

CEO OVERVIEW REPORT - 9 YEAR PLAN 2025-34

Department: Civic and Finance

EXECUTIVE SUMMARY

- 1 This report provides an overview of the draft budgets and what will be included in the draft 9 year plan 2025-34 (the 9 year plan). The draft 9 year plan sets the direction for the Dunedin City Council (DCC) for the next 9 years. It sets out the services and activities we will provide, the projects we will carry out and the level of service the community can expect. The plan will also include how much we expect things to cost, how we will pay for them and what that means for rates and debt.
- 2 The report highlights budget challenges the DCC faces in delivering its activities while balancing affordability for ratepayers, and how Council intends to fund and finance the high level of capital investment required for the city. It provides a high-level summary of the key aspects of the draft 9 year plan and provides an overview of various reports on this agenda.
- 3 The draft budget proposes a rate rise of 9.95% in years one to three, reducing to 6% by year nine.
- 4 The draft capital expenditure budgets provide for an investment of \$1.856 billion over the 9 year period. The bulk of the capital spend is on the renewal of existing infrastructure, particularly in the 3 waters and transport activities, and some is for new capital and growth. This capital expenditure budget does mean an increase in debt levels.
- 5 The draft budgets are not final and will be subject to audit, full consideration by the Council and consultation with the community over coming months. The consultation will aim to ensure a wide range of community views are canvassed in advance of the final decisions on the 9 year plan in May 2025.

RECOMMENDATIONS

That the Council:

- a) **Adopts** the draft 9 year plan 2025-34 forecast financial statements for the purposes of developing the 9 year plan 2025-34 and engaging with the community.
- b) **Notes** that any resolution made in this meeting, relating to the 9 year plan reports may be subject to further discussion and decision by the meeting.

BACKGROUND

- 6 Following the enactment of the Water Services Act Repeal Act on 16 February 2024, at its meeting on 27 February, Council approved taking up the option of preparing an enhanced 2024/25 Annual Plan for community consultation, followed by the completion of a 9 year plan for the period 2025-34.
- 7 As part of the 9 year plan process, Council must develop a consultation document to provide an effective basis for public participation in the decision-making process relating to the content of the 9 year plan.
- 8 Before Council can adopt the consultation document, it is a legislative requirement that it must be in receipt of a report from an independent auditor confirming that the consultation document provides an effective base for public participation in the 9 year plan process.
- 9 The consultation document needs to:
 - Provide a fair representation of the matters that are proposed to be included in the 9 year plan, explaining the overall objectives of the proposals;
 - Explain how rates, debt and levels of service might be affected;
 - Identify and explain significant and other important issues and choices facing Council, and the consequences of those choices;
 - Include a summary of the financial strategy and the infrastructure strategy.
- 10 The draft budgets are not final but are proposed for consultation purposes. If Council chooses to do everything included in the draft budgets the outcomes would be:
 - An overall rate increase of 9.95% in years one to three, reducing to 6% by year nine.
 - The capital budget of \$1.856 billion over the 9 year period, means that debt will reach \$1.083 billion by 2035.
- 11 Following the consultation period, decisions will be made at Council's deliberations meeting in May, and then the final plan will be adopted in June 2025, with implementation on 1 July 2025.

DISCUSSION

- 12 The draft budgets as proposed balance the budget by the end of year two, keep rates under 10%, reducing to 6% by year nine, and significantly reduce the amount Council is borrowing each year while still delivering a comprehensive programme of investment into core infrastructure.

Water Reform – Local Water Done Well

- 13 Council is undertaking a thorough investigation and evaluation of three base models for water service delivery. It will present a report to Council in February 2025 with its analysis of the models, for Council to decide what its preferred delivery model will be. Consultation on the options will be undertaken with the community alongside our consultation on the 9 year plan.

- 14 In the meantime, the 9 year plan has been prepared on the basis that 3 waters will continue to be provided by Council over the 9 year period. The 9 year plan consultation document will have some discussion on Local Water Done Well, and will reference the separate consultation on the delivery models.

Levels of Service

- 15 Significant work has been undertaken to develop improved levels of service statements, measures and targets for inclusion in the 9 year plan. The new suite of levels of service retain many of the residential opinion survey measures of satisfaction that are in the existing levels of service, but there is now a greater focus on providing levels of service that seek to show the community what service and activities council will deliver, and what they are receiving for the rates that they pay.
- 16 The draft budgets maintain current levels of service in all areas of the 9 year plan.

Community Outcomes

- 17 Council currently has eight community outcomes that are linked to the eight core strategies in the current Strategic Framework, and each outcome is supported by the priorities contained within each strategy. We have examined how our activities and projects contribute to community outcomes, and these are highlighted throughout the 9 year plan.

Zero carbon

- 18 This 9 year plan has a strong focus what we are doing to work towards achieving our zero carbon goals. Throughout the 9 year plan, consideration has been given to how our activities, proposals and options may impacts both city-wide and the DCC's emissions. This consideration is documented, where applicable, in the Council reports on the agenda, and within the levels of service work, measure and targets have been identified that will contribute towards our zero carbon goals.
- 19 The agenda includes a zero carbon high and medium investment options report that asks Council to consider further investment in zero carbon initiatives that are not already provided in the draft budgets.

