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SECTION 1:

Organisation and Financial Management Report



Introduction from Mayor



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Dave Cull, Mayor of Dunedin

Thank you for your interest in the Dunedin City Council's Annual Report for 2016/17, which provides an opportunity to reflect on the achievements and challenges of the past 12 months.

The local body elections in October 2016 brought six new Councillors onto Council, creating a great mix of talent, experience and diversity. The new Council has settled in very quickly to continue Dunedin on its path of becoming one of the world's great small cities.

And there are many signs of confidence and economic development across the city indicating we are on the right track.

The 2016 Quality of Life survey results confirmed Dunedin residents believe their city is a great place to live. The survey found 88% of Dunedin residents rated their overall quality of life as 'extremely good' or 'good', compared to 81% across six other New Zealand cities, including Christchurch, Wellington, Hamilton and Auckland. This is the first time Dunedin has topped this measure since the survey began in 2003.

Local building consent data suggests Dunedin is experiencing a building boom with many major construction projects underway. In 2016, the Council processed a total of 2717 building consents – 18% more than in 2015 and the highest number in the past six years. The value of these consents totalled \$402.5 million – more than twice the average value of the past five years. Construction on this scale generates jobs and work for contractors and suppliers. The fact that some of this growth is new housing shows people are moving to the city.

Indeed, latest statistics show our population grew by about 1027 people in the year to June 2017, employment grew 1% in the year to March 2016, and GDP grew 2.4% in the year to June 2017.

Our city's increased outward-looking focus and ever-strengthening international relationships are also bringing substantial economic, as well as cultural, benefits.

In May, I signed a Friendship City agreement with the southern Chinese city of Qingyuan. This agreement builds on existing cooperation between Dunedin and Qingyuan in the areas of education, tourism and business.

In China, I also opened the Anything Could Happen exhibition at the prestigious Yu Gallery in Shanghai. The exhibition featured art and fashion inspired by Dunedin. Yu Gallery is part of the Yu Gardens which are more than 400 years old and attract six million people each year.

The good news continued in May, with the Tourism Industry Association's announcement that it had selected Dunedin to host TRENZ 2018 – New Zealand's biggest annual international tourism showcase. Being selected as the host city highlights Dunedin's ability to successfully deliver large business events and solidifies our position as one of the country's top business events destinations.

Our status as a UNESCO City of Literature also continues to emphasise our creative strengths to the world, including at the iconic Bologna Children's Book Fair in April. Dunedin won a complimentary stand at the Fair, which generated significant interest in both our city's designation and our wealth of wonderful children's authors and illustrators.

As is noted in the Chief Executive's introduction, good progress was also made during the year on improvements to DCC infrastructure.

Of course, 2016/17 was not without its challenges.

In March, Mondelēz International confirmed it will be ending its Dunedin Cadbury factory operations in early 2018, resulting in over 300 job losses. This was devastating news for the workers affected and will be detrimental for the city's economy and the Dunedin community. I am proud, however, of the city's response in pulling together to support those in their time of need.

Along with the Otago Regional Council, we also continued to monitor and prepare for another major challenge now and into the future – climate change and sea level rise. We are gathering enough information to understand what changes are underway, so that we are well prepared to take action if sea level rise causes the groundwater in South Dunedin to rise in the coming decades.

Overall, another solid year of progress as the Council continues to successfully balance reducing debt and keeping rates increases to a modest level, while still making strategic investments that enhance and improve the city.

Introduction from the Chief Executive Officer





Sue Bidrose, Chief Executive

We are pleased to present the 2016/17 Annual Report. It shows that the Council continues to reduce debt while maintaining core services and investing in initiatives to support a vibrant, attractive city. This all contributes to our vision, that Dunedin is one of the world's great small cities.

The Council continued its commitment to keep rates affordable for our ratepayers, ensuring the rates increase for the year would be no more than 3%. The final Annual Plan budgets for 2016/17 resulted in an overall rates increase of 2.97%.

During the year, there were delays to several major projects including the Peninsula road widening, LED street lighting and the Ross Creek reservoir refurbishment while scoping and design work was completed. These delays have contributed to Council debt being around \$17 million less than budget. However, at \$202m, debt is still significantly lower than the \$248m forecast in the 2015 Long Term Plan and well under the target of \$230m by 2021. The projects mentioned above are now either underway or scheduled to start in 2017/18.

Lower than expected debt servicing costs and savings from the previous year allowed us to fund some additional work in the 2016/17 Annual Plan without needing extra rates funding. This included work on initiatives like GigCity, City of Literature and implementing parts of the environment strategy. We accelerated work on planning how we will respond to challenges of more extreme rainfall events and high ground water in some areas, as sea levels rise. We also investigated coastal erosion protection options, particularly for Ocean Beach, including the St Clair seawall.

Maintaining quality infrastructure continues to be important core work as our city is of an age that requires renewals and upgrades. One milestone event was completing the upgrade of the Outram water plant in October 2016. This was the last piece of work in a 21 year programme of upgrades costing more than \$100 million.

The stormwater network is now better placed to deal with high stormwater flows after the cleaning of the entire mud tank network was completed and a new pumping station screen was installed at the Portobello Road pumping station.

You may notice more creativity in infrastructure soon, as the Council has adopted a policy to consider embedding art and creativity when planning infrastructure projects.

We have been planning improvements to the safety and accessibility of our transport network, both with the Portobello/Harington Point Road improvements and, alongside the New Zealand Transport Agency, with a separated cycleway along the State Highway 1 one-way systems through the city.

Looking ahead, we will continue to look for the balance between renewing and maintaining our infrastructure for current and future needs while also ensuring Dunedin has what it takes to be one of the world's great small cities.

There have been good gains last year towards achieving our vision and strategic priorities and whether you live, work or study in Dunedin you have played your part. Thank you.

Members of Council

Dave Cull (Mayor)

Office: 03 474 3855 Home: 03 476 1050 Mobile: 027 434 6917

Chris Staynes (Deputy Mayor)

Home: 03 453 6855 Mobile: 021 523 682

David Benson-Pope

Home: 03 454 4136

Rachel Elder

Mobile: 022 397 4604

Christine Garey

Mobile: 0274 478 876

Doug Hall

Mobile: 027 432 0023

Aaron Hawkins

Mobile: 022 100 6634

Marie Laufiso

Mobile: 021 532 396

Mike Lord

Home: 03 486 2730 Mobile: 027 438 2097

Damian Newell

Mobile: 021 397 976

Jim O'Malley

Mobile: 021 525 547

Conrad Stedman

Office: 03 477 6838 Mobile: 021 311 551

Lee Vandervis

Home: 03 467 5272 Mobile: 021 612 340

Andrew Whiley

Home: 03 454 2262 Mobile 027 465 3222

Kate Wilson

Home: 03 464 3797 Mobile: 027 443 8134

Community Board Members

West Harbour	Mosgiel/Taieri	Otago Peninsula	Saddle Hill	Strath Taieri	Waikouaiti Coast
Steve Walker (Chair) M: 027 850 5603	Sarah Nitis (Chair) H: 484 7632 M: 027 5433 903	Paul Pope (Chair) H: 03 478 0630 M: 027 466 8446	Scott Weatherall (Chair) H: 481 1766 M: 027 440 4700	Barry Williams (Chair) H: 464 3718 M: 027 486 6433	Alasdair Morrison (Chair) H: 482 2505 M: 027 435 4384
Trevor Johnson (Deputy Chair) H: 03 471 0632 M: 027 284 8611	Joy Davis (Deputy Chair) H: 03 489 0611 M: 027 476 6047	Hoani Langsbury (Deputy Chair) H: 478 0906 W:478 0352 M: 027 430 6025	Leanne Stenhouse (Deputy Chair) H: 481 1400 M: 021 117 5195	Joan Wilson H: 464 3473 M: 027 454 3620	Geraldine Tait H: 482 2517 M: 021 217 5492
Ange McErlane H: 472 7873 M: 0274 380 601	Martin Dillon H: 489 5277 M: 027 433 7800	Lox Kellas H: 478 0209 M: 021 191 5103	Christina McBratney M: 021 269 6170	Bevan Dowling H: 03 444 4745	Mark Brown H: 482 2833 W: 482 2011
Jan Tucker H: 03 472 7463 M: 027 140 8890	Philippa Bain H: 03 489 7636 M: 027 545 3193	Christine Neill H: 478 0878 M: 027 223 4824	Keith McFadyen H: 481 1333 M: 027 444 8913	David (Jock) Frew H: 03 464 3876 M: 027 820 1923	Richard Russell H: 465 7663 M: 021 444 421
Ryan Jones M: 022 432 1346	Maurice Prendergast H: 489 8612 M: 027 434 5545	Graham McArthur H: 03 478 1214	Paul Weir M: 021 039 4260	Jacinta Stevenson M: 027 322 1152	Rose Stringer- Wright H: 03 465 8447 M: 021 0274 5922
Francisca Griffin H: 03 482 8483 M: 027 483 4707	Dean McAlwee H: 03 486 2001 M: 027 272 6132	Edna Stevenson M: 027 478 0543	Peter Gouverneur H: 03 488 2398 M: 027 683 8853	Norma Emerson M: 021 064 9355	Mandy Mayhem- Bullock H: 03 425 0445 M: 021 919 555
Cr Aaron Hawkins M: 022 100 6634	Cr Mike Lord M: 027 438 2097	Cr Andrew Whiley M: 027 465 3222	Cr Conrad Stedman M: 021 311 551	Cr Christine Garey M: 027 447 8876	Cr Jim O'Malley M: 021 525 547

Overview of Financial Results for the Year Ending 30 June 2017

Council Financial Statistics

	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
Rates	134,186	130,315	125,394	121,828	116,899	111,938
Dunedin City Holdings Limited	5,902	5,902	10,450	10,450	10,450	17,950
Crown subsidies and grants	17,572	15,536	20,971	15,744	15,071	20,026
Vested assets	10,006	8,968	543	2,225	912	3,285
Other revenue including unrealised	,	,,,	0.0	, 0		σ, σ
gains and capital receipts	70,567	67,213	69,290	65,906	65,831	89,809
Total revenue	238,233	227,934	226,648	216,153	209,163	243,008
Staff expense	53,536	49,728	48,300	46,347	45,623	45,907
Operational expense	109,123	97,327	102,956	94,399	94,231	91,321
Fair value losses	88	1,092	7,951	591	694	2,042
Interest expense	13,705	16,074	15,283	16,205	10,605	18,950
Depreciation expense	61,327	56,447	53,248	52,157	49,717	51,733
Total expenditure	237,779	220,668	227,738	209,699	200,870	209,953
Operating surplus/(deficit) before taxation	454	7,266	(1,090)	6,454	8,293	33,055
Cash flow position						
Cash flows from operating activities	47,635	50,890	63,912	53,515	57,961	72,233
Cash flows from investing activities including capital	(31,820)	(31,126)	(78,462)	(44,986)	(79,303)	40,544
Cash flows from financing activities including debt raising	(14,023)	(22,515)	18,906	(8,486)	9,233	(106,975)
Interest						
Interest expense	13,705	16,074	15,283	16,205	10,605	18,950
Capitalised interest	-	-	-	5,310	4,162	10,569
Total interest	13,705	16,074	15,283	21,515	14,767	29,519
Financial position						
Total assets	3,185,464	3,007,089	3,006,131	3,081,279	3,096,759	3,048,941
Term loans	202,419	216,073	238,589	219,683	224,870	215,558
Council funds	2,933,438	2,737,212	2,709,755	2,811,509	2,809,293	2,763,575
Rates as a percentage of total revenue	56.33%	57.17%	55.33%	56.36%	55.89%	46.06%
Interest as % of operating revenue	5.75%	7.05%	6.74%	9.95%	7.06%	12.15%
Interest as % of rates	10.21%	12.33%	12.19%	17.66%	12.63%	26.37%
Number of time that operating cash flow pays the interest expense	3.5	3.2	4.2	2.5	3.9	2.4
Number of time rates pays the interest						
expense	9.8	8.1	8.2	5.7	7.9	3.8
Net debt as % of total revenue	85%	95%	105%	102%	108%	89%
Net debt as % of rates	151%	166%	190%	180%	192%	193%

Notes

1. The 2017 results reflect the increasing costs of delivering core services, and increasing depreciation costs associated with the revaluation of infrastructure assets.

- 2. The 2016 results reflect the non-cash vesting of roading and water and waste assets from developments completed in the current financial year.
- 3. The 2015 results reflect the non-cash writedown of investments including commercial rental properties and shares held in Dunedin Venues Management Limited.
- 4. The 2014 results reflect an increase in interest expense where that interest had been previously capitalised to a development project.
- 5. The 2013 results reflect the completion of major projects such as the Tahuna wastewater treatment plant upgrade and the slowdown of the level of external capital funding.
- 6. The 2012 results were affected by the sale of the Forsyth Barr Stadium to a Council Controlled Organisation. The sale facilitated the repayment of associated debt by the Council.

Overview of Financial Results

The Council operating result for 2017 was characterised by increased expenditure to deliver core services, higher depreciation charges resulting from the revaluation of infrastructure assets, and lower grants revenue reflecting delayed capital expenditure projects.

These variances were partially offset by the non-cash vesting of roading and water and waste assets, and lower interest costs due to a lower level of borrowing.

Capital expenditure for the year was lower than expected reflecting delays in a number of key projects including the Peninsula widening work.

The term loan balance as at 30 June 2017 was \$202.419 million or \$16.956 million less than budget. This difference was driven by higher than expected repayments during the year resulting from lower than expected cash outlay for capital expenditure.

Outlook

The Council's current financial strategy provides guidance as we seek to balance the competing tensions of affordability, maintaining assets and investing for the future.

This balance process involves evaluating the impact on affordability of a range of expenditure needs and obligations including: the need to maintain, replace and renew core infrastructure; the obligation under law to build new infrastructure of a higher standard; and the desire to respond to community aspirations for new and improved community infrastructure.

Key points from the strategy include: an operating surplus greater than zero over a moving three year period; operating cashflow at 100% of depreciation; working capital ratio of greater than 1; core Council debt below \$230 million by 2021; and annual rate increases to be limited to 3% unless there are exceptional circumstances.

There will be a number of challenges as Council embarks on development on its next long term plan 2018/19 - 2028/29.

These include ensuring affordable rate increases, while delivering existing levels of service in an environment of increasing costs; delivery on the aspirations set out in the Council's key strategies; and investment for the future in new and/or enhanced facilities and infrastructure.

Consolidated Financial Statistics

	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
Financial Position						
Consolidated total assets	3,913,515	3,683,375	3,640,829	3,747,437	3,750,195	3,697,182
Consolidated term loans	573,029	580,515	593,574	610,445	622,843	616,382
Consolidated Council funds	3,135,143	2,906,991	2,861,651	2,957,449	2,946,276	2,885,684
Consolidated term loans as % of consolidated total assets	15%	16%	16%	16%	17%	17%

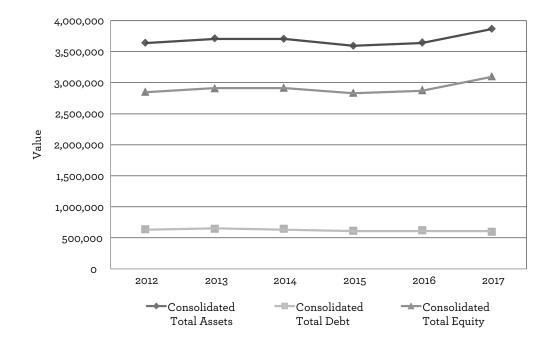
Issuer Credit Rating

The achievement of a good credit rating is an important factor in obtaining finance at a competitive interest rate and in times of financial turmoil it is an advantage in obtaining funding. The Council as a Group is assessed by the Rating Agency Standard and Poor's. Below is the rating history for the Council Group which covers the period of financial turmoil. The Council website has available the latest full rating report from Standard and Poor's.

Standard & Poor's credit rating

Issuer Credit Rating as of:	15/12/16	16/12/15	8/12/14	10/12/13	28/11/12	15/12/10
Rating:	AA/Stable/A-1+	AA/Stable/A-1+	AA/Stable/A-1+	AA/Stable/A-1+	AA/Neg/A-1+	AA/Stable/A-1+

The most recent and full Standard & Poor's rating Report is available on the Dunedin City Website .



Overview of Community Outcomes

The community outcomes outline the sort of city residents want to live, study and work in, now and in the future. The outcomes drive the Dunedin City Council's planning and priorities.

The community outcomes outlined in this report were developed in consultation with residents in a process started about a decade ago. In 2010, work began to refresh the city's vision and review the community outcomes, under a programme called 'Your City Our Future'. Revised community outcomes were reported against for the first time in the 2012/13 Annual Report.

This work also informed the development of an overarching strategic framework for Dunedin (see diagram below) which guides the Council's decision-making. The Council's goal is to deliver on the community outcomes while maintaining core service levels expected by the community and meeting legislative requirements. The Council is one of the many organisations within the city who work towards delivering on the strategic objectives set out in the framework.

Dunedin's Strategic Framework:



While work is currently underway for the community outcomes in the next Long Term Plan (LTP) 2018/19-2027/28 to be the strategic objectives, this Annual Report is based on the outcomes adopted in 2015/16. The Local Government Act 2002 requires councils to report in their annual reports on the progress made towards achieving community outcomes. Detailed results for outcome indicators measured in the 2016/17 year can be found in the appendix to this document.

Highlights of the projects and activities undertaken in the 2016/17 financial year in each of the outcome areas are set out below.

A thriving and diverse economy

Dunedin has an ambitious, prosperous, diverse and resilient economy that builds on its strengths.

- Work continues with key stakeholders to market the city as a centre of academic and research excellence and to secure international conferences.
- For the first time in TRENZ's (New Zealand's premier international travel trade and media event) 60-year history, the Council has successfully negotiated the hosting of TRENZ 2018. TRENZ will contribute an estimated \$10 million in direct and indirect value for the city. Also, in partnership with the University of Otago, the Council was successful in seven international conferences bids for the city at an estimated value of \$6.2 million.
- New friendship city agreements
 with Chinese cities, Qingdao and
 Qingyuan, have helped facilitate
 growth for Dunedin in study tourism
 during 2016/2017. Project China's
 contribution to the Shanghai
 Science and Technology Centre
 (SSTC) agreement resulted in a
 financial contribution gifted to the
 New Zealand Non-Communicable
 Disease (NCD) Research Centre at the
 University of Otago.
- In November 2016, the ICT graduate school (Signal) was launched in Dunedin. This school was developed in conjunction with wider South Island university consortia and intends to deliver graduates who are ready for work and supporting industries to develop more easily.

A connected community

Dunedin's communities are connected by safe, effective transportation and communications, linked locally, nationally and internationally.

- Nationally and internationally, marketing campaigns during spring 2016 and autumn and winter 2017 targeted the Auckland, Wellington and Brisbane visitor markets aiming to increase awareness of and engagement in Dunedin.
- Air New Zealand increased jet services from Auckland and Wellington by more than 100,000 seats. Joint venture marketing campaigns contributed to maintaining passenger numbers on these new and existing services. The estimated value of the tourism sector has increased 6% for the year ended June 2017. This is equal to the national average growth and is worth an estimated \$707 million to Dunedin.
- Work is well underway for road safety improvements along Portobello and Harington Point Roads on the peninsula, as well as for connecting central city cycleways between the city and the harbour.
- Dunedin continues to lead the country with broadband speeds more than three times that of the next fastest centre. The free GigCity Wi-Fi hotspot rollout continued to be developed in 11 city locations. The GigCity Living Hub opened in December 2016 showcasing gigabit technologies and allowing the community and visitors to the city to experience the technology first hand. Gig City and Chorus provided \$165,000 to community organisations and \$100,000 was given to 11 local Dunedin start-ups.

A safe and healthy city

Dunedin is a clean, green, crime-free city where people feel safe and enjoy a healthy lifestyle.

- Maintaining quality infrastructure continues to be important core work as the city is of an age that requires renewals and upgrades. One milestone event was completing the upgrade of the Outram water plant in October 2016. This was the last piece of work in a 21-year programme of upgrades costing more than \$100 million.
- The stormwater network is also better placed to deal with high stormwater flows after the cleaning of the entire mud tank network was completed and a new pumping station screen was installed at the Portobello Road pumping station. The water Dunedin is now drinking is among the best in the country.
- A new central city recycling programme provides a better service for cardboard collection. It establishes back of house collection services and safe kerbside collection points. A recycling drop-off facility was also established in Moray Place. This is the first of two facilities with another planned in Vogel Street in the 2017/18 year.
- To adapt to climate change, and following the June 2015 flood, the Council has introduced new minimum floor levels mainly for residential buildings, including new homes, house extensions and rest homes, across low lying parts of the city including South Dunedin, the Taieri Plain, Brighton, Tomahawk and parts of Kaikorai Valley.

A distinctive built environment

Dunedin is a compact city with a vibrant centre for people to work, live and play; complemented by thriving suburban and rural centres.

- Hundreds of people had their say during hearings for Dunedin's new District Plan. The District Plan controls what people can do on their land and how it can be developed. Its main goal is to sustainably manage the city's natural and physical resources to meet the needs of current and future generations. The review, which began in 2012, produced a Proposed Second Generation Dunedin City District Plan - the 2GP. Hearings began at the start of the 2016/17 year. There have been 25 hearings, around 1500 submissions and more than 900 people have spoken to their submission. It is expected that decisions will be released by the end of 2017, with the 2GP coming into effect in a staged way.
- Nearly \$500,000 worth of work to the city's heritage buildings was funded in 2016-17 through the Dunedin Heritage Fund, the Central City Heritage Reuse Grant Scheme and the contestable fund for rates relief. The largest grant of \$100,000 from the Dunedin Heritage Fund assisted with financing a replacement roof on the Category I Listed former St Dominic's Priory. Work has now begun to make the building watertight and weatherproof after it spent over a decade vacant.
- In the Warehouse Precinct, work on the Jetty Street pedestrianisation started with construction due to be complete by October 2017. With more people moving into the area to live and work, the design will provide an attractive spot for people to relax in the heart of the Warehouse Precinct. Design themes are in keeping with the area's history as a jetty and many of the materials for the site are recycled.

A valued and protected natural environment

Dunedin is recognised as a place with outstanding natural environments and significant biodiversity. Our distinctive rural and coastal landscapes are sustainably managed and protected.

Delivery on the strategic objectives of Te Ao Turoa, Dunedin's Environment Strategy, began in 2016/17. Key initiatives included:

- Working together to manage pests: The Council signed a Memorandum of Understanding with Predator Free Dunedin along with 18 other city partners. This initiative aims to develop and take action against predators at a landscape scale. The Council committed \$25,000 as a partner to support this work. Other pest management work includes: new guidelines for pest and ecological contracts on the Council's parks and reserves in place from 1 July 2017; approval of an OSPRI's 1080 pest control operation on Council land in the Silverstream catchment area (while this operation targets possums, it is also expected to reduce the number of rats and other predators and will benefit native bird species and biodiversity in the area); the continued Sycamore Removal Trial along a section of the West Harbour Cycleway; and non-toxic herbicides for weed control being trialled at Marlow Park playground in St Kilda, with another trial planned at the proposed 'pocket park' in the old Carisbrook Stadium site later this year.
- Following a central government initiative to reduce risks to people, livestock and wildlife, free desexing for menacing dog breeds and dogs classified as high-risk was offered to dog owners until 30 June 2017. Funding for this initiative was provided by the Department of Internal Affairs and has been extended for the next financial year.

A supportive community

Dunedin's citizens feel included and connected with their wider community and enjoy a good quality of life.

- To support the South Dunedin community work is underway to set up a temporary hub in Hillside Road. This will include space for community activities, meeting areas as well as library activities. It will provide access to Gig wifi and be used as a Council service centre. The community will be invited to have their say on what they would like to see in a permanent hub.
- Task Force Green and the Community Volunteer Scheme once again supported a number of individuals to find employment. These schemes also do invaluable work in the community. Projects that have benefited from their work during the year include: predator trapping at Okia Reserve for penguin protection with the Yellow Eyed Penguin Trust; installing adult exercise equipment along the West Harbour recreation trail for Dunedin Rotary; graffiti removal with Keep Dunedin Beautiful; and working with peninsula protection group, STOP, on gorse and noxious weed removal on the peninsula.
- Support continues for the network which co-ordinates work on resettling refugees in the city. The Dunedin Refugee Steering Group was formed during the year to oversee this work.

A vibrant and creative city

Dunedin is a city known for its diverse and engaging arts and culture.

The highlights involved continued delivery on Ara Toi Otepoti – Our Creative Future (Dunedin's Arts and Culture Strategy) which included:

- The development of a new public art framework for community engagement.
- The adoption of an art and creativity in infrastructure policy aimed at embedding a creative perspective into city infrastructure projects.
- The Urban Dream Brokerage franchise supported 11 projects to reduce vacant space in Dunedin's CBD and shifted the use of these spaces towards innovative public interaction.
- A China Film Festival was held in March that provided significant exposure to film-related businesses in the city including Natural History New Zealand (NHNZ), Animation Research Limited (ARL) and Chinese film companies.
- The Council facilitated "Anything Could Happen", an exhibition at the Yu Gardens (Huangpu District), Shanghai with 74 pieces by 33 Dunedin artists and designers. It attracted over 40,000 visitors.

A city of learning

Dunedin is a leading city of education, and its community engages in lifelong learning.

- The Study Dunedin programme continued to support the international student market. Work included promoting the city in Bangkok, Hong Kong and Southern China with representatives from the University of Otago and the Polytechnic. Prearrival guides and web information were created to promote the city to prospective students and families. These are expected to be launched in the first quarter of the 2017/18 year. The work ready programme continued to be developed and highlighted as an exemplar by Education New Zealand. Over 124 company representatives engage with the programme which also includes 22 nationalities. Study Dunedin also hosted international education agents from South America, Japan and China in addition to international education journalists.
- Opportunities continue with the Dunedin UNESCO City of Literature status. The Dunedin UNESCO City of Literature competed against 116 other Creative Cities and won a stand at the iconic Bologna Children's Book Fair in April. The launch of a City of Literature doctoral scholarship was also announced by the University of Otago and the Council in January.

An active city

Dunedin's people lead active healthy and enjoyable lifestyles.

- There are more opportunities now for volunteers who want to be active as well as help conserve the trails in and around Dunedin. The Trail Crew programme, aimed at enhancing and maintaining trails whilst also providing volunteer experiences for people looking to explore new places, learn new skills, meet people and give something back, was launched in May 2017 by the Council and the Department of Conservation.
- The draft Parks and Recreation
 Strategy was consulted on during the year, feedback analysed and revised draft prepared for adoption. More than 100 submissions from members of the public and stakeholder organisations were received.
- There was also public consultation on the management of our reserves and beaches which has resulted in the Beaches and Reserves bylaw. This regulates activities on beaches and reserves.

A sustainable and resilient city

Dunedin is a resilient city with communities prepared for the impacts of climate change and extreme natural events, and reduced reliance on non-renewable resources.

- The Council is working to deliver on its commitment to the international Compact of Mayors. The Compact of Mayors was launched in 2014 to support local government in setting ambitious climate reduction goals, taking ambitious action to meet those objectives and measuring their progress publicly and transparently. As a Compact of Mayors signatory, the Council has now measured and reported on a citywide greenhouse gas inventory for Dunedin, and identified risks and vulnerabilities arising from climate change. The Council has also begun consulting on potential city-wide carbon reduction targets for Dunedin.
- As part of the Energy Plan 1.0, the Dark Skies Advisory Panel provided recommendations towards making Dunedin a 'night sky city' including the transition of the city's streetlights to LED.
- Another early action of the Energy
 Plan has been progressed and is
 exploiting the potential for use of
 electric vehicles (EV) in the city in
 partnership with other institutions.
 The Council has resolved to include
 20 EVs in the Council fleet within five
 years, and supported the installation
 of a new public EV charging station.

- The Council also provided financial support to the Cosy Homes Trust for their work to improve home insulation and heating outcomes for the city, and has also supported a Waitati-based smart grid marketplace trial.
- Work to explore the feasibility of using thermal energy from the city's wastewater pipes to heat larger commercial or government buildings has been completed, and opportunities to realise these will be discussed with key city stakeholders as part of the Energy Leaders Accord early in the 2017/18 year.

Update on Māori Participation Working Party

Background

A Memorandum of Understanding between the City Council, Kāti Huirapa Rūnaka ki Puketeraki and Te Rūnanga o Ōtākou was signed on 11 December 2006. The Memorandum provides the framework within which the Dunedin City Council and Manawhenua propose to give effect to the legislative requirements to consult with iwi and provide opportunities for Māori to contribute to local government decisionmaking processes.

Since the signing of the agreement, a number of hui have been convened on particular issues from economic, social/cultural and environmental. Initiatives which have been implemented as a result of the hui include: compiling a database of Māori land within Dunedin City; employing a coordinator to coordinate and develop Matariki/Puaka as an indigenous celebration unique to Dunedin; and tree planting initiatives to encourage native birds.

The Memorandum of Understanding was reviewed in December 2009, with all parties agreeing to continue focussing on the implementation of the agreement.

In addition, Otago local authorities and Manawhenua have developed an enhanced Otago consultation model called Te Roopu Taiao (Te Roopu). This includes representatives from councils in the Otago region, and all Papatipu Rūnanga. The objectives of Te Roopu are to:

 Create an Otago Takiwa-wide collective forum between Kāi Tahu ki Otago and the local authorities of Otago to facilitate better mutual understanding; improve the efficiency of Iwi engagement and resourcing for council-oriented business; and foster and grow Iwi capacity in local government activities, processes and governance.

- Develop a combined work
 programme that will help establish
 stable resourcing levels and
 avoid duplication of effort for Iwi
 participation with local authorities;
 establish priorities of work demand;
 and move work demands into a
 medium term perspective in which
 future needs can be planned.
- Assist fulfilling local authority obligations to Iwi under all relevant statutes.

2016/17 Update

The Council continues to convene the Māori Participation Working Party in order to consult with Iwi and provide opportunities for Māori to contribute to local government decision-making processes. The memorandum of understanding which underlies the Māori Participation Working Party was in the process of review during 2016/17.

The Council continues to work with and seek advice from Te Roopu, the Otago-wide consultation model between Otago local authorities and the Papatipu Rūnanga of the Kāi Tahu Otago Takiwa. As part of this process a review of the Resource Consent Protocol was completed by the Council and Kai Tahu ki Otago in July 2014. The aim of the protocol is to facilitate effective consultation and liaison in relation to resource consent matters.

As part of the review of report templates, all DCC staff reports to Council and Committee meetings from April 2015 have provided a Māori impact statement. All reports outline any opportunities Māori have had to contribute to decision making and include if relevant, reference to the Treaty of Waitangi, manawhenua, cultural implications (tikaka), and social and environmental implications.

Consultation

As a result of the Council's Significance and Engagement Policy adopted in 2014, the Council believes it has complied with the consultation requirements identified in the Local Government Act 2002, Resource Management Act 1991, Reserves Act 1977, Land Transport Management Act 2003, and Ngai Tahu Claims Settlement Act 1998.

Statement of Compliance and Responsibility

Compliance

The Council and Management of the Dunedin City Council confirm that all statutory requirements of Schedule 10 Part 3 of the Local Government Act 2002 regarding financial management and borrowing have been complied with.

Responsibility

The Council and Management of the Dunedin City Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

The Council and Management of the Dunedin City Council accept responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and Management of the Dunedin City Council, the annual Financial Statements 30 June 2017 fairly reflect the financial position and operations of the Dunedin City Council.

Dave Cull, Mayor of Dunedin

Sue Bidrose, Chief Executive



Independent Auditor's Report

To the readers of Dunedin City Council and group's annual report for the year ended 30 June 2017

The Auditor-General is the auditor of Dunedin City Council (the City Council) and its subsidiaries and controlled entities (the group). The Auditor-General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand, to report on the information in the City Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the City Council and group have complied with the requirements of Schedule 10 of the Act that apply to the annual report;
- the completeness and accuracy of the City Council and group's disclosures about their performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 31 October 2017. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 98 to 155:
 - » present fairly, in all material respects:
 - the City Council and group's financial position as at 30 June 2017;
 - the results of the operations and cash flows for the year ended on that date; and
 - » comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards;
- the funding impact statement on page 104, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's annual plan;
- the statement of service performance on pages 22 to 96:
 - » presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2017, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - » complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 22 to 96, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 22 to 96, presents fairly, in all material respects, the amount of
 funds produced from each source of funding and how the funds were applied as compared to the information included in the City
 Council's long term plan.

Report on the disclosure requirements

We report that the City Council has:

- · complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 174 to 177, which represent a complete list of required disclosures and accurately reflects the information drawn from the City Council and group's audited information and, where applicable, the City Council's long term plan and annual plans.

Basis for opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing the City Council and group's ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the City Council and the group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the City Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City Council and group's internal control
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service performance, as a reasonable basis for assessing the levels of service achieved and reported by the City Council.

• We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the City Council and group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the City Council and the group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether
 the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair
 presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the group to express an opinion
 on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 21, 156 to 161 and 166 to 190, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the City Council and group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit of the annual report, we have completed the following engagements:

- an assurance engagement in respect of Aurora Energy Limited's compliance statement prepared under the Electricity Distribution Services Default Price-Quality Path Determination 2015 NZCC 35 for the assessment year ended 31 March 2017;
- an assurance engagement in respect of Aurora Energy Limited's compliance statement prepared under the Electricity Distribution Information Disclosure Determination 2012 for the assessment year ended 31 March 2017; and
- a regulatory audit of Dunedin International Airport Limited's disclosure financial statements for the year ended 30 June 2016 pursuant to the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999.

