

ROADING AND FOOTPATHS - DRAFT OPERATING BUDGET - 9 YEAR PLAN 2025-34

Department: Transport

EXECUTIVE SUMMARY

- 1 This report provides:
 - a summary of the services provided by Roding and Footpaths
 - an overview of the draft operating (opex) budget for year one of the 9 Year Plan for Roding and Footpaths
 - an overview of the variations from the year one budget for years two to nine for Roding and Footpaths.
- 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 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
 - 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 Roding and Footpaths as shown/amended at Attachments A, B and C.
 - ii) The draft 2025/26 fees and charges schedules for Roding and Footpaths as shown/amended at Attachment D.

BACKGROUND

Roading and Footpaths – summary of services

- 4 Roothing and Footpaths includes activities and services related to transport. This team provides for the planning, construction, maintenance, renewals and upgrading of Dunedin’s roads and footpaths. This includes making sure street lighting is adequate, traffic signals and road markings are functioning and clear, and cycleways and footpaths are fit for purpose for Dunedin communities. The transport network needs to meet all relevant legislative requirements.

OPERATING BUDGETS – 2025/26

- 5 The 2025/26 draft operating budget for Roothing and Footpaths is \$68.050 million. This is an increase of \$2.114 million from the 2024/25 year. The following sections explain the revenue and expenditure changes from the previous year.

Revenue

Rates

- 6 Rates revenue is \$35.340 million. This is an increase of \$1.343 million, 4%.

External revenue

- 7 External revenue is \$1.969 million. This is a decrease of \$187k from the 2024/25 year as NZTA Waka Kotahi now pay state highway electricity expenses directly. Previously this was paid by DCC and 100% recoverable.

Grants and subsidies – operating

- 8 Revenue from grants and subsidies (operating) is \$10.481 million. This is an increase of \$596k from the 2024/25 year and reflects increased expenditure on subsidised maintenance.

Grants and subsidies – capital

- 9 Revenue from grants and subsidies (capital) is \$20.362 million. This is an increase of \$6.630 million from the 2024/25 year reflecting co-funding from NZTA Waka Kotahi on approved projects in the capital expenditure:
- a) There is an increase of \$4.951 million to \$6.843 million in capital expenditure subsidies from NZTA Waka Kotahi reflecting the capital expenditure programme. These projects include some Shaping Future Dunedin projects (\$5.508 million), Peninsula Connection (\$765k) and minor resilience upgrades (\$570k).
 - b) There is an increase of \$1.679 million to \$13.519 million in renewal subsidies from NZTA Waka Kotahi for operations and pothole prevention.

Internal revenue

- 10 The total internal revenue is nil. This is a decrease of \$262k from 2024/25 reflecting the allocation of Better Off Funding.

Expenditure

Personnel costs

- 11 Personnel costs are \$4.924 million. This is a decrease of \$372k from the 2024/25 year reflecting a decrease in staffing across most activities of the Transport group. 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

- 12 Operations and maintenance expenditure is \$19.212 million. This is an increase of \$1.892 million from the 2024/25 year, which includes an increase of \$500k for sealed pavement maintenance and \$900k for vegetation management.
- 13 Sealed pavement maintenance has increased to address maintenance emerging faults in the road corridor. There is a Ministerial expectation to have potholes addressed within 24 hours which is reported on quarterly. Sealed pavements, as discussed in the Infrastructure Strategy, range between 60-100 years in terms of asset life. 50% of Dunedin's sealed pavements are 60 years or older. Even though capital renewals have increased, there is still a high level of maintenance required as a result of underfunding renewals in the past.
- 14 Vegetation management has been rationalised to fit within budgets. This budget reinstates previous vegetation management regimes to meet Councillor and community expectations. NZTA Waka Kotahi co-funding for vegetation control is only applicable for keeping sightlines clear for safety purposes; mowing wider areas is considered amenity and is 100% DCC funded.

Occupancy costs

- 15 Occupancy costs are \$1.215 million. This is a decrease of \$325k from the 2024/25 year due to a reduction in insurance expense of \$218k, reflecting a change in how insurance costs are allocated, and a change in procedure by NZTA Waka Kotahi, now paying state highway electricity costs directly \$194k. These reductions are partially offset by increases in rates and electricity costs.

Consumables and general

- 16 Consumables and general costs are \$1.567 million. This is a decrease of \$125k from the 2024/25 year. This reflects reductions in consultant use across all areas of Transport.

