
VIBRANT ECONOMY - DRAFT OPERATING BUDGET 9 YEAR PLAN 2025-34

Department: Corporate Policy

EXECUTIVE SUMMARY

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

BACKGROUND

Vibrant Economy – summary of services

- 4 Vibrant Economy includes activities and services relating to:
- Economic development
 - Destination Management (this includes Destination Marketing and Events)
 - isite Visitors Centre.
- 5 Vibrant economy is the Council's economic development and destination management agency. Its purpose is to work on behalf of city residents to facilitate the city's economic development. Its work centres on building and maintaining positive relationships with multiple audiences and stakeholders through a mix of communication and engagement activities, destination management and marketing. Three core focus areas are attracting, connecting and leading. It also measures and reports on economic outcomes.

Economic development

- 6 This team works in partnership with key stakeholders, including Grow Dunedin partners, businesses, and other agencies to promote the city, attract visitors and new residents, and encourage and support business and investment. It engages with cities in China to enable education, film, research, and business opportunities.

isite Visitors Centre

- 7 The Dunedin isite Visitors Centre enhances the visitor experience by providing advice and bookings for tours, attractions, accommodation, and transport, helping maximum visitor spend and stay. In conjunction with Port Otago, the isite is responsible for the city's delivery of cruise management, supporting cruise operators and stakeholders.

Destination management (Destination Marketing and Events)

- 8 This team works with the local and regional industry and partners to position the region as a travel destination, to enhance the visitor sector and ensure it is sustainable. Destination marketing develops and carries out destination marketing campaigns both domestically and to international markets. The Events team manage civic and some community events partnering with stakeholders to ensure positive outcomes for the city. It supports stadium led major events and local events and provides funding opportunities and professional advice.

OPERATING BUDGETS – 2025/26

- 9 The 2025/26 draft operating budget for Vibrant Economy is \$11.178 million. This is an increase of \$2.260 million from the 2024/25 year. The following sections explain the revenue and expenditure changes from the previous year.

Revenue

Rates

- 10 Rates revenue is \$10.533 million. This is an increase of \$2.238 million from the 2024/25 year, due to an increase in grants expenditure.

External revenue

- 11 Total external revenue is \$630k. This is an increase of \$9k from the 2024/25 year reflecting the following changes:
- a) Masters Games revenue increases \$71k as 2025/26 is an “on” year for this event.
 - b) Economic development revenue relating to the Centre of Digital Excellence reduced \$60k as there is no longer a service level agreement with CODE, under which CODE contributed funding towards the costs of communications and marketing support.

Expenditure***Personnel costs***

- 12 Personnel costs are \$3,268k. This is a decrease of \$49k from the 2024/25 year. An 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 \$2.239 million. This is a decrease of \$239k from the 2024/25 year. The decrease is mainly due to a budget transfer of \$130k to consumables and general for destination marketing advertising in both the Australian and domestic markets.
- 13 Contracted services reduced \$60k as there is no longer a service level agreement with the Centre of Digital Excellence.

Consumables and general

- 14 Consumables and general costs are \$1.136 million. This is an increase of \$191k from the 2024/25 year due to advertising costs of \$130k being transferred from operations and maintenance (see comment above).
- 15 Research costs are increased \$50k to provide economic and statistical data and forecasting information.

Grants and subsidies

- 16 Grants and subsidy costs are \$3.216 million. This is an increase of \$2.324 million from the 2024/25 year due to the following changes:
- a) An additional placeholder budget of \$2 million to support Dunedin Venues Management Limited is included. This is discussed in a separate non-public report on the agenda.
 - b) An increase of \$280k for hosting and activation costs associated with a major event in 2025/26.
 - c) A \$44k grant for Masters Games which is being hosted in 2025/26.

Internal charges

- 17 Internal charge costs are \$1.264 million. This is an increase of \$36k from the 2024/25 year and relates to corporate administration, BIS and property rent charges.

BUDGET TRADEOFFS

- 18 There have been no identified significant budget tradeoffs for the Vibrant Economy activity. Any cost escalations have been managed through finding savings elsewhere within the activity budget, which has not materially changed the operating level of service.

