
GOVERNANCE AND SUPPORT SERVICES - DRAFT OPERATING BUDGET 2025/26

Department: Customer and Regulatory, Civic, Finance, Transport and Sustainability Group

EXECUTIVE SUMMARY

- 1 This report provides:
 - a summary of the services provided by Governance and Support Services
 - an overview of the draft operating (opex) budget for year one of the 9 year plan for Governance and Support Services
 - an overview of the variations from the year one budget for years two to nine for Governance and Support Services.
- 2 This report includes four attachments:
 - i) Operating budget for 2025/26 (year one) – this details the movements from the 2024/25 year
 - ii) Operating budget for 2025/26 to 2033/34 (nine years) – this details the projected operating budget throughout the 9 year period
 - iii) Funding Impact Statement for 2025/26 to 2033/34 (nine years) – this summarises the source and application of funding throughout the 9 year period
 - iv) Schedule of Fees and Charges.
- 3 The report asks the Council to adopt the draft operating budget and draft fees and charges for the purposes of developing the 9 year plan 2025-34 and consulting with the community.

RECOMMENDATIONS

That the Council:

- a) **Adopts** for the purposes of developing the 9 year plan 2025-34 and consulting with the community
 - i) The draft operating budgets and funding impact statement for Governance and Support Services as shown/amended at Attachments A, B and C.
 - ii) The draft 2025/26 fees and charges schedules for Governance and Support Services as shown/amended at Attachment D.

BACKGROUND

Governance and Support Services – summary of services

- 4 Governance and Support Services include activities and services related to:
- Business Information Systems (BIS)
 - Civic and governance
 - Corporate leadership
 - Corporate Policy
 - Council communications and marketing
 - Customer services
 - Finance
 - Fleet operations
 - Investments
 - People, projects and risk
 - Waipori Fund
- 5 Governance and Support services contribute to all activities of the Council by providing technical and administrative support.

OPERATING BUDGETS – 2025/26

- 6 The 2025/26 draft operating budget for Governance and Support Services is \$51.951 million This is an increase of \$3.455 million from the 2024/25 year. The following sections explain the revenue and expenditure changes from the previous year.

Revenue

Rates

- 7 The Governance and Support Services group includes the corporate support activities of Council and realises investment revenue (such as interest and dividends received from Dunedin City Holdings Limited 'DCHL' and the Waipori Fund).
- 8 Each corporate activity is funded through a combination of rates revenue and internal revenue (charged to other council activities). Since Council investments return a net surplus, rates revenue for the Governance and Support Services, after taking into consideration the investment surplus within this group, there is no overall rate income required.
- 9 Due to the reallocation of 9 year plan groups of activities (as approved by Council on 10 December 2024) which differ from the previous 10 year plan, the 2024/25 budget and 2023/24 actual show negative rates revenue.

External revenue

- 10 Total external revenue is \$23.591 million. This decrease of \$423k from the 2024/25 year is made up from the following:
- Dividend income from DCHL is budgeted at \$9 million, a reduction of \$2 million for the 2025/26 and 2026/27 years. A proposal for DCHL to fund DRL by \$2 million per annum is considered in a separate report on the agenda.
 - Revenue from the Waipori Fund has increased by \$1.049 million.
 - An increase of \$283k for election recoveries.

Grants and subsidies – operating

- 11 Total revenue from grants and subsidies (operating) is \$2.018 million. This is a decrease of \$641k from the 2024/25 year reflecting a reduction in Better off Funding. Better off Funding has been provided for various projects. The operating grant continues to be managed corporately and allocated to relevant activities via internal revenue.

Internal revenue

- 12 Total internal revenue is \$29.051 million. This is an increase of \$1.184 million from 2024/25 due to:
- BIS and Corporate charges have increased \$751k in line with the Local Government Cost Index.
 - Fleet Operations revenue has increased \$423k to recover increased costs.

