal Assent 03/09/2026**
- **The Public Works Act Amendment Bill (completed Parliamentary process on 15/09/2026)**
- **The Building (Earthquake Prone Buildings) Amendment Bill (completed Parliamentary process on 22/09/2026)**

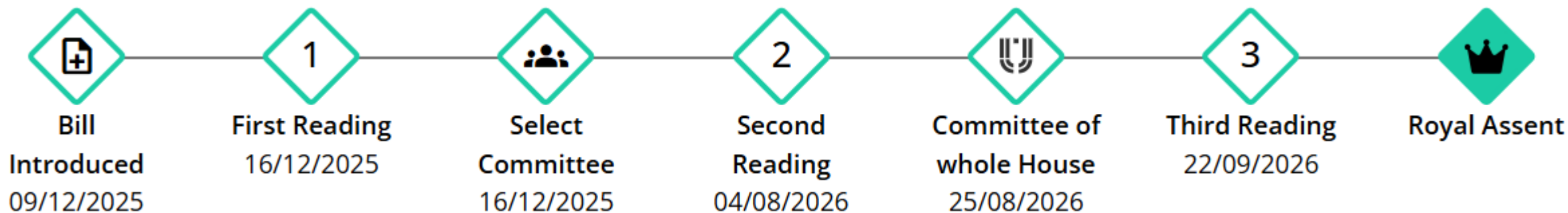




REFORM UPDATES

3. Planning Bill and Natural Environment Bill

- Completed Parliamentary process on 22/09/2026.
- The new Acts timeline.



Royal Assent - The Governor-General formally signs the bill into law.





REFORM UPDATES

4. Simplifying Local Government – proposed timeline

- 9 August '26: deadline closed for local councils to submit voluntary regional reorganisation outline proposals through the Head Start pathway.
- **Early '27: Cabinet will consider these proposals in early '27 [update 24 Sept '26]**
- **Early '27: expect decisions on Backstop process.**
- Late '26-March '27 participating councils to develop detailed proposals and run community consultations.
- 2027: Formal legislation for the broader structural changes is targeted for enactment, setting up regional transitions.
- Post – 2028 Regional Councils are scheduled to be abolished. Following the 2028 local elections.





REFORM UPDATES (AS OF WEDNESDAY, 23 SEPTEMBER 2026)

5. Rate-capping legislation.

- 25 August '26 - introduced as “**Local Government Rating (Rate Capping) Amendment Bill**” with significant changes from the proposal.
- 1 September '26 – passed first reading and now with Finance and Expenditure Select Committee.
- 1 December '26 - date for public, “encouraged to share views” and is indicative only (be ready late November).

- Progress of the Bill





REFORM UPDATES *(AS OF WEDNESDAY, 23 SEPTEMBER 2026)*

5. Rate-capping legislation – key policy features.

- Rate growth will be measured using a legislative formula.
- Creates target range for annual rates movements.
- The Minister of Local Government will set the target range.
- Water services rates are excluded from the cap calculations.

Concerns:

1. Definition of rates price.
2. Use of the forecast number of rating units as the denominator rather than SUIPs.





REFORM UPDATES –

5. RATE CAPPING POSSIBLE ASSUMPTIONS

1. Rates-capping needs to be taken as a consideration while building the LTP.
2. Government will be sensitive to any huge increases in rates that give a bigger starting base for the rate-capping era.
3. Government will be sensitive to how much debt and other costs get shifted to water services [also check ringfencing].
4. LTP will signal a credible pathway towards the 4% upper end of the cap range.
5. Caps will not be impacted by global energy supply issues.
6. In any scenario, Council will still consider rate affordability for the community/rate payers of Ōtepoti Dunedin under a rate affordability metrics.





DIRECTION FROM COUNCIL

PLANNED WORK

- Updated Non-Financial Forecasting Assumptions to be presented to Council in November, including legislative reforms.

DIRECTION REQUIRED

- Scenarios for gradual rate-capping (<4% annual increase by 2029/30)
- Option to phase in any changes
- Anything else?



LTP forward work programme



2026 FORWARD WORK PROGRAMME

- Change in sequencing from original project timeline
- Feedback from Councillors that options better considered at the December budget meeting (or close to it)





2026 FORWARD WORK PROGRAMME

OCTOBER	NOVEMBER	DECEMBER
Thu 1	Sun 1	Tue 1
Fri 2	Mon 2 10YP workshop (PM)	Wed 2
Sat 3	Tue 3	Thu 3 Policy and Planning
Sun 4	Wed 4	Fri 4
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Sat 31		Thu 31





2026 FORWARD WORK PROGRAMME

3 Waters options reports

- South Dunedin stormwater
- Mosgiel stormwater
- Rural schemes
- Service extension
- Wastewater wet weather flow mgmt.

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2026 FORWARD WORK PROGRAMME

OCTOBER

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2026 FORWARD WORK PROGRAMME

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Options reports

- Smooth Hill landfill
- Material recovery facility
- Waste initiatives
- Bioresources (3W)
- Enterprise Dunedin review





2026 FORWARD WORK PROGRAMME

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Policy and Strategy reports

- Rating review
- Rates remission and postponement policy
- Ratepayer assistance scheme
- Revenue and financing policy
- Financial strategy





2026 FORWARD WORK PROGRAMME

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Options reports

- Port Chalmers pool
- Caversham tunnel
- Entry charges at cultural institutions
- Seal extension policy





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BAU





2026 FORWARD WORK PROGRAMME

Options reports

- Performing arts venue grants
- Municipal chambers
- Peninsula connection
- Zero Carbon transport investment packages
- Kettle Park

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Budget reports

- Operating budgets
- Capital budget
- Fees and charges
- Financial Strategy
- Infrastructure Strategy
- Rating method

