

RESILIENT CITY - DRAFT OPERATING BUDGET 9 YEAR PLAN 2025-34

Department: 3 Waters and Executive Leadership Team

EXECUTIVE SUMMARY

1. This report provides:
 - a summary of the services provided by the Resilient City Group
 - an overview of the draft operating (opex) budget for year one of the 9 year plan for Resilient City
 - an overview of the variations from the year one budget for years two to nine for Resilient City.
2. This report includes three 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 nine year period
 - iii. Funding Impact Statement for 2025/26 to 2033/34 (nine years) – this summarises the source and application of funding throughout the nine year period
3. The report asks the Council to adopt the draft operating budget 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 Resilient City as shown/amended at Attachments A, B and C.

BACKGROUND

Resilient City – summary of services

4. Resilient City includes activities and services related to:
 - City development

- City growth
- Civil defence
- Community partnerships
- Housing policy
- South Dunedin Future and
- Zero carbon.

City development

6. This team leads strategic spatial planning based on the requirements of the National Policy Statement on Urban Development including undertaking housing and business land capacity assessments and preparing and reviewing the Future Development Strategy that must ensure there is enough housing and business land to meet projected household growth and there will be enough infrastructure to service growth. It also prepares and reviews the District Plan (2GP) and it monitors the effectiveness of the 2GP and responses to changes in national and regional policy direction. It leads engagement on national and regional resource management plans and policies and legislative change and reform. It leads the centres programme and minor amenity upgrades and provides urban design support to other council projects as well as providing assessments as part of resource consents on biodiversity, heritage and urban design.

City growth

7. This team fosters relationships to facilitate early engagement with developers prior to resource consent applications, it reviews and assesses plans to ensure infrastructure vested to Council meets relevant standards, and ensures technical issues related to new developments and infrastructure are assessed, actioned and remedied.

Civil defence

8. Civil defence staff contribute to civil defence at local, regional and national levels. They provide emergency and risk management that covers all phases of emergence – risk reduction, readiness, response and recovery.

Community partnerships

9. This team delivers services, activities and support for community groups including youth, EnviroSchools, Taskforce Green, Keep Dunedin Beautiful, and Council-mandated advisory groups. It also manages the community contestable grants.

Housing policy

10. This team delivers on the Ōtepoti Dunedin Housing Plan 2022 which aims to strengthen and create connections, investigate ways to increase the quality of housing, find better ways to use land for housing, make it easier to work with Council and look after our most vulnerable. The team also provides an eco-design service of resources and practical advice for those in existing homes or for a new build.

South Dunedin Future

11. South Dunedin Future is a joint five-year initiative between Dunedin City Council and the Otago Regional Council to develop a climate change adaptation plan for South Dunedin, an area which is exposed to a range of natural hazards such as surface flooding, rising groundwater and rising sea levels.

Zero carbon

12. This team monitors the Council and Dunedin's emissions and prepares emission reduction plans. It leads partnerships in the area of climate change mitigation, monitors effectiveness of emission reduction plans and responds to changes in national and regional direction.

OPERATING BUDGETS – 2025/26

13. The 2025/26 draft operating budget for Resilient City is \$11.528 million. This is a decrease of \$448k from the 2024/25 year. The following sections explain the revenue and expenditure changes from the previous year.

Revenue

Rates

14. Rates revenue is \$11.132 million. The increase of \$605k from the 2024/25 year is to fund increased personnel costs and costs previously funded by Better Off Funding.

External revenue

15. Total external revenue is \$256k. The \$81k increase in revenue is mainly due to \$70k from ORC contribution to Future Development Strategy and \$11k for new consent recovery charges.

Internal revenue

16. Total internal revenue is \$78k in Community Partnerships for Enviroschool cost recovery from the Waste and Environment Services. The decrease is mainly due to the removal of Better Off funding revenue in South Dunedin Future (\$725k), Zero Carbon (\$139k), City Growth (\$160k) and City Development (\$98k).

Expenditure

Personnel costs

17. Personnel costs are \$5.380 million. The increase of \$297k from the 2024/25 year. Further explanation of changes to personnel costs are discussed in detail in the Chief Executive Overview Report that is on the agenda.

Operations and maintenance

18. Operations and maintenance expenditure is \$451k. This is a decrease of \$128k from the 2024/25 year mainly due to reduction in South Dunedin Future projects.

Consumables and general

19. Consumables and general costs are \$1.208 million. This is a decrease of \$392k from the 2024/25 year, mainly due to a reduction in Better off Funded projects in South Dunedin Future.

Grants and subsidies

20. Grants and subsidy costs are \$2.696 million. This is a decrease of \$301k from the 2024/25 year due to the following changes:
- A transfer of property arrangements grants \$295.8k from Community Partnerships to Property, and
 - \$5.6k landfill grants not being required. This was previously a ratepayer funded initiative for non-profit entities to offset costs of using the landfill. The \$5k saving was used to increase the budget for the Keep Dunedin Beautiful project management cost.