Capital Expenditure

- 20 The draft capital budget provides for replacing existing assets and infrastructure. Across the Council's activities, the proposed budget is \$1.856 billion over the 9 years and is made up of \$1.101 billion for renewals, \$684.305 million for new capital, and \$71.381 million for growth expenditure. Of the renewals budget, \$866.744 million is provided to replace key three waters and transport infrastructure, building the resilience of these essential assets.
- 21 The draft budget seeks to strike a balance, taking into account asset management plans, priority and timing of work, ability to fund and deliver, Zero Carbon targets and legislative requirements. Alongside the proposed investment in capital comes additional operational costs such as maintenance, depreciation, and interest costs on the debt required to fund the capital programme.
- 22 Early work on the draft capital budget in late 2024 meant that the early draft budget exceeded some financial limits and ratios. The draft budget presented today has attempted to balance the various capital programmes with the financial limits Council is required to meet.

- 23 To find this balance, some projects have been either excluded from the draft budget or rephased. These projects total \$272.780 million over the 9 years. It will be for Councillors to determine which, if any, of these projects should be included in the draft budget, taking into account affordability, debt and the impact on rates. There are some items that are not included in the draft budget that will be of high public interest.

Operating Budgets

- 24 The draft operating budgets provide for the day to day running of all the activities and services the DCC provides to its community. These include 3 Waters services, parks, galleries, libraries, pool, and roading.
- 25 The rates increase of 9.95% included in the draft budget for the 2025/26 year does not deliver a balanced budget but provides for an improved net deficit of \$9.482 million.
- 26 The revaluation of three waters infrastructure assets in 2022/23 resulted in a significant increase in depreciation. Since this time, the depreciation charge has not been fully funded, and Council has been running an operating deficit budget.
- 27 Reports are provided for each of the groups of activities that cover their operating budgets for 2025/26 draft in detail, an overview of the operating budgets for year 2 – 9 of the 9 year plan, and proposed fees and charges for the 2025/26 year. The key changes in funding sources and expected costs of delivery are discussed in those reports.

Revenue

Rates

- 28 The draft operating budget for 2025/26 shows overall rates revenue increasing by \$23.782 million, which is 9.95% higher than 2024/25.
- 29 An increase of \$2.390 million, in the 2025/26 year, equates to a 1% increase in rates.

External revenue

- 30 External revenue has increased by \$3.869 million, 3.9%. The main changes to external revenue are:
- City Properties – an increase of \$2.616 million reflecting an increase parking revenue as well as property rent and operational recoveries revenue across the various Property portfolios.
 - 3 Waters – an increase of \$1.120 million due to increases in fees and charges, including water sales and trade waste.
 - Regulatory – an increase of \$954k due to increased parking enforcement revenue, and to recover increased costs of processing consents and licenses.
- 31 Fees and charges are discussed separately in the group budget reports. Rather than apply a standard increase of 3%, fee increases for some areas are reflecting the increase in costs from the 2024/25 year.

Grants

- 32 Grant funding received from NZTA Waka Kotahi for transport activities is based on the nature of the planned capital works, and their eligibility for funding. It is also dependent on how much funding assistance is available, noting that there has been a shortfall in the Funding Assistant Rate in recent years.
- 33 The 2025/26 draft budget shows operating grants and subsidies revenue is down \$151k. The main changes are as follows:
- Roothing and Footpaths – operating grant funding has increased by \$596k reflecting increased expenditure on subsidised maintenance.
 - Governance and Support Services – operating grant funding has decreased by \$641k, being the Government's Better Off Funding package. This funding was used for various projects across Council.
- 34 Capital grants revenue is up \$6.718 million, 47.98%. The main changes are as follows:
- Roothing and Footpaths – capital grant revenue has increased by \$6.630 million reflecting co-funding from NZTA Waka Kotahi on approved projects in the capital expenditure.

Internal revenue

- 35 Internal revenue has increased by \$4.708 million, 11.5%. The main changes to internal revenue are:
- Waste Minimisation – an increase of \$3.641 million due to kerbside collection revenue now accounted for as internal revenue.
 - 3 Waters – an increase of \$1.353 million due to increased revenue from Better Off Funding.
 - Governance and Support Services – an increase \$1.184 million due to increased internal corporate charges to all activities.
 - Resilient City – a decrease of \$1.133 million due to reduced Better Off Funding revenue.

Expenditure**Personnel costs**

- 36 The draft budget provides for an increase in personnel costs of \$2.545 million, 3%. The budget does not provide for any pay increase in the 2025/26 year, except for those who receive the living wage.
- 37 In 2023/24, staff received a union negotiated salary increase. The personnel budget did not provide for this increase, but was absorbed within existing budgets, and savings to be achieved through vacancy management and a slow-down in recruitment.
- 38 The focus on vacancy management has continued while some vacant positions have been removed from the organisation charts. However, this is still a work in progress, as full alignment of department personnel needs and where vacancies exist has not yet been fully achieved. Staff

are still finalising the detailed staff schedules for each group budget so these may be subject to change.

- 39 While the work continues to align vacancies, some new roles have been created and these are referenced in the specific group reports. Some reports on the agenda request additional staff to give effect to previous resolutions of Council. These new staff members have not been included in the draft budgets.

Operations and maintenance costs

- 40 Operations and maintenance costs have increased by \$4.502 million, 5.0%. The main changes are due to the following:
- Transport – an increase of \$1.892 million which includes an increase of \$500k for sealed pavement maintenance and \$900k for vegetation management.
 - 3 Waters – an increase of \$1.832 million due to increased network maintenance contract costs, wastewater and stormwater infiltration improvements and increased plant maintenance costs.
 - Governance – an increase of \$1.602 million largely due a change in the Investment Account of \$1.000 million reflecting the allocation of expected savings, and increased elections costs of \$733k for the 2025 election.
 - City Properties, Waste Minimisation and Resilient City (South Dunedin Future) have all made savings in their operations and maintenance costs. Further details are provided in each of the group budget reports.