These engagements are compatible with those independence requirements.

Other than the audit and our audit of the disclosure requirements, and these engagements, we have no relationship with or interests in the City Council or its subsidiaries and controlled entities.

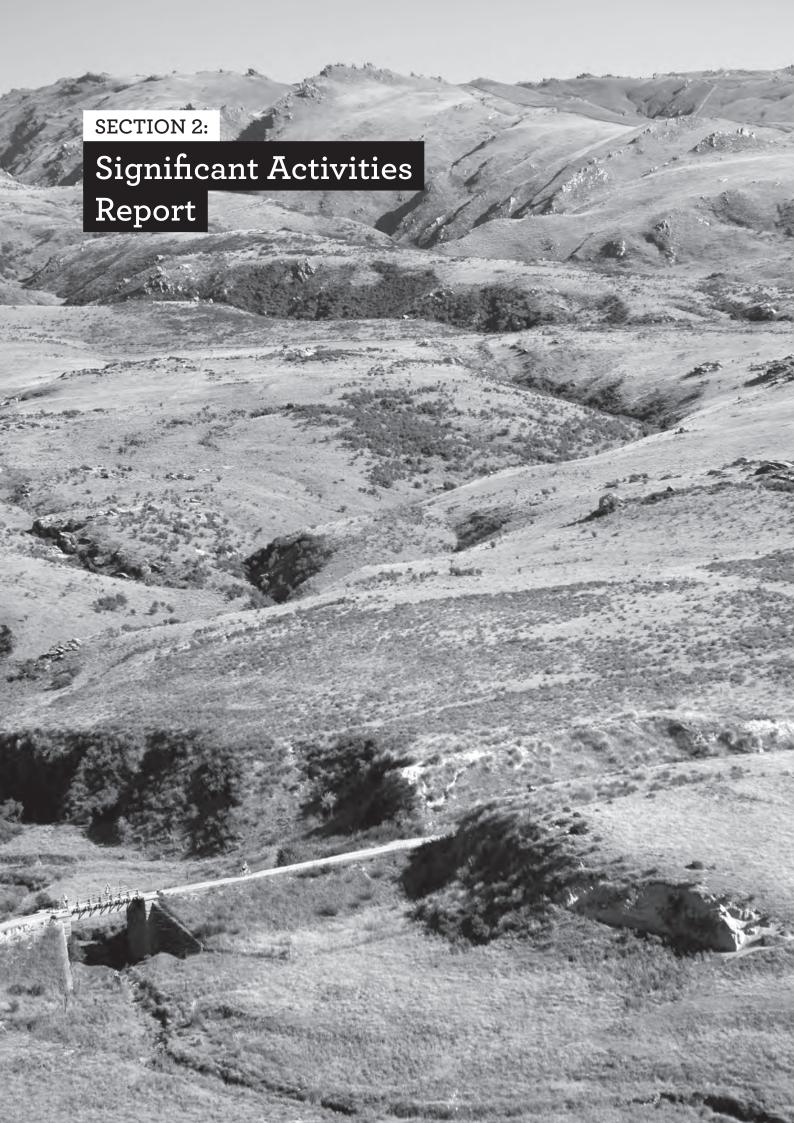
Julian Tan

Audit New Zealand

On behalf of the Auditor-General

Lian Tan

Dunedin, New Zealand



Introduction

This section of the Annual Report describes the services provided by the Council and shows the results of service performance monitoring and measurement for the Council's groups of activity. Services are grouped into 12 groups of activity based on their primary community outcome contribution.

We describe how each group of activity fits into our strategic framework including links with community outcome and major strategies, the results of any outcome monitoring that the group has responsibility or ability to influence, and a summary of the results of service performance measurement for the group. We outline the service rationale for the activities in the group, 'What we provide', and show the service performance measurement results by level of service statement along with explanations regarding achievement/non-achievement of measures. We also provide an outline of some of the service achievements or effects we have had on the community during the year. A comparison of capital expenditure budgets vs actuals and a funding impact statement completes the information for each group.

Community outcome		Group of Activity	Activity			
		Economic Developent	Economic Development	Visitor Centre		
		and City Promotion	Marketing Dunedin	Dunedin Centre		
		City Investment	Investment Account City Property			
			Waipori Fund	Investment		
	A connected city	Roading and Footpaths	Transportation	Parking Operations (Citipark)		
				Parking Enforcement		
	A safe and healthy city	Water Supply	Water			
		Sewerage and Sewage	Wastewater			
<u> </u>		Stormwater	Stormwater			
nt cit		Solid Waste	Solid Waste			
ilier	A distinctive built environment	City Planning and	City Development			
l res	A valued and protected natural	Regulatory Services	Resource Consents			
anc	environment		Regulatory Services			
able	A supportive community	Community	Cemetaries and	Warm Dunedin		
tain		Development and Support	Crematorium	Housing		
A sustainable and resilient city		Support	Events and Community Development	City Property Miscellaneous		
			Civic Leadership and Administration	City Property Operational		
			Civil Defence			
	A vibrant and creative city	Museums, Libraries and Art Gallery	Dunedin Public Libraries	Dunedin Public Art Gallery		
	A city of learning		Toitū Otago Settlers Museum and Dunedin Chinese Garden	Otago Museum Levy		
	An active city	Sport, Recreation and	Aquatic Services	Parks and Reserves		
		Leisure	Botanic Gardens			

Corporate Support Activities: Business Information Services, City Property Management, Fleet Operations (Citifleet), Corporate Leadership, Corporate Policy Team, Council Communications, Customer Service Agency, Finance, Human Resources.

Changes to the Activity Group structure since the previous LTP

The group structure has been revised since the 2012/13 LTP to better align the activities with outcomes and purpose/function. This has resulted in 12 groups instead of the previous 11 groups.

The changes include:

- Splitting the Economic Development and City Promotion group into two groups Economic Development and City Promotion; and City Investment.
- City Property Operational Portfolio and City Property Miscellaneous Portfolio have been moved to the Community Development and Support group.
- The former Personal Safety grouping has been deleted and the Regulatory Services activities moved into a new group called Planning and Regulatory Services which is composed of City Development, Resource Consents and Regulatory Services. Civil Defence has been moved into the Community Development and Support group.
- Administration services which previously sat in the Corporate Support activity group has been relocated to the Community
 Development and Support group and combined with the Civic Leadership activity.

Some of the groups of activity are set by the Local Government Act 2002 and the Department of Internal Affairs and are known as mandatory groups of activity. These groups also have mandatory performance measures. These groups are Roading and Footpaths, Water Supply, Sewerage and Sewage and Stormwater. Each of these groups contain a single activity related to the function and service provided to the groups – transportation, water, wastewater and stormwater services.

Civil Defence Emergency Management

The Civil Defence Emergency Management activity changed in November 2016 with the Emergency Management staff being employed by Emergency Management Otago, with the responsibility of ensuring the city is meeting its obligations under the Civil Defence Emergency Management Act 2002. Maintaining operational facilities and resources and the provision of Council staff to work within the Emergency Operations Centre continues to be a Council function, overseen by the General Manager Strategy and Governance.

Otago Section 17A Project

Section 17A of the Local Government Act 2002 requires all councils to undertake reviews of the cost-effectiveness of current arrangements for delivering services unless a legal or cost-benefit exemption applies. Reviews must consider specific options which would involve one or more other councils, including jointly owned Council Controlled Organisations (CCOs) or shared services arrangements.

The Otago Mayoral Forum resolved in November 2015 to coordinate service reviews across the six Otago councils, including the Otago Regional Council. A high-level review commissioned by the Otago Mayoral Forum considered all activities undertaken by each council, combining these into 28 'regional activity groups' to enable consistent analysis of the potential costs and benefits of alternative arrangements.

One of these groups, Civil Defence and Emergency Management, moved from assessment to implementation of a joint regional model during the year. Another three groups were identified as having regional benefits with a strong potential to exceed the costs of review, being Solid Waste, Waterways and Harbours, and Regulatory Services. A further eleven regional activity groups were identified as having uncertain potential benefits, however it was recommended that Three Waters and Land Transport be subject to further assessment, with reviews of the other nine groups proceeding only when the first reviews are completed, or next required to be reviewed by section 17A. The remaining 13 groups were assessed as having limited potential benefits and were not recommended for review until next required by section 17A.

The Otago Mayoral Forum accepted these recommendations on 11 November 2016, and each Otago council subsequently adopted resolutions to participate only in the three recommended detailed reviews and two further benefits assessments. Otago council chief executives are now individually sponsoring project groups established to conduct the detailed reviews and the status of each review is discussed further below.

Solid Waste: The detailed review of Solid Waste formally commenced on 29 June 2017 between the project group and contracted advisers, Morrison Low. The first two work phases are to be completed with Morrison Low reporting to the project group by 28 August 2017. At that meeting the group will also detail requirements for the third phase of the review, identifying the long list of options and short listing the preferred options.

Regulatory Services: The Regulatory Review team has identified six regulatory areas where further collaboration and process change can be promoted across the region and/or between interested councils. These areas are in Animal Control, Parking, Freedom Camping, Alcohol, Environmental Health management, and Bylaws. It is proposed to focus on alcohol and freedom camping as areas of high common interest as the first areas for review, and a programme to review each of these is underway. Key areas for both are creating common information platforms, joint enforcement and monitoring and more effective use of staff across districts. The next step is to convene the relevant regulatory staff and scope the term of reference and timeframe for each review.

Three Waters: A cross-council group of senior managers has started a review of potential options for shared services in 'three waters' service provision in Otago. The first step is an assessment of current state, including contracts in place across the region's councils, which is underway. Following this will be development of options, and an assessment of costs and benefits of those that are viable.

Transportation: A project team of senior managers has been created to carry out a review of transportation. There has already been a lot of background work carried out on potential shared services for transportation in Otago and Southland involving councils in the regions and NZTA. The project team will build on this information in developing options and assessing cost and benefits.

Harbour and Waterways: The harbour and waterways activity has commenced with the appointment of a full-time dedicated and trained harbourmaster. While this role has some regulatory functions with commercial maritime activity, the role is also to coordinate safe recreational water use.

Residents' Opinion Survey

The Residents' Opinion Survey is one of the Council's main methods of measuring performance.

The 2017 Residents' Opinion Survey (ROS) again utilised a sequential mixed-mode methodology. However, for the first time, from July 2016 the ROS was conducted continuously over the year, rather than in a two month window over May and June. In all other respects the ROS methodology remains unchanged from previous years.

Conducting the ROS continuously involved writing to 400 residents randomly selected from the electoral roll each month, and inviting them to complete the survey online. After two weeks, non-responding individuals were sent a reminder postcard, followed by a self-complete paper questionnaire with a freepost reply address a further one and a half weeks later.

In total, 1232 responses were obtained over the course of twelve months, giving a response rate of 25% and a margin of error of +/-2.8% at the 95% confidence interval. Previous ROS response rates were 29% in 2016, 25% in 2015, 28% in 2014, 25% in 2013, 17% in 2012, and 20% in 2010/11.

These responses were analysed and are reported as the primary data set. This data set represents the results that the Council reports in its Annual Reports.

Technical Note: Not all survey respondents answer all questions. The 2017 Dunedin Residents' Opinion Survey has been conducted using standard analytical methods. Where the number of responses received to a specific question is less than the total number of responses, those who have not responded are considered to either not know, or not have a relevant response to the question. As such, the analysis of responses, and of satisfaction levels, is generated based on the number of valid responses to that question.

The full results and results from previous years are available at www.dunedin.govt.nz/ros.

Satisfaction Scale

As in 2016, a 10 point scale was applied under the existing five satisfaction scale labels as shown below. This allows respondents to indicate degrees of satisfaction in each category. The results are still presented at the five point level and either a 'Don't Know' or 'Not at all' option was available on questions as appropriate.

Very dis	satisfied	Dissa	tisfied	Nev	ıtral	Satis	sfied	Very sa	atisfied
1	2	3	4	5	6	7	8	9	10

Abbreviations used in this section:

ROS - Residents' Opinion Survey - the Council's annual survey of residents' satisfaction with services.

BERL - Business and Economic Research Limited.

Council - Dunedin City Council.

Economic Development and City Promotion

The Council's Economic Development and City Promotion group consists of the following activities:

Economic Development Unit

• Visitor Centre } These three activities are collectively known as Enterprise Dunedin

Marketing Dunedin

• Dunedin Centre

How does this group fit into our strategic framework?

This group contributes to the 'Thriving and diverse economy' community outcome and supports the city's Economic Development Strategy: By Dunedin for Dunedin and Beyond 2013 - 2023 (EDS).

Outcome:	Thriving and diverse economy Where Dunedin has an ambitious, prosperous, diverse and resilient economy that builds on its strengths and is:
Priorities:	 A city that grows businesses and industries through added value/productivity. A city that encourages employment opportunities for everyone. A city that actively attracts visitors, skilled staff and entrepreneurs and investors. A city that encourages creativity, research and entrepreneurial excellence. A city that builds alliances between local businesses, community, education and research providers that offer mutual benefit.

Progress against this outcome is measured by monitoring:

Indicator	Target	Actual 2016/17	Actual 2015/16	Data Source
Growth in full-time equivalent jobs	at least 2% growth per year	1% growth in filled jobs, March 2016 (Infometrics)*	1.1% (BERL)	Infometrics/ BERL
Growth in real GDP per capita	at least 2.5 % growth per year	1.4% GDP growth June 2017 (Infometrics)*	1.8% (BERL)	Infometrics/ BERL
Growth in the number of Dunedin Businesses awarded Callaghan Institute Research and Development Grants	at least 10% growth per year	4 business awarded Callaghan R&D Grants + 7 Getting Started Grants	10 businesses	Callaghan Institute
Growth in total visitor nights	at least 1% growth per year	0.7% decrease on 2015/16	2.9% increase on 2014/15	CAM**
Growth in the value of international education	\$330 million by 2023	\$117 million (2015/16) Education New Zealand	Not measured. Data available at a regional level only	Education NZ

^{*} Enterprise Dunedin procured economic data relating to these indicators from Infometrics in early 2017. BERL data was not procured in 2017.

Summary of Group Service Performance Results

Activity	Number of measures	Number of measures achieved	Number of measures not achieved	Number of measures not measured	% of measures achieved
Economic Development and City Promotion	4	3	1	0	75%
Totals:	4	3	1	0	75%

^{**} Commercial Accomodation Monitor

Economic Development and City Promotion

What we provide:

Enterprise Dunedin leads four of Dunedin's Economic Development Strategy (EDS) projects and is a partner in all other EDS projects. It also monitors and evaluates the Grow Dunedin Partnership and the effectiveness of the EDS.

- The Economic Development Team has the strategic overview, leading the coordination, development, monitoring and supporting the implementation of the economic initiatives of the EDS and the Grow Dunedin Partnership.
- · Marketing Dunedin plays a key role in talent, education and investment attraction activity.
- The i-SITE/Visitor Centre provides visitors with an accessible, accurate booking and information service to encourage spend and meet customer expectations. This is provided daily in a central city office, on cruise days at a satellite site at Port Otago and for special events from a desk at the event site.

How do we measure performance?

Performance Measure	Data Source	Target 2016/17	Actual 2016/17	Actual 2015/16	Actual 2014/15	Achievement
Level of Service: Enterprise Dunedin provand education and attracting investment			rt and coordir	nates the mark	eting of the ci	ty for tourism
Percentage of clients satisfied with the work of the Economic Development Unit	Internal Survey	≥50%	64%	Not recorded	New measure from 2015/16	Achieved. ¹
Percentage growth in Dunedin's total visitor nights	CAM*	1.6% increase on previous year	2.3% 921,512 to Dec 2016	2.9% 900,424 to Dec 2015	5.9% 874,904 to Dec 2014	Achieved. ²
Dunedin's market share of total NZ convention capacity (percentage increase on previous year)	Convention Activity Survey	5% increase on previous year	3% market share to Dec 2016	3.7% market share to Dec 2015	New measure 2015/16	Not achieved. ³
Percentage of external customers satisfied with the i-SITE/Visitor Centre	Internal Survey	≥95%	97%	94%	94%	Achieved. ⁴

^{*} Commercial Accommodation Monitor

Explanations:

- 1. The 2016/17 result is the first time that this has been measured and establishes a baseline.
- 2. Total visitor nights to year ending December 2016 was 921,512, or a 2.3% increase on 2015/16.
- 3. Dunedin conference events for the year ending Dec 2016 was down by 14%. The total NZ convention capacity contracted by 14%, and Dunedin's share of this market remained constant against last year.
- 4. This was a pleasing result highlighting the attention being given to quality customer service over the last year.

Some of our achievements in 2016/17:

Business and business internships – Dunedin hosted an event on 10 May, introducing the Centre for Space Science Technology as part of New Zealand Tech week.

The Sexy Summer Jobs internship programme successfully placed 46 internships during the past year, resulting in 32 interns being employed during the programme (compared with 25 in 2015/16) with 22 new positions created.

Cruise ship visits – Visitor experience was enhanced by Port Otago's new multi-purpose cruise terminal/warehouse. This meant that first-time passengers had a dry facility out of the wind where i-SITE staff and volunteers could greet them with information and assistance on how they could spend their day in Dunedin. The city welcomed 76 ships carrying 144,450 passengers. Cruise ship visitors represent 23% of the i-SITE Visitor Centre turnover.

Good Food Dunedin - Enterprise Dunedin's food resilience activity is now known as Good Food Dunedin, and the Good Food Dunedin website (www.goodfooddunedin.com) was launched in October 2016 promoting economic, social and environmental priorities. Collaboration and engagement through business clinics and with Food Innovation Network staff in Dunedin and Christchurch, and along with local and national stakeholders, resulted in a Night Noodle Market held 22-26 February 2017 with 50,000 people attending.

Project China – Education remains a key focus for Project China activities, with Chinese international secondary and tertiary students currently contributing over \$20 million per annum through fees and living costs alone. The sister city agreement with Shanghai was renewed until 2018 and new friendship city agreements were signed with Qingdao and Qingyuan in March and May 2017.

Media Hosting Results - Enterprise Dunedin hosted and facilitated international and national media, with an estimated reach to more than 780 million people globally with an estimated advertising value (EAV) of approximately \$8.8 million.

Otago Regional Business Partnership (RBP) – This partnership, led by Enterprise Dunedin, the Otago Chamber of Commerce and Otago Southland Employers Association, continued to support businesses across the region during 2016–2017. Over 275 Otago businesses were engaged through the RBP programme with 31 new companies engaged in the Callaghan Programme (receiving support through grants, global expert searches and other services). 112 Otago businesses received business mentor support, while the wider RBP partnership achieved consistently high net promoter scores measuring satisfaction over the course of the year.

Excellence award - In May the Dunedin i-SITE Visitor Centre won a Trip Advisor Excellence award for Customer Service.

Capital Expenditure

New Capital	Note	2016/17 Actual \$'000	2016/17 Budget \$'000
Economic Development - GigCity Living Hub Equipment	5	99	_
Economic Development - Kiosks	6	50	-
		149	
Total Capital		149	

Explanation of variance

5 & 6. Expenditure is offset against by operational budgets.

Economic Development and City Promotion

Income Statement for the Year Ended 30 June 2017

Actual 2016 \$000		Actual 2017 \$000	Budget 2017 \$000
	Revenue		
4,369	General rates	3,641	3,641
500	Commercial/economic development/tourism	500	500
1,018	External operating revenue	1,124	952
5,887	Total revenue	5,265	5,093
	Expenditure by outputs		
1,794	Economic Development	2,487	2,563
1,579	Marketing Dunedin	1,869	1,522
740	Dunedin Centre	-	-
1,271	Visitor Centre	1,279	1,252
5,384	Total expenditure	5,635	5,337
503	Net surplus/ (deficit)	(370)	(244)
	Expenditure by inputs		
2,078	Staff costs	2,410	2,253
3,235	Operational costs	3,137	3,063
-	Loan interest	-	-
71	Depreciation	88	21
5,384	Total expenditure	5,635	5,337

Dunedin City Council: Funding Impact Statement for Year Ended 30 June 2017 for Economic Development and City Promotion

2016 Long-Term		2017 Actual	2017 Long-Term
Plan Budget		rictuar	Plan Budget
\$000		\$000	\$000
	Sources of operating funding		
4,369	General rates, uniform annual general charges, rates penalties	3,641	4,166
500	Targeted rates	500	513
-	Subsidies and grants for operating purposes	-	-
931	Fees and charges	1,124	944
-	Internal charges and overheads recovered	7	-
	Local authorities fuel tax, fines, infringement fees, and other receipts	_	
5,800	Total operating funding	5,272	5,623
	Application of operating funding		
4,374	Payments to staff and suppliers	4,613	4,163
-	Finance costs	_	-
1,244	Internal charges and overheads applied	943	1,275
180	Other operating funding applications	_	180
5,798	Total application of operating funding	5,556	5,618
2	Surplus/(deficit) of operating funding	(284)	5
	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	149	_
_	- to replace existing assets	-	_
_	Increase/(decrease) in reserves	-	_
2	Increase/(decrease) of investments	(433)	5
2	Total application of capital funding	(284)	5
(2)	Surplus/(deficit) of capital funding	284	(5)
	Funding balance	_	
	-		

City Investment

The Council's City Investment group consists of the following activities:

- Waipori Fund
- Investment Account
- City Property Investment

How does this group fit into our strategic framework?

This group contributes to the 'Thriving and diverse economy' community outcome and supports the city's Economic Development Strategy: By Dunedin for Dunedin and beyond 2013 - 2023.

Outcome:	A thriving and diverse economy
	Where Dunedin has an ambitious, prosperous, diverse and resilient economy that builds on its strengths.

Summary of Group Service Performance Results

Activity	Number of measures	Number of measures achieved	Number of measures not achieved	not	% of measures achieved
City Investment	5	2	3	0	40%
Totals:	5	2	3	0	40%

City Investment

What we provide:

The Waipori Fund provides the Council with a source of non-rates income by maximising the Fund income while protecting the Fund's capital base, subject to the income needs of the Council, capital growth and investment risks.

The Investment Account provides the Council with a transparent place where the dividends from Council-owned companies are received, and where differences between actual and planned revenues and expenditures are reported.

The City Property Investment portfolio provides the Council with an assured source of non-rates income and increased asset values. There are two main reasons for the Council's involvement in investment property:

- statutory requirement Dunedin City Endowment Land Act requires the Council to retain the endowment property capital in property.
- providing a source of external non-rates funding this reflects the Council's desire to expand external funding sources to minimise rate burdens on citizens.

The investments made within this group are designed to provide the Council with an ongoing non-rates revenue stream over a long period of time.

How do we measure performance?

Performance Measure	Data Source	Target 2016/17	Actual 2016/17	Actual 2015/16	Actual 2014/15	Achievement	
Level of Service: The Waipori Fund achieves the annual target for non–rates income for offsetting against rates requirements							
Cash received	Annual Financial Reporting	\$3.66 m	\$3.76m	\$3.66m	\$3.42m	Achieved. ¹	
Level of Service: The Investment Accoun	nt receives bu	dgeted divider	ıd				
Dividend received from Council-owned companies: (Interest on Shareholders' Advance plus dividend from DCHL)	Annual Financial Reporting	\$5.9 m	\$5.9 m	\$5.9 m	\$10.45 m	Achieved. ²	
Level of Service: The City Property Inves	stment portfo	lio generates r	eturns that ca	n be offset ag	ainst rates req	uirements	
Percentage variance from budgeted dividend	Annual Financial Analysis	≥budget \$4.9 m	\$4.1m	\$4.6m	\$5.0m	Not achieved. ³	
Level of Service: The City Property Inves	stment portfo	lio generates r	eturns that ca	n be offset ag	ainst rates req	uirements	
Return on investment	Annual Financial Analysis	Provision of a long term moving average return greater that the DCC's average cost of capital	6.70%	4.97%	Measure revised from 2015/16	Not achieved. ⁴	
Percentage overall occupancy	Internal Property Records	≥95%	94.8%	94.5%	99%	Not achieved. ⁵	

Explanations

- 1. Net cash received from the fund was 3% higher than budgeted.
- 2. Interest on advance only received, as budgeted. No dividend sought or received.
- 3. The actual result was 20% less than the target.
- 4. This is the second year in the calculation of the moving average return. The portfolio provided a return just below the cost of capital. (The cost of capital was 6.8%.)
- 5. The presence of vacant properties for disposal in the portfolio negatively impacted the investment property occupancy measure.

Capital Expeliciture	Note	2016/17 Actual \$'000	2016/17 Budget \$'000
New Capital			
Wall Street		(4)	_
Crawford Street Property Purchase		133	_
		129	_
Renewals			
Property – Investment Renewals	6	11	358
		11	358
Total Capital		140	358

$Explanation\ of\ variance$

 $^{6. \ \} Completion \ of \ fit-out \ and \ compliance \ work \ will \ be \ undertaken \ in \ the \ 2017/18 \ year..$

City Investment

Income Statement for the Year Ended 30 June 2017

Actual 2016 \$000		Actual 2017 \$000	Budget 2017 \$000
	Revenue		
4,949	General rates	5,381	5,124
20,269	External operating revenue	21,486	19,259
	Unrealised investment property gains	2,150	2,035
25,218	Total revenue	29,017	26,418
	Expenditure by outputs		
1,424	Waipori Fund	849	141
4,581	Property Investment	3,223	2,417
2,572	Investment Account	233	1,748
8,577	Total expenditure	4,305	4,306
16,641	Net surplus/ (deficit)	24,712	22,112
	Expenditure by inputs		
168	Staff costs	50	(408)
5,601	Operational costs	3,262	2,157
2,806	Loan interest	993	2,557
2	Depreciation	_	-
8,577	Total expenditure	4,305	4,306

Dunedin City Council: Funding Impact Statement for Year Ended 30 June 2017 for City Investment

2016 Long-Term Plan Budget \$000		2017 Actual \$000	2017 Long-Tern Plan Budge \$000
φοσο		Ψ000	φοο
5,550	Sources of operating funding	6 102	E
5,550	General rates, uniform annual general charges, rates penalties Targeted rates	6,103	5,550
_	Subsidies and grants for operating purposes	_	•
4,528	Fees and charges	17,649	3,91
1,087	Internal charges and overheads recovered	890	1,08
1,007	Local authorities fuel tax, fines, infringement fees, and other receipts	890	1,00
11,165	Total operating funding	24,642	10,549
11,165	rotal operating funding	24,042	10,54
	Application of operating funding		
2,994	Payments to staff and suppliers	2,872	3,05
3,211	Finance costs	1,182	3,108
756	Internal charges and overheads applied	506	750
_	Other operating funding applications		
6,961	Total application of operating funding	4,560	6,91
4,204	Surplus/(deficit) of operating funding	20,082	3,634
	Sources of capital funding		
_	Subsidies and grants for capital expenditure	_	
-	Development and financial contributions	_	
(1,303)	Increase/(decrease) in debt	(1,042)	(1,266
-	Gross proceeds from sale of assets	_	
-	Lump sum contributions	-	
-	Other dedicated capital funding	_	
(1,303)	Total sources of capital funding	(1,042)	(1,266
	Application of capital funding		
	Capital expenditure		
-	– to meet additional demand	-	
-	- to improve the level of service	129	
350	- to replace existing assets	11	35
_	Increase/(decrease) in reserves	_	
2,551	Increase/(decrease) of investments	18,900	2,01
2,901	Total application of capital funding	19,040	2,36
(4,204)	Surplus/(deficit) of capital funding	(20,082)	(3,634
(-,,			

Roading and Footpaths

The Council's Roading and Footpaths group consists of the following activities:

- Transportation
- Parking Operations
- Parking Enforcement

How does this group fit into our strategic framework?

This group contributes to the 'Connected community' community outcome and supports the Dunedin City Integrated Transport Strategy 2013 (ITS).

Outcome:	A Connected Community
	Dunedin's communities are connected by safe, effective transportation and communications, linked locally, nationally and internationally.
Priorities:	Dunedin's transport network is integrated and responsive to changing needs and future challenges.
	Dunedin is safe and easy to get around for cyclists and pedestrians.

Progress against this outcome is measured by monitoring:

Indicator	Target	Actual 2016/17	Actual 2015/16	Data Source
Increase in length of cycle lanes (on and off road)	Increase in length on previous year	Increase of 0.7km on 2015/16 result	Total length: 73.50 km	Analysis of annual works completed
Road crash statistic measures				
Number of injury crashes (Number of casualties*)	Decrease on previous year	Crashes: 301 (Casualties: 404)	Crashes: 291 (Casualties: 380)	NZTA Dunedin City Road safety report
Number of pedestrian vs vehicle casualties	Decrease on previous year	Casualties: 39	Casualties: 23	NZTA Dunedin City Road safety report
Number of cyclist vs vehicle casualties	Decrease on previous year	Casualties: 18	Casualties: 15	NZTA Dunedin City Road safety report

^{*}Note: number of casualties is on average 1.27 times number of crashes.

Summary of Group Service Performance Results

Activity	Number of measures	Number of measures achieved	Number of measures not achieved	measures not	% of measures achieved
Roading and Footpaths	18	10	8	0	56%
Totals:	18	10	8	0	56%

Roading and Footpaths

What we provide:

The **Transportation** activity is responsible for the city's long and short term transportation needs and the management of activities on roads and adjacent land that may affect the safety of users and the integrity of the asset.

- Planning to ensure the city's long term transportation needs are met.
- Maintaining the condition of the existing network within service level expectations.
- · Renewing assets that have reached the end of their functional life and constructing new assets where required.
- Managing the safe operation of the road network through traffic controls and education.
- Regulating and issuing consents for the appropriate use of the public road corridor.

We do this to plan for and provide a safe, reliable, efficient, integrated, environmentally acceptable and sustainable transport network for the movement of people and goods throughout Dunedin.

Parking Operations manages three car park buildings and all Council on-street and off-street car parks (leased and casual) including parking meters and payment machines. We provide this service to ensure the availability of parking spaces through the management of car park buildings; and off-street leased and casual carparks.

Parking Enforcement is responsible for promoting desired parking behaviour and the availability of parking spaces through the enforcement of parking regulations. A six-day service operates between the hours of 7am and 5pm Monday to Friday and 10am and 4pm on a Saturday. Parking enforcement also manages abandoned vehicles and ensures owners of businesses comply with the 'Commercial Use of Footpaths Policy' in relation to the placement of street furniture, goods and portable signs.

How do we measure performance?

Performance Measure	Data Source	Target 2016/17	Actual 2016/17	Actual 2015/16	Actual 2014/15	Achievement
The transport network facilitates safe tra	vel					
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network expressed as a number. (DIA Mandatory Reporting Measure)	NZTA Dunedin City Road safety report	Reducing	7 fewer fatality and serious injury crashes	1 more fatality and serious injury crash	New Measure	Achieved. ¹
The transport network facilitates comfo	rtable travel					
The average quality of ride on local sealed road network measured by smooth travel exposure. (DIA Mandatory Reporting Measure)	RAMM, NZTA	Smooth travel exposure ≥80%	80%	80%	81%	Achieved. ²
The network is maintained in responsive	manner					
Percentage of service requests relating to roads and footpaths to which the response is provided within five working days. (DIA Mandatory Reporting Measure)	Customer Service Agency Records	≥90%	86%	72%	New Measure	Not achieved.3
The transport network facilitates sustai	nable mainten	ance				
Percentage of sealed road network that is resurfaced. (DIA Mandatory Reporting Measure)	Work achieved reports	Target (m2) equating to 6% of network	4.33% of the network	5.5% of the network (59 km)	New Measure	Not achieved.4
The transport network facilitates active	travel					
Percentage of footpaths within the level of service standard adopted by the Council in its Asset Management Plan. (DIA Mandatory Reporting Measure)	RAMM Rating	≤15% of network is rated poor or very poor	22.5%	13%	New Measure	Not achieved. ⁵

Performance Measure	Data Source	Target 2016/17	Actual 2016/17	Actual 2015/16	Actual 2014/15	Achievement
Percentage of residents satisfied with the suitability of the road network for cyclists throughout the city.	ROS	≥28%	28%	28%	30%	Achieved. ⁶
Percentage of residents satisfied with condition of footpaths throughout the city.	ROS	≥57%	51%	51%	57%	Not achieved. ⁷
Percentage of residents satisfied with the ease of pedestrian access throughout the city.	ROS	≥65%	72%	75%	73%	Achieved. ⁸
The transport network facilitates access	sibility					
Percentage of residents satisfied with parking availability in the central city (This measure was changed to measure satisfaction rather than dissatisfaction from 2015/16)	ROS	≥45%	33%	35%	34% (Very dis- satisfied or dis- satisfied)	Not achieved.9
The transport network facilitates efficier	nt travel					
Percentage of residents satisfied with condition of roads throughout the city.	ROS	≥60%	49%	52%	53%	Not achieved. ¹⁰
Average travel time by vehicle on five ke	y urban route:	s at peak time	(am):			
Route 1-St Clair to Octagon	Travel Time Survey	Route 1: 15 min	Route 1: 9 min	Route 1: 10 min	Route 1: 10 min	Achieved. ¹¹
Route 2-Normanby to Octagon	Travel Time Survey	Route 2: 15 min	Route 2: 9 min	Route 2: 10 min	Route 2: 10 min;	Achieved. ¹²
Route 3-Mosgiel to Octagon	Travel Time Survey	Route 3: 22 min	Route 3: 17 min	Route 3: 17 min	Route 3: 17 min	Achieved. ¹³
Route 4-Brockville to Octagon	Travel Time Survey	Route 4: 15 min	Route 4: 7.41 min	Route 4: 8 min	Route 4: 8 min;	Achieved. ¹⁴
Route 5-Waverley to Octagon	Travel Time Survey	Route 5: 15 min	Route 5: 9 min	Route 5: 14 min	Route 5: 12 min	Achieved. ¹⁵
The transport network facilitates safe tra	avel					
Percentage of residents satisfied with condition of the streetlights throughout the city.	ROS	≥75%	68%	67%	78%	Not achieved. ¹⁶
Car parking is available and meets the n	eeds of users					
Percentage of residents satisfied with availability of metered on-street parking in the central city. (measure changed to measure 'satisfaction' from 2015/16)	ROS	≥40%	36%	39% (ROS satisfied or very satisfied)	34% (ROS dis- satisfied or very dis- satisfied)	Not achieved. ¹⁷
Level of Service: Parking regulations are	enforced		'	-	'	
Percentage of residents dissatisfied with the fairness and attitude of parking officers.	ROS	≤20%	19%	18%	19%	Achieved. ¹⁸

Explanations

1. A safety improvement programme is delivered each year that looks to address engineering improvements to areas of the network identified as high risk. In the 2016/17 year there were 43 fatalities and serious injury crashes compared with 50 fatalities and serious injury crashes during the 2015/16 year. In 2016, NZTA changed their data reporting timeframes from the calendar year to the financial year and this means that there are inconsistencies with data for the 2016 period.