FEES AND CHARGES – 2025/26

- 19 Film permit fees are provided for in this activity. The fees are proposed to increase by around 10% for the 2025/26 year. This fee increase aligns with those film permit fees charged by other Councils.

OPERATING BUDGETS – YEARS 2-9

- 20 The 2025/26 operating budget has been inflation adjusted for years two to nine. Explanations of any further variations are explained below.
- 21 There is an allowance for cyclical events including Masters Games and Matariki.

ZERO CARBON

- 22 This group's operational activities form part of the DCC's emissions footprint, but the draft operating budget is unlikely to materially increase or decrease DCC emissions. City emissions may increase, or stay at the same level, due to activities such as destination marketing.
- 23 However, staff are collaborating to identify and progress opportunities to reduce emissions, as envisioned by the Destination Management Plan and the Zero Carbon Plan. The 'Zero Carbon Investment Options' report (under separate cover) sets out an investment option relating to Agricultural innovation that would add operational expenditure for this group.

Signatories

Author:	Nicola Morand - Manahautū (General Manager Policy and Partnerships)
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	
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"/>	<input type="checkbox"/>
Economic Development Strategy	✓	<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"/>
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"/>	<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"/>

Vibrant Economy 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 Mataawaka will have the opportunity to engage in the 9 year plan consultation process.

Sustainability

Vibrant Economy activities take into account the Council's approach to sustainability.

Zero carbon

The draft operating budget for this group is unlikely to materially increase or decrease DCC emissions. City emissions may increase, or stay at the same level, due to activities such as destination marketing.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

This report provides draft budgets for Vibrant Economy 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 Vibrant Economy.

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.

Vibrant Economy
**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				
8,710 Rates revenue	8,295	10,533	2,238	27%
915 External revenue	621	630	9	1%
478 Grants and subsidies revenue	-	-	-	-
- Development contributions revenue	-	-	-	-
- Vested assets	-	-	-	-
9 Internal revenue	2	15	13	650%
10,112 Total revenue	8,918	11,178	2,260	25%
Expenditure				
3,328 Personnel costs	3,317	3,268	(49)	-1%
3,722 Operations and maintenance	2,478	2,239	(239)	-10%
77 Occupancy costs	25	28	3	12%
1,477 Consumables and general	945	1,136	191	20%
1,076 Grants and subsidies	892	3,216	2,324	261%
1,200 Internal charges	1,228	1,264	36	3%
20 Depreciation and amortisation	33	27	(6)	-18%
- Interest	-	-	-	-
10,900 Total expenditure	8,918	11,178	2,260	25%
(788) Net surplus/(deficit)	-	-	-	-
Expenditure by Activity				
603 City Marketing	878	905	27	3%
1,314 Dunedin i-Site Visitor Centre	1,377	1,345	(32)	-2%
4,258 Economic Development	3,897	5,753	1,856	48%
4,725 Events	2,766	3,175	409	15%
10,900 Total expenditure	8,918	11,178	2,260	25%