Occupancy costs

- 41 Occupancy and property related costs such as rates, insurance, electricity, and fuel have increased by \$1.653 million, 4.6%. These increases have largely impacted the Community Recreation activity with an increase of \$652k, Property activity with an increase of \$493k and 3 Waters with an increase of \$625k.

Consumables and general costs

- 42 Consumables and general costs have increased by \$2.251 million, 8.6%. The main changes are due to the following:
- Three Waters – an increase of \$1.808 million due to an increase in consultancy costs for Better Off Funding projects, government levies and engineering consultants.
- 43 City Properties – an increase of \$868k largely due to costs relating to seismic assessments and asbestos management.

Grants and Subsidies costs

- 44 Grants and subsidies costs have increased by \$2.125 million, 19.5%. The main changes are due to the following:
- Vibrant Economy – an increase of \$2.324 million due to an additional placeholder Economic Development budget of \$2.000 million to support Dunedin Venues Management Limited.

Internal costs

- 45 Internal costs have increased by \$4.708 million, 11.5%. The main changes are due to the following:
- Waste Minimisation – an increase of \$3.811 million due the cost of disposing kerbside collection refuse at the landfill now accounted for as internal expenditure.
 - The balance of the increase in internal costs is mainly due to increased internal corporate charges to all activities.

Depreciation

- 46 Depreciation expense has increased by \$2.129 million, 1.7%, reflecting the valuation of assets at 30 June 2024 and the capital expenditure programme. The increase is reflected mainly in the Transport, Parks and Recreation, Libraries and Waste activities. 3 Waters depreciation has reduced.

Interest

- 47 Interest expense has decreased by \$84k, -0.3%, reflecting a decrease in interest rates.
- 48 The annual plan 2024/25 had an interest rate assumption of 5%. For the purposes of preparing the draft 9 year plan, an assumption has been made that the borrowing rate for the 2025/26 year will be 4.12%. The interest rate will remain at 4.12% until 2029/30 when it increases to 5.0%.

Debt

- 49 The Draft Forecast Financial Statements at Attachment D shows that by 30 June 2034, the estimated debt level will be \$1.083 billion which is 173.5% of revenue. The debt limit provided for in the Financial Strategy is 250% of revenue.

Consultation

- 50 Community consultation on the 9 year plan will use many of the consultation methods used previously, aimed at ensuring a wide cross-section of the community has access to the information and the opportunity to participate in the process.
- 51 Following Council's direction, the Consultation document (CD) will contain more fulsome information than in previous years together with additional supporting material online for those who want that. The CD must be audited. The graphic design on this document will be a relatively light touch albeit the document will look professional and be well laid out. The formal CD will not go to all households but will be available in a print version at service centres, at consultation events and by request. It will be available online and will be supported by a website with all the additional material and online submission forms. Paper submissions forms will be available as part of the CD or on request.
- 52 The content of the CD will be developed following the decisions of Council at this meeting.
- 53 Alongside the formal CD, a double version of FYI will be produced which will highlight and summarise the key aspects of the 9 year plan. FYI will be distributed to as many households as possible (on the same basis as FYI).

- 54 An engagement plan will be presented to the 11 February Council meeting, setting out possible engagement activities throughout the submission period.

Signatories

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Authoriser:	Sandy Graham - Chief Executive Officer

Attachments

	Title	Page
A	Draft Operating Budget 2025/26 (year 1)	
B	Draft Operating Budget 2025-34 (9 years)	
C	Draft Funding Impact Statement 2025-34 (9 years)	
D	Draft IFRS Financial Statements 2025-34 (9 years)	
E	Draft Financial Strategy and Other Metrics	

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

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

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Future Development Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	✓	<input type="checkbox"/>	<input type="checkbox"/>

The Group Activities contribute to the objectives and priorities of the above strategies.

Māori Impact Statement

Council budgets impact broadly across all Dunedin communities including Māori. The adoption of Te Taki Haruru – Māori Strategic Framework signals Council's commitment to mana whenua and to its obligations under the Treaty of Waitangi. Mana whenua and Māori will have an opportunity to engage on the 9 year plan 2025-34.

Sustainability

Major issues and implications for sustainability are discussed and considered in the Infrastructure Strategy, and financial resilience is discussed in the Financial Strategy.

Zero carbon

Zero carbon considerations have been assessed for all the activities of Council, and where relevant, are discussed in each of the reports on the agenda.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

This report provides an overview of the 9 year plan 2025-34.

Financial considerations

The high level financial implications of the draft budgets are discussed in this report. Group budget reports and options reports provide full financial details as appropriate.

Significance

The 9 year plan will be fully consulted on using the special consultative procedure, in accordance with the Local Government Act 2002.

Engagement – external

There will be extensive community engagement on the draft budgets and content of the 9 year plan in 2025.

SUMMARY OF CONSIDERATIONS***Engagement - internal***

Staff from across the Council have been involved in the development of the draft budgets and reports.

Risks: Legal / Health and Safety etc.

Any specific risks in the development of the 9 year plan are considered in the relevant supporting documents. The significant forecasting assumptions highlight these in detail and the assumptions have driven the content of the 9 year plan.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

Projects and items identified in Community Board Plans have been considered for inclusion in the draft budgets following engagement with Community Boards during the development of the plan. Boards will have further opportunities to participate during the consultation and submission phases of the process.