Internal charges

21. Internal charge costs are \$1.610 million. The increase of \$82k from the 2024/25 year was mainly due to increased internal fleet charges for Task Force Green and increased administration support payment to Resource Consents.

BUDGET TRADEOFFS

City Development

22. The City Development team has looked at a range of trade-off opportunities and the following budget savings have been included in the draft budget:
- not including funding for plan change 1 and plan change 2 appeals.
 - a reduction in the budget for biodiversity assessments, which are expected to reduce while the national policy statement on indigenous biodiversity is revised as part of the Government's Resource Management Act (RMA) reform programme.
 - removal of funding for heritage building assessments for heritage scheduling, seeking to manage these entirely in-house.
23. A priority area of work for 2025 onwards will be preparing for, and adapting to, the Government's proposed RMA reform programme. As a trade-off, District Plan change work will likely be limited to only changes that are required by national or regional direction or where binding agreements are in place following plan appeals or where there is evidence of significant issues with the Plan not achieving its objectives.
24. It is likely private plan changes will feature over the period of this LTP as the 2GP is now mostly operative. Consequently, emerging trade-offs / activity prioritisation will be required to keep to approved budgets.
25. A separate report, Ōtepoti Dunedin Heritage Action Plan: Implementation Options, discusses options for the extent and rate at which the Heritage Action Plan is delivered.

City Growth

26. The City Growth team has also looked at a range of trade-off opportunities particularly with respect to in-sourcing application assessments and the production of developer focussed guidance and best practice material, therefore providing a potential reduction in external consultancy costs.

FEES AND CHARGES – 2025/26

27. There are no fees and charges for this activity.

OPERATING BUDGETS – YEARS 2-9

28. The 2025/26 operating budget has been inflation adjusted for years two to nine.

ZERO CARBON

29. The draft operating budget for this group will support DCC and city emissions reduction. Work on housing quality, community partnerships, biodiversity, urban design, and spatial planning all support emissions reduction. The Zero Carbon team supports both DCC and city emissions reduction through reporting, partnerships, policy and strategy development, and by leading several Zero Carbon Plan projects.
30. The 'Zero Carbon Investment Options' report (under separate cover) sets out four investment options that would add operational expenditure for this group:
- Supporting communities to transition through behaviour change (Zero Carbon).
 - Investing in priority community-led emissions reduction initiatives (Zero Carbon).
 - Deliver residential energy efficiency programme for additional households (Housing).
 - Develop a Blue and Green Networks Plan (City Development).

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 - years 2 - 9	
C	Draft Funding Impact Statement 2025-34	

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"/>	<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"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	✓	<input type="checkbox"/>	<input type="checkbox"/>

Resilient City activities contribute primarily 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 Mataawaka will have the opportunity to engage in the 9 year plan consultation process.

Sustainability

Resilient City activities take into account the Council's approach to sustainability.

Zero carbon

The draft operating budget for this group is likely to support DCC and city emissions reduction.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

This report provides draft budgets for Resilient City 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, which is consulted on using the special consultative procedure.

Engagement – external

There has been no external engagement in developing the draft budgets for Resilient City.

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.

Resilient City

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				
10,443 Rates revenue	10,527	11,132	605	6%
352 External revenue	175	256	81	46%
197 Grants and subsidies revenue	62	62	-	0%
- Development contributions revenue	-	-	-	-
- Vested assets	-	-	-	-
1,144 Internal revenue	1,212	78	(1,134)	-94%
12,136 Total revenue	11,976	11,528	(448)	-4%
Expenditure				
4,626 Personnel costs	5,084	5,381	297	6%
279 Operations and maintenance	579	451	(128)	-22%
160 Occupancy costs	110	140	30	27%
1,766 Consumables and general	1,600	1,208	(392)	-25%
3,514 Grants and subsidies	2,997	2,696	(301)	-10%
1,478 Internal charges	1,528	1,610	82	5%
38 Depreciation and amortisation	78	42	(36)	-46%
- Interest	-	-	-	-
11,861 Total expenditure	11,976	11,528	(448)	-4%
275 Net surplus/(deficit)	-	-	-	-
Expenditure by Activity				
4,754 City Development	4,696	4,845	149	3%
- City Growth	360	588	228	63%
237 Civil Defence	203	210	7	3%
4,357 Community Partnerships	4,112	3,955	(157)	-4%
241 Housing Policy	215	228	13	6%
1,402 South Dunedin Future	1,404	834	(570)	-41%
870 Zero Carbon	986	868	(118)	-12%
11,861 Total expenditure	11,976	11,528	(448)	-4%