Expenditure**Personnel costs**

- 13 Personnel costs are \$19.372 million. This is an increase of \$2.622million from the 2024/25 year.
- 14 The budget provides for new staff:
- One additional FTE has been included in the Governance Team to address the LGOIMA workload. The increase in LGOIMA related work has increased in volume and complexity.
 - Additional FTE have been included in the Rates and Revenue Team.
- 15 Further explanation of changes to personnel costs are discussed in detail in the Chief Executive Overview Report on the agenda.

Operations and maintenance

- 16 Operations and maintenance expenditure is \$7.416 million. The increase of \$1.601 million from the 2024/25 year is due to:
- Investment Account costs have increased by \$1.000 million. Previously a negative maintenance savings allowance of \$1.000 million was provided for. This amount has now been reflected in activities.

- BIS contract costs have reduced \$193k. Changes to online storage have also reduced costs by \$80k.
- Fleet Operations expenditure has increased \$172k, mainly reflecting expected increases in fuel, road user charges and fleet management costs.
- Rating database valuation costs have increased by \$20k, reflecting contract CPI increases.
- Civic and Governance expenditure has increased by \$733k for the 2025 election.

Consumables and general

17 Consumables and general costs are \$10.551 million. The decrease of \$284k from the 2024/25 year is due to:

- Corporate Planning costs have decreased by \$303k due to reduced costs (audit and promotion) associated with the 9 year plan which occur in 2024/25.
- Customer Solutions costs have decreased \$208k due to the removal of the Customer Services Refresh project.
- BIS software licence costs reduced \$70k from 2024/25 year, reflecting changes to online software solutions.
- Technical advice relating to development contributions and taxation have contributed an additional \$48k.
- Technical support costs for the implementation of Local Water Done Well service delivery of \$32k have been included, which are fully funded by Better off Funding.
- Elected members remuneration cost increased by \$59k from 2024/25 year.

Grants and subsidies

18 Grants and subsidy costs are \$201k. This is an increase of \$119k from the 2024/25 year. The increase is a provision of unallocated grants for expired grants in 2024/25:

- NZ Sports Hall of Fame \$47k
- Dunedin Wildlife Hospital \$75k.

Internal charges

19 Internal charges are \$9.444 million. The decrease of \$434k from the 2024/25 year is due to:

- Better off Funding grant revenue is allocated out to activities, through internal charges in the Investment Account. Revenue has decreased \$641k, which has a corresponding offset to internal expenditure, accounting for the majority of movement for internal charges for the Governance and Support Services group.
- Corporate internal charges increased \$191k across all activities, reflecting Local Government Cost Index increases.

Depreciation

- 20 Depreciation costs are \$2.969 million. This is a decrease of \$82k from the 2024/25 year reflecting reduced capital expenditure in BIS.

Interest

- 21 Interest costs are \$1.810 million. This is a decrease of \$92k from the 2024/25 year. This reflects the lower projected interest rate of 4.12% for the 2025/26 year.

BUDGET TRADEOFFS

- 22 BIS is in the process of the IT Managed Services Request for Proposal (RFP). The IT Managed Services contract is a critical outsourcing arrangement supporting a wide range of DCC's IT functions. The current supplier has provided these services for the past nine years, during which the pricing has remained fixed.
- 23 The draft BIS operational budget does not include any provisions for a pricing uplift, and the budget will be reviewed once the tender process is concluded. If required, a report will be presented to the Council as part of 9 year plan deliberations.

FEES AND CHARGES – 2025/26

- 24 Land Information Memorandum fees have been increased between 4.4% – 4.8% to reflect increased costs.

OPERATING BUDGETS – YEARS 2-9

- 25 The 2025/26 operating budget has been inflation adjusted for years two to nine. Explanations of any further variations are explained below.
- 26 Following two years of a reduced dividend from DCHL (as explained in paragraph 10), dividend revenue returns to \$11.000 million from year 3 (2027/28) and remains consistent for the remainder of the 9 year plan period.
- 27 Allowances have been made for cyclical events, including Council Elections (costing \$553k every 3 years), Long Term Plan preparation (costing \$383k every 3 years) and aerial photography (costing \$115k every 4 years).
- 28 The Better off Funding programme will be completed in 2026/27 (year 2). Associated revenue and Internal costs have been adjusted in accordance with the current allocation.