Dunedin City Council

Income Statement

for the Year Ended 30 June 2026

Actual 2024 \$000	Approved Budget 2025 \$000	Draft Budget 2026 \$000	Budget Inc (Dec) \$000	Budget Inc (Dec) %
Revenue				
203,946	239,021	262,803	23,782	9.9%
101,462	99,326	103,195	3,869	3.9%
41,766	27,327	33,894	6,567	24.0%
3,790	3,850	3,856	6	0.2%
5,034	3,000	3,000	-	0.0%
39,602	40,927	45,635	4,708	11.5%
395,600	413,451	452,383	38,932	9.4%
Expenditure				
83,089	83,879	86,424	2,545	3.0%
88,191	89,810	94,312	4,502	5.0%
33,398	35,673	37,326	1,653	4.6%
34,393	26,061	28,312	2,251	8.6%
10,836	10,906	13,031	2,125	19.5%
39,602	40,927	45,635	4,708	11.5%
117,100	122,356	124,485	2,129	1.7%
24,202	32,424	32,340	(84)	-0.3%
430,811	442,036	461,865	19,829	4.5%
(35,211)	(28,585)	(9,482)	19,103	-66.8%
Expenditure by Activity				
51,180	49,521	50,478	957	1.9%
44,145	45,147	46,198	1,051	2.3%
29,302	30,858	32,024	1,166	3.8%
51,458	48,496	51,951	3,455	7.1%
20,837	21,277	22,404	1,127	5.3%
11,861	11,976	11,528	(448)	-3.7%
64,651	65,936	68,050	2,114	3.2%
52,669	47,853	55,646	7,793	16.3%
13,774	16,614	19,491	2,877	17.3%
52,107	61,576	53,871	(7,705)	-12.5%
27,144	32,871	38,136	5,265	16.0%
783	993	910	(83)	-8.4%
10,900	8,918	11,178	2,260	25.3%
430,811	442,036	461,865	19,829	4.5%

Dunedin City Council
Income Statement
for the Years Ended 30 June 2025 - 2034

Actual 2024 \$000	Approved Budget 2025 \$000	Draft Budget 2026 \$000	Draft Budget 2027 \$000	Draft Budget 2028 \$000	Draft Budget 2029 \$000	Draft Budget 2030 \$000	Draft Budget 2031 \$000	Draft Budget 2032 \$000	Draft Budget 2033 \$000	Draft Budget 2034 \$000
Revenue										
203,946 Rates revenue	239,021	262,803	288,966	317,729	339,969	360,384	382,005	404,917	429,225	455,001
101,462 External revenue	99,326	103,195	105,203	110,443	113,531	118,031	121,766	125,222	127,484	130,418
41,766 Grants and subsidies revenue	27,327	33,894	29,804	27,862	28,618	29,357	30,026	30,728	31,408	32,042
3,790 Development contributions revenue	3,850	3,856	3,856	3,856	3,856	3,856	3,856	3,856	3,856	3,856
5,034 Vested assets	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
39,602 Internal revenue	40,927	45,635	46,323	46,259	47,543	49,311	53,960	58,674	60,162	61,691
395,600 Total revenue	413,451	452,383	477,152	509,149	536,517	563,939	594,613	626,397	655,135	686,008
Expenditure										
83,089 Personnel costs	83,879	86,424	89,076	91,870	94,116	96,407	98,526	100,832	102,806	105,060
88,191 Operations and maintenance	89,810	94,312	95,834	98,297	103,185	110,191	118,221	126,277	129,030	132,956
33,398 Occupancy costs	35,673	37,326	38,306	39,738	41,423	43,224	44,957	46,654	48,359	49,846
34,393 Consumables and general	26,061	28,312	29,849	29,081	30,424	32,420	32,524	33,232	34,619	34,732
10,836 Grants and subsidies	10,906	13,031	12,962	13,559	13,485	13,796	14,022	14,361	14,605	14,958
39,602 Internal charges	40,927	45,635	46,323	46,259	47,543	49,311	53,960	58,674	60,162	61,691
117,100 Depreciation and amortisation	122,356	124,485	127,975	136,564	141,573	150,036	159,272	165,288	171,192	177,683
24,202 Interest	32,424	32,340	35,379	37,345	39,256	50,318	52,584	53,284	53,619	54,319
430,811 Total expenditure	442,036	461,865	475,704	492,713	511,005	545,703	574,066	598,602	614,392	631,245
(35,211) Net surplus/(deficit)	(28,585)	(9,482)	1,448	16,436	25,512	18,236	20,547	27,795	40,743	54,763
Expenditure by Activity										
51,180 City Properties	49,521	50,478	52,493	54,895	56,355	59,245	62,449	63,928	65,279	67,852
44,145 Community Recreation	45,147	46,198	47,926	50,331	51,630	53,531	55,038	55,889	57,078	58,086
29,302 Creative and Cultural Vibrancy	30,858	32,024	32,886	33,768	34,368	35,589	36,229	36,963	37,645	38,318
51,458 Governance and Support Services	48,496	51,951	52,725	51,866	54,127	55,609	56,338	57,869	58,301	58,691
20,837 Regulatory Services	21,277	22,404	22,990	23,660	24,195	24,833	25,335	25,953	26,445	27,060
11,861 Resilient City	11,976	11,528	11,851	12,153	12,443	12,726	13,012	13,297	13,581	13,868
64,651 Roading and Footpaths	65,936	68,050	70,554	72,574	73,867	76,799	83,831	89,690	90,604	91,323
52,669 Sewerage and Sewage	47,853	55,646	57,156	59,583	63,416	71,373	78,164	84,318	89,899	94,772
13,774 Stormwater	16,614	19,491	19,907	20,395	21,036	22,253	23,258	24,232	24,948	25,872
52,107 Water Supply	61,576	53,871	55,877	58,926	61,887	65,236	67,569	70,123	73,015	76,672
27,144 Waste Minimisation	32,871	38,136	39,121	41,745	44,803	54,983	59,602	62,430	63,336	64,464
783 Treaty Partnerships	993	910	937	961	984	1,009	1,031	1,054	1,075	1,098
10,900 Vibrant Economy	8,918	11,178	11,281	11,856	11,894	12,517	12,210	12,856	13,186	13,169
430,811 Total expenditure	442,036	461,865	475,704	492,713	511,005	545,703	574,066	598,602	614,392	631,245