Resilient City
**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											
10,443	Rates revenue	10,527	11,132	11,442	11,733	12,012	12,286	12,561	12,837	13,111	13,387
352	External revenue	175	256	264	271	278	284	291	297	303	310
197	Grants and subsidies revenue	62	62	64	66	68	69	71	72	74	76
-	- Development contributions revenue	-	-	-	-	-	-	-	-	-	-
-	- Vested assets	-	-	-	-	-	-	-	-	-	-
1,144	Internal revenue	1,212	78	81	83	85	87	89	91	93	95
12,136	Total revenue	11,976	11,528	11,851	12,153	12,443	12,726	13,012	13,297	13,581	13,868
Expenditure											
4,626	Personnel costs	5,084	5,381	5,541	5,691	5,833	5,972	6,109	6,244	6,375	6,509
279	Operations and maintenance	579	451	464	477	489	500	512	523	534	545
160	Occupancy costs	110	140	145	149	154	159	164	169	175	179
1,766	Consumables and general	1,600	1,208	1,245	1,279	1,311	1,342	1,373	1,403	1,433	1,463
3,514	Grants and subsidies	2,997	2,696	2,750	2,805	2,861	2,916	2,974	3,036	3,100	3,165
1,478	Internal charges	1,528	1,610	1,659	1,703	1,746	1,788	1,829	1,869	1,909	1,949
38	Depreciation and amortisation	78	42	47	49	49	49	51	53	55	58
-	- Interest	-	-	-	-	-	-	-	-	-	-
11,861	Total expenditure	11,976	11,528	11,851	12,153	12,443	12,726	13,012	13,297	13,581	13,868
275	Net surplus/(deficit)	-	-	-	-	-	-	-	-	-	-
Expenditure by Activity											
4,754	City Development	4,696	4,845	4,961	5,089	5,214	5,332	5,452	5,571	5,690	5,809
-	- City Growth	360	588	606	622	637	653	668	682	697	711
237	Civil Defence	203	210	217	224	229	235	242	250	257	265
4,357	Community Partnerships	4,112	3,955	4,079	4,176	4,270	4,363	4,457	4,553	4,649	4,747
241	Housing Policy	215	228	235	241	247	253	259	265	270	276
1,402	South Dunedin Future	1,404	834	859	883	905	926	948	969	989	1,010
870	Zero Carbon	986	868	894	918	941	964	986	1,007	1,029	1,050
11,861	Total expenditure	11,976	11,528	11,851	12,153	12,443	12,726	13,012	13,297	13,581	13,868

Dunedin City Council
Funding Impact Statement
for the Years Ended 30 June 2025 - 2034 for Resilient City

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										
10,443 General rates, uniform annual general charges, rates penalties	10,527	11,132	11,442	11,733	12,012	12,286	12,561	12,837	13,111	13,387
- Targeted rates	-	-	-	-	-	-	-	-	-	-
197 Subsidies and grants for operating purposes	62	62	64	66	68	69	71	72	74	76
352 Fees and charges	175	256	264	271	278	284	291	297	303	310
1,144 Internal charges and overheads recovered	1,212	78	81	83	85	87	89	91	93	95
- Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
12,136 Total operating funding	11,976	11,528	11,851	12,153	12,443	12,726	13,012	13,297	13,581	13,868
Application of operating funding										
10,345 Payments to staff and suppliers	10,370	9,876	10,145	10,400	10,647	10,890	11,133	11,376	11,616	11,861
- Finance costs	-	-	-	-	-	-	-	-	-	-
1,478 Internal charges and overheads applied	1,528	1,610	1,659	1,703	1,746	1,788	1,829	1,869	1,909	1,949
- Other operating funding applications	-	-	-	-	-	-	-	-	-	-
11,823 Total application of operating funding	11,898	11,486	11,804	12,103	12,393	12,678	12,962	13,245	13,525	13,810
313 Surplus/(deficit) of operating funding	78	42	47	50	50	48	50	52	56	58
Sources of capital funding										
- Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
- Development and financial contributions	-	-	-	-	-	-	-	-	-	-
- Increase/(decrease) in debt	-	-	-	-	-	-	-	-	-	-
- Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
- Lump sum contributions	-	-	-	-	-	-	-	-	-	-
- Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
- Total sources of capital funding	-	-	-	-	-	-	-	-	-	-
Application of capital funding										
Capital expenditure										
- to meet additional demand	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	100	305	305	305	995	996	996	996	306	306
3 - to replace existing assets	5	5	5	5	5	6	6	6	6	6
- Increase/(decrease) in reserves	-	-	-	-	-	-	-	-	-	-
310 Increase/(decrease) of investments	(27)	(268)	(263)	(260)	(950)	(954)	(952)	(950)	(256)	(254)
313 Total application of capital funding	78	42	47	50	50	48	50	52	56	58
(313) Surplus/(deficit) of capital funding	(78)	(42)	(47)	(50)	(50)	(48)	(50)	(52)	(56)	(58)
- Funding balance	-	-	-	-	-	-	-	-	-	-