Depreciation

- 17 Depreciation costs are \$32.153 million. This is an increase of \$1.927 million from the 2024/25 year reflecting the 30 June 2024 revaluation, an allowance for the 30 June 2025 revaluation and the capital expenditure programme. The valuations reflect assets condition and contract rates.

Interest

- 18 Interest costs are \$6.943 million. This is a decrease of \$944k from the 2024/25 year, reflecting a decreased interest rate.

BUDGET TRADE-OFFS

- 19 This budget has been impacted by increasing costs. Work to find savings in the network maintenance budget continues to offset these increases. The trade-offs relate mainly to network aesthetics. Staff will continue to consider delaying or stopping work that is focussed purely on network aesthetics in order to prioritise network safety.
- 20 Vegetation management has been included as per previous discussion.

FEES AND CHARGES – 2025/26

- 21 Fees and charges for activities in the Roding and Footpaths Group have remained the same for 2025/26. The highest revenue generating charges are set on a cost recovery basis. DCC corridor access fees have been kept at 2024/25 levels to encourage compliance with this activity and to avoid reinspection.

OPERATING BUDGETS – YEARS 2-9

- 22 The 2025/26 operating budget has been inflation adjusted for years two to nine. New capital and growth expenditure for Roding and Footpaths totals \$67.387 million over the 9 year period. A 2% allowance of this capital cost has been factored in for additional maintenance. NZTA Waka Kotahi subsidies change over the 9 year period in accordance with the capital expenditure programme.
- 23 The draft budget includes an allowance of \$37.794 million (uninflated), commencing in the 2030/31 year, for remediation of the historical Kettle Park landfill. The timing reflects the requirement for complex detailed design to be completed and coincides with the completion of the Smooth Hill landfill, which is where the contaminated material from Kettle Park will go. The existing protective geo-bag structures at the toe of the dune face will remain in place until then and will be maintained as required.

ZERO CARBON

- 24 This draft operating budget will support DCC and city emissions reduction. Transport accounted for 34% of Dunedin's emissions in 2021/22.
- 25 Addressing emissions from transport is a significant part of the Zero Carbon Plan, with completing cycleway networks and improving pedestrian networks key actions for the DCC. The Transport team is leading several Zero Carbon Plan/DCC Emissions Management and Reduction Plan projects. The draft operating and capital budgets for this group include provision for a small number of projects that will further reduce transport emissions.
- 26 Additional investment options to reduce emissions from the Transport sector are considered in the 'Zero Carbon Investment Options' report (under separate cover). Many would add operational expenditure for this group.

Signatories

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Authoriser:	Scott MacLean - General Manager, Climate and City Growth

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 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"/>	<input type="checkbox"/>
Environment Strategy	<input type="checkbox"/>	<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"/>	<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"/>

Roading and Footpaths 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

Roading and Footpaths activities take into account the Council's approach to sustainability.

Zero carbon

The Roding and Footpaths budget will support emissions reduction for the city and the DCC.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

This report provides draft budgets for Roding and Footpaths 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 Roding and Footpaths.

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.

Roading and Footpaths

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				
23,920 Rates revenue	33,997	35,340	1,343	4%
3,480 External revenue	2,156	1,969	(187)	-9%
36,106 Grants and subsidies revenue	23,617	30,843	7,226	31%
380 Development contributions revenue	721	721	-	0%
2,812 Vested assets	1,450	1,451	1	0%
329 Internal revenue	262	-	(262)	-100%
67,027 Total revenue	62,203	70,324	8,121	13%
Expenditure				
4,453 Personnel costs	5,296	4,924	(372)	-7%
18,960 Operations and maintenance	17,320	19,212	1,892	11%
1,488 Occupancy costs	1,540	1,215	(325)	-21%
1,987 Consumables and general	1,692	1,567	(125)	-7%
11 Grants and subsidies	-	-	-	-
2,096 Internal charges	1,975	2,036	61	3%
30,042 Depreciation and amortisation	30,226	32,153	1,927	6%
5,614 Interest	7,887	6,943	(944)	-12%
64,651 Total expenditure	65,936	68,050	2,114	3%
2,376 Net surplus/(deficit)	(3,733)	2,274	6,007	-161%
Expenditure by Activity				
9,836 Business Support	12,306	11,163	(1,143)	-9%
30,396 Capital Delivery	30,637	32,594	1,957	6%
1,008 Community Road Safety	674	610	(64)	-9%
20,140 Maintenance	18,738	20,549	1,811	10%
812 Network	819	762	(57)	-7%
1,741 Planning	1,941	1,498	(443)	-23%
718 Road Safety	821	874	53	6%
64,651 Total expenditure	65,936	68,050	2,114	3%