Dunedin City Council

Funding Impact Statement
for the Years Ended 30 June 2025 - 2034 (whole of council)

2024 Actual \$000	2025 Annual Plan \$000	2026 Draft Budget \$000	2027 Draft Budget \$000	2028 Draft Budget \$000	2029 Draft Budget \$000	2030 Draft Budget \$000	2031 Draft Budget \$000	2032 Draft Budget \$000	2033 Draft Budget \$000	2034 Draft Budget \$000
Sources of operating funding										
120,280 General rates, uniform annual general charges, rates penalties	134,824	142,350	153,851	166,195	180,655	187,682	198,489	211,265	225,925	241,786
85,319 Targeted rates	105,498	121,753	136,453	152,909	160,722	174,143	184,993	195,162	204,841	214,787
13,511 Subsidies and grants for operating purposes	12,425	12,274	12,116	11,076	11,388	11,698	11,983	12,286	12,583	12,863
72,106 Fees and charges	73,527	77,395	79,196	81,984	84,722	88,891	92,310	95,468	97,427	100,069
20,851 Interest and dividends from investments	20,931	19,567	19,695	22,068	22,338	22,591	22,827	23,043	23,265	23,471
3,199 Local authorities fuel tax, fines, infringement fees, and other receipts	3,301	4,058	4,088	4,118	4,146	4,175	4,201	4,229	4,257	4,283
315,266 Total operating funding (A)	350,506	377,397	405,399	438,350	463,971	489,180	514,803	541,453	568,298	597,259
Application of operating funding										
243,313 Payments to staff and suppliers	246,329	259,406	266,029	272,543	282,632	296,038	308,251	321,359	329,419	337,550
24,203 Finance costs	32,424	32,341	35,378	37,345	39,256	50,318	52,584	53,284	53,620	54,318
- Other operating funding applications	-	-	-	-	-	-	-	-	-	-
267,516 Total application of operating funding (B)	278,753	291,747	301,407	309,888	321,888	346,356	360,835	374,643	383,039	391,868
47,750 Surplus/(deficit) of operating funding (A-B)	71,753	85,650	103,992	128,462	142,083	142,824	153,968	166,810	185,259	205,391
Sources of capital funding										
27,376 Subsidies and grants for capital expenditure	14,002	20,720	16,762	15,831	16,248	16,651	17,011	17,385	17,742	18,070
3,791 Development and financial contributions	3,850	3,856	3,856	3,856	3,856	3,856	3,856	3,856	3,856	3,856
134,754 Increase/(decrease) in debt	120,500	108,000	60,318	34,359	57,620	64,830	25,730	2,251	11,076	9,756
- Gross proceeds from sale of assets	120	120	120	120	120	120	120	120	120	120
- Lump sum contributions	-	-	-	-	-	-	-	-	-	-
- Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
165,921 Total sources of capital funding (C)	138,472	132,696	81,056	54,166	77,844	85,457	46,717	23,612	32,794	31,802
Application of capital funding										
Capital expenditure										
9,285 - to meet additional demand	11,561	2,453	3,897	9,653	7,086	9,371	8,605	8,605	10,334	11,377
79,068 - to improve the level of service	91,331	88,453	61,178	67,327	110,029	107,230	69,810	68,752	65,595	45,931
117,452 - to replace existing assets	103,991	122,679	116,762	104,071	101,071	111,978	119,289	109,611	137,751	177,248
- Increase/(decrease) in reserves	-	-	-	-	-	-	-	-	-	-
7,866 Increase/(decrease) of investments	3,342	4,761	3,211	1,577	1,741	(298)	2,981	3,454	4,373	2,637
213,671 Total application of capital funding (D)	210,225	218,346	185,048	182,628	219,927	228,281	200,685	190,422	218,053	237,193
(47,750) Surplus/(deficit) of capital funding (C-D)	(71,753)	(85,650)	(103,992)	(128,462)	(142,083)	(142,824)	(153,968)	(166,810)	(185,259)	(205,391)
- Funding balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-

Dunedin City Council

Statement of Comprehensive Revenue and Expense
for the Years Ended 30 June 2025 - 2034