- 2. 80% of the sealed network meets a comfortable travel experience as measured through the roughness of the road surface. This is no change from the prior year and within target of 80%. The maintenance renewal programme was 100% delivered in 2016/17.
- 3. 86% of service requests were responded to within five working days, a 14% improvement on the prior year 2015/2016. This is largely due to improvements made to internal processes.
- 4. 4.33% of the sealed network was re-surfaced in the year, a 1.17% decrease on prior year and below the target of 6%. The target reflects the expected average seal life of approximately 13 years, however this varies depending on various factors such as the composition of the seal and road use. In 2016/17 the programme was reduced to accommodate spend required in other renewal programmes, however a catch up on investment is planned from 2017/18.
- 5. 22.5% of the footpath network is rated as in poor or very poor condition. This is a 9.5% decrease on the prior year and below the target of 15%. Investment in footpath replacements will be a focus from the 2017/18 financial year to improve standards.
- 6. 28% of residents are satisfied with the suitability of the road cycling network, no change on prior year and on target of 28%. Further cycleway work is planned for 2017/18.
- 7. 51% of residents are satisfied with the condition of footpaths throughout the city. This shows no change from the prior year. Increased investment in footpath renewal is planned for 2017/18.
- 8. 72% of residents are satisfied with the ease of pedestrian access throughout the city which shows a decrease of 3% from the prior year but is within the target of 65%. The Central City upgrade proposed in the LTP seeks to address safety and pedestrian access in the city.
- 9. 33% of residents are satisfied with parking availability in the central city. This is a decrease of 2% from the prior year and below the target of 45%. The result of this measure is trending down. There has not been a significant reduction in parking availability in the city centre.
- 10. 49% of residents satisfied with the condition of roads, a decrease of 3%. Levels of Service will be reviewed as part of the LTP process.
- 11. Travel times remain consistent and within target over the previous three years indicating consistently reliable travel times.
- 12. Travel times remain consistent and within target over the previous three years indicating consistently reliable travel times.
- 13. Travel times remain consistent and within target over the previous three years indicating consistently reliable travel times.
- 14. Travel times remain consistent and within target over the previous three years indicating consistently reliable travel times.
- 15. Travel times remain consistent and within target over the previous three years indicating consistently reliable travel times.

 Travel time surveys are conducted each year in March over a three day period. Results are best analysed over a period of time as opposed to year on year changes due to the frequency of the surveys. Traffic flows are continually monitored at high volume intersections and intervention strategies, such as adjusting traffic signal timings, are made to improve traffic flows and prevent bottlenecks.
- 16. 68% of residents are satisfied with the condition of street lights on the network. This shows a 1% improvement from the prior year but is below the target of 75%. Planning for a LED upgrade of the street lights is underway.
- 17. 36% of residents satisfied with availability of metered on-street parking, which is a decrease on the previous year. There has been no significant changes to parking in the central city.
- 18. This target was achieved. With on-going staff training and the introduction of body worn cameras it is hoped that resident satisfaction will increase.

Some of our achievements in 2016/17:

Pedestrian crossings - Walking in the city is safer with more tactile pedestrian crossings for those with visual impairments throughout the city and the installation of two three-dimensional crossings in the tertiary precinct area.

Portobello/Harington Point Road improvements – Designs for road safety improvements along Portobello and Harington Point Roads are complete with construction due to begin in late 2017.

Cycleways – Cycleways planning is underway in the central city to improve connections between New Zealand Transport Authority's (NZTA's) State Highway 1 one–way separated cycleway system and from the city to the harbour.

Mud tanks - Cleaning of the entire mud tank network was completed to ensure better drainage of stormwater throughout the city.

Works completed in 2016/17 included:

Slip Repairs: 95 metres of rock shoring was completed on Hatchery Road with remaining slip work to be carried out in 2017/18.

Retaining walls: 60 metres of retaining wall structure was completed at the "two car slip" on Highcliff Road to restore the road to two lanes. A further 73 metres was completed on St Leonards Drive.

Seawall: A total of 2.6 kilometres of seawall repair was completed during the year.

Bridge renewals: Structural repairs on nine structures began in the 2016/17 year with five of these completed and three still underway. Construction on Mt Ross bridge was scheduled for completion in 2017/18 but was completely destroyed during the July 2017 weather event.

Footpaths: A total of 25 kilometres of footpath was resurfaced during the year. This was 12.4 kilometres of footpath more than was completed in 2015/16.

Kerb and channel: 3.4 kilometres of kerb and channel repair was completed.

Capital Improvements:

Jetty Street Pedestrianisation: Some design work for this project, which involves closing Jetty Street to most traffic, was completed during the year, with physical works planned for 2017/18.

Capital Expenditure

	Note	2016/17 Actual \$'000	2016/17 Budget \$'000
New Capital			
*Central City Project		239	406
*Minor Improvements		1,102	1,318
*Mosgiel East	19	273	608
*Strategic Cycle Network	20	974	1,772
*Weir Road Tidewater		(31)	_
Emergency Works – Slip Repairs	21	989	_
Roading Miscellaneous Works		193	122
Street Lighting Improvements		41	30
Subdivision Property Purchase		-	31
*Portobello and Harrington Point Road Improvements	22	960	9,520
*Mosgiel West B	23	_	983
*Traffic Services	24	-	3,041
Puddle Alley Intersection	25	357	_
Cycle Trail Land		12	
		5,109	17,831
Renewals			
*Carriageway Resurfacing	26	3,075	4,157
*Major Drainage Control		1,373	1,217
*Shape Correction: Pavement Rehabilitation		2,538	2,433
*Structure Component Replacement		1,658	1,571
Carriageway Resurfacing Non-subsidised	27	422	_
Footpath Resurfacing		1,753	1,713
Traffic Services Renewal		431	568
*Gravel Road Re-metaling		608	760
Pay and Display machines	28	1,029	308
Electronic Ticket Writers		74	123
		12,961	12,850
Total Capital		18,070	30,681

Explanation of variance

- 19. The total budget was not required in the 2016/17 year.
- 20. The timing of expendidture on cycleways was delayed to reflect the focus on utilising the Urban Cycle Fund. The budget has been increased in the 2017/18 year.
- 21. Unbudgeted work relating to the June 2015 weather event.
- 22. Physical work on the Peninsula Connection project will be underway in the 2017/18 year.
- 23. Budget was not required in the 2016/17 year.
- 24. The timeframe for delivery of the LED street lights is delayed to reflect a more realistic programme following a decision on the type of lights to be used.
- 25. Safety work on the Puddle Alley intersection is funded in part by savings in the Minor Improvements budget.
- 26. Savings in this project have been applied to the June 2015 slip repairs.
- 27. Unbudgeted expenditure on carpark resurfacing including the Railway Station, Moana Pool and the Botanical Garden.
- 28. Parking meter upgrades were required earlier than anticipated in order to enable electronic receipting.

Roading and Footpaths

Income Statement for the Year Ended 30 June 2017

Actual 2016 \$000		Actual 2017 \$000	Budget 2017 \$000
	Revenue		
18,743	General rates	18,660	18,660
29	Private street lighting rate	29	29
17,387	External operating revenue	19,103	17,907
8,302	Vested assets	3,418	-
6,847	External capital revenue	7,493	14,844
51,308	Total revenue	48,703	51,440
	Expenditure by outputs		
35,762	Transportation	39,486	37,369
2,770	Citipark	2,811	2,861
1,969	Parking Enforcement	2,029	2,034
40,501	Total expenditure	44,326	42,264
10,807	Net surplus/ (deficit)	4,377	9,176
	Expenditure by inputs		
3,505	Staff costs	3,268	4,035
17,083	Operational costs	20,459	18,107
1,069	Loan interest	1,014	1,014
18,844	Depreciation	19,585	19,108
40,501	Total expenditure	44,326	42,264

Dunedin City Council: Funding Impact Statement for Year Ended 30 June 2017 for Roading and Footpaths

2016 Long-Term Plan Budget \$000		2017 Actual \$000	2017 Long-Tern Plan Budge \$000
	Sources of operating funding	Ψ000	φσο.
18,743	General rates, uniform annual general charges, rates penalties	18,660	19,962
29	Targeted rates	29	29
8,408	Subsidies and grants for operating purposes	8,715	8,670
2,639	Fees and charges	7,160	2,619
486	Internal charges and overheads recovered	92	498
3,146	Local authorities fuel tax, fines, infringement fees, and other receipts	2,829	3,216
33,451	Total operating funding	37,485	34,994
	Application of operating funding		
19,338	Payments to staff and suppliers	20,133	19,599
1,263	Finance costs	1,014	1,359
3,690	Internal charges and overheads applied	3,686	3,782
_	Other operating funding applications	_	-
24,291	Total application of operating funding	24,833	24,740
9,160	Surplus/(deficit) of operating funding	12,652	10,254
	Sources of capital funding		
9,310	Subsidies and grants for capital expenditure	7,493	15,519
224	Development and financial contributions	399	227
(150)	Increase/(decrease) in debt	(387)	5,388
-	Gross proceeds from sale of assets	-	-
-	Lump sum contributions	-	-
-	Other dedicated capital funding	-	-
9,384	Total sources of capital funding	7,505	21,134
	Application of capital funding		
	Capital expenditure		
541	- to meet additional demand	318	2,192
6,376	- to improve the level of service	4,791	15,639
11,470	- to replace existing assets	12,961	12,850
_	Increase/(decrease) in reserves	-	-
157	Increase/(decrease) of investments	2,087	707
18,544	Total application of capital funding	20,157	31,388
(9,160)	Surplus/(deficit) of capital funding	(12,652)	(10,254)
	Funding balance		

Water Supply

The Council's Water Supply group consists of the following activities:

Water

How does this group fit into our strategic framework?

This group contributes to the 'A safe and healthy city' community outcome and strategic direction is primarily provided by the 3 Waters Strategic Direction Statement.

The water supply activity also supports the Council's strategic framework as follows:

- Spatial Plan by identifying infrastructure-based constraints on development and activity.
- Economic Development Strategy by ensuring that infrastructure planning supports economic growth.
- The water supply activity is expected to support the Environment Strategy through efficient use of natural resources, supporting catchment biodiversity and appropriate management of treatment discharges.

Outcome:	A safe and healthy city
	Where Dunedin is a clean, green, crime-free city where people feel safe and enjoy a healthy lifestyle.
Priorities:	Dunedin has resilient water supply, wastewater and storm water infrastructure that meets best practice environmental standards.

Summary of Group Service Performance Results

Activity	Number of measures	Number of measures achieved	Number of measures not achieved	measures not	measures
Water Supply	9	7	2	0	78%
Totals:	9	7	2	0	78%

Water Supply

What we provide:

The water activity provides drinking quality water to homes and businesses in Dunedin and some outlying areas.

- The Council's water supply service consists of four service areas: metropolitan Dunedin and the three outlying areas of West Taieri, Outram and Northern Schemes (now fed from Mount Grand).
- The water supply network includes 21,000 hectares of water catchment, 1,367 km of pipeline; 30 pumping stations, 57 reservoirs (raw and treated) and 10 operational treatment plants.

How do we measure performance?

Reporting on community outcomes and level of service performance measures that relate specifically to Water Supply has been replaced by reporting on mandatory measures. These measures were formulated by the Department of Internal Affairs (DIA) in accordance with section 261B of the Local Government Act 2002 and apply to all councils.

Performance Measure		Data Source	Target 2016/17	Result 2016/17	Result 2015/16	Achievement
Level of Service	: The water is safe to drink					
The extent to which the local authority's	a) part 4 of the drinking- water standards (bacteria compliance criteria).	Internal reporting	Bacteriological compliance – Yes to all	95%	Yes	Not achieved.1
drinking water supply complies with:	(b) part 5 of the drinking- water standards (protozoa compliance criteria).	Internal reporting	Protozoa compliance – Yes to all	99%	Outram – No All others – Yes	Not achieved. ²
Level of Service	: Water resources are used eff	iciently and sust	ainably			
The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).		Internal reporting	≤ 20%	19%	32%	Achieved.³

Calculation Method:

- 1. Treatment station production minus non-domestic minus domestic minus known unbilled
 - = Estimated non-revenue water
- 2. Estimated non-revenue water/periods production from treatment plants
 - = Percentage real water loss

referringe fear water 1000						
Level of Service:	Service calls are responded to	o promptly				
Where the local authority attends a callout in response to a fault or unplanned	a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site.	Internal reporting	60 minutes	37 minutes	39 minutes	Achieved.4
interruption to its networked reticulation system, the following median response times are measured:	b) resolution of urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	Internal reporting	240 minutes	108 minutes	108 minutes	Achieved.⁵

Performance Me	easure	Data Source	Target 2016/17	Result 2016/17	Result 2015/16	Achievement			
	c) attendance for non- urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site.	Internal reporting	3 days	0.86 days	0.78 days	Achieved. ⁶			
	d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	Internal reporting	5 days	1.27 days	1 day	Achieved. ⁷			
The total	Level of Service: The water t	astes and looks	pleasant						
number of complaints	Drinking water clarity	Internal reporting	Not applicable	85 complaints	91 complaints	Not applicable			
received by the local authority about any of	Drinking water taste	Internal reporting	Not applicable	5 complaints	0 complaints	Not applicable			
the following:	Drinking water odour	Internal reporting	Not applicable	9 complaints	5 complaints	Not applicable			
	Level of Service: Water is supplied at adequate pressure								
	Drinking water pressure or flow	Internal reporting	Not applicable	124 complaints	106 complaints	Not applicable			
	Level of Service: The water supply is reliable								
	Continuity of supply	Internal reporting	Not applicable	351 complaints	438 complaints	Not applicable			
Level of Service	: The Council is responsive to	customer conce	rns						
The total number of complaints received by the local authority about any of the following:	The local authority's response to any of these issues, expressed per 1000 connections to the local authority's networked reticulation system	Internal reporting	Not applicable	15 complaints	0 complaints	Not applicable			
	Total complaints expressed per 1000 connections to the local authority's networked reticulation system	Internal reporting	<15 per 1000 connections	13.16 per 1000 connections	14.9 per 1000 connections	Achieved. ⁸			
Total number of	rated properties for water sup	ply as at 30 Jun	ne 2017: 43,601						
Level of Service	: Water resources are used effi	ciently and sust	ainably		T				
_	sumption of drinking water lent within the territorial 	Internal reporting	<240 litres per day	227 litres per day	184 litres per day	Achieved.9			

Note: There is an error in the way that the targets for measures relating complaints received were applied in the Long Term Plan 2015/16 - 2024/25. Only the total number of complaints is required to be expressed per 1,000 connections. As this is a cumulative measure targets are not required for the indivdual component measures. Any category of complaint with a relatively high number of complaints is commented on individually in the Explanation section.

Explanations

1. The Old Borough Yard bore had a positive pre-treatment e.coli result on the 1st June 2016 and, as this non-compliance result stays with the plant for 12 months, the distribution zones of East Taieri, Kinmont and Quarry Hill were non-compliant during that timeframe. This was removed from effect on the 1st June 2017. The Apr-Jun 2017 quarter saw 100% bacteriological compliance. This is due to the UV installation at Outram so full compliance with drinking water standards was achieved at the plant. Also previous e.coli transgressions at a couple of the bores were at the bore heads and not detected in reticulation meaning the bores are still at full security and therefore get a compliant grade.

- 2. Non-compliances earlier in the year are due to Outram not having any protozoa treatment. Outram was upgraded during the compliance year and UV installed which will ensure protozoal compliance at this plant in future. Other non-compliances are due to missed samples (frozen sampling taps, construction works), and a positive e.coli result on the 1st June 2016 which stayed with the plant for 12 months in the distribution zones of East Taieri, Kinmont and Quarry Hill. This was removed from effect on the 1st June 2017. The Apr-Jun 2017 quarter saw 100% protozoa compliance. This is due to the UV installation at Outram so full compliance was achieved with drinking water standards at the plant. Also previous e.coli transgressions at a couple of the bores were at the bore heads and not detected in reticulation meaning the bores are still at full security and therefore get a compliant grade.
- 3. Dunedin does not have metered residential usage, and therefore water loss can only be estimated using an estimate of residential usage. The target was achieved of less than 20% water loss and this is likely due to the decreasing number of watermain breaks from an improved renewals programme.
- 4., 5., 6. & 7. The target was achieved in the 2016/17 year due to excellent systems and processes in place for customer call outs.

 The targets were met by the contractor City Care Ltd.
- 8. The target of under 15 complaints per 1000 connections was achieved. An improved renewals programme has resulted in an overall decrease in water supply complaints.
- 9. This continues to meet the target. However the usage is up on last year and this could be due to the milder winter. This figure is an estimated value based on a sample of metered residential usage.

Some of our achievements in 2016/17:

Outram Water Treatment Plant Upgrade - The upgrade to the Outram Water Treatment Plant upgrade has now been completed. All of the Council's water treatment plants are now compliant with drinking water standards set by the Ministry of Health.

Pressure reducing valves – A number of areas of the city have extremely high water pressure due to the hilly topography. This increases the amount of water that leaks from pipes and also shortens the life of the infrastructure and increases the risk of breaks. The Council is working through a programme of installing pressure reducing valves. A valve has been installed on the Ramrock Road distribution pipeline to extend its life and reduce the number of water supply interruptions to customers in Waikouaiti.

Security of Supply Strategy - This strategy includes several linked projects over an extended period to mitigate the risk of failure of the Taieri Bridge, causing loss of the Deep Creek and Deep Stream supply pipes. Without the projects identified in the Security of Supply Strategy, if the Taieri Bridge crossing collapsed, the hill suburbs of Dunedin would go without water after approximately 20 days. Repairs to the bridge would take several months to implement during which time tankered water would be needed to supply the hill suburbs. Once all projects are completed, the hill suburbs could be supplied with water indefinitely (potentially with water restrictions) in the event that the bridge failed. The second project of the rehabilitation of the Ross Creek Dam to allow Ross Creek to be brought back into service is well underway.

Water network renewals – Work has started on a project to replace almost five kilometres of old and poorly performing water pipes in Waikouaiti. The work will improve the water supply to the town, with better flows for fire fighting and fewer burst pipes and unplanned shutdowns. Issues with water pressure and discolouration should also improve.

Capital Expenditure	Note	2016/17 Actual \$'000	2016/17 Budget \$'000
New Capital			
Asset Management Information System (AMIS)		63	156
Security of Supply	10	1,169	4,806
Water – Risk, Compliance and Efficiency		315	109
Water Network – Augmentation and Efficiency		(78)	104
		1,469	5,175
Renewals			
Water – Network Renewals	11	2,963	5,158
Water – Raw Water, Supply and Plant Renewals	_	173	1,687
	-	3,136	6,845
Total Capital	-	4,605	12,020

Explanation of variance

- 10. Ross Creek Reservoir reinforcement works is now underway and will be completed in the 2017/18 year.
- 11. The Kaikorai Valley stage three project was delayed due to only one tender being received with costs well above the original estimate. The project scope is being re-drafted and the contract re-tendered.

Water Supply

Income Statement for the Year Ended 30 June 2017

Actual 2016 \$000		Actual 2017 \$000	Budget 2017 \$000
	Revenue		
19,242	Citywide water rate	19,242	19,242
5,271	External operating revenue	6,006	5,502
-	External capital revenue	-	-
640	Vested assets	2,157	_
25,153	Total revenue	27,405	24,744
	Expenditure by outputs		
24,637	Water	25,974	25,498
24,637	Total expenditure	25,974	25,498
516	Net surplus/ (deficit)	1,431	(754)
	Expenditure by inputs		
3,392	Staff costs	3,800	3,654
10,518	Operational costs	10,573	10,981
1,401	Loan interest	1,438	1,447
9,326	Depreciation	10,163	9,416
24,637	Total expenditure	25,974	25,498

Dunedin City Council: Funding Impact Statement for Year Ended 30 June 2017 for Water Supply

2016 Long-Term Plan Budget		2017 Actual	2017 Long-Term Plan Budget
\$000		\$000	\$000
	Sources of operating funding		
_	General rates, uniform annual general charges, rates penalties	_	-
19,242	Targeted rates	19,242	19,917
-	Subsidies and grants for operating purposes	_	-
5,583	Fees and charges	5,889	5,796
-	Internal charges and overheads recovered	_	_
_	Local authorities fuel tax, fines, infringement fees, and other receipts	_	-
24,825	Total operating funding	25,131	25,713
	Application of operating funding		
11,335	Payments to staff and suppliers	12,431	11,797
1,565	Finance costs	1,438	1,563
2,233	Internal charges and overheads applied	1,942	2,289
	Other operating funding applications		
15,133	Total application of operating funding	15,811	15,649
9,692	Surplus/(deficit) of operating funding	9,320	10,064
	Sources of capital funding		
_	Subsidies and grants for capital expenditure	_	-
180	Development and financial contributions	117	187
(1,125)	Increase/(decrease) in debt	(793)	3,083
_	Gross proceeds from sale of assets	_	-
-	Lump sum contributions	_	-
	Other dedicated capital funding	_	-
(945)	Total sources of capital funding	(676)	3,270
	Application of capital funding		
	Capital expenditure		
55	- to meet additional demand	172	762
939	- to improve the level of service	1,297	4,413
6,310	- to replace existing assets	3,136	6,845
-	Increase/(decrease) in reserves	_	-
1,443	Increase/(decrease) of investments	4,039	1,314
8,747	Total application of capital funding	8,644	13,334
(9,692)	Surplus/(deficit) of capital funding	(9,320)	(10,064)
_	Funding balance		

Sewerage and Sewage

The Council's Sewerage and Sewage group consists of the following activities:

Wastewater

How does this group fit into our strategic framework?

This group contributes to 'A safe and healthy city' community outcome by ensuring that urban wastewater is collected from homes and businesses and treated for safe disposal. Strategic direction for wastewater is primarily provided by the 3 Waters Strategic Direction Statement.

The wastewater activity also supports the Council's strategic framework as follows:

- Spatial Plan by identifying infrastructure-based constraints on development and activity.
- Economic Development Strategy by ensuring that infrastructure planning supports economic growth and that trade waste charging is fair and equitable.
- The wastewater activity is expected to support the Environment Strategy through ensuring that wastewater is effectively treated and appropriately disposed of. The use of biosolids (the solid waste remaining after wastewater is treated) as a resource for energy generation is also likely to support the Environment Strategy.

Outcome:	A safe and healthy city Where Dunedin is a clean, green, crime-free city where people feel safe and enjoy a healthy lifestyle.
Priorities:	Dunedin has resilient water supply, wastewater and storm water infrastructure that meets best practice environmental standards.

Summary of Group Service Performance Results

Activity	Number of measures	Number of measures achieved	measures	Number of measures not measured	% of measures achieved
Sewerage and sewage	8	7	1	0	88%
Totals:	8	7	1	0	88%

Wastewater

What we provide:

The wastewater network comprises 901 km of pipes, 76 reticulation pumping stations, 130 domestic pumping stations and seven treatment plants. The service is provided to approximately 107,000 residents and 106 trade customers.

The Council's wastewater service consists of seven service areas, including metropolitan Dunedin and six outlying areas: Green Island, Mosgiel, Middlemarch, Seacliff, Waikouaiti/Karitane and Warrington. The Metropolitan system takes the east and west harbour communities of Portobello and Port Chalmers respectively and discharges from Tahuna via the long ocean outfall. Green Island takes the treated Mosgiel effluent and discharges this along with wastes from Green Island, Abbotsford and coastal south Dunedin via the ocean outfall at Waldronville.

The Council operates and maintains the wastewater system from the main sewer (typically in the road) to the point where treated effluent is discharged to the environment. Following a historic programme of sewer separation, the foul sewer system is designed to operate independently from the stormwater sewerage system.

How do we measure performance?

Reporting on community outcomes and level of service performance measures that relate specifically to Water Supply has been replaced by reporting on mandatory measures. These measures were formulated by the Department of Internal Affairs (DIA) in accordance with section 261B of the Local Government Act 2002 and apply to all councils.

Performance Measure		Data Source	Target 2016/17	Result 2016/17	Result 2015/16	Achievement
Level of Service: Sewage is man	naged without adversely	y affecting the	quality of the	receiving env	vironment	
The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.		Internal Reporting	0	0.062	0	Not achieved. ¹
Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:	Abatement notices	Internal Reporting	0	0	0	Achieved. ²
	Infringement notices	Internal Reporting	0	0	0	Achieved. ³
	Enforcement orders	Internal Reporting	0	0	0	Achieved.4.
	Convictions	Internal Reporting	0	0	0	Achieved. ⁵
Level of Service: Service calls a	are responded to promp	tly				
Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times are measured:	a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site; and	Internal Reporting	60 minutes	34 minutes	31 minutes	Achieved. ⁶
	b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.	Internal Reporting	240 minutes	108 minutes	109 minutes	Achieved. ⁷

Performance Measure		Data Source	Target 2016/17	Result 2016/17	Result 2015/16	Achievement
Level of Service: The wastewat	er service is reliable an	d the Council	is responsive	to customer co	oncerns	
The total number of complaints received by the territorial	Sewage odour	Internal Reporting	Not applicable	9	39	Not applicable
authority about any of the following:	Sewerage system faults	Internal Reporting	Not applicable	15	14	Not applicable
	Sewerage system blockages	Internal Reporting	Not applicable	192	209	Not applicable
	The territorial authority's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system	Internal Reporting	Not applicable	0	0	Not applicable
	All of the above complaints expressed per 1000 connections to the territorial authority's sewerage system	Internal Reporting	<5 per 1000 connections	4.47 per 1000 connections	5.47 per 1000 connections	Achieved. ⁸

Note: There is an error in the way that the targets for measures relating complaints received were applied in the Long Term Plan 2015/16 - 2024/25. Only the total number of complaints is required to be expressed per 1,000 connections. As this is a cumulative measure targets are not required for the individual component measures. Any category of complaint with a relatively high number of complaints is commented on individually in the Explanation section.

Total number of rated properties for wastewater is as at 30 June 2017: 48,618

Explanations

- 1. Three dry weather overflows occurred in the 2016/17 year. One is believed to have been a faulty logger as other high level alarms on site did not trigger. One dry weather overflow was at Kaikorai Valley and the other was at Lindsay Creek. These will be addressed in future renewals
- 2.,3.,4. & 5. Compliance was achieved as there were no abatements, infringements, enforcements or convictions in 2016/17.
- 6 & 7. The target was achieved in the 2016/17 year due to excellent systems and processes in place for customer call outs. The targets were met by the contractor City Care Ltd.
- 8. The target was achieved for wastewater related complaints. Most complaints received were regarding sewerage system blockages.

 Looking into sewerage system blockages, the numbers of these have remained stable over the past few years. Problems areas will be assessed for possible targeted renewals.

Some of our achievements in 2016/17:

Kaikorai Valley Wastewater Renewals – These renewals are targeted at removing overflows to the Kaikorai Stream, wastewater flooding in Surrey Street and overflows of manholes in the Caversham Tunnel. All of these issues arise due to inflow and infiltration of stormwater into old, cracked pipes in Kaikorai Valley. This work is split into a series of phases and is expected to take at least 10 years to fully address the issues. Phases One (circa \$3m) and Two (\$3.7m) have now been completed. Phases Three and Four are in the preparation stages.

Anderson's Bay Wastewater Renewals – The first phase of work was completed. This has eliminated a wastewater overflow to the Anderson's Bay inlet in all but the most significant storm events. Work is continuing in this area in the next financial year. North East Valley – Renewals are in the preparation phase for the 3 Waters network in this area. This work will be carried out over the next three financial years to update the old infrastructure.

Wastewater and energy – Water and Waste commissioned Smart Alliances to run a wastewater thermal energy calculation and mapping project. This project has shown potential to use wastewater thermal energy to heat commercial/residential buildings. This work is a finalist for the Deloitte Excellence and Energy Awards, August 2017.

Wastewater treatment plants and pumping stations – Various upgrades have been carried out on the Wastewater Treatment Plants and the Pumping Stations. This includes an upgrade of the Tahuna Wastewater Treatment Plant biofilter, and switchboard upgrades.

University renewals – Renewals of the 3 Waters networks have been carried out in the University campus area in collaboration with the University of Otago's beautification project.

Capital Expenditure

Capital Expelluiture	Note	2016/17 Actual \$'000	2016/17 Budget \$'000
New Capital			
Tahuna Biosolids Project		60	-
Wastewater - Augmentation and Efficiency		66	104
Wastewater Treatment	9	976	_
Civic Centre		3	-
*Reticulation Facilities for Variation 9B	10	=	313
		1,105	417
Renewals			
Foul Sewer Renewals (Reticulation and Trunk Mains)	11	1,961	4,125
Treatment Plants		969	882
		2,930	5,007
Total Capital		4,035	5,424

Explanation of variance

- 9. An unbudgeted switchboard replacement at the Mosgiel wastewater treatment plant.
- 10. Budget was not required in the 2016/17 year.
- 11. The Kaikorai Valley stage three project was delayed due to only one tender being received with costs well above the original estimate. The project scope is being re-drafted and the contract re-tendered.

Sewerage and Sewage

Income Statement for the Year Ended 30 June 2017

Actual 2016 \$000		Actual 2017 \$000	Budget 2017 \$000
	Revenue		
24,203	Citywide drainage rate	27,214	27,214
20	Allanton drainage rate	20	20
4	Blanket Bay rate	4	4
3	Curles Point rate	3	3
771	External operating revenue	858	495
_	External capital revenue	_	-
_	Vested assets	1,952	-
25,001	Total revenue	30,051	27,736
	Expenditure by outputs		
26,688	Wastewater	29,005	26,388
26,688	Total expenditure	29,005	26,388
(1,687)	Net surplus/ (deficit)	1,046	1,348
	Expenditure by inputs		
2,427	Staff costs	2,718	2,578
10,325	Operational costs	10,289	9,949
5,128	Loan interest	4,855	4,880
8,808	Depreciation	11,143	8,981
26,688	Total expenditure	29,005	26,388

Dunedin City Council: Funding Impact Statement for Year Ended 30 June 2017 for Sewerage and Sewage

2016 Long-Term Plan Budget		2017 Actual	2017 Long-Term Plan Budget
\$000		\$000	\$000
	Sources of operating funding		
-	General rates, uniform annual general charges, rates penalties	_	_
24,231	Targeted rates	27,241	26,121
-	Subsidies and grants for operating purposes	36	-
526	Fees and charges	522	546
-	Internal charges and overheads recovered	_	-
	Local authorities fuel tax, fines, infringement fees, and other receipts	_	_
24,757	Total operating funding	27,799	26,667
	Application of operating funding		
10,134	Payments to staff and suppliers	11,117	10,475
5,335	Finance costs	4,855	5,277
2,295	Internal charges and overheads applied	1,890	2,352
-	Other operating funding applications	_	_
17,764	Total application of operating funding	17,862	18,104
6,993	Surplus/(deficit) of operating funding	9,937	8,563
	Sources of capital funding		
-	Subsidies and grants for capital expenditure	_	_
80	Development and financial contributions	300	83
352	Increase/(decrease) in debt	(2,713)	(3,892)
-	Gross proceeds from sale of assets	_	-
-	Lump sum contributions	_	-
-	Other dedicated capital funding	_	-
432	Total sources of capital funding	(2,413)	(3,809)
	Application of capital funding		
	Capital expenditure		
770	- to meet additional demand	177	330
3,627	- to improve the level of service	928	87
6,030	- to replace existing assets	2,930	5,007
-	Increase/(decrease) in reserves	_	_
(3,002)	Increase/(decrease) of investments	3,489	(670)
7,425	Total application of capital funding	7,524	4,754
(6,993)	Surplus/(deficit) of capital funding	(9,937)	(8,563)

Stormwater

The Council's Stormwater group consists of the following activities:

• Stormwater

How does this group fit into our strategic framework?

This group contributes to 'A safe and healthy city' community outcome by ensuring that urban wastewater is collected from homes and businesses and treated for safe disposal.

Strategic direction for stormwater is primarily provided in the 3 Waters Strategic Direction Statement.

The stormwater activity also supports the Council's strategic framework as follows:

- Spatial Plan by identifying infrastructure-based constraints on development and activity.
- Economic Development Strategy by ensuring that infrastructure planning supports economic growth.
- The stormwater activity is expected to support the Environment Strategy through ensuring that stormwater is disposed of without adversely affecting the quality of the receiving environment.

Outcome:	A safe and healthy city
	Where Dunedin is a clean, green, crime-free city where people feel safe and enjoy a healthy lifestyle.
Priorities:	Dunedin has resilient water supply, wastewater and storm water infrastructure that meets best practice environmental standards.