ZERO CARBON

- 29 The draft operating budget for Governance and Support Services is likely to marginally reduce DCC and city emissions. The draft operational and capital budgets for Business Information Systems include projects to improve service efficiency, provide remote options, and reduce hardware demands. This investment, along with alignment with the Zero Carbon Policy, is likely to marginally reduce emissions from operations (and city emissions) over the term of the 9 year plan.

Signatories

Authoriser:	Carolyn Allan - Chief Financial Officer Robert West - General Manager Corporate Services
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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 fees and charges for 2025/26	

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"/>

Governance and Support Services activities contribute to the objectives and priorities of all strategies.

Māori Impact Statement

There are no specific impacts for tangata whenua.

Sustainability

Governance and Support Services activities take into account the Council's approach to sustainability.

Zero carbon

The draft operating budget for Governance and Support Services is likely to marginally reduce DCC and city emissions.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

This report provides draft budgets for Governance and Support Services to include in the 9 year plan.

Financial considerations

Financial considerations are detailed in this report.

Significance

The draft budgets are included in the development of the 9 year plan 2025-34, and they form the basis for setting rates which is considered significant and is consulted on using the special consultative procedure.

Engagement – external

There has been no external engagement in developing the draft budgets for Governance and Support Services.

Engagement - internal

Councillors and staff from across council have been involved in development of the draft budgets.

SUMMARY OF CONSIDERATIONS

Risks: Legal / Health and Safety etc.

There are no identified risks.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

Project identified in Community Board plans have been considered in the development of the draft budgets. Community Boards will be consulted on the 9 year plan 2025-34.

Governance and Support Services

Income Statement

for the Year Ended 30 June 2026

Actual	Approved	Draft	Budget	Budget
2024	Budget	Budget	Inc (Dec)	Inc (Dec)
\$000	2025	2026	\$000	%
\$000	\$000	\$000		
Revenue				
(1,525) Rates revenue	(2,341)	-	2,341	-100%
27,906 External revenue	24,014	23,591	(423)	-2%
2,566 Grants and subsidies revenue	2,659	2,018	(641)	-24%
- Development contributions revenue	-	-	-	-
- Vested assets	-	-	-	-
27,494 Internal revenue	27,867	29,051	1,184	4%
56,441 Total revenue	52,199	54,660	2,461	5%
Expenditure				
18,473 Personnel costs	16,750	19,372	2,622	16%
6,182 Operations and maintenance	5,815	7,416	1,601	28%
162 Occupancy costs	183	188	5	3%
11,782 Consumables and general	10,835	10,551	(284)	-3%
97 Grants and subsidies	82	201	119	145%
9,815 Internal charges	9,878	9,444	(434)	-4%
2,730 Depreciation and amortisation	3,051	2,969	(82)	-3%
2,217 Interest	1,902	1,810	(92)	-5%
51,458 Total expenditure	48,496	51,951	3,455	7%
4,983 Net surplus/(deficit)	3,703	2,709	(994)	-27%
Expenditure by Activity				
15,141 Business Information Services	16,476	16,041	(435)	-3%
3,894 Civic and Governance	4,024	5,174	1,150	29%
4,353 Corporate Leadership	4,411	4,448	37	1%
1,101 Corporate Policy	1,486	1,516	30	2%
3,403 Council Communications and Marketing	3,908	3,893	(15)	0%
2,819 Customer Services	3,220	3,031	(189)	-6%
6,435 Finance	6,508	6,601	93	1%
1,941 Fleet Operations	2,084	2,300	216	10%
5,171 Investment Account	385	2,661	2,276	591%
5,501 People, Projects and Risk	5,725	5,990	265	5%
1,699 Waipori Fund	269	296	27	10%
51,458 Total expenditure	48,496	51,951	3,455	7%