Actual	Annual Plan	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft
2024	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenue from continuing operations										
203,946 Rates revenue	239,021	262,803	288,965	317,728	339,968	360,382	382,005	404,918	429,225	455,000
3,791 Development and financial contributions	3,850	3,856	3,856	3,856	3,856	3,856	3,856	3,856	3,856	3,856
41,764 Subsidies and grants	27,327	33,895	29,806	27,861	28,617	29,358	30,026	30,729	31,408	32,041
24,838 Financial revenue	21,847	21,091	21,258	23,672	23,984	24,280	24,561	24,824	25,094	25,350
81,114 Other revenue	80,229	84,853	86,695	89,522	92,297	96,502	99,956	103,149	105,141	107,817
355,453 Total operating revenue	372,274	406,498	430,580	462,639	488,722	514,378	540,404	567,476	594,724	624,064
Expenses										
164,974 Other expenses	161,955	172,578	176,369	180,245	188,078	199,002	209,265	220,059	225,940	232,000
83,091 Personnel expenses	83,879	86,424	89,076	91,871	94,115	96,406	98,527	100,831	102,807	105,061
400 Audit fees	495	404	584	428	438	630	459	469	672	489
25,644 Financial expenses	32,424	32,341	35,378	37,345	39,256	50,318	52,584	53,284	53,620	54,318
117,100 Depreciation and amortisation	122,356	124,483	127,975	136,564	141,573	150,036	159,272	165,288	171,192	177,683
391,209 Total operating expenses	401,109	416,230	429,382	446,453	463,460	496,392	520,107	539,931	554,231	569,551
(35,756) Operating surplus/(deficit) from continuing operations	(28,835)	(9,732)	1,198	16,186	25,262	17,986	20,297	27,545	40,493	54,513
- Share of associate surplus/(deficit)	-	-	-	-	-	-	-	-	-	-
(35,756) Surplus/(deficit) before taxation	(28,835)	(9,732)	1,198	16,186	25,262	17,986	20,297	27,545	40,493	54,513
(545) Less taxation	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)
(35,211) Surplus/(deficit) after taxation	(28,585)	(9,482)	1,448	16,436	25,512	18,236	20,547	27,795	40,743	54,763
Attributable to:										
(35,211) Dunedin City Council and Group	(28,585)	(9,482)	1,448	16,436	25,512	18,236	20,547	27,795	40,743	54,763
- Non-controlling interest	-	-	-	-	-	-	-	-	-	-

Dunedin City Council

**Statement of Other Comprehensive Revenue and Expense
for the Years Ended 30 June 2025 - 2034**

Actual	Annual Plan	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft
2024	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
\$000	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Other comprehensive revenue and expense										
29,003 Gain/(loss) on property plant and equipment revaluations	67,903	117,930	140,912	103,438	95,404	112,985	82,703	72,987	95,288	68,701
- Gain/(loss) on property plant and equipment disposals	-	-	-	-	-	-	-	-	-	-
- Gain/(loss) of cash flow hedges at fair value through other comprehensive revenue and expense	-	-	-	-	-	-	-	-	-	-
29,003 Total other comprehensive revenue and expense	67,903	117,930	140,912	103,438	95,404	112,985	82,703	72,987	95,288	68,701
(35,211) Net surplus/(deficit) for the year	(28,585)	(9,482)	1,448	16,436	25,512	18,236	20,547	27,795	40,743	54,763
(6,208) Total comprehensive revenue and expense for the year	39,318	108,448	142,360	119,874	120,916	131,221	103,250	100,782	136,031	123,464
Attributable to:										
(6,208) Dunedin City Council and Group	39,318	108,448	142,360	119,874	120,916	131,221	103,250	100,782	136,031	123,464
- Non-controlling interest	-	-	-	-	-	-	-	-	-	-

Dunedin City Council

**Statement of Changes in Equity
for the Years Ended 30 June 2025 - 2034**

Actual	Annual Plan	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft
2024	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
\$000	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Movements in equity										
4,354,978 Opening equity	4,538,637	4,563,755	4,672,203	4,814,563	4,934,437	5,055,353	5,186,574	5,289,824	5,390,606	5,526,637
(6,208) Total comprehensive revenue and expense	39,318	108,448	142,360	119,874	120,916	131,221	103,250	100,782	136,031	123,464
4,348,770 Closing equity	4,577,955	4,672,203	4,814,563	4,934,437	5,055,353	5,186,574	5,289,824	5,390,606	5,526,637	5,650,101

Dunedin City Council
Statement of Financial Position
for the Years Ended 30 June 2025 - 2034