Summary of Group Service Performance Results

Activity	Number of measures	Number of measures achieved	Number of measures not achieved	Number of measures not measured	% of measures achieved
Stormwater	8	6	1	1	75%
Totals:	8	6	1	1	75%

Stormwater

What we provide:

The Council's stormwater service manages the collection and disposal of stormwater to domestic and commercial residents in eight service areas – metropolitan Dunedin and seven outlying areas: Brighton/Waldronville, Green Island, Mosgiel, Middlemarch, Mosgiel, Outram, Port Chalmers and Waikouaiti/Karitane and Warrington. The stormwater network comprises 372 km of pipes and 11 pumping stations. In general, the Council's stormwater sewers are piped, with open channels running through private properties falling under riparian ownership. There are, however, some exceptions to this rule.

How do we measure performance?

Reporting on community outcomes and level of service performance measures that relate specifically to Water Supply has been replaced by reporting on mandatory measures. These measures were formulated by the Department of Internal Affairs (DIA) in accordance with section 261B of the Local Government Act 2002 and apply to all councils.

Performance Measure	Performance Measure		Target 2016/17	Result 2016/17	Result 2015/16	Achievement
Level of Service: Stormwa	ter services perform adequa	tely and reliab	ly			
System and adequacy	The number of flooding events that occur in a territorial authority district.	Internal Reporting	0	2	0	Not achieved. ¹
	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system)	Internal Reporting	0	Not measured	0	Not measured. ²
Level of Service: Stormwa	ter is managed without adve	ersely affecting	the quality o	f the receiving	g environment	
Compliance with the territorial authority's	Abatement notices	Internal Reporting	0	0	0	Achieved. ³
resource consents for discharge from its stormwater system,	Infringement notices	Internal Reporting	0	0	0	Achieved. ⁴
measured by the number of:	Enforcement orders	Internal Reporting	0	0	0	Achieved. ⁵
	Successful prosecutions	Internal Reporting	0	0	0	Achieved. ⁶
Level of Service: Service	calls are responded to promp	tly				
The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.		Internal Reporting	60 minutes	50 minutes	Not applicable – no flood events	Achieved. ⁷
The number of complaints authority about the perform system, expressed per 100 the territorial authority's st	nance of its stormwater 0 properties connected to	Internal Reporting	<1 per 1000 connections	0.31 complaints per 1,000 connections	0.25 complaints per 1,000 connections	Achieved. ⁸

Total number of rated properties for stormwater as at 30 June 2017: 47,989

Explanations

1. There were two flooding events in the 2016/17 year. The event in February equated to a 1 in 10 year return period in central Dunedin, and 1 in 5 in South Dunedin. The event in April equated to a 1 in 2 year rainfall event.

- 2. It is believed that habitable floor floodings may have occurred in both events, however, this data was not able to be captured at the time as the fast nature of both events meant there were higher priorities than collecting this data. The way this data is collected in the future will be addressed.
- 3., 4., 5. & 6. Compliance was achieved with no abatements, infringements, enforcements or prosecutions in 2016/17.
- 7. The target was achieved in the 2016/17 year due to excellent systems and processes in place for customer call outs. The targets were met by the contractor City Care Ltd.
- 8. There were a small number of complaints about the performance of the stormwater system received from the public. These were from the February and April rain events.

Some of our achievements in 2016/17:

Stormwater renewals – Recent stormwater renewals have generally been prioritised to coincide with high priority foul sewer renewals to gain cost efficiency. Recent projects include renewals in (state areas). A major clean of the Glen Rd stormwater intake was completed with further works for the area underway. More are planned for the next financial year, including Woodland Avenue, Sawyers Bay Pony Club, 240 Portobello Road, and Emerson Street.

South Dunedin – A replacement stormwater intake and screen was installed in Portobello Road during November 2016 and has been successful in weather events that have followed. Work is currently underway on investigating long term stormwater solutions for the South Dunedin area.

Capital Expenditure

Capital Expenditure	Note	2016/17 Actual \$'000	2016/17 Budget \$'000
New Capital			
Stormwater - Consent Compliance		154	21
Stormwater - Augmentation and Efficiency		205	260
Portobello Road Property Improvements	9	563	_
		922	281
Renewals			
Pump Stations		-	_
Stormwater – Consent Compliance		7	-
Stormwater – Network Renewals	10	1,018	2,044
		1,025	2,044
Total Capital		1,947	2,325

Explanation of variance

- 9. Unbudgeted remedial work on 240 Portobello Road.
- 10. The Kaikorai Valley stage three project was delayed due to only one tender being received with costs well above the original estimate. The project scope is being re-drafted and the contract re-tendered.

Stormwater

Income Statement for the Year Ended 30 June 2017

Actual 2016 \$000		Actual 2017 \$000	Budget 2017 \$000
	Revenue		
4,108	Citywide drainage rate	4,096	4,096
289	External operating revenue	203	125
_	External capital revenue	-	_
_	Vested assets	2,479	-
4,397	Total revenue	6,778	4,221
	Expenditure by outputs		
5,427	Stormwater	6,096	5,418
5,427	Total expenditure	6,096	5,418
(1,030)	Net surplus/ (deficit)	682	(1,197)
	Expenditure by inputs		
565	Staff costs	633	617
2,202	Operational costs	2,188	2,095
31	Loan interest	82	51
2,629	Depreciation	3,193	2,655
5,427	Total expenditure	6,096	5,418

Dunedin City Council: Funding Impact Statement for Year Ended 30 June 2017 for Stormwater

2016 Long-Term Plan Budget \$000		2017 Actual \$000	2017 Long-Tern Plan Budge \$000
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	Sources of operating funding		
- (100	General rates, uniform annual general charges, rates penalties		(0 (
4,108	Targeted rates	4,096	4,940
-	Subsidies and grants for operating purposes	-	0
33	Fees and charges	57	34
-	Internal charges and overheads recovered	-	
	Local authorities fuel tax, fines, infringement fees, and other receipts		
4,141	Total operating funding	4,153	4,97
	Application of operating funding		
2,305	Payments to staff and suppliers	2,419	2,376
71	Finance costs	82	89
391	Internal charges and overheads applied	402	40
	Other operating funding applications	-	
2,767	Total application of operating funding	2,903	2,86
1,374	Surplus/(deficit) of operating funding	1,250	2,10
	Sources of capital funding		
_	Subsidies and grants for capital expenditure	-	
87	Development and financial contributions	146	9
258	Increase/(decrease) in debt	-	21
_	Gross proceeds from sale of assets	-	
_	Lump sum contributions	-	
_	Other dedicated capital funding	-	
345	Total sources of capital funding	146	30
	Application of capital funding		
	Capital expenditure		
47	– to meet additional demand	57	5
411	- to improve the level of service	865	22
1,275	- to replace existing assets	1,025	2,04
_	Increase/(decrease) in reserves	_	
(14)	Increase/(decrease) of investments	(551)	8'
1,719	Total application of capital funding	1,396	2,41
	Surplus/(deficit) of capital funding	(1,250)	(2,108
(1,374)	our plus, (deficit) or cupitar runaring	(1,200)	(2,200,

Solid Waste

The Council's Solid Waste group consists of the following activities:

• Solid Waste

How does this group fit into our strategic framework?

This group contributes to 'A safe and healthy city' outcome and will support the Environment Strategy.

The Waste Management and Minimisation Plan 2013, (WMMP13) underpins the service provided by this group.

Outcome:	A safe and healthy city
	Where Dunedin is a clean, green, crime-free city where people feel safe and enjoy a healthy lifestyle.
Priorities:	Dunedin is a clean city with high-quality solid waste and recycling infrastructure.

Summary of Group Service Performance Results

Activity	Number of measures	Number of measures achieved	Number of measures not achieved	measures not	% of measures achieved
Solid Waste	2	0	2	0	0%
Totals:	2	0	2	0	0%

Solid Waste

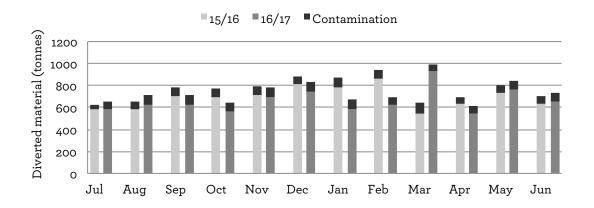
What we provide:

The Council's Solid Waste activity provides a collection, resource recovery and residual disposal service for domestic and some commercial residents in Dunedin. It also manages the Council's collection and recycle sorting contracts, two landfill facilities, one recover store and three recycling stations.

How do we measure performance?

Performance Measure	Data Source	Target 2016/17	Actual 2016/17	Actual 2015/16	Actual 2014/15	Achievement	
Level of Service: Refuse collection and k	Level of Service: Refuse collection and kerbside recycling meet customer expectations						
Number of complaints regarding missed collections	Collection contract data	<50	324	340	New measure from 2015/16	Not achieved. ¹	
Level of Service: Waste minimisation ta	rgets are met						
The quantity and quality of diverted material collected via the DCC's collection service for diverted material.	Internal Quarterly Reports	>2% annual growth in diverted material sold	(8,862.91 tonnes) 7,901.97 tonnes sold - 89% 3.9% decrease on 2015/16	(9,101 tonnes) 8,213 tonnes sold - 90% 2% decrease on 2014/15	(9,341 tonnes) 8,594 tonnes sold - 92%	Not achieved. ²	

Total waste diverted and sold during 2016/17 by month (tonnes)



Explanations

1. There has been an error in the recording of the target in the Long Term Plan. It was recorded as <50, however this is the monthly target, and the annual target is <600. A total of 324 missed collections were recorded in the 2016/17 year. These missed collections can often be attributed to things such as weather events which inhibits access to some streets, road works, contractor oversight and late presentation of bags or bins. Yellow bins are most often reported as missed with 169 reported misses, 81 reported blue bins misses and 72 reported refuse bags misses.

2. The amount of recyclables sold has decreased by 3.9% on the previous year. This is due to increasing contamination rates (non-recyclables) being deposited in yellow-lidded recycling bins. The Solid Waste team will initiate a recycling bin checking regime in the 2017/18 year aimed at reducing contamination rates and improving the quality and quantity of recyclables collected at kerbside.

Some of our achievements in 2016/17:

Campus area - Collaboration between the Council and Otago University Property Services resulted in continuous improvements for the campus area including more glass-specific street cleaning, additional glass bins and increased publicity and information.

Specialist expertise – Four new positions were established in the Solid Waste team; Contract Manager, Landfill Engineers, City Custodian and Contract Coordinator as part of a departmental restructure. These new appointments bring specialist expertise to the team and will ensure better visibility and service delivery to our community via our contracted services.

Waste facilities and services – An approach for waste facilities and services was developed to establish three new core contracts: Active and Closed Landfill Environmental Monitoring and Reporting, Green Island Landfill Operations and Rural Transfer Stations and Rural Skip Day Services. These contracts take effect from 1 July 2017.

City recycling – A city recycling programme was introduced and has addressed health and safety concerns with the cardboard collection service. It establishes back of house collection services and safe kerbside collection points. In addition, a recycling drop off facility was established in Moray Place. This is the first of two facilities with another planned in Vogel Street in the 2017/18 year.

Capital Expenditure

	Note	2016/17 Actual \$'000	2016/17 Budget \$'000
New Capital			
Compost for Final Cap		-	33
Green Island Landfill Improvements to Final Cap		-	188
Green Island Landfill Gas Collection	3	37	389
Recycling Wheelie Bins		72	_
Waikouaiti Landfill Transfer Station		1	_
Waikouaiti Landfill Decommissioning		6	103
City Recycling Facilities	_	117	
	_	233	713
Renewals			
Landfills Green Island	4	71	334
Renewal of Litter Bins	_	57	
	_	128	334
Total Capital	_	361	1,047

Explanation of variance

3 & 4. The total budget was not required in the 2016/17 year.

Solid Waste

Income Statement for the Year Ended 30 June 2017

Actual 2016 \$000		Actual 2017 \$000	Budget 2017 \$000
	Revenue		
621	General rates	647	648
2,796	Kerbside recycling rate	2,800	2,800
7,769	External operating revenue	9,032	9,062
-	External capital revenue	-	-
11,186	Total revenue	12,479	12,510
	Expenditure by outputs		
3,230	Landfills	4,220	5,129
177	Waste Strategy	281	343
2,958	Recycling	2,992	2,974
2,046	Refuse/Litter Collection	2,015	2,072
8,411	Total expenditure	9,508	10,518
2,775	Net surplus/ (deficit)	2,971	1,992
	Expenditure by inputs		
405	Staff costs	400	544
7,267	Operational costs	8,333	9,249
226	Loan interest	198	198
513	Depreciation	577	527
8,411	Total expenditure	9,508	10,518

Dunedin City Council: Funding Impact Statement for Year Ended 30 June 2017 for Solid Waste

2016 Long-Term Plan Budget \$000		2017 Actual \$000	2017 Long-Term Plan Budget \$000
	Sources of operating funding		
621	General rates, uniform annual general charges, rates penalties	647	606
2,796	Targeted rates	2,800	2,866
-	Subsidies and grants for operating purposes	_	-
6,075	Fees and charges	9,032	6,833
745	Internal charges and overheads recovered	1,304	763
-	Local authorities fuel tax, fines, infringement fees, and other receipts	_	-
10,237	Total operating funding	13,783	11,068
	Application of operating funding		
8,922	Payments to staff and suppliers	9,175	9,308
234	Finance costs	198	214
122	Internal charges and overheads applied	861	125
_	Other operating funding applications	_	_
9,278	Total application of operating funding	10,234	9,647
959	Surplus/(deficit) of operating funding	3,549	1,421
	Sources of capital funding		
_	Subsidies and grants for capital expenditure	_	-
_	Development and financial contributions	_	-
(253)	Increase/(decrease) in debt	-	(272)
_	Gross proceeds from sale of assets	-	-
_	Lump sum contributions	-	-
_	Other dedicated capital funding	-	
(253)	Total sources of capital funding	_	(272)
	Application of capital funding		
	Capital expenditure		
_	– to meet additional demand	_	-
417	- to improve the level of service	233	713
188	- to replace existing assets	128	334
_	Increase/(decrease) in reserves	_	-
101	Increase/(decrease) of investments	3,188	102
706	Total application of capital funding	3,549	1,149
(959)	Surplus/(deficit) of capital funding	(3,549)	(1,421)
	Funding balance	_	_

City Planning and Regulatory Services

The Council's City Planning and Regulatory Services group consists of the following activities:

• City Development

• Regulatory - Animal Services

• Resource Consents

- Regulatory Building Services
- Regulatory Alcohol Services
- Regulatory Environmental Health

How does this group fit into our strategic framework?

This group contributes to three community outcomes and supports the city's spatial plan – Dunedin Towards 2050, which sets the strategic direction for Dunedin's growth and development for the next 30 plus years.

Outcome:	A distinctive built environment
	Dunedin is a compact city with a vibrant centre for people to work, live and play; complemented by thriving suburban and rural centres.
Priorities:	 Dunedin is enhanced through quality architectural, urban and landscape design. Dunedin's built heritage is valued and heritage buildings are in active re-use. Dunedin's central city area is the vibrant focal point for urban life, supported by a hierarchy of successful suburban and rural centres. Development respects the unique character of Dunedin as a compact harbour city enclosed by hills.
Outcome:	A valued and protected natural environment
	Dunedin is recognised as a place with outstanding natural environments and significant biodiversity. Our distinctive rural and coastal landscapes are sustainably managed and protected.
Priorities:	 Our rural and coastal landscapes are protected and maintained. Dunedin's wildlife and natural habitats (flora and fauna) are respected and enhanced. Dunedin's people value the natural environment and are the custodians of a regenerative and flourishing natural environment. We lead by example in environmental practices and promote awareness of impacts of human activity on our local environment.
Outcome:	A safe and healthy city
	Dunedin is a clean, green, crime-free city where people feel safe and enjoy a healthy lifestyle.
Priorities:	Dunedin is a place where people are safe in their homes, work and public spaces.

Progress against this outcome is measured by monitoring:

Indicator	Target	Actual 2016/17	Actual 2015/16	Data Source
Number of properties and structures protected under District Plan that are demolished.	0	0	0	City Development internal data analysis
Total area of indigenous habitat in Dunedin protected by the District Plan, DCC reserve land and land held under QEII covenants and other statute-based protective mechanisms.	Increase by 2% annually on baseline. Baseline 2009/10: 30,454ha	Increase to 32,392 ha (from QEII area - 3 ha).	32,389 ha No increase	,

Summary of Group Service Performance Results

Activity	Number of measures	Number of measures achieved	Number of measures not achieved	measures not	% of measures achieved
City Planning and Regulatory Services	9	5	4	0	56%
Totals:	9	5	4	0	56%

City Planning and Regulatory Services

What we provide:

The City Development team provides strategic direction for sustainable future development options for the main Dunedin urban area and outlying settlements and townships, and ensures the city has enough land for housing. It also creates business opportunities by fostering and enhancing a vibrant CBD and tertiary precinct. Key activities include: developing and reviewing the District Plan and related strategic spatial planning policies; providing incentives for built heritage restoration and active re-use; leading place-based urban revitalization projects, and designing and implementing amenity improvements, and contributing to policy development, strategic planning and projects. City Development also supports and provides incentives for biodiversity protection and enhancement.

The **Resource Consent** team undertakes a range of work, including providing RMA planning and Hazardous Substances and New Organism Act advice, processing resource consent applications, monitoring, and compliance work.

The Regulatory Services teams provide:

- monitoring services to enforce standards of public safety with the control of dogs
- building services that meet customer needs and statutory requirements
- · protection for the public by monitoring and enforcing standards of public health
- services to reduce alcohol-related harm by monitoring and enforcing standards within licensed premises, and to provide Alcohol Licensing Committee services for Dunedin City.

How do we measure performance?

Performance Measure	Data Source	Target 2016/17	Actual 2016/17	Actual 2015/16	Actual 2014/15	Achievement		
Residents are satisfied with the look and feel of the city								
Percentage of residents satisfied with the overall look and feel of the city	ROS	≥75%	78%	75%	72%	Achieved. ¹		
Level of Service: Resource consent custo	mer informati	on needs are 1	net					
Percentage of customer requests for advice at the front counter fulfilled	External Counter Survey	≥90%	100%	100%	100%	Achieved. ²		
Level of Service: Resource consents are p	processed effic	eiently and me	et statutory ti	imeframes				
Percentage of resource consents processed within statutory timeframes	Quarterly Internal Report	100%	99.6%	100%	100%	Not achieved. ³		
Level of Service: Legislative standards ar	nd bylaws are	enforced to pr	otect the publ	lic				
Percentage of residents satisfied with the control of roaming dogs (Measure revised to measure satisfaction instead of dissatisfaction from 2015/16)	ROS	≥90%	63%	60%	Measure revised from 2015/16	Not achieved. ⁴		
Percentage of "A" graded food premises	DCC internal reporting	≥65%	84%	85%	New Measure from 2015/16	Achieved. ⁵		
Level of Service: Monitoring of legislativ	e standards aı	nd bylaws is u	ndertaken to p	protect the pu	blic			
Percentage of registered health premises inspected annually	DCC Internal Reporting	100%	100%	100%	100%	Achieved. ⁶		

Performance Measure	Data Source	Target 2016/17	Actual 2016/17	Actual 2015/16	Actual 2014/15	Achievement	
Level of Service: Monitoring of legislative standards and bylaws is undertaken to protect the public							
Number of alcohol licensing monitoring visits completed each quarter Level of Service: Statutory timeframes for	DCC Internal Reporting	≥50 per quarter	194 Compliance Visits	345 Compliance Visits	New measure from 2015/16	Not achieved. ⁷	
Percentage of building consent applications processed in accordance with statutory timeframes	Internal Processing Analysis	100%	93%	66%	92%	Not achieved.8	
Percentage of Code Compliance Certificates issued in accordance with statutory timeframes	Internal Processing Analysis	100%	100%	100%	100%	Achieved. ⁹	

Explanations

- 1. Target achieved this year. The Central City Plan and other amenity improvement projects programmed in the coming years seek to address residents' concerns about the overall appearance of the city.
- 2. 5,600 requests were made during the 2016/17 year.
- 3. 766 of 769 resource consents (as defined by s87 of the Resource Management Act) processed within statutory timeframes for non-notified and notified land use and subdivision consents.
- 4. Although the target was not achieved, this is a 3% improvement compared to 2016. Staff continue to respond to complaints in a timely manner and are actively patrolling the city suburbs for any roaming dogs.
- 5. The new Food Act 2014 came into force on 1 March 2016 requiring food operators to use a new risk management system. Environmental Health staff work closely with food operators to ensure they have a good understanding of the new systems and assist them to maintain food standards at a very high level.
- 6. Target achieved. All health premises required to be inspected annually were inspected at least once in the last 12 months.
- 7. This target was not achieved. Over the last 12 months, 194 licensed premises were visited to monitor their compliance in accordance with the Sale and Supply of Alcohol Act 2012. During each quarter between 23 and 73 monitoring visits were undertaken.
- 8. For the period 1 July 2016 to 30 June 2017 93% of applications were granted in 20 working days. (Quarterly results: Q1-75.3%, Q2-96.7%, Q3-99.7%, Q4-100%). Building Services has restored its staffing levels during the year which resulted in quarter 4 achieving 100% compliance.
- 9. 100% compliance with statutory timeframes.

Some of our achievments in 2016/17 were:

Minimum floor levels – Following the June 2015 flood, the Council introduced new minimum floor levels mainly for residential buildings, including new homes, house extensions and rest homes, across low lying parts of the city including South Dunedin, the Taieri Plain, Brighton, Tomahawk and parts of Kaikorai Valley. The new levels are interim and subject to review and change as new information around climate change and other challenges become available.

2GP – Hearings for the Proposed Second Generation District Plan began at the start of the 2016/17 year and are almost complete with just one hearing remaining. There have been 25 hearings, around 1500 submissions and more than 900 people have spoken to their submission. It is expected that decisions will be released by the end of 2017.

Electric vehicles - The number of electric vehicles (EV) in the Council vehicle fleet increased over the year. The Council fleet now has three 100% EVs, one plug-in hybrid EV and one standard hybrid EV. The Council resolved to include 20 electric vehicles (EV) in the Council fleet within five years, and has supported the installation of a new public EV charging station. This will reduce fuel dependency and harmful emissions.

Upgrade of parking meters – The city's parking meters have been upgraded to be compliant with the current electronic payment security standard and to provide 'Tap and Go' function on every meter.

Food Act requirements – After the first year of implementation of the Food Act, which came into effect on 1 March 2016, 86% of businesses are registered under the new system. The Food Act has a transition phase of three years. Under this Act Environmental Health Officers have to train and apply to be Food Act Officers in order to enforce the provisions of the Act and every member of the Environmental Health team is now approved as a Food Act Officer.

The Food Act also requires the Council to have quality management systems in place to deal with certain types of food businesses and the DCC was the first council to do this. This system significantly reduces the risk of unregistered food businesses operating in Dunedin. All Environmental Health team members are now recognised verifiers under this quality management system.

Capital Expenditure

	Note	2016/17 Actual \$'000	2016/17 Budget \$'000
New Capital			
City Development - Citywide Amenity Upgrades	10	66	615
City Development – Signage and Street Furniture		54	_
Regulatory Services - Dog Exercise Areas		1	_
		121	615
Total Capital	-	121	615

Explanation of variance

 $10.\ Delayed\ progress\ on\ Warehouse\ Precinct\ revitalisation\ work.\ The\ project\ will\ continue\ in\ the\ 2017/18\ and\ 2018/19\ years.$

City Planning and Regulatory Services

Income Statement for the Year Ended 30 June 2017

Actual 2016 \$000		Actual 2017 \$000	Budget 2017 \$000
	Revenue		
7,817	General rates	8,528	8,528
-	Heritage earthquake strengthening rate	-	66
-	Private drainange Warrington rate	-	1
7,379	External operating revenue	7,888	7,572
-	External capital revenue	-	-
15,196	Total revenue	16,416	16,167
	Expenditure by outputs		
2,024	City Development	2,045	1,941
_	Central City Plan	-	-
301	Second Generation District Plan	145	456
310	Amenity Improvement	290	496
390	Heritage Support	523	581
65	Biodiversity Support	28	66
-	Earthquake Strengthening	-	52
2,800	Resource Consents	3,218	2,848
9,477	Regulatory Services	10,511	9,651
15,367	Total expenditure	16,760	16,091
(171)	Net surplus/ (deficit)	(344)	76
	Expenditure by inputs		
8,070	Staff costs	8,703	8,788
7,104	Operational costs	7,875	7,066
190	Loan interest	179	231
3	Depreciation	3	6
15,367	Total expenditure	16,760	16,091

Dunedin City Council: Funding Impact Statement for Year Ended 30 June 2017 for City Planning and Regulatory Services

2016 Long-Term Plan Budget		2017 Actual	2017 Long-Term Plan Budget
\$000		\$000	\$000
	Sources of operating funding		
7,817	General rates, uniform annual general charges, rates penalties	8,528	8,076
67	Targeted rates	1	133
-	Subsidies and grants for operating purposes	4	
7,158	Fees and charges	7,806	7,255
_	Internal charges and overheads recovered	79	
83	Local authorities fuel tax, fines, infringement fees, and other receipts	79	85
15,125	Total operating funding	16,497	15,549
	Application of operating funding		
14,018	Payments to staff and suppliers	12,000	14,293
291	Finance costs	179	343
634	Internal charges and overheads applied	4,657	650
_	Other operating funding applications	_	
14,943	Total application of operating funding	16,836	15,28
182	Surplus/(deficit) of operating funding	(339)	26
	Sources of capital funding		
-	Subsidies and grants for capital expenditure	_	
-	Development and financial contributions	_	
769	Increase/(decrease) in debt	(84)	80-
-	Gross proceeds from sale of assets	_	
-	Lump sum contributions	_	
_	Other dedicated capital funding	_	
769	Total sources of capital funding	(84)	804
	Application of capital funding		
	Capital expenditure		
-	– to meet additional demand	_	
501	- to improve the level of service	121	61
_	- to replace existing assets	_	
-	Increase/(decrease) in reserves	_	
450	Increase/(decrease) of investments	(544)	452
951	Total application of capital funding	(423)	1,06
	Surplus/(deficit) of capital funding	339	(263)
(182)	Surplus/ (deficit) of capital funding	339	(203)

Community Development and Support

The Council's Community Development and Support group consists of the following activities:

- Cemeteries and Crematorium
- Events and Community Development
- City Property Miscellaneous
- City Property Operational

- Housing
- Civic Leadership and Administration
- Civil Defence
- Warm Dunedin Targeted Rate

How does this group fit into our strategic framework?

This group contributes to 'A Supportive community' outcome and supports Dunedin's Social Wellbeing Strategy 2013–2023 and the recently adopted Ara Toi Ōtepoti - Our Creative Future, Dunedin's Arts and Culture Strategy.

Outcome:	A supportive community Where Dunedin's citizens feel included and connected with their wider community and enjoy a good quality of life.
Priorities:	 A city that supports strong and connected neighbourhoods and communities. People have a sense of belonging and actively contribute to the wider community and volunteering is encouraged. People are empowered to participate in decision-making and have open access to information. Dunedin communities are inclusive of all people, and our relationship with Kai Tahu is strong.
	People enjoy a standard of living to enable them to have a positive quality of life and exercise genuine choices.

Progress against this outcome is measured by monitoring:

Indicator	Target	Actual 2016/17	Actual 2015/16	Data Source
Residents' sense of community within their local community.	Does not decrease	,	86% (ROS 2016)* 85% (QoL - 2016)*	ROS annually QoL Survey every two years
Residents' perception that Dunedin recognises and supports cultural diversity.	≥ 65% or does not decrease	77% (ROS)	77% (ROS)	ROS annually

^{*} Results include those who strongly agree, agree and those who neither agree or disagree

Summary of Group Service Performance Results

Activity	Number of measures	Number of measures achieved	Number of measures not achieved	Number of measures not measured	% of measures achieved
Community Development and Support	13	8	3	2	62%
Totals:	13	8	3	2	62%

Community Development and Support

What we provide:

The Cemeteries and Crematorium Services manage a total of 20 cemeteries (15 metropolitan cemeteries and five rural cemeteries) and a crematorium and chapel to provide facilities, burial and cremation services to Dunedin residents. This includes the management of seven cemeteries that are closed to further burials.

The **Events and Community Development** team helps to ensure the people of Dunedin city have access to a broad range of community support functions and advice.

The **Housing** activity supports people 55 years and older, and qualifying low-income people, through the provision of well maintained, affordable housing at no cost to the ratepayer. The Council manages 954 housing units.

The Operational Property Portfolio manages property investments and related land that are required for service administration and delivery purposes by the Council. This includes the Civic Centre buildings; Dunedin Town Hall; Dunedin Centre; 'YMCA' Building (Civil Defence); Community Halls (20); Council Service Centres and Libraries in Dunedin, Mosgiel, Blueskin Bay (Waitati), Port Chalmers and Waikouaiti; Toitū Otago Settlers Museum; Dunedin Public Art Gallery; Dunedin Chinese Garden; and city-wide public toilets.

The Miscellaneous Property Portfolio manages a group of property investments that are required for a wide range of community arts, culture, sport and other heritage service purposes by the Dunedin City Council. These include the Fortune Theatre, Regent Theatre, Edgar Centre and Lion Arena, High Performance Sports Centre, Dunedin Railway Station and Precinct, Sargood Centre and Logan Park Tennis Centre, Ice Sports Stadium, Dunedin Gasworks Museum and others.

The Civic Leadership and Administration activity supports the democratic process for the Council. It assists community engagement in the political process by the provision of public forums and hearings; provides analytical and administrative support to the elected members; analytical, legal and administrative services to support officers in liaising with councillors and community board members; liaison and support for the Council with the Office of the Auditor General and the Remuneration Authority; and liaison between the Council, Council Committees and subcommittees and Corporate Leadership Team.

The Civil Defence activity allows the Council to meet its responsibilities under the Civil Defence Emergency Management Act 2002 to plan and provide for civil defence emergency management within its district, which includes risk reduction and readiness for, response to and recovery from emergency events. The Council is a member of the Otago Civil Defence Emergency Management Group, which has the role of promoting co-ordinated and co-operative civil defence emergency management between its members.

How do we measure performance?

Performance Measure	Data Source	Target 2016/17	Actual 2016/17	Actual 2015/16	Actual 2014/15	Achievement	
Level of Service: Cemetery and Cremator	rium services	meet the need	ls of funeral d	irectors and tl	he bereaved		
Percentage of users satisfied with the range of services provided at, and the presentation of, Dunedin cemeteries managed by the DCC.	ROS	≥80%	76%	82%	New measure from 2015/16	Not achieved. ¹	
Level of Service: Advice and support is provided to the community and key stakeholders							
Percentage of customers satisfied with advice, support, and assistance provided by Community Development.	Annual Survey	≥95%	100%	82%	87%	Achieved. ²	
Level of Service: Grants funding and con	tract support	is appropriate	ly administer	ed and monito	ored		
Percentage of service level/grant funded groups that meet funding contract accountability requirements.	Internal Reporting	≥95%	100%	100%	100%	Achieved. ³	
Level of Service: Council funded events meet the needs of residents							
Percentage of residents satisfied with city festivals and events.	ROS	≥70%	74%	73%	72%	Achieved. ⁴	

Performance Measure	Data Source	Target 2016/17	Actual 2016/17	Actual 2015/16	Actual 2014/15	Achievement
Level of Service: The housing by the Cou	ıncil provided	meets the nee	eds of tenants			
Percentage of tenants satisfied with the Council's rental housing.	Tenant Survey	≥95%	83%	85%	95%	Not achieved. ⁵
Percentage occupancy of rental housing.	Annual Review	≥94%	97%	96%	94%	Achieved. ⁶
Level of Service: Housing rental values v	vill not exceed	operating ex	penses	1		
Housing revenue equals housing expenses.	DCC Monthly financial reporting	100%	Revenue +4.9% (favourable) Expenditure +9.8% (unfavour- able)	Revenue + 2.2% (favourable) Expenditure -4.2% (favourable)	Revenue +5.4% (favourable) Expenditure +3.1% (favourable)	Not achieved. ⁷
Level of Service: Properties in the City P	roperty Misce	llaneous Porti	olio are appro	priately mana	iged	
Percentage of miscellaneous property portfolio assets maintained and developed to the City Property quality standard.	Quarterly analysis of non – compliance exceptions	≥85%	Not measured	Not measured	85%	Not measured.8
Level of Service: Property assets utilised	by Council se	ervices are app	oropriate			
Percentage of operational property portfolio that fits the purpose and meets the needs of services.	Internal Property Records	≥85%	Not measured	Not measured	New measure from 2015/16	Not measured. ⁹
Level of Service: The information require	ed to participa	te in the dem	ocratic proces	s is appropria	tely available	
Percentage of non-public material that is assessed for proactive release to the public during each Council Committee meeting round.	Internal Assessment of Committee	100%	100%	100%	New measure from 2015/16	Achieved. ¹⁰
Percentage LGOIMA official information requests that are responded to within 20 working days.	Internal Analysis of LGOIMA processing	100%	100%	Not measured in this period	New measure from 2015/16	Achieved. ¹¹
Level of Service: Dunedin City Council is place at all times	s prepared to 1	respond to em	ergency situa	tions with an	operative Civi	l Defence Plan in
Status of Civil Defence Plan.	Internal status Review	Plan is operative at all times	Achieved	Achieved	Achieved	Achieved. ¹²
The Civil Defence Emergency Management Plan is reviewed annually.	Council Meeting Minutes	Reviewed plan adopted by the Council each year*	8 sections of the plan reviewed in 2016/17	14 sections of the plan reviewed in 2015/16	New measure from 2015/16	Achieved. ¹³

^{*} This measure has a typographical error in the LTP. The intent of the measure is that the reviewed plan be submitted to the Council each year

Explanations

1. The decrease in satisfaction in the cemeteries space is attributed to the new maintenance contracts for the city's cemeteries. It is anticipated that the changes made with these new contracts will be reflected during the 2017/18 year.