Governance and Support Services
Income Statement
for the Years Ended 30 June 2025 - 2034

Actual	Approved	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
Revenue										
(1,525) Rates revenue	(2,341)	-	-	-	-	-	-	-	-	-
27,906 External revenue	24,014	23,591	23,548	26,018	26,674	26,729	27,061	27,685	27,692	27,998
2,566 Grants and subsidies revenue	2,659	2,018	1,400	-	-	-	-	-	-	-
- Development contributions revenue	-	-	-	-	-	-	-	-	-	-
- Vested assets	-	-	-	-	-	-	-	-	-	-
27,494 Internal revenue	27,867	29,051	29,891	30,698	31,466	32,221	32,962	33,687	34,395	35,117
56,441 Total revenue	52,199	54,660	54,839	56,716	58,140	58,950	60,023	61,372	62,087	63,115
Expenditure										
18,473 Personnel costs	16,750	19,372	19,906	20,440	20,993	21,449	21,940	22,470	22,893	23,374
6,182 Operations and maintenance	5,815	7,416	6,884	7,070	8,041	7,420	7,591	8,609	7,921	8,087
162 Occupancy costs	183	188	194	199	204	209	214	218	223	228
11,782 Consumables and general	10,835	10,551	11,292	11,041	11,365	12,013	11,927	12,064	12,796	12,614
97 Grants and subsidies	82	201	205	209	213	217	222	226	231	236
9,815 Internal charges	9,878	9,444	9,048	7,855	8,051	8,244	8,434	8,619	8,800	8,985
2,730 Depreciation and amortisation	3,051	2,969	3,015	2,827	3,052	3,516	3,561	3,354	3,319	3,281
2,217 Interest	1,902	1,810	2,181	2,225	2,208	2,541	2,449	2,309	2,118	1,886
51,458 Total expenditure	48,496	51,951	52,725	51,866	54,127	55,609	56,338	57,869	58,301	58,691
4,983 Net surplus/(deficit)	3,703	2,709	2,114	4,850	4,013	3,341	3,685	3,503	3,786	4,424

Governance and Support Services
**Income Statement
for the Years Ended 30 June 2025 - 2034**

Actual	Approved	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	\$000
Expenditure by Activity										
15,141 Business Information Services	16,476	16,041	16,428	16,457	17,074	18,068	18,697	18,860	19,281	19,637
3,894 Civic and Governance	4,024	5,174	4,512	4,632	5,606	4,860	4,971	5,999	5,187	5,296
4,353 Corporate Leadership	4,411	4,448	4,580	4,703	4,820	4,935	5,047	5,158	5,266	5,376
1,101 Corporate Policy	1,486	1,516	1,562	1,604	1,644	1,683	1,722	1,760	1,797	1,835
3,403 Council Communications and Marketing	3,908	3,893	4,014	4,183	4,335	4,436	4,524	4,615	4,649	4,695
2,819 Customer Services	3,220	3,031	3,121	3,206	3,286	3,364	3,442	3,517	3,591	3,667
6,435 Finance	6,508	6,601	7,134	6,893	7,040	7,604	7,344	7,493	8,091	7,811
1,941 Fleet Operations	2,084	2,300	2,522	2,553	2,572	2,443	2,337	2,226	2,265	2,306
5,171 Investment Account	385	2,661	2,380	990	941	1,245	1,123	954	733	472
5,501 People, Projects and Risk	5,725	5,990	6,167	6,332	6,488	6,643	6,795	6,944	7,090	7,238
1,699 Waipori Fund	269	296	305	313	321	328	336	343	351	358
51,458 Total expenditure	48,496	51,951	52,725	51,866	54,127	55,609	56,338	57,869	58,301	58,691

Dunedin City Council

Funding Impact Statement
for the Years Ended 30 June 2025 - 2034 for Governance and Support Services