Actual	Annual Plan	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft
2024	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
\$000	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Current assets										
8,555 Cash and cash equivalents	6,052	7,958	8,107	8,215	8,550	9,729	11,419	13,430	15,973	16,515
13,749 Other current financial assets	10,883	13,883	15,329	15,464	15,599	15,734	15,869	16,004	16,139	16,274
29,558 Trade and other receivables	29,228	31,912	31,673	32,372	33,543	34,776	35,955	37,159	38,293	39,515
512 Taxation refund receivable	250	250	250	250	250	250	250	250	250	250
586 Inventories	574	574	574	580	586	591	597	603	609	615
1,769 Prepayments	1,483	1,483	1,483	1,498	1,513	1,528	1,543	1,559	1,574	1,590
54,729 Total current assets	48,470	56,060	57,416	58,379	60,041	62,608	65,633	69,005	72,838	74,759
Non-current assets										
197,292 Other non-current financial assets	200,404	201,928	206,518	207,987	209,497	211,051	212,651	214,296	215,991	217,735
136,339 Shares in subsidiary companies	138,889	141,439	143,989	146,539	149,089	151,639	154,189	156,739	159,289	161,839
5,806 Intangible assets	4,553	6,333	6,333	6,333	6,333	6,333	6,333	6,333	6,333	6,333
110,826 Investment property	122,907	120,477	126,689	129,741	133,346	137,174	142,334	145,678	149,081	152,541
4,520,340 Property, plant and equipment	4,846,708	5,048,270	5,239,712	5,387,465	5,558,757	5,749,337	5,868,192	5,962,395	6,099,648	6,224,642
4,970,603 Total non-current assets	5,313,461	5,518,447	5,723,241	5,878,065	6,057,022	6,255,534	6,383,699	6,485,441	6,630,342	6,763,090
5,025,332 Total assets	5,361,931	5,574,507	5,780,657	5,936,444	6,117,063	6,318,142	6,449,332	6,554,446	6,703,180	6,837,849
Current liabilities										
4,554 Short term borrowings	-	6,568	8,845	9,336	9,814	12,580	13,146	13,321	13,405	13,580
40,315 Trade and other payables	40,425	38,876	39,812	40,571	41,936	43,951	45,367	47,023	48,354	49,381
6,185 Revenue received in advance	5,446	5,451	5,451	5,451	5,451	5,451	5,451	5,451	5,451	5,451
11,252 Employee entitlements	10,066	10,200	10,483	10,789	11,034	11,283	11,513	11,764	11,978	12,225
- Current portion of term loans	-	-	-	-	-	-	-	-	-	-
62,306 Total current liabilities	55,937	61,095	64,591	66,147	68,235	73,265	75,477	77,559	79,188	80,637
Non-current liabilities										
590,473 Term loans	709,473	817,473	877,791	912,149	969,769	1,034,599	1,060,330	1,062,581	1,073,657	1,083,413
1,257 Non-current employee entitlements	1,245	1,215	1,191	1,190	1,185	1,183	1,180	1,179	1,177	1,177
22,206 Provisions	17,001	22,201	22,201	22,201	22,201	22,201	22,201	22,201	22,201	22,201
320 Other non-current liabilities	320	320	320	320	320	320	320	320	320	320
614,256 Total non-current liabilities	728,039	841,209	901,503	935,860	993,475	1,058,303	1,084,031	1,086,281	1,097,355	1,107,111
Equity										
1,651,592 Accumulated funds	1,633,599	1,607,842	1,607,640	1,622,373	1,646,131	1,662,564	1,681,261	1,707,162	1,745,966	1,798,748
2,686,878 Revaluation reserves	2,933,277	3,051,207	3,192,119	3,295,557	3,390,961	3,503,946	3,586,649	3,659,636	3,754,924	3,823,625
10,300 Restricted reserves	11,079	13,154	14,804	16,507	18,261	20,064	21,914	23,808	25,747	27,728
4,348,770 Total equity	4,577,955	4,672,203	4,814,563	4,934,437	5,055,353	5,186,574	5,289,824	5,390,606	5,526,637	5,650,101
5,025,332 Total liabilities and equity	5,361,931	5,574,507	5,780,657	5,936,444	6,117,063	6,318,142	6,449,332	6,554,446	6,703,180	6,837,849

The accompanying notes and accounting policies form an integral part of these financial statements.

Dunedin City Council
Statement of Cash Flows
for the Years Ended 30 June 2025 - 2034

Actual	Annual Plan	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft	Draft
2024	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
\$000	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cashflow from Operating Activities										
<i>Cash was provided from operating activities:</i>										
201,558 Rates received	273,912	261,746	288,197	316,884	339,315	359,784	381,370	404,244	428,511	454,243
120,586 Other revenue	121,692	120,067	118,713	118,384	121,253	126,082	130,294	134,202	136,982	140,253
8,238 Interest received	7,878	8,574	8,483	10,078	10,286	15,084	10,885	10,279	10,284	10,630
12,487 Dividend received	12,954	10,992	10,942	12,974	13,007	13,040	13,075	13,112	13,149	13,188
394 Intra-group tax payment	370	250	250	250	250	250	250	250	250	250
<i>Cash was applied to:</i>										
(233,144) Supplies and employees	(265,337)	(255,929)	(267,108)	(271,995)	(281,525)	(296,564)	(307,195)	(319,646)	(327,979)	(336,473)
(22,763) Interest paid	(32,580)	(32,340)	(35,379)	(37,345)	(39,256)	(50,318)	(52,584)	(53,284)	(53,619)	(54,319)
87,356 Net cash inflow (outflow) from operations	118,889	113,360	124,098	149,230	163,330	167,358	176,095	189,157	207,578	227,772
Cashflow from Investing Activities										
<i>Cash was provided from investing activities:</i>										
1,090 Sale of assets	120	120	120	120	120	120	120	120	120	120
- Reduction in loans and advances	-	-	-	-	-	-	-	-	-	-
5,965 Decrease in investments	-	-	-	-	-	-	-	-	-	-
<i>Cash was applied to:</i>										
- Increases in loans and advances	-	-	-	-	-	-	-	-	-	-
(12,103) Increase in investments	(5,400)	(5,550)	(2,550)	(2,550)	(2,549)	(2,550)	(2,551)	(2,549)	(2,551)	(2,550)
(213,038) Capital expenditure	(236,771)	(214,024)	(181,837)	(181,051)	(218,186)	(228,579)	(197,704)	(186,968)	(213,680)	(234,556)
(218,086) Net cash inflow (outflow) from investing activity	(242,051)	(219,454)	(184,267)	(183,481)	(220,615)	(231,009)	(200,135)	(189,397)	(216,111)	(236,986)
Cashflow from Financing Activities										
<i>Cash was provided from financing activities:</i>										
130,200 Loans raised	120,500	108,000	60,318	34,359	57,620	64,830	25,730	2,251	11,076	9,756
<i>Cash was applied to:</i>										
- Loans repaid	-	-	-	-	-	-	-	-	-	-
130,200 Net cash inflow (outflow) from financing activity	120,500	108,000	60,318	34,359	57,620	64,830	25,730	2,251	11,076	9,756
(530) Net increase/(decrease) in cash held	(2,662)	1,906	149	108	335	1,179	1,690	2,011	2,543	542
9,085 Opening cash balance	8,714	6,052	7,958	8,107	8,215	8,550	9,729	11,419	13,430	15,973
8,555 Closing cash balance	6,052	7,958	8,107	8,215	8,550	9,729	11,419	13,430	15,973	16,515