- 2. 25 responses were received for this question. The reversal of the downward trend is attributed to an increased level of staff providing improved and timely service.
- 3. Some key and unique organisations have been funded through the City Service and City Project Grant with accountability requirements fully achieved.
- 4. Satisfaction trending upwards is attributed to the growth in diversity and size of events supported within the city.
- 5. Tenants expectations have risen, especially with regards to the provision of wall insulation and double glazing for windows. This has affected the level of tenant satisfaction for the 2016/17 year.
- 6. The new operating model and work methods have maintained high occupancy, which has been negatively impacted by units remaining vacant due to required works.
- 7. There was no tolerance applied to the target from 2016/17 year. Fast letting times have maintained high occupancy and revenue. Expenses have increased along with the quantity of repair and maintenance required.
- 8. As at 30 June 2017 the criteria for this measure was in development and was unable to be reliably measured.
- 9. As at 30 June 2017 the criteria for this measure was in development and was unable to be reliably measured.
- 10. All 2016/17 non-public material was assessed for proactive release to the public during each Council Committee meeting round.
- 11. This measure was 100% achieved. There were 334 number of LGOIMA official information requests that were responded to within 20 working days, during 2016/17.
- 12. The Civil Defence Emergency Management Plan is in place and operative.
- 13. Eight sections of the plan were reviewed in the 2016/17 year and additional changes to align the plan with the New Zealand Coordinated Incident Management System are planned for the 2017/18 year.

Some of our achievements in 2016/17 were:

Warm housing - A total of 251 ratepayers took up the Warm Dunedin targeted rates programme for installing clean heating and insulation in 2016/17. More than 1200 have taken up the programme since it started in 2013. The scheme involves repaying the advance funds as a targeted rate over a 10 year period through their rates bill.

Youth hui and collaboration - The Council has supported a community-led model to help youth into employment through greater collaboration amongst social sector leaders to improve outcomes for young people. This includes initiatives focused on increasing youth participation in education, training and employment, building resilience among young people, and preventing youth offending.

South Dunedin – There have been regular conversations with an expanding group of stakeholders interested in the social and economic wellbeing of South Dunedin. In May, a wider community hui was held in South Dunedin with a number of small community driven projects resulting. Drop in sessions hosted by the Council and the Otago Regional Council were held in September to start a community conversation around South Dunedin's future.

Events – Growth in the size and diversity of city events are contributing to increasing satisfaction with festivals and events. Grants – Four funding rounds were delivered during 2016/17. More than \$1.4 million in grants funding was provided to over 200 organisations.

Ara Toi Ōtepoti, Our Creative Future (Dunedin's Arts and Culture Strategy) – Implementation of this strategy continued in 2016/17 and achievements include an arts funding hui which attracted 70 participants and resulted in the most applications ever for arts funding and a development plan for the Mayfair Theatre focussed on funding and organisation. The Council is also partnering with the Otago Community Trust to fund and develop arts capability in Dunedin.

Music and film development - The Council, working in partnership with NZ On Air, have developed Bring It Home, a programme to help promote music and film in Dunedin. The programme allows artists, who are awarded New Music funding from NZ on Air, to secure a top up grant if they film their music video in Dunedin, or hire people or buy goods or services in Dunedin.

Capital Expenditure			
	Note	2016/17 Actual \$'000	2016/17 Budget \$'000
New Capital			
Property Miscellaneous – Corstorphine Subdivision Property Purchase		13	_
Housing - New Housing Units	14	10	1,536
Property Operational - Civic Centre Gig Backbone		27	-
Property Miscellaneous - Toilets		6	_
Property Miscellaneous - Railway Station	15	194	
	-	250	1,536
Renewals			
Cemeteries and Crematorium - Chapel Heating		_	30
Cemeteries and Crematorium - Vehicle and Pedestrian Accessway Renewal	S	-	138
Civil Defence - Emergency Equipment Replacement Programme		42	51
Housing - Existing Housing	16	223	581
Property Operational - Corporate Furniture	17	312	-
Property Operational - Renewal/Replacement of Building Services	18	78	563
Property Operational – Public Toilet Renewals		1	82
Property Miscellaneous – Capital Renewal		176	113
Property Miscellaneous – Public Hall Renewals		19	21
Property Miscellaneous – Railway Station		717	-
	-	1,568	1,579
Taral Carrier	=	1 010	2 11 5
Total Capital	<u>-</u>	1,818	3,115

Explanation of variance

- 14. A number of projects have been delayed while asset assessments are completed. This will allow appropriate programming of work in future years.
- 15. Unbudgeted expenditure on the Railway Station building.
- 16. A number of projects have been delayed while asset assessments are completed. This will allow appropriate programming of work in future years.
- 17. Additional expenditure has been incurred due to reorganisations within the Civic Centre building.
- 18. A number of projects have been delayed while asset assessments are completed. This will allow appropriate programming of work in future years.

Community Development and Support

Income Statement for the Year Ended 30 June 2017

Actual 2016 \$000		Actual 2017 \$000	Budget 2017 \$000
	Revenue		
13,473	General rates	14,770	14,770
341	Warm Dunedin rate	437	437
10,123	External operating revenue	10,298	10,019
	External capital revenue	_	_
23,937	Total revenue	25,505	25,226
	Expenditure by outputs		
1,573	Cemeteries and Crematorium	1,557	1,557
4,565	Events and Community Development	4,807	4,891
5,337	Housing	6,061	5,525
855	Civil Defence	978	894
3,707	Civic Leadership and Administration	5,144	4,138
309	Warm Dunedin	300	421
4,061	Property Miscellaneous	4,229	2,970
7,067	Property Operational	8,422	7,462
27,474	Total expenditure	31,498	27,858
(3,537)	Net surplus/ (deficit)	(5,993)	(2,632)
	Expenditure by inputs		
2,211	Staff costs	2,711	2,443
13,248	Operational costs	16,728	13,440
3,158	Loan interest	2,906	3,080
8,857	Depreciation	9,153	8,895
27,474	Total expenditure	31,498	27,858

Dunedin City Council: Funding Impact Statement for Year Ended 30 June 2017 for Community Development and Support

2016 Long-Term Plan Budget \$000		2017 Actual \$000	2017 Long-Term Plan Budge \$000
7000			700
13,473	Sources of operating funding General rates, uniform annual general charges, rates penalties	14,770	13,828
341		437	437
126	Targeted rates	140	129
	Subsidies and grants for operating purposes		
9,569	Fees and charges	10,158	9,73
6,218	Internal charges and overheads recovered	4,960	6,374
	Local authorities fuel tax, fines, infringement fees, and other receipts		
29,727	Total operating funding	30,465	30,50
	Application of operating funding		
17,278	Payments to staff and suppliers	21,346	17,829
3,642	Finance costs	2,906	3,365
3,849	Internal charges and overheads applied	3,053	3,94
_	Other operating funding applications	-	
24,769	Total application of operating funding	27,305	25,13
4,958	Surplus/(deficit) of operating funding	3,160	5,364
	Sources of capital funding		
-	Subsidies and grants for capital expenditure	-	
-	Development and financial contributions	-	
(4,117)	Increase/(decrease) in debt	(4,578)	(2,266
-	Gross proceeds from sale of assets	-	
-	Lump sum contributions	-	
_	Other dedicated capital funding		
(4,117)	Total sources of capital funding	(4,578)	(2,266
	Application of capital funding		
	Capital expenditure		
34	– to meet additional demand	3	;
2,058	- to improve the level of service	247	1,53
1,757	- to replace existing assets	1,568	1,57
_	Increase/(decrease) in reserves		
(3,008)	Increase/(decrease) of investments	(3,236)	(17
841	Total application of capital funding	(1,418)	3,09
	Surplus/(deficit) of capital funding	(3,160)	(5,364
(4,958)		(0,200)	(0,00 =

Museums, Libraries and Art Gallery

The Council's Museums, Libraries and Art Gallery group consists of the following activities:

- Dunedin Public Libraries
- Dunedin Public Art Gallery
- Toitū Otago Settlers Museum
- Dunedin Chinese Garden
- Otago Museum Levy

How does this group fit into our strategic framework?

This group contributes to two community outcomes - 'A vibrant and creative city' and 'A city of learning' and supports Ara Toi Ōtepoti - Our Creative Future, Dunedin's Arts and culture strategy

Outcome:	A vibrant and creative city Dunedin is a city known for its diverse and engaging arts and culture.
Priorities:	Dunedin has a diverse range of arts and cultural facilities and activities, which are accessible to all.
	• We celebrate the unique identity, character and history of the diverse communities and cultures that make up Dunedin.
	We support the city's legacy of creative and artistic activity.
	Art is truly valued and integrated in the design and development of the city.
Outcome:	A city of learning
	Dunedin is a leading city of education, and its community engages in lifelong learning.
Priorities:	Our city provides opportunities and environments that encourage learning, accessible to all.

Progress against this outcome is measured by monitoring:

Indicator	Target	Actual 2016/17		Data Source
Perception that Dunedin is a creative city.	Not set. Trends are monitored from results. An increasing number of residents perceive Dunedin as a creative city.		76%	ROS

Note: these activities influence perceptions but are not directly responsible for this indicator.

Summary of Group Service Performance Results

Activity	Number of measures	Number of measures achieved	measures	measures not	% of measures achieved
Museums, Libraries and Art Gallery	13	11	2	0	85%
Totals:	13	11	2	0	85%

Museums, Libraries and Art Gallery

What we provide:

Dunedin Public Libraries is the oldest free public library service in New Zealand and was founded in 1908. The Dunedin Public Libraries includes five libraries in Dunedin, Mosgiel, Blueskin Bay, Port Chalmers and Waikouaiti; operates two bookbuses to serve the suburban and rural areas of Dunedin and provides home services. This gives all residents and ratepayers in Dunedin access to a physical item and/or information from a library; opportunities for life-long learning skills; awareness of library resources; and preservation of the Library's Heritage collections.

The Dunedin Public Art Gallery is the oldest art gallery in New Zealand, founded in 1884, located in the Octagon since 1996, and is recognised as one of New Zealand's best galleries, with significant holdings of historical European art, Japanese prints and decorative arts, as well as an excellent collection of New Zealand works. The strength of the collection, combined with its varied programme of activity, has gained national and international recognition. In addition to the local and international exhibitions the gallery provides a wide range of visitor programmes as well as events and education services all of which aim to stimulate an understanding and appreciation of the visual arts. These constantly changing programmes attract local residents to make regular and repeat visits and generates an extremely positive profile of the city to the rest of New Zealand and internationally.

Toitū Otago Settlers Museum and the Dunedin Chinese Garden

The Otago Settlers Museum was founded by the Otago Settlers Association in 1898. A purpose-built gallery was opened in 1908 and is still part of today's Museum. The Museum collections relate to the City of Dunedin, its people, social history, transport and technology. The Museum reopened in December 2012 following major capital redevelopment which included two new buildings: a collections store meeting international standards of collections care and a new entrance building. Te Pae o Mahutonga, the Museum's Ngai Tahu Advisory Group, offered to the Otago Settlers' Museum Board a mana whenua name, 'Toitū', which was endorsed by the Council and incorporated into the name of the redeveloped facility.

The Dunedin Chinese Garden was gifted to the city in July 2008 by the Dunedin Chinese Garden Trust. The Trust had secured funding from a number of sources and worked directly with Shanghai, Dunedin's Sister City, in obtaining materials and artisans from Shanghai to construct the complex, which is one of very few original Chinese gardens in the world outside of China.

Management of the Dunedin Chinese Garden transferred to Toitū Otago Settlers Museum on 1 July 2013. Existing budget lines, service objectives, service levels, service performance measures and fee structures for the Dunedin Chinese Garden have been retained but are now managed and reported within the Toitū Otago Settlers Museum activity.

The Otago Museum contributes to the culture and learning city outcome by providing world class collections, exhibitions, culture, nature and heritage, and as such, the Council provides funding towards these activities. The Council maintains a keen interest in the management of the Otago Museum through four appointments with the Board of Directors. This provides a transparent way of reporting the Council's contribution to this institution via the Otago Museum Levy.

How do we measure performance?

Performance Measure	Data Source	Target 2016/17	Actual 2016/17	Actual 2015/16	Actual 2014/15	Achievement		
Level of Service: Library facilities are accessible and collections meet the needs of the community								
Percentage of residents who used Dunedin Public Libraries annually.	ROS	≥35%	68%	68%	New measure from 2015/16	Achieved. ¹		
Percentage of residents satisfied with Dunedin Public Libraries.	ROS	≥90%	93%	90%	New measure from 2015/16	Achieved. ²		
Level of Service: The range of library co	llection mater	ials is maintai	ned and upda	ted				
Number of new library materials (non-serial) acquired per 1,000 population annually.	Annual Statistical Analysis	≥270	185	218	225	Not achieved. ³		
Level of Service: Provision of learning opportunities								
Number of participants in lifelong learning programmes conducted by the library.	Monthly statistics	≥45,000	39,405	35,870	45,364	Not achieved. ⁴		

Performance Measure	Data Source	Target 2016/17	Actual 2016/17	Actual 2015/16	Actual 2014/15	Achievement
Level of Service: The Dunedin Public Ar expectations of visitors	t Gallery provi	des access to a	a diverse visua	al art experien	ce which mee	ts the
Percentage of users satisfied or very satisfied with their visit to the Dunedin Public Art Gallery.	User Exit Survey	≥90%	95%	95%	98%	Achieved. ⁵
Number of visitors annually to Dunedin Public Art Gallery.	Electronic Door Count	≥195,000	233,222	228,361	259,579	Achieved. ⁶
Percentage of designated exhibition galleries that are committed to displays from the permanent collection (in order to provide access to the city's holding of nationally significant art).	Calculation based on floor areas vs. time	≥40%	66%	76%	59%	Achieved. ⁷
Level of Service: The Dunedin Public Ar	t Gallery collec	ction is manag	ed according	to internation	al best practic	e
Percentage of catalogued collection items housed to international best practice at the Dunedin Public Art Gallery.	Assess-ment of housing conditions	100%	100%	100%	100%	Achieved. ⁸
Level of Service: The Toitū Otago Settle which meets the expectations of visitors	•	OSM) facilitie	s provide acce	ess to a diverse	social history	y experience
Percentage of users satisfied or very satisfied with their visit to TOSM.	ROS	≥95%	96%	94% 96%*	94%	Achieved. ⁹
Total number of visitors attracted to TOSM per annum (local/regional, national and international visitors).	Electronic Door Count	≥200,000	309,491	303,951	308,546	Achieved. ¹⁰
Number of special exhibitions, public programmes and events staged per year at TOSM and the Dunedin Chinese Garden.	Annual Status Analysis	≥100	198	184	180	Achieved. 11
Level of Service: Visitors enjoy an authe	ntic Chinese a	rchitectural ar	nd cultural exp	erience		
Percentage of users satisfied or very satisfied with their visit to the Dunedin Chinese Garden.	Visitor Satis-faction Survey from 2011/12	≥90%	97%	81%	92%	Achieved. ¹²
Number of visitors to the Dunedin Chinese Garden.	Ticket sales	≥40,000	51,164	43,650	34,972	Achieved. ¹³

^{*}Note: This result was incorrectly reported in the 2015/16 Annual Report as 96%. This has now been amended to reflect the correct result of 94%.

Explanations

1. Achieved, target is >=35%. The reduced usage of the Dunedin Public Libraries is related to a number of factors including the increased availability of free wifi in other locations and increased use of online and downloadable content reducing the need to visit a physical library.

- 2. Achieved, target was 90%. Factors contributing to the achievement of this target could include high satisfaction with staff assistance and with the collections and service.
- 3. A decrease of 33 from 2015/16 result. Performance measure not achieved as overall budget was reduced from previous year, and there was an increase in Shelf Ready service costs, which is capitalized.
- 4. A 9.4% increase, when compared with 2015/16 results. 1801 events were held in 16/17, compared to 1682 events in 15/16. The difference in the numbers of events can be partially attributed to some biennial festivals (e.g. Science Festival, Writers and Readers Festival) occurring for which the library always hosts a number of events associated with them. City of Literature events and targeted marketing also contributed to the increased numbers.
- 5. The exit survey continues to show high levels of satisfaction. Data captured via Get Smart electronic survey and other means.
- 6. A total of 233,222 visitors for the year. This is above the target of 190,000 and is due mainly to a very popular exhibition at the beginning of the year.
- 7. There is a consistent effort made to utilise DPAG Collection items where appropriate.
- 8. All Collection items are held to international best practice.
- 9. Target has been achieved. The facility continues to rate highly in terms of user satisfaction.
- 10. This is the highest number of visitors since the Museum Redevelopment in 2012, with a high proportion of repeat local visitors. Well above target.
- 11. Performance is well above target. Extra events during the year have been screenings of the documentary "Journey to Lan Yuan."
- 12. This target was achieved with 97% of visitors satisfied. ROS also measures visitor satisfaction with the Dunedin Chinese Garden and the ROS result for the year was 65%. The intention from 2018 is to use the ROS data source for this measure as surveys are conducted more regularly.
- 13. This is the most successful year to date for the Garden with a very successful cruise ship and tourist season contributing to high ticket sales and visitor numbers, helped by 10,000 visitors to the annual Chinese New Year celebration. Well above target.

Some of our achievements in 2016/17:

Dunedin Chinese history film - Dunedin's Chinese history and heritage is explored in a new documentary film titled Journey to Lan Yuan, created by a team from Toitū Otago Settlers Museum and Dunedin Chinese Garden.

Inaugural Storytelling Festival - Dunedin held its inaugural International Storytelling festival, Around the World in 80 Tales, at the Dunedin City Library in March. It featured stories in 15 languages drawn from the city's diverse cultures.

Additional service - Additional service centre facilities, combined with increased opening hours, were introduced at Blueskin Bay and Waikouaiti libraries in July 2016.

Gardens of National Significance - Both Olveston garden and the Dunedin Chinese Garden continue to hold the status of Gardens of National Significance.

City of Literature – The Dunedin UNESCO City of Literature won the opportunity to have a stand at the iconic Bologna Children's Book Fair in April. The launch of a City of Literature doctoral scholarship was announced by the University of Otago and the Council in January 2017.

South Dunedin – Work is underway to set up a temporary South Dunedin community hub in Hillside Road which will include space for community and library activities.

Dunedin Public Art Framework – A draft Dunedin Public Art Framework was developed during the year in response to feedback on Ara Toi, Our Creative Future, Dunedin's Arts and Culture Strategy. The vision of the framework is that public art will help transform Dunedin into a place that is even more extraordinary, creating places in our city that delight, intrigue and challenge those who venture into them.

Capital Expenditure

	2016/17 Actual \$'000	2016/17 Budget \$'000
New Capital		
Dunedin Public Art Gallery – *DPAG Society Funded Acquisitions	55	31
Dunedin Public Art Gallery – Acquisitions	-	51
Dunedin Public Art Gallery - DCC Funded Acquisitions	50	109
Dunedin Public Art Gallery – DPAG Minor Capital Works	34	21
Dunedin Public Libraries – Heritage Collection Purchases	51	70
Dunedin Public Libraries – Heritage Collection Purchases – Trust Funds	1	10
Dunedin Public Libraries – South Dunedin Community Facility	57	_
Dunedin Public Libraries – Library Planning Project	-	154
Toitū Otago Settlers Museum – Minor Capital Works	19	21
	267	467
Renewals		
Dunedin Public Art Gallery – DX Dehumidification Project	67	6
Dunedin Public Art Gallery – Exhibition Lighting	50	51
Dunedin Public Art Gallery – Security Cameras	-	26
Dunedin Public Libraries – Minor Capital Equipment Purchases	22	56
Dunedin Public Libraries – Operational Collections Purchases	797	936
	936	1,075
Total Capital	1,203	1,542

Museums, Libraries and Art Gallery

Income Statement for the Year Ended 30 June 2017

Actual 2016 \$000		Actual 2017 \$000	Budget 2017 \$000
	Revenue		
23,145	General rates	22,996	22,996
1,672	External operating revenue	2,233	1,701
116	External capital revenue	-	65
24,933	Total revenue	25,229	24,762
	Expenditure by outputs		
10,323	Dunedin Public Libraries	10,817	10,583
4,123	Dunedin Public Art Gallery	4,092	4,132
6,013	Toitū Otago Settlers Museum	5,536	5,876
722	Dunedin Chinese Garden	794	760
-	Olveston	700	-
3,924	Otago Museum	3,924	3,924
25,105	Total expenditure	25,863	25,275
(172)	Net surplus/ (deficit)	(634)	(513)
	Expenditure by inputs		
8,852	Staff costs	9,670	8,820
12,959	Operational costs	13,181	13,218
1,018	Loan interest	1,020	1,020
2,276	Depreciation	1,992	2,217
25,105	Total expenditure	25,863	25,275

Dunedin City Council: Funding Impact Statement for Year Ended 30 June 2017 for Museums, Libraries and Art Gallery

Long-Term		2017 Actual	2017 Long-Term
Plan Budget			Plan Budget
\$000		\$000	\$000
	Sources of operating funding		
23,145	General rates, uniform annual general charges, rates penalties	22,996	23,715
_	Targeted rates	_	-
248	Subsidies and grants for operating purposes	304	254
1,342	Fees and charges	1,832	1,376
129	Internal charges and overheads recovered	139	132
113	Local authorities fuel tax, fines, infringement fees, and other receipts	96	115
24,977	Total operating funding	25,367	25,592
	Application of operating funding		
16,000	Payments to staff and suppliers	17,440	16,313
1,289	Finance costs	1,020	1,242
5,834	Internal charges and overheads applied	5,549	5,980
_	Other operating funding applications	_	_
23,123	Total application of operating funding	24,009	23,535
1,854	Surplus/(deficit) of operating funding	1,358	2,057
1,054		1,550	2,037
	Sources of capital funding		
86	Subsidies and grants for capital expenditure	_	88
_	Development and financial contributions	_	-
(616)	Increase/(decrease) in debt	(1,057)	(665)
_	Gross proceeds from sale of assets	_	-
_	Lump sum contributions	_	-
	Other dedicated capital funding	_	_
(530)	Total sources of capital funding	(1,057)	(577)
	Application of capital funding		
	Capital expenditure		
-	- to meet additional demand	-	-
385	- to improve the level of service	267	467
1,130	- to replace existing assets	936	1,075
-	Increase/(decrease) in reserves	-	-
(191)	Increase/(decrease) of investments	(902)	(62)
1,324	Total application of capital funding	301	1,480
(1,854)	Surplus/(deficit) of capital funding	(1,358)	(2,057)
	Funding balance	_	_

Sport, Recreation and Leisure

The Council's Sport, Recreation and Leisure group consists of the following activities:

- Aquatic Services
- Botanic Garden
- Parks and Reserves (including Parks and Reserves planning and administration)

How does this group fit into our strategic framework?

This group contributes to 'An active city' community outcome and the soon to be completed Parks and Recreation Strategy.

Outcome:	An active city Where Dunedin's people lead active, healthy and enjoyable lifestyles.
Priorities:	A city with a range of recreational, sporting and leisure facilities and opportunities, which are accessible to all.
	Our city has environments that encourage physical activity and recreation.
	We promote and encourage sporting and recreational events and opportunities.

Progress against this outcome is measured by monitoring:

Indicator	Target	Actual 2016/17	Actual 2015/16	Data Source
Ratio of sportsfields to population (hectares per 1,000 population).	0.80ha per 1,000 0f population	0.8	1.08 *	DCC Parks and Reserves Yard Stick Statistic
Participation at Council-owned pools (total attendances).	Not to decline	671,567	696,557	DCC Internal Attendence data
The Botanic Garden maintains a grading of "International" Significance from the New Zealand Gardens Trust.	Maintain grading	Achieved. The Botanic Garden retained its status as a 6-star garden	Achieved. The Botanic Garden retained its status as a 6-star garden	NZ Gardens Trust

^{*} Hectare value updated using results from the Yardstick Benchmark Survey for 2016. This is based on population figures from Stats NZ website (2013 census = 120,249). Better measuring and recording of sports fields maintained has improved the accuracy of this result

Summary of Group Service Performance Results

Group	Number of measures	Number of measures achieved	Number of measures not achieved	measures not	measures
Sport, Recreation and Leisure	12	7	5	0	58%
Totals:	12	7	5	0	58%

Sport, Recreation and Leisure

What we provide:

Aquatic Services manages Moana Pool, Mosgiel Community Pool, Port Chalmers Community Pool, and St Clair Hot Saltwater Pool. Through the four pools, all residents and visitors in Dunedin have access to well maintained, inviting, and supervised swimming facilities. Aquatic Services also provide professional swimming coaching, and facilitate the learn-to-swim programme for more than 1,700 students every term. Moana Pool is open all year, with additional services including: crèche; waterslide; gymnasium; physiotherapy; massage; and a shop. Mosgiel Community Pool is open seven months of the year and Port Chalmers Community Pool and St Clair Hot Saltwater Pool are open for six months of the year. In addition, the Council provides grants for the community pool at Middlemarch, Moana Gow Pool and six school pools.

The Botanic Garden has 19 themed-garden collections and an aviary for Dunedin residents and visitors to enjoy within an attractive natural and built environment. The Dunedin Botanic Garden is graded as a Garden of International Significance by the NZ Gardens Trust.

Dunedin City has a wide range of open spaces providing parks and recreation facilities, for both organised and casual use throughout the year. These open spaces make the city a green and pleasant environment for the community. They include playgrounds, sports grounds and parks and reserves containing a variety of assets that provide quality recreational opportunities. The Parks and Reserves team are responsible for the management of assets, contract management, project management of works, formal and informal lease/use arrangements, and the development and implementation of policies and plans relating to parks and reserves, recreation and leisure.

How do we measure performance?

Performance Measure	Data Source	Target 2016/17	Actual 2016/17	Actual 2015/16	Actual 2014/15	Achievement
Level of Service: Aquatic facilities are ac	cessible to ev	eryone				
Number of Annual Attendances at Counc	il swimming p	ools:				
Moana Pool	Internal data	≥600,000	587,385	596,448	601,264	Not achieved. ¹
St Clair Hot Saltwater Pool	Internal data	≥36,000	30,363	50,678	44,557	Not achieved. ²
Mosgiel Pool	Internal data	≥35,000	36,837	31,146	34,284	Achieved. ³
Port Chalmers Pool	Internal data	≥14,500	16,982	18,285	13,244	Achieved.4
Level of Service: Aquatic facilities are w	ell maintained	and meet the	needs of user	s		
% of users satisfied with all swimming pools.	ROS	≥85%	86%	86%	96%	Achieved. ⁵
Council-operated swimming pools achieve the New Zealand Water Pool Quality Standards.	CERM data	100%	100%	100%	100%	Achieved. ⁶
Level of Service: The Botanic Garden an	d its facilities	are well maint	tained and me	et the needs o	f users	
Percentage of users satisfied or very satisfied with the Botanic Garden overall.	ROS	≥90%	95%	96%	98%	Achieved. ⁷
Level of Service: Parks and Reserves fac	ilities are acce	ssible to ever	yone			
Percentage of respondents that agree sites and facilities are satisfactorily accessible.	ROS	≥80%	78%	79%	83%	Not achieved.8
Level of Service: Parks and Reserves fac	ilities are well	maintained a	nd meet the ne	eeds of users		
Percentage of users satisfied with DCC Playgrounds	ROS	≥80%	77%	75%	82%	Not achieved.9
Percentage of users satisfied with DCC Sportsfields	ROS	≥80%	75%	79%	New measure from 2015/16	Not achieved. ¹⁰

Performance Measure	Data Source	Target 2016/17				Achievement
Percentage of users satisfied with DCC Tracks	ROS	≥80%	84%	79%	90%	Achieved. ¹¹
Percentage of users satisfied with DCC scenic, bush and coastal reserves	ROS	≥80%	87%	86%	91%	Achieved. ¹²

Explanations

- 1. Numbers of visitors decreased in 2016/17, possibly impacted by a poor summer. The focus for the coming year is on marketing and promotion opportunities for Moana Pool.
- 2. Numbers of visitors decreased in 2016/17 and were impacted by poor summer weather. Attendance at this outdoor facility is strongly weather related.
- 3. Numbers of visitors increased in 2016/17 with the introduction of a Community Pools Supervisor position focussed on promotion of community pools.
- 4. Numbers of visitors increased in 2016/17 with the introduction of a Community Pools Supervisor position focussed on promotion of community pools.
- 5. Target has been achieved for 2016/17. A review into the structure and operations of Moana Pool will occur during the 2017/18 financial year.
- 6. All pools achieved pool safe accreditation.
- 7. The Botanic Garden is one of the city's key assets and is enjoyed by local and international visitors regularly. Satisfaction remains high and above target.
- 8. The restructure of the parks and recreation maintenance contracts came into effect during the year. It is anticipated that this change will be reflected in next year's results with the satisfaction levels for users increasing as the team works through renewals and asset management of our green spaces and facilities.
- 9. A playground audit has been carried out during the year and replacement of equipment, identified as priority one, has begun. Scheduled maintenance and updating of playgrounds will continue in 2017/18 and over the coming years.
- 10. The parks maintenance contracts have been in their first year of implementation including the use of a new contractor. The appointment of a Sportsfield Officer is expected to improve the standard of delivery of Council sportsfield assets. A review of the sports booking process is being undertaken to assess the demand and utilisation of the sports fields and to develop a better maintenance programme based on needs versus a blanket approach to all sports fields.
- 11. Parks and Recreation will be reviewing the entire track network in order to determine the most appropriate level of service, future maintenance and development of tracks. The implementation of a new tracks contract will increase the level of service and standards of Council tracks. Partnership with the Department of Conservation on all of the city's tracks is a priority.
- 12. New ecological and pest controls contracts have been awarded, it is anticipated that the structure of these new contracts will improve the standards of Dunedin's scenic, bush and coastal reserves. The appointment of the Biodiversity Officer role has played a key role in implementing the new initiatives and operations in this area.

Some of our achievements in 2016/17:

Managing pests - The Council signed a Memorandum of Understanding (MOU) for the Predator Free Dunedin (PFD) initiative together with 18 other signatories. Other pest management work underway includes:

- new guidelines for pest and ecological contracts on Council parks and reserves which will be in place on 1 July 2017, with mandatory operational monitoring by a third party
- Council approval for an OSPRI's 1080 pest control operation on Council land in the Silverstream catchment area while the operation targets possums it is also expected to reduce the number of rats and other predators and will benefit native bird species and biodiversity in the area
- Council continuing the Sycamore Removal Trial along a section of the West Harbour cycleway and
- non-toxic herbicides for weed control being trialled at Marlow Park Playground in St Kilda, with another trial planned at the proposed 'pocket park' in the old Carisbrook Stadium site later this year.

Town Belt boost – The Council is providing financial support to a Town Belt Education Initiative on the understanding that urban pest control and restoration will be included as part of student project work to restore the mauri of the Dunedin Town Belt.

Volunteer conservation – The Trail Crew programme, aimed at enhancing and maintaining trails in and around Dunedin while also providing volunteer experiences for people looking to explore new places, learn new skills, meet people and give something back, was launched in May 2017 by the Council and the Department of Conservation.

Reserves and Beaches bylaw – The Reserves bylaw was reviewed. The review, and the public feedback about the management of our reserves and beaches, resulted in the Beaches and Reserves bylaw which regulates activities on beaches and reserves.

Capital Expenditure

	Note	2016/17 Actual \$'000	2016/17 Budget \$'000
New Capital			
Aquatic Services – *Mosgiel Pool	13	-	410
Aquatic Services – Fall Arrest System		10	-
Botanic Garden – Building Redevelopment		140	_
Botanic Garden – Administration Building Workshop Upgrade		-	21
Botanic Garden – Duck Pond Pier		41	_
Parks and Reserves – *Reserve Development Mosgiel East		44	205
Parks and Reserves – Playground Improvement		_	21
Parks and Reserves - University Oval Grandstand		16	_
Parks and Reserves – Art in Public Places		_	102
Parks and Reserves – Bud Lighting George St Trees		7	_
Parks and Reserves – Baldwin St Toilet	14	250	-
Parks and Reserves – Port Chalmers Yacht Club Fence		10	_
Parks and Reserves - University Oval Embankment Fence	_	21	
		539	759
Renewals	_		
Aquatic Services – AQ Bulkhead Replacement		(23)	_
Aquatic Services – Gym Equipment Replacement		19	21
Aquatic Services – Moana Pool		(55)	16
Aquatic Services – Moana Pool Double Glazing Replacement		_	58
Aquatic Services – Mosgiel Pool		16	19
Aquatic Services – Port Chalmers		2	19
Aquatic Services - St Clair Hot Salt Water Pool		21	23
Parks and Reserves – Ocean Beach Erosion Structure	15	313	
Parks and Reserves – Parks & Reserves Asset Renewal	16	1,086	_
Parks and Reserves – Playground Renewals	17	7	286
Parks and Reserves – Reserve Furniture and Fence Renewals	18	21	31
Parks and Reserves – Specimen Tree Renewals	19	-	26
Parks and Reserves – Sports Surfaces Renewals	20	497	177
Parks and Reserves – Vehicle Accessway Renewals	21	4	230
Parks and Reserves – Pedestrian Accessway Renewals	22		27
	-	1,908	933
Total Capital	-	2,447	1,692
	-	۵,11/	1,002

$Explanation\ of\ variance$

- 13. Funding for this project is now budgeted in the 2017/18 year.
- 14. Unbudgeted expenditure on a public toilet near Baldwin Street.
- 15. Unbudgeted expenditure on sand sausage replacement.
- 16, 17, 18, 19, 20, 21 & 22. Overall the renewals expenditure on Parks and Reserves assets was higher than budget and included the removal of asbestos. Vehicle accessway renewals were completed by the Transportation Department.