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Actual	Annual Plan	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of operating funding										
(241) General rates, uniform annual general charges, rates penalties	(1,314)	1,072	10%	1,175	8%	1,269	6%	1,343	5%	1,405
370 Targeted rates	273	228		164		106		67		1,458
2,185 Subsidies and grants for operating purposes	2,659	2,018		1,400		-		38		1,509
21,720 Fees and charges	21,548	20,517		20,397		22,789		18		1,541
27,494 Internal charges and overheads recovered	27,867	29,051		29,890		30,698		-		1,573
- Local authorities fuel tax, fines, infringement fees, and other receipts	-	-		-		-		-		-
51,528 Total operating funding	51,033	52,886		53,026		54,862		56,244		57,011
Application of operating funding										
35,254 Payments to staff and suppliers	33,665	37,728		38,481		38,958		41,308		41,894
2,217 Finance costs	1,902	1,810		2,181		2,225		2,541		2,449
9,815 Internal charges and overheads applied	9,879	9,445		9,048		7,855		8,051		8,244
- Other operating funding applications	-	-		-		-		-		-
47,286 Total application of operating funding	45,446	48,983		49,710		49,038		51,075		52,093
4,242 Surplus/(deficit) of operating funding	5,587	3,903		3,316		5,824		5,169		4,918
Sources of capital funding										
381 Subsidies and grants for capital expenditure	-	-		-		-		-		-
- Development and financial contributions	-	-		-		-		-		-
- Increase/(decrease) in debt	1,619	4,774		1,613		15		(1,632)		(8,581)
- Gross proceeds from sale of assets	120	120		120		120		120		(3,164)
- Lump sum contributions	-	-		-		-		-		(4,595)
- Other dedicated capital funding	-	-		-		-		-		(5,777)
381 Total sources of capital funding	1,739	4,894		1,733		135		(1,512)		(8,461)
Application of capital funding										
Capital expenditure	-	-		-		-		-		-
- to meet additional demand	-	-		-		-		-		-
550 - to improve the level of service	2,080	1,350		1,100		600		600		600
1,500 - to replace existing assets	1,815	2,520		2,419		2,690		2,488		2,543
- Increase/(decrease) in reserves	-	-		-		-		-		-
2,573 Increase/(decrease) of investments	3,431	4,927		1,530		2,669		335		(6,631)
4,623 Total application of capital funding	7,326	8,797		5,049		5,959		3,657		(3,543)
(4,242) Surplus/(deficit) of capital funding	(5,587)	(3,903)		(3,316)		(5,824)		(5,169)		(4,918)
- Funding balance	-	-		-		-		-		-

9 year plan grouping - Governance and Support Services

	2024/25 fees	2025/26 proposed fees	\$ change	% change
Administration Services				
Official Information				
Photocopy first 20 pages A4 black and white free, thereafter charged per page	0.20	0.20	0.00	0.0%
Archives Reference Services				
Archivist's Fee				
First half hour free, thereafter charged per hour. Full details are provided in the Council Reference Service Policy available from Archives	50.00	55.00	5.00	10.0%
Finance				
Credit card surcharge				
1% of the transaction value				
Information Services				
Land Information Memorandum				
Commercial - Land Information Memorandum, 5 day LIM	388.00	405.00	17.00	4.4%
Residential - Land Information Memorandum, 3 day LIM	367.00	384.00	17.00	4.6%
Residential (non-urgent) - Land Information Memorandum, 4 day LIM	314.00	329.00	15.00	4.8%
Mapping Services				
GIS services available - cost on application				
Legal				
In-House Legal Counsel (hourly rate)				
In-house legal services (performed by the Council's legal staff) will be charged at the following rates plus disbursements.	250.00	250.00	0.00	0.0%
Legal Executive Assistant (hourly rate)				
In-house legal services (performed by the Council's legal staff) will be charged at the following rates plus disbursements.	100.00	100.00	0.00	0.0%