Vibrant Economy
Income Statement
for the Years Ended 30 June 2025 - 2034

Actual		Approved Budget 2025	Draft Budget 2026	Draft Budget 2027	Draft Budget 2028	Draft Budget 2029	Draft Budget 2030	Draft Budget 2031	Draft Budget 2032	Draft Budget 2033	Draft Budget 2034
\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenue											
8,710	Rates revenue	8,295	10,533	10,690	11,100	11,271	11,724	11,556	12,028	12,503	12,306
915	External revenue	621	630	576	740	607	776	637	811	665	845
478	Grants and subsidies revenue	-	-	-	-	-	-	-	-	-	-
-	- Development contributions revenue	-	-	-	-	-	-	-	-	-	-
-	- Vested assets	-	-	-	-	-	-	-	-	-	-
9	Internal revenue	2	15	15	16	16	17	17	17	18	18
10,112	Total revenue	8,918	11,178	11,281	11,856	11,894	12,517	12,210	12,856	13,186	13,169
Expenditure											
3,328	Personnel costs	3,317	3,268	3,383	3,558	3,560	3,733	3,729	3,902	3,891	4,068
3,722	Operations and maintenance	2,478	2,239	2,439	2,368	2,627	2,892	2,543	2,812	3,087	2,709
77	Occupancy costs	25	28	32	29	33	37	31	36	40	34
1,477	Consumables and general	945	1,136	1,150	1,195	1,213	1,261	1,267	1,314	1,329	1,367
1,076	Grants and subsidies	892	3,216	2,950	3,347	3,069	3,176	3,190	3,308	3,325	3,448
1,200	Internal charges	1,228	1,264	1,302	1,337	1,371	1,404	1,436	1,467	1,498	1,530
20	Depreciation and amortisation	33	27	25	22	21	14	14	17	16	13
-	- Interest	-	-	-	-	-	-	-	-	-	-
10,900	Total expenditure	8,918	11,178	11,281	11,856	11,894	12,517	12,210	12,856	13,186	13,169
(788)	Net surplus/(deficit)	-	-	-	-	-	-	-	-	-	-
Expenditure by Activity											
603	City Marketing	878	905	933	958	984	1,008	1,031	1,057	1,079	1,101
1,314	Dunedin i-Site Visitor Centre	1,377	1,345	1,385	1,422	1,457	1,491	1,525	1,558	1,591	1,625
4,258	Economic Development	3,897	5,753	5,903	6,042	6,180	6,316	6,454	6,593	6,731	6,874
4,725	Events	2,766	3,175	3,060	3,434	3,273	3,702	3,200	3,648	3,785	3,569
10,900	Total expenditure	8,918	11,178	11,281	11,856	11,894	12,517	12,210	12,856	13,186	13,169

Dunedin City Council

Funding Impact Statement
for the Years Ended 30 June 2025 - 2034 for Vibrant Economy

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										
8,210 General rates, uniform annual general charges, rates penalties	7,795	10,533	10,690	11,100	11,271	11,724	11,556	12,028	12,503	12,306
500 Targeted rates	500	-	-	-	-	-	-	-	-	-
274 Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
915 Fees and charges	621	630	576	740	607	776	637	811	665	845
9 Internal charges and overheads recovered	2	15	15	16	16	17	17	17	18	18
- Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
9,908 Total operating funding	8,918	11,178	11,281	11,856	11,894	12,517	12,210	12,856	13,186	13,169
Application of operating funding										
9,679 Payments to staff and suppliers	7,658	9,887	9,953	10,497	10,502	11,099	10,761	11,372	11,673	11,625
- Finance costs	-	-	-	-	-	-	-	-	-	-
1,200 Internal charges and overheads applied	1,228	1,264	1,302	1,337	1,371	1,404	1,436	1,467	1,498	1,530
- Other operating funding applications	-	-	-	-	-	-	-	-	-	-
10,879 Total application of operating funding	8,886	11,151	11,255	11,834	11,873	12,503	12,197	12,839	13,171	13,155
(971) Surplus/(deficit) of operating funding	32	27	26	22	21	14	13	17	15	14
203 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	-	-	-	-	-	-	-	-	-	-
203 Total sources of capital funding	-	-	-	-	-	-	-	-	-	-
Application of capital funding										
Capital expenditure	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	16	-	-	17	-	-	18
485 - to replace existing assets	60	-	-	-	-	-	-	-	-	120
- Increase/(decrease) in reserves	-	-	-	-	-	-	-	-	-	-
(1,253) Increase/(decrease) of investments	(28)	27	26	6	21	14	(4)	17	15	(124)
(768) Total application of capital funding	32	27	26	22	21	14	13	17	15	14
971 Surplus/(deficit) of capital funding	(32)	(27)	(26)	(22)	(21)	(14)	(13)	(17)	(15)	(14)
- Funding balance	-	-	-	-	-	-	-	-	-	-

9 year plan grouping - Vibrant Economy

	2024/25 fees	2025/26 proposed fees	\$ change	% change
Economic Development				
Film Permit Fee				
Fee for a permit to conduct commercial film activity in public places (per day)	575.00	632.50	57.50	10.0%
Fee for a permit to conduct commercial film activity in public places (per half day)	287.50	315.00	27.50	9.6%