Sport, Recreation and Leisure

Income Statement for the Year Ended 30 June 2017

Actual 2016 \$000		Actual 2017 \$000	Budget 2017 \$000
	Revenue		
9,571	General rates	10,147	18,442
10,703	Community services rate	10,978	2,683
8,454	External operating revenue	5,077	4,425
3	External capital revenue	45	_
26	Vested assets	-	-
28,757	Total revenue	26,247	25,550
	Expenditure by outputs		
3,617	Parks and Recreation Services Planning	4,004	4,530
12,111	Parks and Reserves	15,449	11,284
1,602	Parks and Recreation Services Administration	2,044	1,991
8,114	Aquatic Services	8,190	7,268
2,603	Botanic Garden	2,749	2,981
28,047	Total expenditure	32,436	28,054
710	Net surplus/ (deficit)	(6,189)	(2,504)
	Expenditure by inputs		
5,817	Staff costs	6,405	6,014
17,811	Operational costs	21,374	18,178
772	Loan interest	755	755
3,647	Depreciation	3,902	3,107
28,047	Total expenditure	32,436	28,054

Dunedin City Council: Funding Impact Statement for Year Ended 30 June 2017 for Sport, Recreation and Leisure

2016 Long-Term Plan Budget \$000		2017 Actual \$000	2017 Long-Term Plan Budget \$000
	Sources of operating funding		
9,571	General rates, uniform annual general charges, rates penalties	10,147	10,450
10,704	Targeted rates	10,978	10,947
_	Subsidies and grants for operating purposes	242	_
4,166	Fees and charges	4,416	4,438
9	Internal charges and overheads recovered	9	9
	Local authorities fuel tax, fines, infringement fees, and other receipts	52	_
24,450	Total operating funding	25,844	25,844
	Application of operating funding		
20,073	Payments to staff and suppliers	24,998	20,551
1,059	Finance costs	755	1,018
2,897	Internal charges and overheads applied	2,790	2,969
-	Other operating funding applications	_	-
24,029	Total application of operating funding	28,543	24,538
421	Surplus/(deficit) of operating funding	(2,699)	1,306
	Sources of capital funding		
1,200	Subsidies and grants for capital expenditure	45	_
732	Development and financial contributions	366	79
(644)	Increase/(decrease) in debt	(788)	(278)
_	Gross proceeds from sale of assets	-	-
_	Lump sum contributions	_	_
-	Other dedicated capital funding	_	_
1,288	Total sources of capital funding	(377)	(199)
	Application of capital funding		
	Capital expenditure		
1,007	– to meet additional demand	82	189
2,299	- to improve the level of service	457	570
493	- to replace existing assets	1,908	933
-	Increase/(decrease) in reserves	_	-
(2,090)	Increase/(decrease) of investments	(5,523)	(585)
1,709	Total application of capital funding	(3,076)	1,107
(421)	Surplus/(deficit) of capital funding	2,699	(1,306)
	Funding balance		

Corporate Services

The Council has a number of Corporate Support activities. These activities provide technical and administrative support for the key delivery activities of the Council (as described in the earlier pages of this section). In some instances, the support activities also provide an external service (i.e. the provision of the Council's website). The support activities are largely funded by an internal charge to the activities identified earlier in this section. The charge is based on an allocation method that endeavours to reflect the true cost to the key delivering activities.

The Corporate Support activities are listed below:

Administration Services – This department provides administrative support to all Council activities, such as secretarial services and photocopying.

Fleet Operations - Fleet Operations (Citifleet) owns and runs the Council's vehicle fleet.

Corporate Leadership – This activity provides the following services to the Council: monitoring and managing the performance of the organisation, directing human resource requirements, oversight of asset management and energy utilisation, financial planning and aligning the organisation with the Council's legislative and customer requirements.

Corporate Policy Team – Provides a strategic overview to the organisation offering policy advice and services to the Council. The budget for this team was previously in the Corporate Leadership budget and is now separately identified.

Council Communications – Raises the positive profile of Dunedin and the Council, by communicating the Council's initiatives and assisting the Council's activities in their communications with the community.

Customer Services Agency – The Customer Services Agency is the first point of contact for most callers to the Council. The Customer Services Agency enables the majority of customer calls to be dealt with at the first point of contact.

Finance – The principal services include rates billing and collection, cash receipting, accounts payable, payroll, maintaining integrity of financial systems, financial reporting, financial advice, internal audit/internal controls, tender process management and insurance management.

Human Resources – The Human Resources Department provides strategic advice, expertise and support on employment relations, recruitment, remuneration, training, health and safety, staff welfare, performance development and change management issues.

Property Management – The Property Management activity supplies professional, property management and consultancy services to the Council's Property activities and property transactions.

Business Information Services – Business Information Services provides the Council with Information and Communications Technology (ICT) services and comprises three departments:

- Business Solutions supports the Council's current and future ICT solutions. The services provided include application support and development, business intelligence services, ICT project management and website and intranet content and development.
- Information Solutions provides information and data management support for core Council functions. Services include document and records management, archives management, land and property information management along with GIS, aerial photography and mapping services.
- Network Services plans and develops the Council ICT infrastructure, is responsible for ICT security and change management and co-ordinates ICT training. Network Services also provides the service support desk and is therefore the first point of contact for all ICT service requests.

Contribution to Community Outcomes

This group of activities has a secondary contribution to all community outcomes in that the activities within the group provide "back office" support to other Council activities in making their contributions to outcomes. There are no stated service levels or measures of service performance measures shown in the LTP for this group, however each activity in the group has a set of key performance measures in their activity management plans that are reflective of their role in support the other Groups of Activity.

Corporate support is presented as a 'Group Activity' in the Long Term Plan. As a consequence of this, Council is required to include in the Annual Report Financial Statements that reflect the Long Term Plan content for this Group of Activity.

Capital Expenditure			
	Note	2016/17 Actual \$'000	2016/17 Budget \$'000
New Capital			
Council Communications – Web Communications Equipment	_	34	51
	_	34	51
Renewals			
Fleet Operations - Vehicle Fleet Replacement		401	357
Business Information Services – Customer and Regulatory Solutions	1	58	876
Business Information Services – Desktop Equipment	2	383	368
Business Information Services – Digital Workspace and Records Management	3	40	118
Business Information Services – Financial and HR Applications	4	8	164
Customer Services Agency - Contact Centre Applications		_	154
Finance – Corporate Furniture	_		41
	-	890	2,078
Total Capital	_	924	2,129

Explanation of variance

 $1,\,2,\,3\,\&\,4.\ Various\ IT\ infrastructure\ projects\ and\ applications\ upgrades\ will\ now\ be\ undertaken\ in\ the\ 2017/18\ year.$

Corporate Support

Income Statement for the Year Ended 30 June 2017

Actual 2016 \$000		Actual 2017 \$000	Budget 2017 \$000
	Revenue		
3,819	General rates	4,971	4,971
1,269	External operating revenue	1,046	924
15	External capital revenue	-	-
5,103	Total revenue	6,017	5,895
	Expenditure by outputs		
(113)	Fleet Operations	(115)	(81)
609	Corporate Leadership	573	944
2,283	Council Communications	2,651	2,466
722	Property Management	1,529	281
(109)	Customer Services Agency	49	151
369	Finance	845	960
281	Human Resources	456	330
1,204	Business Information Services	521	1,096
(196)	Policy Analyst Team	(136)	(235)
5,050	Total expenditure	6,373	5,912
53	Net surplus/ (deficit)	(356)	(17)
	Expenditure by inputs		
12,239	Staff costs	12,769	13,105
(8,757)	Operational costs	(8,001)	(8,985)
98	Loan interest	77	76
1,470	Depreciation	1,528	1,716
5,050	Total expenditure	6,373	5,912

Dunedin City Council: Funding Impact Statement for Year Ended 30 June 2017 for Corporate Support

	2016		2017	2017
\$000	-		Actual	-
3,819 General rates, uniform annual general charges, rates penalties	_		\$000	_
3,819 General rates, uniform annual general charges, rates penalties		Sources of operating funding		
- Targeted rates - Subsidies and grants for operating purposes - 1,042 622 26,245 Internal charges and overheads recovered 25,419 26,902 - Local authorities fuel tax, fines, infringement fees, and other receipts - 2,5419 26,902 - Local authorities fuel tax, fines, infringement fees, and other receipts - 2,5419 26,902 - Local authorities fuel tax, fines, infringement fees, and other receipts - 2,5419 26,902 - Local authorities fuel tax, fines, infringement fees, and other receipts - 2,5419 26,902 - Local authorities fuel tax, fines, infringement fees, and other receipts - 2,5419 26,902 - Local authorities fuel tax, fines, infringement fees, and other receipts - 2,5419 26,902 - Local authorities fuel tax, fines, infringement fees, and other receipts - 2,5419 26,902 - Application of operating funding - Finance costs - 77 83 - 6,242 Internal charges and overheads applied - 6,622 6,398 - Other operating funding applications	3,819		4,971	3,881
- Subsidies and grants for operating purposes -<	_		- -	_
26,245 Internal charges and overheads recovered 25,419 26,902	_	Subsidies and grants for operating purposes	_	_
Local authorities fuel tax, fines, infringement fees, and other receipts	607		1,042	622
30,671 Total operating funding 31,432 31,405	26,245	Internal charges and overheads recovered	25,419	26,902
Application of operating funding 23,753 Payments to staff and suppliers 23,562 22,988 104 Finance costs 77 83 6,242 Internal charges and overheads applied 6,622 6,398 - Other operating funding applications	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	_
23,753 Payments to staff and suppliers 23,562 22,988 104 Finance costs 77 83 6,242 Internal charges and overheads applied 6,622 6,398 - Other operating funding applications - - 30,099 Total application of operating funding 30,261 29,469 572 Surplus/(deficit) of operating funding 1,171 1,936 Sources of capital funding - - - - Subsidies and grants for capital expenditure - - - - Development and financial contributions 4 - - (282) Increase/(decrease) in debt (1,449) (300) 80 Gross proceeds from sale of assets 145 82 - Lump sum contributions - - - - Other dedicated capital funding (1,300) (218) Application of capital funding Capital expenditure - - - to meet additional demand - - - to improve the level of service	30,671	Total operating funding	31,432	31,405
23,753 Payments to staff and suppliers 23,562 22,988 104 Finance costs 77 83 6,242 Internal charges and overheads applied 6,622 6,398 - Other operating funding applications - - 30,099 Total application of operating funding 30,261 29,469 572 Surplus/(deficit) of operating funding 1,171 1,936 Sources of capital funding - - - - Subsidies and grants for capital expenditure - - - - Development and financial contributions 4 - - (282) Increase/(decrease) in debt (1,449) (300) 80 Gross proceeds from sale of assets 145 82 - Lump sum contributions - - - - Other dedicated capital funding (1,300) (218) Application of capital funding Capital expenditure - - - to meet additional demand - - - to improve the level of service		Application of operating funding		
104 Finance costs 77 83 6,242 Internal charges and overheads applied 6,622 6,398 Other operating funding applications - - 30,099 Total application of operating funding 30,261 29,469 572 Surplus/(deficit) of operating funding 1,171 1,936 Sources of capital funding - Subsidies and grants for capital expenditure - - - Development and financial contributions 4 - (282) Increase/(decrease) in debt (1,449) (300) 80 Gross proceeds from sale of assets 145 82 - Lump sum contributions - - - Other dedicated capital funding - - (202) Total sources of capital funding (1,300) (218) Application of capital funding Capital expenditure - - - - - 230 - to improve the level of service 34 51	23,753		23,562	22,988
- Other operating funding applications -			· ·	
- Other operating funding applications -	6,242	Internal charges and overheads applied	6,622	6,398
572 Surplus/(deficit) of operating funding 1,171 1,936 Sources of capital funding - Subsidies and grants for capital expenditure - - - Development and financial contributions 4 - (282) Increase/(decrease) in debt (1,449) (300) 80 Gross proceeds from sale of assets 145 82 - Lump sum contributions - - - Other dedicated capital funding - - (202) Total sources of capital funding (1,300) (218) Application of capital funding Capital expenditure - - - - to meet additional demand - - - - to improve the level of service 34 51 1,053 - to replace existing assets 890 2,078 - Increase/(decrease) in reserves - - - (913) Increase/(decrease) of investments (1,053) (411) 370 Total application of capi	_		_	_
Sources of capital funding - Subsidies and grants for capital expenditure Development and financial contributions 4 (282) Increase/(decrease) in debt (1,449) (300) 80 Gross proceeds from sale of assets 145 82 Lump sum contributions - - Other dedicated capital funding - - (202) Total sources of capital funding (1,300) (218) Application of capital funding Capital expenditure - to meet additional demand - - 230 - to improve the level of service 34 51 1,053 - to replace existing assets 890 2,078 Increase/(decrease) in reserves - - (913) Increase/(decrease) of investments (1,053) (411) 370 Total application of capital funding (129) 1,718 (572) Surplus/(deficit) of capital funding (1,171) (1,936)	30,099		30,261	29,469
Sources of capital funding - Subsidies and grants for capital expenditure Development and financial contributions 4 (282) Increase/(decrease) in debt (1,449) (300) 80 Gross proceeds from sale of assets 145 82 Lump sum contributions - - Other dedicated capital funding - - (202) Total sources of capital funding (1,300) (218) Application of capital funding Capital expenditure - to meet additional demand - - 230 - to improve the level of service 34 51 1,053 - to replace existing assets 890 2,078 Increase/(decrease) in reserves - - (913) Increase/(decrease) of investments (1,053) (411) 370 Total application of capital funding (129) 1,718 (572) Surplus/(deficit) of capital funding (1,171) (1,936)	572	Surplus / (deficit) of operating funding	1 171	1 936
- Subsidies and grants for capital expenditure - Development and financial contributions 4	072		1,171	1,000
- Development and financial contributions 4 - (282) Increase/(decrease) in debt (1,449) (300) 80 Gross proceeds from sale of assets 145 82 - Lump sum contributions - - - Other dedicated capital funding - - (202) Total sources of capital funding (1,300) (218) Application of capital funding Capital expenditure - - - to meet additional demand - - - to improve the level of service 34 51 1,053 - to replace existing assets 890 2,078 - Increase/(decrease) in reserves - - (913) Increase/(decrease) of investments (1,053) (411) 370 Total application of capital funding (129) 1,718 (572) Surplus/(deficit) of capital funding (1,171) (1,936)				
(282) Increase/(decrease) in debt (1,449) (300) 80 Gross proceeds from sale of assets 145 82 - Lump sum contributions - - - Other dedicated capital funding - - (202) Total sources of capital funding (1,300) (218) Application of capital funding Capital expenditure - - - - to meet additional demand - - 230 - to improve the level of service 34 51 1,053 - to replace existing assets 890 2,078 - Increase/(decrease) in reserves - - - [913] Increase/(decrease) of investments (1,053) (411) 370 Total application of capital funding (129) 1,718 (572) Surplus/(deficit) of capital funding (1,171) (1,936)			-	_
80 Gross proceeds from sale of assets 145 82 - Lump sum contributions - - - Other dedicated capital funding - - (202) Total sources of capital funding (1,300) (218) Application of capital funding Capital expenditure - - - to meet additional demand - - 230 - to improve the level of service 34 51 1,053 - to replace existing assets 890 2,078 - Increase/(decrease) in reserves - - (913) Increase/(decrease) of investments (1,053) (411) 370 Total application of capital funding (1,29) 1,718 (572) Surplus/(deficit) of capital funding (1,171) (1,936)				(200)
- Lump sum contributions			. ,	` ,
- Other dedicated capital funding (202) Total sources of capital funding (1,300) (218) Application of capital funding Capital expenditure to meet additional demand 230 - to improve the level of service 34 51 1,053 - to replace existing assets 890 2,078 - Increase/(decrease) in reserves (913) Increase/(decrease) of investments (1,053) (411) 370 Total application of capital funding (129) 1,718 (572) Surplus/(deficit) of capital funding (1,171) (1,936)			145	82
(202) Total sources of capital funding (1,300) (218) Application of capital funding Capital expenditure - - - - to meet additional demand - - - 230 - to improve the level of service 34 51 1,053 - to replace existing assets 890 2,078 - Increase/(decrease) in reserves - - (913) Increase/(decrease) of investments (1,053) (411) 370 Total application of capital funding (129) 1,718 (572) Surplus/(deficit) of capital funding (1,171) (1,936)			_	_
Application of capital funding Capital expenditure to meet additional demand 230 - to improve the level of service 34 51 1,053 - to replace existing assets 890 2,078 - Increase/(decrease) in reserves - (913) Increase/(decrease) of investments (1,053) (411) 370 Total application of capital funding (129) 1,718 (572) Surplus/(deficit) of capital funding (1,171) (1,936)			(1 200)	(210)
Capital expenditure to meet additional demand 230 - to improve the level of service 34 51 1,053 - to replace existing assets 890 2,078 - Increase/(decrease) in reserves (913) Increase/(decrease) of investments (1,053) (411) 370 Total application of capital funding (129) 1,718 (572) Surplus/(deficit) of capital funding (1,171) (1,936)	(202)	· · · · · · · · · · · · · · · · · · ·	(1,300)	(218)
to meet additional demand				
230 - to improve the level of service 34 51 1,053 - to replace existing assets 890 2,078 - Increase/(decrease) in reserves - - (913) Increase/(decrease) of investments (1,053) (411) 370 Total application of capital funding (129) 1,718 (572) Surplus/(deficit) of capital funding (1,171) (1,936)				
1,053 - to replace existing assets 890 2,078 - Increase/(decrease) in reserves - - (913) Increase/(decrease) of investments (1,053) (411) 370 Total application of capital funding (129) 1,718 (572) Surplus/(deficit) of capital funding (1,171) (1,936)			-	_
- Increase/(decrease) in reserves (913) Increase/(decrease) of investments (1,053) (411) 370 Total application of capital funding (129) 1,718 (572) Surplus/(deficit) of capital funding (1,171) (1,936)		-		
(913) Increase/(decrease) of investments (1,053) (411) 370 Total application of capital funding (129) 1,718 (572) Surplus/(deficit) of capital funding (1,171) (1,936)	1,053		890	2,078
370 Total application of capital funding (129) 1,718 (572) Surplus/(deficit) of capital funding (1,171) (1,936)			-	_
(572) Surplus/(deficit) of capital funding (1,171) (1,936)				
	370	Total application of capital funding	(129)	1,718
- Funding balance	(572)	Surplus/(deficit) of capital funding	(1,171)	(1,936)
	_	Funding balance	-	_



Dunedin City Council

Statement of Comprehensive Revenue and Expense for the Year Ended 30 June 2017

		co	RECOUNCIL		CONSOLI	DATED
	Note	Actual 2017	Budget 2017	Actual 2016	Actual 2017	Actual 2016
		\$000	\$000	\$000	\$000	\$000
Revenue continuing operations						
Rates revenue	1	134,186	133,996	130,315	134,186	130,315
Development and financial contributions		1,331	648	1,507	1,331	1,507
Subsidies and grants	1	17,814	24,083	15,929	17,814	15,929
Financial revenue	1	12,672	10,138	11,500	7,729	10,253
Other revenue	1 _	72,230	60,017	68,683	320,147	314,805
Total operating revenue		238,233	228,882	227,934	481,207	472,809
Expenses						
Other expenses	2	108,404	98,202	95,957	224,248	217,187
Personnel expenses		53,536	52,439	49,728	107,567	100,672
Audit fees	2	171	246	205	462	473
Financial expenses	2	14,341	15,380	18,331	31,816	38,405
Depreciation and amortisation	2 _	61,327	56,650	56,447	88,957	83,257
Total operating expenses	2 _	237,779	222,917	220,668	453,050	439,994
Operating surplus/(deficit) from continuing operations excluding State Highway transfer		454	5,965	7,266	28,157	32,815
Surplus/(deficit) for the year from discontinued operations		-	-	-	-	-
Loss on transfer of State Highway to NZTA	4	=,	-	(16,289)		(16,289)
Share of associate surplus/(deficit)	_			_	1,161	1,053
Surplus/(deficit) before taxation		454	5,965	(9,023)	29,318	17,579
Less taxation	3 _	(1,109)	-	(959)	9,281	8,718
Surplus/(deficit) after taxation	_	1,563	5,965	(8,064)	20,037	8,861
Attributable to:						
Dunedin City Council and Group		1,563	5,965	(8,064)	19,989	8,823
Non-controlling interest		-	-		48	38

Dunedin City Council

Statement of Other Comprehensive Revenue and Expense for the Year Ended 30 June 2017

	(CORECOUNCII	L	CONSOL	IDATED
N	ote Actual 2017	Budget 2017	Actual 2016	Actual 2017	Actual 2016
	\$000	\$000	\$000	\$000	\$000
Other comprehensive revenue and expense					
Gain/(loss) on property plant and equipment revaluations	189,043	36,269	34,928	189,284	34,928
Gain/(loss) of comprehensive revenue in associates	-	-	-	6,095	(19)
Gain/(loss) of cash flow hedges at fair value through other comprehensive revenue and expense	5,620	322	593	12,783	(9,444)
Gain/(loss) on foreign exchange hedges	_	-	-	877	1,971
Gain/(loss) on carbon credit revaluation	-	-	-	(586)	10,832
Income tax on other comprehensive income			-	(338)	(1,790)
Total other comprehensive revenue and expense	194,663	36,591	35,521	208,115	36,478
Net surplus/(deficit) for the year	1,563	5,965	(8,064)	20,037	8,861
Total comprehensive revenue and expense for the year	196,226	42,556	27,457	228,152	45,339
Attributable to:					
Equity holders of the Council	196,226	42,556	27,457	228,104	45,301
Non-controlling interest		_	_	48	38
	196,226	42,556	27,457	228,152	45,339

Statement of Changes in Equity for the Year Ended 30 June 2017

	C	CORECOUNCIL			CONSOLIDATED	
Note	Actual 2017	Budget 2017	Actual 2016	Actual 2017	Actual 2016	
	\$000	\$000	\$000	\$000	\$000	
Movements in equity						
Opening equity	2,737,212	2,742,569	2,709,755	2,906,991	2,861,652	
Total comprehensive revenue and expense	196,226	42,556	27,457	228,152	45,339	
Closing equity	2,933,438	2,785,125	2,737,212	3,135,143	2,906,991	

Dunedin City Council

Statement of Financial Position as at 30 June 2017

		C	ORECOUNCIL		CONSOLI	DATED
	Note	Actual 2017	Budget 2017	Actual 2016	Actual 2017	Actual 2016
		\$000	\$000	\$000	\$000	\$000
Current assets		φοσο	φοσο	φοσο	φοσο	φοσο
Cash and cash equivalents	7	4,460	457	2,668	19,596	20,080
Other current financial assets	11	6,864	10,440	5,829	8,772	7,171
Derivative financial instruments	20	0,004	10,440	5,029	426	272
Trade and other receivables	8	13,194	14,212	11,634	39,275	46,432
Taxation refund receivable	0	931	625	1,034	1,872	1,901
Inventories	10	260	348	302	9,915	5,385
Non current assets held for sale	10	3,062	340	302	4,184	16
Prepayments		5,002	678	667	1,689	1,793
Total current assets	-	29,282	26,760	22,121	85,729	83,050
Non-current assets		29,202	20,760	22,121	05,729	63,050
Term receivables					10 0/1	
Other non-current financial assets	11	107///	200 570	101 000	12,841	70 100
	11	187,444	308,578	191,099	75,453	79,106
Shares in subsidiary companies	11	118,489	_	115,939		- 0.700
Derivative financial instruments	20	_	_	_	5,993	8,709
Investments accounted for using the equity method	12	_	_	_	29,755	23,203
Intangible assets	17	1,882	3,123	2,514	3,362	4,045
Intangible assets carbon credits		-	-	-	23,413	17,288
Investment property	16	90,438	-	88,288	90,438	88,288
Forestry assets	18	-	-	-	136,333	123,802
Property, plant and equipment	15 _	2,757,929	2,723,735	2,587,128	3,450,198	3,255,884
Total non-current assets		3,156,182	3,035,436	2,984,968	3,827,786	3,600,325
Total assets	_	3,185,464	3,062,196	3,007,089	3,913,515	3,683,375
Current liabilities						
Short term borrowings		_	_	_	473	857
Trade and other payables	9	21,551	27,844	20,223	54,659	44,705
Revenue received in advance	9	3,256	_	3,651	3,256	3,651
Employee entitlements	9	6,052	5,373	5,610	11,510	10,524
Derivative financial instruments	20	_	15,690	_	125	203
Provision for tax		_	_	_	2,869	2,067
Current portion of term loans	13	_	12,897	17,738	1,686	1,770
Total current liabilities		30,859	61,804	47,222	74,578	63,777
Non-current liabilities						
Term loans	13	202,419	206,478	198,335	571,343	578,745
Provisions	14	8,331	8,789	8,281	9,217	9,148
Derivative financial instruments	20	10,188	_	15,808	21,605	32,058
Other non-current liabilities		229	_	231	1,334	913
Deferred taxation	3	_	_	_	100,295	91,743
Total non-current liabilities	_	221,167	215,267	222,655	703,794	712,607
Equity		, -	-, -	,	, .	,
Accumulated funds		1,680,653	1,693,959	1,679,472	1,811,725	1,799,051
Minority interest in subsidiary company		_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	_,,	_,	616	568
Total accumulated funds	6	1,680,653	1,693,959	1,679,472	1,812,341	1,799,619
Revaluation reserves	6	1,253,074	1,097,340	1,064,031	1,269,724	1,074,586
Restricted reserves	6	9,894	9,516	9,512	9,894	9,512
Cash flow hedge reserves	6	(10,183)	(15,690)	(15,803)	(13,309)	(26,515)
Carbon credit reserve	6	(±0,±00)	(10,000)	(±0,000)	10,820	11,290
Forest revaluation reserve	6	_		_	45,673	38,499
Total equity	_	2,933,438	2,785,125	2,737,212	3,135,143	2,906,991
LOTAL EQUITY						

Dunedin City Council

Statement of Cash Flows for the Year Ended 30 June 2017

		CORECO		CONSOLIDATED	
	Actual 2017	Budget 2017	Actual 2016	Actual 2017	Actual 2016
	\$000	\$000	\$000	\$000	\$000
Cash flow from operating activities					
Cash was provided from operating activities					
Rates	134,867	133,996	130,280	134,867	130,280
Other revenue	77,619	82,721	73,396	283,621	287,920
Interest received	8,063	10,138	7,772	2,563	7,463
Dividend received	1,628	-	1,869	2,332	2,573
Taxation refund received	1,037	-	-	1,767	-
	223,214	226,855	213,317	425,150	428,236
Cash was applied to:					
Suppliers and employees	(161,760)	(150,787)	(147,050)	(309,356)	(293,252)
Finance costs paid	(13,819)	(15,380)	(15,377)	(31,469)	(41,038)
Taxation paid	_	_	_	(2,270)	(3,695)
•	(175,579)	(166,167)	(162,427)	(343,095)	(337,985)
Net cash inflow/(outflow) from operating activities		(, - ,		()	(== ,==)
from continuing activities	47,635	60,688	50,890	82,055	90,251
Net cash inflow/(outflow) from operating activities from discontinuing activities		_	_	_	
Net cash inflow/(outflow) from operating	47,635	60,688	50,890	82,055	90,251
ret cash innow/ (outnow) from operating	47,000	00,000	30,030	02,033	30,231
Cash flow from investing activities					
Cash was provided from investing activities					
Sale of assets	126	1,260	4,394	930	6,123
Reduction in loans and advances	3,150	3,172	428	3,150	428
Decrease in investments	112	_	2,146	4,020	904
	3,388	4,432	6,968	8,100	7,455
Cash was applied to:					
Increase in investments	(555)	(3,087)	(2,977)	(5,882)	(2,182)
Increase in loans and advances	_	(750)	_	_	_
Capital expenditure	(34,653)	(60,406)	(35,117)	(82,498)	(78,183)
	(35,208)	(64,243)	(38,094)	(88,380)	(80,365)
Net cash inflow/(outflow) from investing activities					
from continuing activities	(31,820)	(59,811)	(31,126)	(80,280)	(72,910)
Net cash inflow/(outflow) from investing activities					
from discontinuing activities	(21.020)	/EO 011)	(21 126)	(00, 200)	(72.010)
Net cash inflow/(outflow) from investing	(31,820)	(59,811)	(31,126)	(80,280)	(72,910)
Cash flow from financing activities					
Cash was provided from financing activities					
Loans raised	31,100	16,119	_	_	_
	31,100	16,119	_	_	_
Cash was applied to:	,	,			
	(/ [100)	(10,000)	(22.515)	(2.250)	(10.007)
Loans repaid	(45,123)	(16,652)	(22,515)	(2,259)	(19,327)
	(45,123)	(16,652)	(22,515)	(2,259)	(19,327)
Net cash inflow/(outflow) from financing activities from continuing activities	(14,023)	(533)	(22,515)	(2,259)	(19,327)
Net cash inflow/(outflow) from financing activities from discontinuing activities		_	_	_	_
Net cash inflow/(outflow) from financing	(14,023)	(533)	(22,515)	(2,259)	(19,327)
The cash himowy (outhow) from midnering	(17,040)	(333)	(44,010)	(4,433)	(10,047)

Dunedin City Council

Statement of Cash Flows for the Year Ended 30 June 2017 (continued)

		CORECOUNCIL			CONSOLIDATED	
	Note	Actual 2017	Budget 2017	Actual 2016	Actual 2017	Actual 2016
		\$000	\$000	\$000	\$000	\$000
Net increase/(decrease) in cash held		1,792	344	(2,751)	(484)	(1,986)
Opening cash balance		2,668	113	5,419	20,080	22,066
Closing cash balance	_	4,460	457	2,668	19,596	20,080
Reconciliation of cash balances						
Cash and cash equivalents		4,460	457	2,668	19,596	20,080
	7	4,460	457	2,668	19,596	20,080

Dunedin City Council

Reconciliation of Operating Surplus/(Deficit) to Net Cash Flows from Operating Activities

	СО	RECOUNCIL		CONSOLII	CONSOLIDATED		
	Actual 2017	Budget 2017	Actual 2016	Actual 2017	Actual 2016		
	\$000	\$000	\$000	\$000	\$000		
	φυσο	φ000	φοσο	φυσο	φυσο		
Operating surplus/(deficit) after taxation	1,563	5,965	(8,064)	20,037	8,861		
Share of retained surplus in associated companies	-	-	-	(1,161)	(1,053)		
Items Not Involving Cash Flows							
Depreciation and amortisation	61,327	56,650	56,447	88,957	83,257		
Depletion of forest	_	_	_	2,394	1,535		
Forestry revaluation	_	_	_	(9,629)	(9,524)		
New Zealand carbon credits	_	_	_	(6,182)	_		
Bad debts writen off	_	_	14	-	13,593		
Increase/(decrease) doubtful debts	_		313	-	(9,040)		
Investment property fair value loss/(gain)	(2,150)	(2,027)	1,039	(2,150)	1,039		
Unrealised loss/(gain) on investments	(2,700)	-	(1,667)	(2,700)	(1,667)		
Vested assets	(10,006)	-	(8,968)	(10,006)	(8,968)		
Loss on transfer of State Highway to NZTA	_	-	16,289	-	16,289		
Increase/(decrease) in cash flow hedge valuation	-	-	_	(1,416)	3,369		
Add/(less) non cash adjustments	528	-	(56)	814	(9,089)		
Movements in working capital items							
(Increase)/decrease in trade and other receivables	(1,560)	_	1,846	7,157	5,520		
(Increase)/decrease in term receivables	_	_	_	(12,841)	-		
(Increase)/decrease in inventories	42	-	46	(4,530)	100		
(Increase)/decrease in prepayments	156	-	11	104	64		
(Increase)/decrease tax refund receivable	90	-	_	29	_		
Increase/(decrease) in trade and other payables	181	-	(3,779)	3,933	(4,930)		
Increase/(decrease) in other current liabilities	47	-	467	591	(1,335)		
(Increase)/decrease in provisions	(50)	100	26	(50)	26		
Increase/(decrease) provision for tax	_	-	-	802	-		
Increase/(decrease) deferred tax	_	-	-	8,199	5,658		
Add back taxation adjustments	-	-	(851)	-	(851)		
Items classified as investing or financing activities							
Profit on sale of investments	(326)	-	(137)	(326)	(137)		
Loss on sale of investments	548	-	1,165	548	1,165		
Profit on sale of property plant and equipment	(58)	_	(3,948)	(522)	(4,328)		
Loss on sale of property plant and equipment	3	-	697	3	697		
Net Cash Flow from Operating Activities	47,635	60,688	50,890	82,055	90,251		

Dunedin City Council

Funding Impact Statement for the Year Ended 30 June 2017 (whole of Council)

		CORE COUNCIL			
	Note	Annual Plan 2016 \$000	Actual 2016 \$000	Annual Plan 2017 \$000	Actual 2017 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates					
penalties		68,633	69,005	69,206	69,584
Targeted rates		62,017	61,950	65,390	65,324
Subsidies and grants for operating purposes		8,781	8,100	9,174	9,440
Fees and charges		51,776	56,804	54,226	57,130
Interest and dividends from investments		9,854	9,642	10,139	9,557
Local authorities fuel tax, fines, infringement fees, and		0.070	0.000	0.100	0.057
other receipts		3,342	3,069	3,162	3,057
Total operating funding		204,403	208,570	211,297	214,092
Application of operating funding					
Payments to staff and suppliers		145,789	145,194	151,317	162,108
Finance costs		18,063	16,073	15,380	13,705
Other operating funding applications		180	_	(530)	
Total application of operating funding		164,032	161,267	166,167	175,813
Surplus/(deficit) operating funding		40,371	47,303	45,130	38,279
Sources of capital funding					
Subsidies and grants for capital expenditure		10,596	6,980	14,909	7,537
Development and financial contributions		1,303	1,507	648	1,331
Increase/(decrease) in debt		(7,111)	(22,861)	(533)	(12,891)
Gross proceeds from sale of assets		80	5,087	1,260	145
Lump sum contributions		_	-	_	-
Other dedicated capital funding			_	_	
Total sources of capital funding		4,868	(9,287)	16,284	(3,878)
Application of capital funding					
Capital expenditure					
- to meet additional demand		2,454	1,826	2,918	809
- to improve the level of service		17,243	6,692	24,373	9,518
- to replace existing assets		30,056	28,036	33,116	25,493
Increase/(decrease) in reserves		-	-	_	
Increase/(decrease) of investments		(4,514)	1,462	1,007	(1,419)
Total applications of capital funding		45,239	38,016	61,414	34,401
Surplus/(deficit) of capital funding		(40,371)	(47,303)	(45,130)	(38,279)
Funding balance		_	_	_	_

Dunedin City Council

Statement of Financial Involvement in Council Controlled Trading Organisations as at 30 June 2017

Dunedin City Council has control over Dunedin City Holdings Limited. The benefit/cost of the above enterprises for the financial interests, finance or financial assistance of the Council is as follows:

	Dividend 2017	Interest 2017	Total 2017
	\$000	\$000	\$000
Dunedin City Holdings Limited	_	5,902	5,902

The provision of financial assistance by Dunedin City Council to Dunedin City Holdings Limited is by share capital and loan. It does not include any guarantee, indemnity or security in respect of the performance of any obligation by Dunedin City Holdings Limited. Dunedin City Council has indirect control of other entities through Dunedin City Holdings Limited.