Roading and Footpaths
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
Revenue										
23,920 Rates revenue	33,997	35,340	41,503	46,604	56,965	60,340	66,245	75,733	87,187	99,492
3,480 External revenue	2,156	1,969	2,030	2,088	2,147	2,205	2,258	2,314	2,370	2,422
36,106 Grants and subsidies revenue	23,617	30,843	27,505	27,115	27,852	28,574	29,224	29,909	30,571	31,186
380 Development contributions revenue	721	721	721	721	721	721	721	721	721	721
2,812 Vested assets	1,450	1,451	1,451	1,451	1,451	1,451	1,451	1,451	1,451	1,451
329 Internal revenue	262	-	-	-	-	-	-	-	-	-
67,027 Total revenue	62,203	70,324	73,210	77,979	89,136	93,291	99,899	110,128	122,300	135,272
Expenditure										
4,453 Personnel costs	5,296	4,924	5,071	5,207	5,337	5,465	5,590	5,713	5,833	5,955
18,960 Operations and maintenance	17,320	19,212	20,096	20,878	21,588	22,274	25,638	27,613	28,020	28,346
1,488 Occupancy costs	1,540	1,215	1,254	1,291	1,329	1,367	1,402	1,439	1,476	1,510
1,987 Consumables and general	1,692	1,567	1,615	1,662	1,709	1,755	1,797	1,842	1,886	1,927
11 Grants and subsidies	-	-	-	-	-	-	-	-	-	-
2,096 Internal charges	1,975	2,036	2,096	2,154	2,207	2,260	5,408	8,881	9,202	9,533
30,042 Depreciation and amortisation	30,226	32,153	32,869	33,666	34,051	34,772	35,446	36,198	36,918	37,679
5,614 Interest	7,887	6,943	7,553	7,716	7,646	8,906	8,550	8,004	7,269	6,373
64,651 Total expenditure	65,936	68,050	70,554	72,574	73,867	76,799	83,831	89,690	90,604	91,323
2,376 Net surplus/(deficit)	(3,733)	2,274	2,656	5,405	15,269	16,492	16,068	20,438	31,696	43,949
Expenditure by Activity										
9,836 Business Support	12,306	11,163	11,890	12,171	12,212	13,583	13,334	12,897	12,272	11,479
30,396 Capital Delivery	30,637	32,594	33,006	33,604	33,659	34,323	34,927	35,603	36,258	36,832
1,008 Community Road Safety	674	610	629	647	665	682	699	716	732	748
20,140 Maintenance	18,738	20,549	21,473	22,286	23,036	23,763	30,257	35,690	36,401	37,039
812 Network	819	762	1,113	1,355	1,719	1,808	1,912	2,020	2,116	2,340
1,741 Planning	1,941	1,498	1,543	1,586	1,627	1,668	1,707	1,746	1,785	1,823
718 Road Safety	821	874	900	925	949	972	995	1,018	1,040	1,062
64,651 Total expenditure	65,936	68,050	70,554	72,574	73,867	76,799	83,831	89,690	90,604	91,323

Dunedin City Council

Funding Impact Statement
for the Years Ended 30 June 2025 - 2034 for Roading and Footpaths