Dunedin City Council Financial Strategy Information

	Draft Budget 2026 \$000	Draft Budget 2027 \$000	Draft Budget 2028 \$000	Draft Budget 2029 \$000	Draft Budget 2030 \$000	Draft Budget 2031 \$000	Draft Budget 2032 \$000	Draft Budget 2033 \$000	Draft Budget 2034 \$000
Debt									
Debt forecast	817,473	877,791	912,149	969,769	1,034,599	1,060,330	1,062,581	1,073,657	1,083,413
Debt limit (at 250% of revenue)	1,016,870	1,077,073	1,157,225	1,222,435	1,286,570	1,351,633	1,419,308	1,487,433	1,560,793
Total revenue	406,748	430,829	462,890	488,974	514,628	540,653	567,723	594,973	624,317
Gross debt limit (less than 250% of revenue)	201.0%	203.7%	197.1%	198.3%	201.0%	196.1%	187.2%	180.5%	173.5%
Target Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved
Rates Increase									
Rates revenue	262,803	288,966	317,729	339,969	360,384	382,005	404,917	429,225	455,001
Increase	9.95%	9.96%	9.95%	7.00%	6.00%	6.00%	6.00%	6.00%	6.01%
Limit	15.00%	10.00%	10.00%	8.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Target Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved
Operating Surplus									
Operating surplus greater than zero	(9,482)	1,448	16,436	25,512	18,236	20,547	27,795	40,743	54,763
Target Achieved	Not Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved
Balanced Budget									
Operating surplus	(9,482)	1,448	16,436	25,512	18,236	20,547	27,795	40,743	54,763
Less:									
Development Contributions	(3,856)	(3,856)	(3,856)	(3,856)	(3,856)	(3,856)	(3,856)	(3,856)	(3,856)
Vested Assets	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
External Subsidies for new capital projects	(6,843)	(2,355)	-	-	-	-	-	-	-
Gain on fair value of investments	(1,524)	(1,563)	(1,604)	(1,646)	(1,689)	(1,734)	(1,781)	(1,829)	(1,879)
Balanced budget surplus/(deficit)	(24,705)	(9,326)	7,976	17,010	9,691	11,957	19,158	32,058	46,028
Target Achieved	Not achieved	Not achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved
Group Financial Income									
Dividends received - Dunedin City Holdings Limited	9,000	9,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Shareholder Advance Interest received - Dunedin City Holdings Limited	5,902	5,902	5,902	5,902	5,902	5,902	5,902	5,902	5,902
Total income from group companies	14,902	14,902	16,902	16,902	16,902	16,902	16,902	16,902	16,902
Target Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved

Dunedin City Council

Other Financial Metrics

	Draft Budget 2026 \$000	Draft Budget 2027 \$000	Draft Budget 2028 \$000	Draft Budget 2029 \$000	Draft Budget 2030 \$000	Draft Budget 2031 \$000	Draft Budget 2032 \$000	Draft Budget 2033 \$000	Draft Budget 2034 \$000
Interest									
Interest expense	32,340	35,379	37,345	39,256	50,318	52,584	53,284	53,619	54,319
Interest expense to closing term debt %	4.0%	4.0%	4.1%	4.1%	4.9%	5.0%	5.0%	5.0%	5.0%
Interest as a % of rates (less than 20%)	12.3%	12.2%	11.8%	11.6%	14.0%	13.8%	13.2%	12.5%	11.9%
Target Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved
Interest cover rates revenue	8.10	8.20	8.50	8.70	7.20	7.30	7.60	8.00	8.40
Interest as a % of total revenue (less than 10%)	8.0%	8.2%	8.1%	8.0%	9.8%	9.7%	9.4%	9.0%	8.7%
Target Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved
Interest cover total revenue	12.60	12.20	12.40	12.50	10.20	10.30	10.70	11.10	11.50
Operating cashflow exceeds interest by 2.5 times	3.40	3.50	4.00	4.20	3.30	3.30	3.50	3.90	4.20
Target Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved
Local Government Funding Agency									
Net Debt to Revenue (less than 280%)	177.4%	180.1%	174.6%	176.7%	180.0%	175.4%	166.7%	160.1%	153.6%
Target Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved
Net Interest to Total Revenue (less than 20%)	3.2%	3.7%	3.4%	3.5%	5.5%	5.6%	5.4%	5.2%	5.0%
Target Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved
Rates									
Rates revenue	262,803	288,966	317,729	339,969	360,384	382,005	404,917	429,225	455,001
Rates revenue limit	274,874	302,361	332,597	359,205	384,349	411,253	440,041	470,844	503,803
Target Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved
Rates increase %	10.0%	10.0%	10.0%	7.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Rates increase % limit	15.0%	10.0%	10.0%	8.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Target Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved