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										
23,882 General rates, uniform annual general charges, rates penalties	33,957	35,301	41,459	46,557	56,915	60,287	66,189	75,673	87,124	99,425
38 Targeted rates	40	39	44	47	50	53	56	60	63	67
9,682 Subsidies and grants for operating purposes	8,984	9,581	10,021	10,361	10,656	10,948	11,215	11,501	11,781	12,045
3,481 Fees and charges	2,155	1,968	2,030	2,088	2,147	2,205	2,258	2,314	2,370	2,422
328 Internal charges and overheads recovered	262	-	-	-	-	-	-	-	-	-
878 Local authorities fuel tax, fines, infringement fees, and other receipts	900	900	928	955	982	1,008	1,032	1,058	1,083	1,107
38,289 Total operating funding	46,298	47,789	54,482	60,008	70,750	74,501	80,750	90,606	102,421	115,066
Application of operating funding										
26,897 Payments to staff and suppliers	25,850	26,921	28,039	29,034	29,961	30,863	34,428	36,609	37,215	37,735
5,614 Finance costs	7,887	6,944	7,553	7,716	7,646	8,906	8,550	8,004	7,269	6,373
2,096 Internal charges and overheads applied	1,975	2,035	2,095	2,154	2,207	2,260	5,408	8,881	9,202	9,533
- Other operating funding applications	-	-	-	-	-	-	-	-	-	-
34,607 Total application of operating funding	35,712	35,900	37,687	38,904	39,814	42,029	48,386	53,494	53,686	53,641
3,682 Surplus/(deficit) of operating funding	10,586	11,889	16,795	21,104	30,936	32,472	32,364	37,112	48,735	61,425
Sources of capital funding										
25,546 Subsidies and grants for capital expenditure	13,732	20,362	16,557	15,799	16,215	16,618	16,977	17,350	17,706	18,034
380 Development and financial contributions	721	721	721	721	721	721	721	721	721	721
34,267 Increase/(decrease) in debt	15,052	13,894	12,987	118	(3,770)	(5,091)	(9,154)	(12,657)	(16,726)	(22,251)
- Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
- Lump sum contributions	-	-	-	-	-	-	-	-	-	-
- Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
60,193 Total sources of capital funding	29,505	34,977	30,265	16,638	13,166	12,248	8,544	5,414	1,701	(3,496)
Application of capital funding										
Capital expenditure										
2,402 - to meet additional demand	1,217	-	2,476	2,476	2,476	2,476	2,476	2,476	2,476	2,476
22,205 - to improve the level of service	5,987	14,890	8,855	4,825	2,759	1,400	1,400	1,050	4,500	7,900
36,746 - to replace existing assets	32,887	31,976	33,541	39,743	37,984	39,374	39,767	40,641	41,476	42,728
- Increase/(decrease) in reserves	-	-	-	-	-	-	-	-	-	-
2,522 Increase/(decrease) of investments	-	-	2,188	(9,302)	883	1,470	(2,735)	(1,641)	1,984	4,825
63,875 Total application of capital funding	40,091	46,866	47,060	37,742	44,102	44,720	40,908	42,526	50,436	57,929
(3,682) Surplus/(deficit) of capital funding	(10,586)	(11,889)	(16,795)	(21,104)	(30,936)	(32,472)	(32,364)	(37,112)	(48,735)	(61,425)
- Funding balance	-	-	-	-	-	-	-	-	-	-

9 year plan grouping - Transport

	2024/25 fees	2025/26 proposed fees	\$ change	% change
Transport				
Construction Parking Areas - Installation and Reinstatement of Area				
12m length	856.47	856.47	0.00	0%
18m length	989.40	989.40	0.00	0%
6m length	724.81	724.81	0.00	0%
Investigation and administration - fixed fee	79.35	79.35	0.00	0%
Relocation of pay and display machines.	1,186.30	1,186.30	0.00	0%
Construction Parking Areas - Monthly Hire, All "Residential Zones" as defined in the Dunedin City District Plan				
12m length	329.20	329.20	0.00	0%
18m length	494.16	494.16	0.00	0%
6m length	164.86	164.86	0.00	0%
Construction Parking Areas - Monthly Hire, All zones except "Residential Zones" as defined in the Dunedin City District Plan				
12m length	657.86	657.86	0.00	0%
18m length	989.40	989.40	0.00	0%
6m length	329.20	329.20	0.00	0%
Corridor Access Requests (CAR)				
Corridor Access Fee (incorporating the completion and maintenance inspections)	346.39	346.39	0.00	0%
Footpath and shallow transverse crossings (no fee providing an application is submitted)	0.00	0.00	0.00	
Openings less than 0.25m ² (no fee providing an application is submitted)	0.00	0.00	0.00	
Penalty Fee for No/Unapproved CAR	736.05	736.05	0.00	0%
Re-inspection Fee (Non-Conforming works)	146.83	146.83	0.00	0%
Encroachments on road reserve (per annum)				
Consent application fee for non-standard sign and other uses	265.12	265.12	0.00	0%
Fill points for private fuel lines on road reserve (per annum)	66.94	66.94	0.00	0%
Overhead/Underground pedestrian road crossings - Crossings are on a 'lease' basis with payment being on a 'fixed term' basis or subject to a yearly review.				
Residents' Parking				
Refund if you move on during the year	(58.35)	(58.35)	0.00	0%
Replacement Permit	11.77	11.77	0.00	0%
Residents' parking permit (applied 1 January 2022 to 30 June 2022) up to 6 months	118.82	118.82	0.00	0%
Residents' parking permit (applied 1 July 2021 to 30 June 2022) up to 12 months	237.43	237.43	0.00	0%
Residents' parking permit (annually)	237.43	237.43	0.00	0%
Road Stopping Proposal				
The fee to process a road stopping proposal (the applicant must also pay the actual costs involved in the stopping and the value of the land)	1,113.20	1,113.20	0.00	0%