Structure of the Dunedin City Council Group (Consolidated)

· · · · · · · · · · · · · · · · · · ·		- '
Organisation	Ownership	Nature and Scope of the Activities
1. Dunedin City Holdings Limited	100%	Input into the statements of intent of subsidiaries.
		Input into the strategic direction of the subsidiaries.
		Performance monitoring.
		Ensuring individual subsidiaries receive maximum benefits from membership of the group of companies.
		Approval decisions in accordance with subsidiary constitutions.
2. Dunedin (New Zealand) Masters Games Trust		Principal activity is the running of the biennial Masters Games in Dunedin.
Associated Companies of the Dunedin City	y Council	
1. Golden Block Investment Limited	49%	Investment rental building.
Subsidiaries of Dunedin City Holdings Lin	nited	
1. City Forests Limited	100%	Sustainable production of logs for local and export markets.
2. Dunedin City Treasury Limited	100%	Management of financial risks and liquidity of the group, as well as the Dunedin City Council.
3. Aurora Energy Limited	100%	Provision of electricity distribution services in Dunedin City and Central Otago.
4. Otago Power Limited	100%	Energy company.
5. DELTA Utility Services Limited	100%	Management of network assets, electrical and civil contracting services throughout the South Island.
6. Lakes Contract Services Limited	100%	Contracting services.
7. Dunedin Venues Management Limited	100%	Operation of public venues including the Forsyth Barr Stadium and the Town Hall.
8. Dunedin Stadium Property Limited	100%	Ownership of the Forsyth Barr Stadium.
9. Taieri Gorge Railway Limited	72%	Provision of a tourist train through the scenic Taieri Gorge.
Associated Companies of Dunedin City Ho	oldings Limited	1
10. Dunedin International Airport Limited	50%	Provision of airport services at Momona.
11. Otago Chipmill Limited	49.9%	Saw milling and associated timber yard.

This statement should be read in conjunction with Note 11 and 12 on Investments.

Dunedin City Council

Statement of Accounting Policies for the Year Ended 30 June 2017

1 Reporting Entity

The financial statements presented are for the reporting entity Dunedin City Council (the Council) and the consolidated financial statements of the group comprising Dunedin City Council and its subsidiary and associate companies; Dunedin City Holdings Limited and its subsidiary and associate companies.

The Dunedin City Council is a Territorial Local Authority governed by the Local Government Act 2002 and these statements are produced under section 98, 99 and 111 of the Local Government Act 2002.

The registered address of the Council is 50 The Octagon, Dunedin.

The Council and group provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002.

The Council has designated itself and the group as public benefit entities (PBEs) for financial reporting purposes.

These financial statements are presented in New Zealand dollars because that is the currency of the primary economic environment in which the Council and group operates. These financial statements have been rounded to the nearest thousand dollars (\$000).

The financial statements of the Council are for the year ended 30 June 2017. The financial statements were authorised for issue by the Council on 31 October 2017.

2 Significant Accounting Policies

Basis of accounting

The financial statements of the Council and group have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with NZ GAAP.

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards. These financial statements comply with PBE Standards.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain property, plant and equipment, investment properties, biological assets, derivative financial instruments, financial instruments classified as available for sale and financial instruments held for trading. There is also a presumption of going concern in the preparation of financial statements.

Basis of consolidation

The consolidated statements incorporate the financial statements of the Council and entities controlled by the Council (its subsidiaries). Control is achieved where the Council has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the surplus or deficit in the period of acquisition. Any non-controlling interest is stated at the non-controlling interests proportion of the fair values of the assets and liabilities recognised. Subsequently, any losses applicable to the non-controlling interest in excess of the non-controlling interest are allocated against the interests of the parent.

The results of subsidiaries acquired or disposed of during the year are included in the surplus or deficit from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full except rates charged to Group entities (Note 1).

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Associate entities

An associate is an entity over which the group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting except when classified as held for sale. Investments in associates are carried in the consolidated balance sheet at cost as adjusted by post-acquisition changes in the group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of the associates in excess of the group's interest in those associates are not recognised.

Any excess of the cost of acquisition over the group's share of the fair values of the identifiable net assets of the associate at the date of acquisition is recognised as goodwill. Any deficiency of the cost of acquisition below the group's share of the fair values of the identifiable net assets of the associate at the date of acquisition (ie discount on acquisition) is credited in the surplus or deficit in the period of acquisition.

Where a group entity transacts with an associate of the group, surplus or deficit are eliminated to the extent of the group's interest in the relevant associate. Losses may provide evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Depreciation on such assets will cease once classified as held for sale.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and GST.

Revenue from services rendered is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity. The stage of completion at balance date is assessed based on the value of services performed to date as a percentage of the total services to be performed.

Government grants are received from the New Zealand Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants are recognised as revenue when they became recievable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants recieved in advance and recognised as revenue when conditions of the grant are satisfied.

Sales of goods are recognised when significant risks and rewards of owning the goods are transferred to the buyer, when the revenue can be measured reliably and when management effectively ceases involvement or control.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Rates are set annually by resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.

Revenue from traffic and parking infringements is recognised when the infringement notice is issued.

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee whether or not title is eventually transfered. All other leases are classified as operating leases.

The group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

The group as lessee

Assets held under finance leases are recognised as assets of the group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are included in the surplus or deficit on a straight line basis over the term of the relevant lease.

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements the results and financial position of each entity are expressed in New Zealand dollars, which is the functional currency of the Council and Group.

Transactions in currencies other than New Zealand dollars are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. The group does not hold non-monetary assets and liabilities denominated in foreign currencies.

In order to hedge its exposure to certain foreign exchange risks, the group may enter into forward contracts and options (see below for details of the group's accounting policies in respect of such derivative financial instruments).

Borrowing costs

Borrowing costs are usually recognised as an expense in the period in which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Government loans

Forestry term liabilities include Ministry of Forestry Suspensory Loans and Ministry of Forestry Repayable Loans. Interest is calculated annually on the suspensory loans. However the interest and principle may be forgiven when the loan conditions are met. Interest is also calculated annually on the repayable loans. The interest and principal is not repayable until harvesting of the trees, planted using the loan monies, occurs.

Employee entitlements

Entitlements to salary and wages and annual leave are recognised when they accrue to employees. This includes the estimated liability for salaries and wages and annual leave as a result of services rendered by employees up to balance date at current rates of pay.

Entitlements to long service leave and retirement gratuities are calculated on an actuarial basis and are based on the reasonable likelihood that they will be earned by employees and paid by the group.

The Group recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The calculation is based on the value of excess sick leave taken within the previous twelve months.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except for receivables and payables which are recognised inclusive of GST.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net surplus as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the surplus or deficit, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Property, plant and equipment

Property plant and equipment are those assets held by the group for the purpose of carrying on its business activities on an ongoing basis.

CCO property, plant and equipment

All CCO property, plant and equipment, apart from forest land, is stated at cost less any subsequent accumulated depreciation and any accumulated impairment losses.

Forest land is stated at its revalued amount, being the fair value at the date of revaluation, determined from market-based evidence by appraisal undertaken by Quotable Value.

Self constructed assets include the direct cost of construction to the extent that they relate to bringing the fixed assets to the location and condition for their intended service.

Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase is credited to the appropriate revaluation reserve, except to the extent that it reverses a revaluation decrease previously recognised as an expense, in which case the increase is credited to the surplus or deficit to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such land is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that class of asset.

Depreciation is charged so as to write off the cost or valuation of assets, other than land, forestry land properties under construction and capital work in progress, on the straight line basis. Rates used have been calculated to allocate the asset's cost or valuation less estimated residual value over their estimated remaining useful lives.

Depreciation of these assets, commences when the assets are ready for their intended use.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation on revalued assets, excluding land, is charged to the surplus or deficit. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the appropriate property revaluation reserve is transferred directly to retained earnings.

Except for City Forests Limited the depreciation rates and methods used are as follows:

	Rate	Method
Buildings	1% to 5%	SL
Roads and bridges	2% to 16%	SL
Metering equipment	5% to 20%	SL
Electricity network assets	2% to 20%	SL
Plant and equipment	5% to 50%	SL
Motor vehicles	5% to 25%	SL
Railway assets	1% to 20%	SL
Office equipment and fittings	5% to 25%	SL
Construction in progress	no depreciation	n charged
Software	20% to 100%	SL

Depreciation rates and methods used by City Forests Limited are as follows:

	Rate	Method
Buildings	2% to 3%	SL
Roads	5% to 24%	DV
Bridges	2% to 2.4%	DV
Plant and equipment	6% to 80.4%	DV
Fences	10% to 13%	DV
Motor vehicles	9.6% to 36%	DV
Office equipment	10% to 60%	DV

Stadium

The Stadium is a separate class of asset and is recorded at cost less any accumulated depreciation and any accumulated impairment losses.

Forests

The fair value of the forest, exclusive of the forest land, is determined at each reporting date. Fair value is equivalent to the NZIF Forest Valuation Standards definition of market value. Fair value is determined using the discounted cash flow methodology and in using this method financing costs and replanting costs are excluded. The method first determines the current market value of the collective forest and land resource, with land then subtracted at its current market value to provide the value of the forest asset.

The valuation takes into account changes in price over the accounting period as well as the quantity of trees harvested and the growth that has occurred in the forest. Any change in forest valuation is recorded in the surplus or deficit.

The Council property, plant and equipment

The Council assets

Operational Assets

These include land, buildings, improvements, library books, plant and equipment, and motor vehicles.

Infrastructure Assets

Infrastructure assets are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function; for example, sewer reticulation includes reticulation piping and sewer pump stations.

Restricted Assets

Restricted assets are parks and reserves owned by the Council which cannot be disposed of because of legal or other restrictions, and provide a benefit or service to the community.

Heritage Assets

These include, but are not limited to, assets held by the Council subject to deeds of agreement, terms and conditions of bequests, donations, trusts or other restrictive legal covenants. The Council's control of these assets is restricted to a management/custodial role.

Property, plant and equipment

Operational assets

Land and Buildings

Land and buildings are stated at revalued amounts being fair value at date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The revaluations are performed by an independent valuer on a three-yearly cycle.

Fixed Plant and Equipment

Fixed plant and equipment is stated at cost, less any subsequent accumulated depreciation and any accumulated impairment losses.

Vehicles, mobile plant

Motor vehicles and other mobile plant and equipment are stated at cost less any subsequent accumulated depreciation and any accumulated impairment losses.

Office Equipment

Office equipment and fittings are stated at cost less any subsequent accumulated depreciation less any accumulated impairment losses.

Library Collection

Library collections are stated at cost less any subsequent accumulated depreciation and any impairment losses.

Infrastructural assets

Land is stated at revalued amounts being fair value at date of valuation less any subsequent accumulated impairment losses. The revaluations are performed by an independent valuer on a three yearly cycle.

Landfill assets being earthworks, plant and machinery and the estimate of site restoration, are stated at cost less any accumulated depreciation and any accumulated impairment losses. The useful life of the landfill is considered to be the period of time to the expiring of the resource consent in 2020.

Buildings and structures are valued on a yearly cycle by an independent valuer. Additions are recorded at cost and depreciated.

Roadways and bridges have been stated at their revalued amounts being fair value based on depreciated replacement cost as at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Roadways and bridges are valued annually by an independent valuer.

Fixed plant has been stated at its revalued amounts being fair value based on depreciated replacement cost as at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Fixed plant is valued on a yearly cycle by an independent valuer. Additions are recorded at cost and depreciated.

Reticulation assets, being the reticulation system and networks of water and drainage, have been stated at their revalued amounts being fair value based on depreciated replacement cost as at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The reticulation assets are valued by a Council staff member sufficiently experienced to conduct the valuation. These valuations are subject to review by an independent valuer. Reticulation assets are valued annually.

Vested assets

Vested assets are fixed assets given to the Council by a third party and could typically include water, drainage and roading assets created in the event of a subdivision. Vested assets also occur in the event of the donation of heritage or art assets by third parties. The value of assets vested are recorded at fair value which could include as sale or aquisition the cost price to the third party to create or purchase that asset and equates to its fair value at the date of acquisition. Vested assets, other than those pertaining to collections, are subsequently depreciated.

Restricted assets

Land, buildings and structures are stated at revalued amounts being fair value at date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The revaluations are performed by an independent valuer on a three yearly cycle.

Hard surfaces and reticulation systems are stated at revalued amounts being fair value at date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The revaluations are performed by an independent valuer on a three yearly cycle.

Road reserve land is stated at revalued amounts being fair value at date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed by an independent valuer on a three yearly cycle.

Playground and soft-fall areas are stated at revalued amounts being fair value at date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed by an independent valuer on a four yearly cycle.

Fixed plant and equipment has been stated at their deemed cost being fair value at the date of valuation based on depreciated replacement cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Additions are recorded at cost and depreciated.

Heritage assets

Heritage assets included are the Art Gallery Collection at the Dunedin Public Art Gallery, the Theomin Collection at Olveston, the Toitū Otago Settlers Museum and the monuments, statues and outdoor art as well as land and buildings of the railway station and Olveston.

Except land and buildings, all other heritage assets are stated at cost less any subsequent accumulated depreciation and accumulated impairment losses.

Revaluations

Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Revaluation increases and decreases relating to individual assets within a class of assets are offset. Revaluation increases and decreases in respect of assets in different classes are not offset.

Where the carrying amount of a class of assets is increased as a result of a revaluation, the net revaluation increase is credited to the revaluation reserve. The net revaluation increase shall be recognised in the surplus or deficit to the extent that it reverses a net revaluation decrease of the same class of assets previously recognised in the surplus or deficit. A net revaluation decrease for a class of assets is recognised in the surplus or deficit, except to the extent it reverses a revaluation increase previously recognised in the revaluation reserve to the extent of any credit balance existing in the revaluation reserve in respect of the same class of asset.

Depreciation

Depreciation has been charged so as to write off the cost or valuation of assets, other than land, properties under construction and capital work in progress, on the straight line basis (SL). Rates used have been calculated to allocate the asset's cost or valuation less estimated residual value over their estimated remaining useful lives.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation commences when the assets are ready for their intended use.

Depreciation on revalued assets, excluding land, is charged to the Statement of Comprehensive Income. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the appropriate property revaluation reserve is transferred directly to retained earnings.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, over the term of the relevant lease.

Depreciation rates and methods used are as follows:

1		
	Rate	Method
Council operational assets		
Buildings	1% to 10%	SL
Fixed plant and equipment	10% to 15%	SL
Motor vehicles	20%	SL
Office equipment and fittings	7.5% to 20%	SL
Library collections	10% to 50%	SL
Infrastructure assets		
Roadways and bridges	0.5% to 10%	SL
Life cycle used:		
- Kerb and channel	80 years	
- Shape corrections	80 years	
- Reseals	11 years	
Footpaths	13.5 years	
Water treatment plants and facilities	1% to 15%	SL
Sewerage treatment plants and facilities	1% to 15%	SL
Stormwater treatment plants and facilities	1% to 15%	SL
Water reticulation	0.5% to 3%	SL
Sewerage reticulation	0.5% to 3%	SL
Stormwater reticulation	0.5% to 3%	SL
Landfill	15 years	
Heritage assets	0.2%	
Restricted assets		
Buildings	1% to 4%	SL
Fixed plant and equipment	10% to 15%	SL
Hard surfaces	0.5% to 10%	SL
Playground and soft-fall areas	2% to 10%	SL

Derecognition

Forestry assets and items of property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the surplus or deficit in the year the item is derecognised.

Investment property

Investment property is property held to earn rentals and/or for capital appreciation. All investment properties are stated at fair value, as determined annually by independent valuers at the balance sheet date.

Gains or losses arising from changes in the fair value of investment properties are recognised in the surplus or deficit for the period in which the gain or loss arises.

Intangible assets

Goodwill represents the excess of the purchase consideration over the fair value of the net tangible and identifiable intangible assets, acquired at the time of acquisition of a business or an equity interest in a subsidiary or associate company. Goodwill is tested annually for impairment.

Software is recognised at cost and amortised to the surplus or deficit on a straight line basis over the estimated useful life – which is a maximum period of five years.

Carbon credits purchased are recognised at cost on acquisition. Free carbon credits recieved from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Patents and trademarks

Patents and trademarks are measured initially at purchase cost and are amortised on a straight line basis over their estimated useful lives.

Impairment of assets excluding goodwill

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, and goodwill, are not subject to amortisation and are tested annually for impairment.

Property, plant and equipment and intangible assets subsquently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regardeed as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash-generating assets
Non-cash-generating assets are those assets that are not held
with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets
Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdraft. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Financial instruments

Financial assets and financial liabilities are recognised on the group's balance sheet when the group becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are stated at cost less any allowances for estimated irrecoverable amounts.

Loans and other receivables

Loans and other receivables are financial instruments that are measured at amortised cost using the effective interest method. This type of financial instrument includes deposits, term deposits, inter company loans, community loans and mortgages.

Investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

Investments in debt and equity securities

Investments in debt and equity securities are financial instruments classified as held for trading and are measured at fair value in the surplus or deficit at balance date. Any resultant gains or losses are recognised in the surplus or deficit for the period.

Trade and other payables

Trade and other payables are stated at cost.

Borrowings

Borrowings are initially recorded net of directly attributable transaction costs and are measured at subsequent reporting dates at amortised cost. Finance charges, premiums payable on settlement or redemption and direct costs are accounted for on an accrual basis to the surplus or deficit using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Derivative financial instruments and hedge accounting

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The group uses foreign exchange forward contracts, foreign exchange options and interest rate swap contracts to hedge these exposures.

The group does not use derivative financial instruments for speculative purposes. However, derivatives that do not qualify for hedge accounting, under the specific IFRS rules, are accounted for as trading instruments with fair value gains/losses being taken directly to the surplus or deficit.

The use of financial derivatives in each entity within the group is governed by that entity's policy approved by the governing body. The policies provide written principles on the use of financial derivatives.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition derivative financial instruments are re-measured at fair value.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the surplus or deficit. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the surplus or deficit in the same period in which the hedged item affects net surplus or deficit.

For an effective hedge of an exposure to changes in the fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged with the corresponding entry in the surplus or deficit. Gains or losses from re-measuring the derivative, or for non-derivatives the foreign currency component of its carrying amount, are recognised in the surplus or deficit.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the surplus or deficit as they arise. Derivatives not designated into an effective hedge relationship are classified as current assets or liabilities.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the surplus or deficit for the period.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value with unrealised gains or losses reported in the surplus or deficit.

Provisions

A provision is recognised in the balance sheet when the group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for restructuring costs are recognised when the group has a detailed formal plan for the restructuring that has been communicated to affected parties.

Carbon credits

Emission units held by the group are treated as intangible assets and initially recorded at fair value:

- Fair value is cost in the case of purchased units
- Fair value is initial market value in the case of government granted units
- Emissions unit fair value is marked to market (revalued) at 30
 June subsequent to initial recognition
- The difference between initial fair value or previous revaluation and marked to market is recognised in other comprehensive revenue and expense.

Standards issued but not yet effective

Standards issued but not yet effective have not been early adopted. They have no effect on the Financial Statements of the Council.

Changes in accounting policy

There have been no changes in accounting policy in the current year.

7	
т.	Separately Disclosed Revenue

The total land value of the rating units

ocparately Disclosed Re	venae					
		CORE COUNCIL				
		Actual 2017	Actual 2016	Actual 2017	Actual 2016	
		\$000	\$000	\$000	\$000	
Rates revenue						
Rate allocation by significant activity						
General rates funding as per group of activities		89,741	86,507	89,741	86,507	
Other sources contributing to general rates funding	g	(20,879)	(18,142)	(20,879)	(18,142)	
Total general rates		68,862	68,365	68,862	68,365	
Targeted rates		65,324	61,950	65,324	61,950	
		134,186	130,315	134,186	130,315	
The total amount of rates charged on Council own \$9.23m (2016: \$8.86m). For the Group, rates of \$1				venue and expe	enditure is	
Subsidies and grants						
New Zealand Transport Agency roading subsidies		16,381	14,224	16,381	14,224	
Government and government agency grants		1,191	1,312	1,191	1,312	
Other grants		242	393	242	393	
		17,814	15,929	17,814	15,929	
Financial revenue						
Profit on sale of investments		326	137	326	137	
Gain on fair value of investments		2,788	1,720	2,788	1,720	
Dividend received – Dunedin City Holdings Limite	ad	2,700	1,720	2,700	1,720	
Other dividends received	eu	1,726	1,869	1,727	1,869	
Interest received - Dunedin City Holdings Limited	1	5,902	5,902	1,747	1,009	
Other interest received	1	1,930	1,872	2,888	6,527	
Other interest received	-					
Other revenue	-	12,672	11,500	7,729	10,253	
		7.020	7.070	7.020	7.070	
Rental from investment properties		7,929	7,978	7,929	7,978	
Regulatory services rendered		3,003	2,726	3,003	2,726	
Gain on fair value of investment property		2,150	-	2,150	-	
Profit on sale of investment properties Forest revaluation		_	50	- 0.000	50	
		10.000	- 0.000	9,629	9,524	
Vested assets		10,006	8,968	10,006	8,968	
Profit on sale of property, plant and equipment		58	3,948	126	4,328	
Other fees and charges	-	49,084	45,013	287,304	281,231	
	-	72,230	68,683	320,147	314,805	
Rating base information						
	2017		2016		2015	
The number of rating units	55,238		55,282		55,062	
The total capital value of the rating units	\$22.033 billion	\$	21.821 billion	\$	21.607 billion	

All rates revenue is shown gross of rates remissions. Under the Council's Rate Remission Policies, which provide for rates to be remitted in cases of Extreme Financial Hardship, during the year the Council allowed remissions totalling \$Nil (2016: Nil).

\$8.403 billion

\$8.365 billion

\$8.342 billion

2

Separately Disclosed Expenses

	CORE COUNCIL		CONSOLIDATE	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Other expenses				
Donations	2,657	2,187	2,714	2,233
Directors' remuneration		-	1,076	855
Research and development	-	-	145	192
Bad debts written off	79	14	621	13,593
Increase/(decrease) in after-care provision	(2)	(26)	(2)	(26)
Increase/(decrease) in doubtful debt provision	139	313	344	(9,040)
Loss on disposal of property, plant and equipment	3	697	3	697
Plant and equipment impairment	_	-	-	355
Councillors' remuneration and expenses	1,497	1,519	1,497	1,519
Rental expense operating leases	46	52	3,742	3,386
Investment property operating expenses	2,891	2,810	2,891	2,810
Inventories expensed	84	53	84	-
Other expenditure	101,010	88,338	211,133	200,613
Total other expenses	108,404	95,957	224,248	217,187
Fees paid to Audit New Zealand for:				
Financial statements	171	165	428	399
Long Term Plan audit	_	40	-	40
Regulatory (information disclosure) reporting	_	-	19	19
Price and quality thresholds and other regulatory reporting		-	15	15
Total audit fees	171	205	462	473
Financial expenses				
Overdraft interest	5	4	5	4
Loss on sale of investments	548	1,165	548	1,165
Loss on sale of foreign currency transactions	-	-	9	350
Fair value loss on investment properties	-	1,039	-	1,039
Fair value loss on investments	88	53	88	53
Interest paid to subsidiaries	13,700	16,070	-	-
Term interest	-	-	31,166	35,794
	14,341	18,331	31,816	38,405
Depreciation/amortisation				
- Operational	13,134	13,071	40,262	39,393
– Infrastructural	43,874	39,347	43,874	39,347
- Restricted and Heritage	3,422	3,190	3,422	3,190
As per note 15 Property, plant and equipment	60,430	55,608	87,558	81,930
– Intangible	897	839	1,399	1,327
	61,327	56,447	88,957	83,257

Reconciliation of Summary of Cost of Service Statements with Core Council Statement of Financial Performance

	Actual	Budget	Actual
	2017	2017	2016
Significant activity expenditure	\$000	\$000	\$000
Economic Development and City Promotion	5,635	5,337	5,384
City Investment	4,305	4,744	8,577
Roading and Footpaths	44,326	42,264	40,501
Water Supply	25,974	25,498	24,637
Sewerage and Sewage	29,005	26,388	26,688
Stormwater	6,096	5,418	5,427
Solid Waste	9,508	10,518	8,411
City Planning and Regulatory Services	16,760	16,091	15,367
Community Development and Support	31,498	27,418	27,474
Museums, Libraries and Art Gallery	25,863	25,265	25,105
Sport, Recreation and Leisure	32,436	27,954	28,047
Corporate Support	6,373	6,022	5,050
Total	237,779	222,917	220,668

3 Taxation

The Dunedin City Council is liable for tax on any income derived from an assessable source, such as a Council owned subsidiary.

	СО	RE COUNCIL	CONSOLIDAT		
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000	
Operating surplus/(deficit) before taxation	454	7,266	28,157	32,815	
(Gain)/Loss on fair value of investment property	(2,150)	1,039	(2,150)	1,039	
Vested assets	(10,006)	(8,968)	(10,006)	(8,968)	
Net non-taxable other income/non-deductible expenditure	8,378	(2,373)	15,345	6,920	
Income subject to taxation	(3,324)	(3,036)	31,346	31,806	
Prima facie taxation at 28%	(931)	(850)	8,777	8,906	
Plus other adjustments	_	-	(470)	27	
Imputation credits	-	-	-	_	
Less tax effect of subvention payments	_	-	1,547	-	
Under/(over) provisions prior years	(178)	(109)	(573)	(215)	
Taxation charge	(1,109)	(959)	9,281	8,718	

As from 1 July, 2009 the Council joined a consolidated group for income tax purposes. The consolidated group is comprised of Council Controlled Organisations, including Dunedin City Holdings Limited, and a number of its subsidiaries. The members of the consolidated group are treated as a single entity for income tax purposes and file a single return of income for the tax year with each member of the group jointly and severally liable for the income tax liability. The Council has applied to Inland Revenue to be excluded from being joint and severally liable for income tax liabilities of the consolidated group for the 2017 income year.

Tax losses in the Council are automatically offset against the tax profits of other entities in the consolidated group. The amount shown by the Council for current tax receivable relates to the tax effect of those losses.

			CO	RE COUNCIL	COI	NSOLIDATED
			Actual 2017	Actual 2016	Actual 2017	Actual 2016
m			\$000	\$000	\$000	\$000
The taxation charge is represented by:			(0.04)	(0 = 0)	0.400	4 000
- Current taxation			(931)	(850)	2,406	1,287
– Deferred taxation			-	-	7,079	7,630
- Under/(over) tax provision in prior year			(178)	(109)	(980)	(182)
- Under/(over) deferred tax in prior year	rs	-	_	_	776	(17)
			(1,109)	(959)	9,281	8,718
Deferred taxation						
	Group 2017 \$000 Opening Balance Sheet	Group 2017 \$000 Charged to Equity	Group 2017 \$000 Charged to Income	Group 2017 \$000 Closing Balance Sheet Assets	Group 2017 \$000 Closing Balance Sheet Liabilities	Group 2017 \$000 Closing Balance Sheet Net
Property, plant and equipment	54,905	-	2,666	(231)	57,802	57,571
Employee benefits	3,283	-	323	(1,636)	5,242	3,606
Forest	21,700	-	2,696	-	24,396	24,396
Forest capitalised costs	9,861	-	317	-	10,178	10,178
Other investments	3,857	(116)	1,828	(4)	5,573	5,569
Revaluations of foreign exchange contracts	(104)	245	-	-	141	141
Revaluations of interest rate swaps	(1,752)	586	-	(1,166)	-	(1,166)
Balance at the end of the year	91,750	715	7,830	(3,037)	103,332	100,295
	Group 2016 \$000 Opening Balance Sheet	Group 2016 \$000 Charged to Equity	Group 2016 \$000 Charged to Income	Group 2016 \$000 Closing Balance Sheet Assets	Group 2016 \$000 Closing Balance Sheet Liabilities	Group 2016 \$000 Closing Balance Sheet Net
Property, plant and equipment	53,970	(162)	1,097	(208)	55,113	54,905
Employee benefits	(1,423)	(159)	(145)	(1,698)	(29)	(1,727)
Forest	19,033	_	2,667	_	21,700	21,700
Forest capitalised costs	9,730	_	131	_	9,861	9,861
Other investments	2,575	2,311	3,981	90	8,777	8,867
Revaluations of foreign exchange contracts	(656)	552	-	(104)	-	(104)
Revaluations of interest rate swaps	(739)	(1,124)	104	(1,759)	-	(1,759)
Balance at the end of the year	82,490	1,418	7,835	(3,679)	95,422	91,743



Transfer of State Highway to NZTA

The Council transferred ownership of part of SH88 (commencing at the intersection of Frederick Street and travelling in an general eastern direction) to the Crown (NZTA) effective 23 June 2016. At the same time NZTA vested the old section of SH88 to the Council.

The \$16.289 million accounting loss shown in 2016 represents the net difference between the value of the two roads. It should however be noted that in the 2010 and 2011 financial years the Council recognised \$15.578 million of subsidy revenue being NZTA's contribution towards the development of the new section of SH88.

5

Remuneration and Other Payments

a) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity. This includes Councillors and senior management.

	CORE COUNCI		
	Actual 2017	Actual 2016	
	\$000	\$000	
Councillors			
Remuneration	1,049	1,011	
Executive Leadership Team			
Remuneration	1,755	1,630	
Termination benefits			
Total key management personnel remuneration	2,804	2,641	

Key management personnel comprises: 15 full-time equivalent elected members and 7 full-time equivalent executive leaders (2017 and 2016).

b) Remuneration paid to elected members

This information is required under Schedule 10, Part 3, Clause 32 of the Local Government Act 2002. Differences in remuneration between elected members is the result of different responsibilities assigned to elected members.

MAYOR AND COUNCILLORS		COUNCIL ERATION	ROLE
Cull D C	1	146,732	Mayor
Benson-Pope D H	2,3	78,829	
Elder R A (elected October 2017)		38,297	
Garey C P (elected october 2017)		38,297	
Hall D W		55,306	
Hawkins A G	2,3	72,865	
Laufiso M E (elected October 2017)		38,297	
Lord M L	2,5	66,480	
Newell D J (elected October 2017)		38,297	
O'Malley J P (elected October 2017)	2,5	40,617	
Staynes C J		71,897	Deputy Mayor
Stedman C L (elected October 2017)		38,348	
Vandervis L	2	58,896	
Whiley A P	2	62,144	
Wilson K M H	2,3,5	79,316	

MAYOR AND COUNCILLORS		COUNCIL REMUNERATION	ROLE
Outgoing members October 2017			
Bezett J T		17,008	
Calvert H J		17,008	
MacTavish J M B	2,3	26,585	
Noone A B	2,4	26,736	
Peat N D		17,008	
Thomson R J		20,410	
		1,049,375	

- 1. Mayoral car full private use
- 2. Includes Consent Hearing fees
- 3. Includes Second Generation Plan Hearings fees
- 4. Includes District Licencing fees
- 5. Includes mileage allowance

c) Employee compensation - Core Council

Severance payments

There were two severance payments made during the year: \$5,000; \$2,500. (2016 - \$74,340; \$10,099; \$2,289; \$1,491).

Chief Executive remuneration

Sue Bidrose; 1 July 2016 to 30 June 2017 \$384,447 which includes some backpay and \$2,646 for the use of a vehicle for 2 months. Sue Bidrose; 1 July 2015 to 30 June 2016 \$352,750 which includes \$15,831 for the use of a vehicle.

Employee staffing levels and remuneration

Schedule 10 paragraph 32A of the Local Government Act 2002 requires the following information to be disclosed in the Annual Financial Statements. The approach and interpretation of these disclosures follow the recommendations of the Society of Local Government Managers, who have consulted widely through-out the industry.

The number of full-time employees who were employed as at 30 June 2017 529.41 (2016: 506.95)

The number of full-time equivalent other employees as at 30 June 2017 147.68 (2016: 140.87)

(The Council definition of 'full-time equivalent other employees' is derived from the full time ordinary hours of work specified for each position, being either 75 or 80 hours per fortnight and calculated on a prorate basis where part-time hours apply.)

The number of employees as at 30 June 2017 receiving;

529	*Less than \$60,000
184	\$60,000 to \$79,999
110	\$80,000 to \$99,999
32	\$100,000 to \$119,999
18	\$120,000 to \$139,999
6	\$140,000 to \$159,999
7	\$160,000 to \$219,999
4	\$220,000 to \$399,999

The number of employees as at 30 June 2016 receiving;

*Less than \$60,000	494
\$60,000 to \$79,999	171
\$80,000 to \$99,999	93
\$100,000 to \$119,999	25
\$120,000 to \$139,999	13
\$140,000 to \$159,999	4
\$160,000 to \$179,999	7
\$180,000 to \$339,999	4

- * Remuneration is the package of each staff member employed at 30 June and includes the salary plus annualised benefits such as superannuation, car parks and any market allowance.
- * The application of salary bands is determined by legislation and 5 or less in a band is prohibited as is an aggregation into a lower band. It is for this reason the top two bands in 2017 exceed a \$20,000 movement.
- * The number of employees as at 30 June 2017 includes 39 Olveston employees (full-time equivalent 5.14). This is the first year they have been included as part of Dunedin City Council.

Movement in Public Equity and Reserves

Accumulated funds	CO	RE COUNCIL	COI	NSOLIDATED
	Actual 2017	Actual 2016	Actual 2017	Actual 2016
	\$000	\$000	\$000	\$000
Opening balance	1,679,472	1,687,881	1,799,619	1,801,406
Surplus/(deficit)	1,563	(8,064)	20,037	8,861
Adjustment	-	_	-	_
Transfers to:				
- Gains/(losses) on interest rate swaps and foreign exchange				
transactions	_	-	-	(3,446)
- Forestry reserves	-	-	(6,933)	(6,857)
- Carbon credit reserve	-	-	_	_
- Restricted reserves	(1,036)	(489)	(1,036)	(489)
Transfers from:				
- Restricted reserves	654	144	654	144
Closing balance	1,680,653	1,679,472	1,812,341	1,799,619

Capital management strategy

The Council manages its capital to ensure that all entities under its control will be able to continue as going concerns. Capital includes Accumulated Funds, Revaluation Reserves, Restricted Reserves, Cash Flow Hedge Reserves, Forestry Revaluation Reserves and Carbon Credit Reserves. It is the nature of a Local Authority Statement of Financial Position to have the capital structure de-emphasised as a significant measure owing to the fact the local authorities rarely seek an economic return from infrastructure assets. The value of the long-term fixed assets in relation to the public debt is not as significant as the impact of the interest component on the potential rate charge. The measure contained in the Borrowing and Investment Policy provide an indication of the meeting or otherwise of the objectives.

Revaluation reserves

	CORE COUNCIL		CONSOLIDAT	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Opening balance	1,064,031	1,029,103	1,074,586	1,039,677
Gain/(loss) recognised on assets of Associates	_	-	6,095	(19)
Property, plant and equipment revaluations	189,043	34,928	189,043	34,928
Closing balance	1,253,074	1,064,031	1,269,724	1,074,586

Restricted reserves Core Council and Consolidated

Name and brief description of the purpose of the reserve where not indicated in the reserve name.	Opening Balance 2017 \$000	Transfers Inwards 2017 \$000	Transfers Outwards 2017 \$000	Closing Balance 2017 \$000
A. H. Reed Capital Account to extend the Reed library collections	231	5	_	236
R. J. Trust Capital Account to extend library collections	279	6	_	285
G. McKay Housebound Capital Account to extend library collections	10	_	_	10
Clive R. B. Lister Capital Account to maintain the Clive Lister garden	223	5	-	228
A. H. Reed Current Account to extend the Reed library collections	13	-	-	13
R. J. Trust Current Account to extend the library collections	1	-	_	1
E. E. Carpenter Current Account to extend the consumer library collections	43	1	-	44
DCC Recreation Loans Reserve to fund small loans to recreation clubs	235	6	-	241
Self Funded Insurance Reserve	287	6	-	293
Air Development Capital Reserve to develop the Taieri aerodrome	344	8	-	352
CARS Bethunes Operations Reserve	17	-	_	17
Dog Control Operations Reserve	13	-	(1)	12
Roading Property Reserve for property purchases	16	-	-	16
Road Maintenance 7 View St Waitati	9	-	_	9
Trans Net Mosgiel East	117	3	_	120
Library Dunningham Bequest	13	-	_	13
Library General operations Fund Reserve	87	2	_	89
Sportsground Upgrade Logan Park Reserve of development contributions	(288)	41	_	(247)
Sportsground Upgrade Bathgate Park Reserve of development contributions	17	1	-	18
Sportsground Upgrade Hancock Park Reserve of development contributions	25	2	-	27
Playground Upgrade Reserve of development contributions	(4)	5	-	1
Mosgiel East Reserve	225	5	-	230
Mere Mere Over View Subsidiary Reserve	66	2	-	68
Aviary Bird Fund Operations Reserve	21	4	-	25
Mediterranean Garden Development Reserve	14	1	-	15
Craigie Burn Operations Reserve	330	8	-	338
Ocean View Sand Sausage Reserve	141	3	_	144
Cemetery Service Fund Maintenance Reserve	2,187	-	-	2,187
Waikouaiti Forest	189	329	(131)	387
Walton Park Forest	176	3	(123)	56
Wastewater Mosgiel East	39	1	-	40
Art Gallery Funded Operations Reserve	536	13	-	549
Sale of Reserve Land Reserve	16	1	-	17
Hillary Commission General Subsidies Reserve	30	1	-	31
Harding Bequest Art Gallery Operations Reserve	28	1	_	29
Waste Minimisation Reserve	425	494	(399)	520
EPH Renewal Fund Reserve	1,915	44	_	1,959
Bateman Bequest (AG)	488	12	-	500
Endowment Property Investment Reserve	998	23		1,021
Totals	9,512	1,036	(654)	9,894

Last Year

Name and brief description of the purpose of the reserve where not indicated in the reserve name.	Opening Balance 2016 \$000	Transfers Inwards 2016 \$000	Transfers Outwards 2016 \$000	Closing Balance 2016 \$000
A. H. Reed Capital Account to extend the Reed library collections	225	6	_	231
R. J. Trust Capital Account to extend library collections	272	7	_	279
G. McKay Housebound Capital Account to extend library collections	10	-	_	10
Clive R. B. Lister Capital Account to maintain the Clive Lister garden	217	6	_	223
A. H. Reed Current Account to extend the Reed library collections	12	1	_	13
R. J. Trust Current Account to extend the library collections	1	_	_	1
E. E. Carpenter Current Account to extend the consumer library collections	42	1	-	43
DCC Recreation Loans Reserve to fund small loans to recreation clubs	230	5	_	235
Self Funded Insurance Reserve	280	7	_	287
Air Development Capital Reserve to develop the Taieri aerodrome	336	8	_	344
CARS Bethunes Operations Reserve	17	-	_	17
Dog Control Operations Reserve	26	_	(13)	13
Roading Property Reserve for property purchases	15	1	-	16
Road Maintenance 7 View St Waitati	9	_	-	9
Trans Net Mosgiel East	114	3	-	117
Library Dunningham Bequest	13	-	_	13
Library General operations Fund Reserve	85	2	-	87
Sportsground Upgrade Logan Park Reserve of development contributions	(329)	41	_	(288)
Sportsground Upgrade Bathgate Park Reserve of development contributions	15	2	-	17
Sportsground Upgrade Hancock Park Reserve of development contributions	23	2	-	25
Playground Upgrade Reserve of development contributions	(9)	5	_	(4)
Mosgiel East Reserve	220	5	_	225
Mere Mere Over View Subsidiary Reserve	65	1	-	66
Aviary Bird Fund Operations Reserve	20	1	-	21
Mediterranean Garden Development Reserve	14	-	-	14
Craigie Burn Operations Reserve	327	7	(4)	330
Ocean View Sand Sausage Reserve	138	3	_	141
Cemetery Service Fund Maintenance Reserve	2,187	_	_	2,187
Waikouaiti Forest	271	_	(82)	189
Walton Park Forest	220	_	(44)	176
Wastewater Mosgiel East	38	1	-	39
Art Gallery Funded Operations Reserve	523	14	(1)	536
Sale of Reserve Land Reserve	16	_	-	16
Hillary Commission General Subsidies Reserve	29	1	-	30
Harding Bequest Art Gallery Operations Reserve	28	_	_	28
Waste Minimisation Reserve	131	294	_	425
EPH Renewal Fund Reserve	1,871	44	-	1,915
Bateman Bequest (AG)	476	12	-	488
Endowment Property Investment Reserve	989	9	-	998
Totals	9,167	489	(144)	9,512

Cash flow hedge reserves	со	RE COUNCIL	COI	NSOLIDATED
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Opening balance	(15,803)	(16,396)	(26,515)	(23,060)
Gains/(losses) on interest rate swaps and foreign exchange transactions	5,620	593	13,206	(3,455)
Adjustment		_	_	
Closing balance	(10,183)	(15,803)	(13,309)	(26,515)

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of the cash flow hedging instruments relating to interest payments and foreign exchange transactions that have not yet occurred.

Carbon credit reserves	COI	NSOLIDATED
	Actual 2017 \$000	Actual 2016 \$000
Opening balance	11,290	2,820
Net revaluation of carbon credits	-	_
Gain in carbon credits above initial recognition value	(470)	8,470
Closing balance	10,820	11,290
Forestry reserves	COI	NSOLIDATED
Forestry reserves	COI Actual 2017 \$000	NSOLIDATED Actual 2016 \$000
Forestry reserves Opening balance	Actual 2017	Actual 2016
	Actual 2017 \$000	Actual 2016 \$000
Opening balance	Actual 2017 \$000 38,499	Actual 2016 \$000 31,642

7 Cash and Cash Equivalents

	CORE COUNCIL		COI	NSOLIDATED
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Cash in Bank	4,460	2,668	19,596	20,080
	4,460	2,668	19,596	20,080

Trade and Other Receivables

	CORE COUNCIL		COI	NSOLIDATED
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Trade debtors	11,970	10,629	36,082	45,604
Rate accounts issued and owing	2,582	2,298	2,582	2,298
Other debtor accounts issued and owing	860	785	3,232	1,217
Provision for doubtful debts	(2,218)	(2,078)	(2,621)	(2,687)
	13,194	11,634	39,275	46,432

The Dunedin City Council does not provide for any impairment on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment.

The carrying value of trade and other receivables approximates their fair value.

Normally no interest is charged on the accounts receivable although in specific instances interest may be charged. An allowance has been made for estimated irrecoverable amounts determined by reference to past default experience.

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Accounts Payable, Accrued Expenditure and Employee Entitlements

	CORE COUNCIL C			SOLIDATED
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Trade and other payables				
Trade creditors	4,392	3,964	30,292	30,989
Contract retentions	953	1,004	953	1,004
Accrued expenditure	15,419	14,398	15,777	9,750
Other payables	787	857	7,637	2,962
	21,551	20,223	54,659	44,705
Revenue received in advance				
Rates in advance	879	664	879	664
Other revenue in advance	2,377	2,987	2,377	2,987
	3,256	3,651	3,256	3,651
Employee entitlements				
Accrued leave	4,238	4,017	8,592	8,115
Accrued long service leave	385	366	663	676
Sick leave over and above annual average	147	147	294	304
Accrued pay	1,067	783	1,586	943
Gratuities provision current	215	297	375	486
	6,052	5,610	11,510	10,524

10 Inventories

	CORE COUNCIL CONSOLID			NSOLIDATED
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Raw materials in store (at cost)	260	302	8,520	3,589
Property for sale (at cost)	-	-	-	_
Work in progress (at cost)	-	-	1,395	1,774
Finished goods (at cost)		_	-	22
	260	302	9,915	5,385

The Council inventories are not pledged as security for liabilities.

11 Other Financial Assets

a) Other current financial assets	CO	RE COUNCIL	CONSOLIDATED		
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000	
Waipori Fund Investment	6,614	5,579	6,614	5,579	
Self Insurance Deposit	250	250	250	250	
Other financial assets		_	1,908	1,342	
	6,864	5,829	8,772	7,171	

Other current financial assets are classified as fair value through Statement of Comprehensive Revenue and Expense. Fair value is determined by reference to the appropriate market. These investments are of short-term duration being between an on call position and twelve months. The effective interest rate is between 1.75% and 4.20%.

b) Other non-current financial assets	СО	RE COUNCIL	CONSOLIDATED			
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000		
Waipori Fund term deposit	31,649	27,452	31,649	27,452		
Waipori Fund equity investments	42,986	47,594	42,986	47,594		
Other shares	485	485	494	492		
Advances to subsidiaries	112,000	112,000	-	_		
Other loans, advances	324 3,568		324 3,568 3		324	4 3,568
	187,444	191,099	75,453	79,106		

Advances to subsidiaries and other loans, advances and community loans are all classified as loans and receivables and are measured at amortised cost. With the exception of shares in subsidiaries, all other non-current financial assets are classified as fair value through Statement of Comprehensive Revenue and Expense and are measured at fair value with any changes in value going to the Statement of Comprehensive Revenue and Expense. These investments are of greater duration than twelve months.

The advance from the Dunedin City Council to the group is subordinated and unsecured. The terms of the advance agreement between the Dunedin City Council and the group are such that there is no obligation on Dunedin City Holdings Limited to transfer economic benefit at any specific time. In 2017, the interest rate on the advance was 5.27% and in 2016 it was 5.27%.

c) Shares in subsidiary companies	2017	2016
Shares Dunedin City Holdings Limited	118,489	115,939
	118,489	115,939

On incorporation, Dunedin City Holdings Limited issued 100,000,000 ordinary shares of \$1 in favour of Dunedin City Council. Only \$100,000 was called and paid up. Since incorporation Dunedin City Holdings Limited has issued additional shares of \$1 each in favour of the Dunedin City Council. During the year Dunedin City Holdings Limited called up 2,550,000 shares. The remaining uncalled shares carry equal voting rights. The amounts and dates of issue are:

- Incorporation	100,000,000
- May 1996	75,000,000
- March 1999	100,000,000
- June 2002	75,000,000
- September 2008	250,000,000
- April 2011	250,000,000
- June 2016	115,839,000
- June 2017	2,550,000
Total number of shares	968,389,000
- Incorporation call	(100,000)
– June 2016 call	(115,839,000)
- June 2017call	(2,550,000)
Total number of uncalled shares	849,900,000

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Investments Accounted for using the Equity Method

	CO:	RE COUNCIL	CONSOLIDATED		
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000	
Interest and advances in associate company		-	29,755	23,203	
Golden Block Investments Limited (Property)	49%	49%	49%	49%	
Dunedin International Airport Limited (Transport)			50%	50%	
Otago Chipmill Limited (Forestry)			49.9%	49.9%	

For the purpose of applying the equity method of accounting, the financial statements of Golden Block Investments Limited and Dunedin International Airport Limited for the year ended 30 June have been used. The financial statements of Otago Chipmill Limited for the year ending 31 December 2016 were used as these were the financial statements closest to the year end of Dunedin City Council.

None of the associate companies are listed and therefore there are no published price quotations to establish the fair value of these investments.

The Directors of City Forests Ltd resolved to write down the value of the Otago Chipmill Limited investment to \$nil at 30 June 2015. There are only contingent liabilities arising from the group's involvement in the associate companies is for Golden Block Investments Limited which is detailed in note 22.

Summarised Balance Sheet	Other Associates		Dunedin International Airport Limited		
	As	at 30 June	As	at 30 June	
	2017	2016	2017	2016	
	\$000	\$000	\$000	\$000	
Current assets	E//	676	700	100	
Cash and cash equivalents Other current assets	544 41	1	788 559	132 493	
Total current assets	585	677	1,347	625	
Non-current assets	2,337	2,359	86,428	69,615	
Total assets	2,922	3,036	87,775	70,240	
Current liabilities	341	365	3,115	1,706	
Non-current liabilities					
Financial liabilities	2,600	2,600	9,100	9,100	
Other financial liabilities		_	16,001	12,978	
Total non-current liabilities	2,600	2,600	25,101	22,078	
Total liabilities	2,941	2,965	28,216	23,784	
Net assets	(19)	71	59,559	46,456	
Less					
Impairment	-	_	-	_	
Other adjustments	19	(71)	(50)	(50)	
Net assets after impairment and other adjustments		_	59,509	46,406	
Carrying value of associates	_	_	29,755	23,203	
	49.0%	49.0%	50.0%	50.0%	
Summarised Statement of Comprehensive Income	Other Associates		Dunedin International Airport Limited		
	As	at 30 June	As at 30 June		
	2017	2016	2017	2016	
m . lp	\$000	\$000	\$000	\$000	
Total Revenue	530	493	14,130	13,158	
Less Expenses					
Other expenses	264	131	7,633	7,002	
Interest expense	114	125	464	624	
Depreciation and amortisation Total Expenses	270	-	2,872	2,851	
	378	256	10,969	10,477	
Operating surplus/(deficit) before tax	152	237	3,161	2,681	
Income tax	42	13	840	723	
Operating surplus/(deficit) after tax	110	224	2,321	1,958	
Other comprehensive income	-	-	12,190	(13)	
Total comprehensive income/(deficit)	110	224	14,511	1,945	
Dividend received from associate	100	_	704	704	

13 Term Loans

	CO	RE COUNCIL	CONSOLIDATEI		
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000	
Total loan balance	202,419	216,073	573,029	580,515	
Less current portion		(17,738)	(1,686)	(1,770)	
Non-current portion	202,419	198,335	571,343	578,745	
Security					
Secured multi-option note facility	_	-	567,378	575,210	
Secured other loans	202,419	216,073	5,651	5,305	
	202,419	216,073	573,029	580,515	

Core Council term loans are secured by rates revenue and are borrowed from Dunedin City Treasury Limited.

The Group has an \$850 million Multi Option Debt Issuance Facility which is secured against certain assets and undertakings of the Dunedin City Council Group. Debt is raised by issuing long dated bonds, floating rate notes or by the issue of Promissory Notes usually issued for three month terms.

Three independent banks have provided committed facilities to the amount of \$125 million (2016: \$130 million).

The amount of unamortised premium or (discount) on bonds on issue at 30 June 2017 is nil (2016: nil).

The tender of promissory notes under the multi-option facility generally raises debt for a term of three months before being retendered. In addition to this, the issue of floating rate notes under the multi-option facility also raises floating rate debt. This type of borrowing is executed at the floating rate at the date of drawdown or at the start of the floating rate reset and exposes the Group to cash flow interest rate risk. Interest rate derivatives are taken out to manage that risk. Floating rate debt is also created by converting fixed rate bond issuance from fixed to floating using interest rate swaps. The credit risk from each derivative is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Dunedin City Treasury Limited issues bonds with a floating or fixed interest rate. The issuing of bonds at fixed interest rates exposes the Group to fair value interest rate risk.

Analysis of Debt		Group 2017	Group 2016
	T D .	\$000	\$000
D	Interest Rate	50 500	0 / 500
Promissory Notes		59,702	64,730
Bonds 15/11/16	Coupon rate 6.79%	_	50,000
Floating Notes 15/2/17	80bp over BKBM	_	20,000
Bonds 15/10/17	Coupon rate 7.81%	60,000	60,000
Floating Notes 7/10/17	38bp over BKBM	20,000	20,000
Floating Notes 15/5/18	43bp over BKBM	20,000	20,000
Bonds 17/7/18	Coupon rate 6.57%	50,000	50,000
Bonds 17/12/18	Coupon rate 6.85%	15,000	15,000
Floating rate notes 15/11/19	50bp over BKBM	50,000	-
Bonds 16/11/20	Coupon rate 5.56%	50,000	50,000
Bonds 15/4/21	Coupon rate 3.15%	30,000	30,000
Bonds 25/11/21	Coupon rate 4.88%	70,000	70,000
Floating Notes 15/10/22	56bp over BKBM	50,000	50,000
Floating Notes 15/02/24	65bp over BKBM	25,000	-
Bonds 15/4/26	Coupon rate 3.98%	65,000	65,000
Fair Value Impact on Bonds		2,676	8,794
Forestry Loans	Coupon rate 6.09%	5,178	6,518
Housing NZ loan		473	473
		573,029	580,515

The forestry loans are from the Ministry of Primary Industries. They are fixed rate loans secured by registered first mortgage over certain land assets and are covered by repayment insurance. The amount is repayable in equal quarterly instalments through to 31 December 2021 and the interest applicable is 6.09%.

The fair value of the debt and maturity profile is disclosed in note 20, 'Financial Instruments'.

Repayment period on term borrowings	СО	RE COUNCIL	CONSOLIDATED		
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000	
Repayable less than one year	17,041	17,738	101,686	71,770	
Repayable between one to five years	57,515	54,922	328,194	384,479	
Repayable later than five years	127,863	143,413	143,149	124,266	
	202,419	216,073	573,029	580,515	

14 Provisions

Core Council movement in provisions	Landfill aftercare	Accrued long service leave	Gratuities	Total
	2017 \$000	2017 \$000	2017 \$000	2017 \$000
Opening balance	6,974	345	962	8,281
Net movement in provision	(2)	122	(70)	50
Closing balance	6,972	467	892	8,331
	Landfill aftercare	Accrued long service leave	Gratuities	Total
	2016 \$000	2016 \$000	2016 \$000	2016 \$000
Opening balance	7,000	366	992	8,358
Net movement in provision	(26)	(21)	(30)	(77)
Closing balance	6,974	345	962	8,281

Landfill aftercare provision

There are five landfill aftercare provisions dealing with the closed North Taieri landfill, the Green Island landfill and three other provisions dealing with the remaining smaller landfills.

Accrued long service leave

The non-current portion of accrued long service leave has been calculated on an actuarial basis and is based on the reasonable likelihood that it will be earned by employees and paid by the group.

Consolidated movement in provisions	Landfill aftercare	Accrued long service leave	Gratuities	Total
	2017	2017	2017	2017
	\$000	\$000	\$000	\$000
Opening balance	6,974	837	1,337	9,148
Net movement in provision	(2)	138	(67)	69
Closing balance	6,972	975	1,270	9,217
	Landfill aftercare	Accrued long service	Gratuities	Total
		Accrued long service leave	Gratuities	Total
		long service	Gratuities 2016	Total
	aftercare	long service leave		
Opening balance	aftercare	long service leave 2016	2016	2016
Opening balance Net movement in provision	aftercare 2016 \$000	long service leave 2016 \$000	2016 \$000	2016 \$000

15 Property, Plant and Equipment

The Council assesses the fair valuation of core Council land and buildings at the carrying values shown below.

Council asset valuations

Operational assets

Land and buildings

Land and buildings have been valued at fair value by Andrew Parkyn of QV Asset and Advisory as at 30 June 2015.

Infrastructure assets

As required under section 6 paragraph 3 (c) of the Local Government (Financial Reporting and Prudence) Regulations 2014, the estimated replacement cost of infrastructure property, plant and equipment is stated below; roading assets; \$1,519,232,105, water assets; \$789,029,440, sewerage assets; \$853,329,641, stormwater assets; \$432,724,015.

Infrastructure assets comprising roads, bridges and footpaths, lights, traffic signals and signs have been valued at depreciated replacement cost as at 30 June 2017. The valuation of these assets has been done by Pauline True and Lachlan Crawford of Stantec New Zealand, independent consultants. The valuation has been peer reviewed by Brian Smith of Brian Smith Advisory Services Limited.

Infrastructure assets comprising water reticulation, water plant and facilities, wastewater reticulation, wastewater plant and facilities, stormwater reticulation, stormwater plant and facilities, landfill plant and facilities, have been valued as at June 2016 by Council staff at depreciated replacement cost. The methodology to update these valuations has been confirmed by an independent valuer Gary Dent of Fluent Infrastructure Solutions Limited, Registered Consultant Engineers.

Restricted assets

Land and buildings

Land have been valued by Andrew Parkyn of QV Asset and Advisory as at 30 June 2015.

Buildings have been valued by Andrew Parkyn of QV Asset and Advisory as at 30 June 2015.

Hard surfaces and reticulation systems

Hard surfaces and reticulation systems have been valued by Alistair McGaughran of MWH NZ Ltd as at 30 June 2014.

Playground and soft-fall areas

Playground and soft-fall areas have been valued by Alistair McGaughran of MWH NZ Limited as at 30 June 2016.

Heritage assets

Heritage assets include; the Art Gallery Collection at the Dunedin Public Art Gallery, the Theomin Collection at Olveston, the Collection at Toitū Otago Settlers Museum, the Rare Book Collection at the Dunedin Public Library and the monuments, statues and outdoor art.

The Art Gallery Collection has been valued by the Council Collection Manager as a "heritage collection" at estimated current values as at 30 June 1993. The value represents its deemed cost.

The Theomin Collection has been valued as a heritage collection by staff employed by the Theomin Gallery Management Committee. The collection was valued at estimated current values as at 30 June 1993. The value represents its deemed cost.

The Toitū Otago Settlers Museum Collection has been valued at its estimated insurance value in 2002. The value represents the deemed cost.

The Rare Book Collection has been valued at market value by independent valuer Stuart Strachan and library staff member Anthony Tedeschi, as at 30 June 2011. The value represents its deemed cost.

Monuments, statues and outdoor art have been valued at depreciation replacement value by Andrew Parkyn of QV Asset & Advisory as at 30 June 2015.

The heritage land and buildings of the Railway Station and the Olveston historic house have been valued by Andrew Parkyn of QV Asset and Advisory as at 30 June 2015.

Current Year	Balance as at 1 July 2016	Additions (assets constructed or purchased)	Wested Assets O (assets transferred)	6 O Disposals	Met revaluation/ G (decrements)	6 O Depreciation	\$ 00 Impairment	⇔ O O Reclassification	5 Total at6 30 June 2017
Operational assets	4000	4000	4000	7000	4000	7000	4000	4000	4000
Gross carrying amount									
Land	90,300	1,017	_	_	_	_	_	(4,130)	87,187
Buildings and structures	219,183	486	_	_	_	_	_	(2)	219,667
Fixed plant and equipment	13,969	1,567	-		_	-	_	_	15,536
Vehicle, mobile plant	3,786	462	-	(402)	-	-	-	_	3,846
Office equipment	26,811	831	_	(3)	_	_	-	_	27,639
Library collection	8,997	816	-		_	-	_	(135)	9,678
Total	363,046	5,179	-	(405)	-	_	-	(4,267)	363,553
Accumulated depreciation/ amortisation and impairment									
Land	- (0 (05)	_	_	_	_	- (0 (07)	-	-	(10.051)
Buildings and structures	(9,425)	_	_	_	_	(9,427)	-	1	(18,851)
Fixed plant and equipment	(9,939)	_	_	- 010	_	(817)	-	_	(10,756)
Vehicle, mobile plant	(2,903)	_	_	312	_	(238)	-	_	(2,829)
Office equipment	(21,445)	-	-	3	_	(1,675)	-	-	(23,117)
Library collection	(6,135)					(977)	_	(3)	(7,115)
Total	(49,847)	-	-	315	-	(13,134)	_	(2)	(62,668)
Net book value as at 30 June	313,199	5,179	_	(90)		(13,134)	-	(4,269)	300,885

Current Year	Balance as at 1 July 2016	Additions (assets constructed or purchased)	S Vested Assets O (assets transferred)	# O Disposals	Met revaluation/ G (decrements)	\$ 00 Depreciation	\$ 00 Impairment	\$ 00 Reclassification	\$ Total at \$ 30 June 2017
Infrastructural assets									
Gross carrying amount									
Land	24,435	-	-	-	-	-	-	_	24,435
Land fill provision capitalised	2,763	-	-	-	-	-	-	-	2,763
Roadways and bridges	959,900	16,969	2,113	-	9,231	-	-	-	988,213
Water reticulation	257,654	6,622	2,157		17,593	-	-	(1,144)	282,882
Water plant and facilities	68,828	297	-	-	4,656	-	-	1,319	75,100
Wastewater reticulation	221,343	4,014	1,952	-	93,370	-	-	(320)	320,359
Wastewater plant and facilities	102,077	978	_	_	(1,266)	-	-	(165)	101,624
Stormwater reticulation	123,940	1,349	2,479	_	25,479	-	-	322	153,569
Stormwater plant and facilities	2,262	125	_	_	(3)	-	-	2	2,386
Landfill plant and facilities	5,193	103	_	_	74				5,370
Total	1,768,395	30,457	8,701	-	149,134	-	-	14	1,956,701
Accumulated depreciation/ amortisation and impairment									
Land fill provision capitalised	(1,625)	-	_	_	-	(162)	-	-	(1,787)
Roadways and bridges	-	-	-	-	18,994	(18,994)	-	-	-
Water reticulation	(6,903)	-	-	-	6,881	(7,835)	-	22	(7,835)
Water plant and facilities	(2,225)	-	-	-	2,267	(2,929)	_	(50)	(2,937)
Wastewater reticulation	(4,966)	-	_	_	4,964	(5,512)	-	2	(5,512)
Wastewater plant and facilities	(3,833)	-	_	_	3,822	(4,432)	-	11	(4,432)
Stormwater reticulation	(2,533)	-	-	-	2,535	(3,486)	-	(2)	(3,486)
Stormwater plant and facilities	(96)	-	_	_	96	(109)	-	-	(109)
Landfill plant and facilities	(350)		_	_	350	(415)	_	_	(415)
Total	(22,531)	-	-	-	39,909	(43,874)	_	(17)	(26,513)
Net book value as at 30 June	1,745,864	30,457	8,701	_	189,043	(43,874)	_	(3)	1,930,188

Current Year	Balance as at 1 July 2016	Additions (assets constructed or purchased)	Vested Assets (assets transferred)	Disposals	Net revaluation/ (decrements)	Depreciation	Impairment	Reclassification	Total at 30 June 2017
Restricted assets	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Gross carrying amount	100.007							1 000	170 750
Land	169,684	0.101	_	_	-	_	_	1,068	170,752
Buildings and structures	37,853	2,131	1 005	_	_	_	_	(100)	39,984
Road reserve Hard surfaces and reticulation	190,647	_	1,305	_	_	_	_	(190)	191,762
systems	12,076	23	_	_	_	_	_	192	12,291
Fixed plant and equipment	3,165	1	_	-	-	-	_	(93)	3,073
Playground and soft-fall areas	4,916	497	_	_	_	_	_	93	5,506
Total	418,341	2,652	1,305	-	-	-	-	1,070	423,368
Accumulated depreciation/ amortisation and impairment									
Land	_	_	_	_	_	_	_	-	_
Buildings and structures	(1,731)	_	_	_	_	(1,811)	_	-	(3,542)
Road reserve	_	_	_	-	_	_	_	-	_
Hard surfaces and reticulation systems	(1,465)	-	-	_	_	(738)	-	(15)	(2,218)
Fixed plant and equipment	(544)	_	_	-	-	(118)	_	24	(638)
Playground and soft-fall areas	-	-	-	_	_	(451)	_	(7)	(458)
Total	(3,740)	-	-	-	-	(3,118)	-	2	(6,856)
Net book value as at 30 June	414,601	2,652	1,305			(3,118)	-	1,072	416,512

Current Year	Balance as at 1 July2016	Additions (assets constructed or purchased)	Vested AssetsO (assets transferred)	& O O Disposals	Met revaluation/ G (decrements)	\$ O Depreciation	60 O Impairment	% OO O Reclassification	Total at30 June 2017
Heritage assets	φυσο	φοσο	φυσο	φυσο	φοσο	φοσο	φυσο	φυσο	φοσο
Gross carrying amount									
Land	4,388	_	_	_	_	_	_	_	4,388
Buildings	8,310	_	_	_	_	_	_	_	8,310
Collections	65,987	109	_	_	_	_	_	135	66,231
Monuments	12,155	_	_	_	_	_	_	_	12,155
Total	90,840	109			_			135	91,084
Accumulated depreciation/ amortisation and impairment									
Land	-	-	-	-	-	-	-	-	-
Buildings	(140)	-	-	-	-	(140)	-	-	(280)
Collections	(404)	-	-	-	-	(91)	-	3	(492)
Monuments	(72)	_	_	_	_	(73)	_	_	(145)
Total	(616)	-	-	-	-	(304)	-	3	(917)
Net book value as at 30 June	90,224	109	_	_	_	(304)		138	90,167
Capital work in progress									
Water and waste systems	21,825	(4,127)	-	-	-	-	-	-	17,698
Land and buildings	243	1,201	-	_	_	_	_	_	1,444
Other assets	1,172	(137)	_	_		_	_		1,035
	23,240	(3,063)	-	-	-	-	_	_	20,177
Council total net book value as at 30 June	2,587,128	35,334	10,006	(90)	189,043	(60,430)	_	(3,062) 2	2,757,929

Current Year	Balance as at 1 July 2016	Additions (assets constructed or purchased)	S Vested Assets (assets transferred)	b Disposals	Met revaluation/ (decrements)	Depreciation	Impairment	Reclassification	Total at 30 June 2017
Subsidiaries assets	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Gross carrying amount									
Land	10,323			(2)				(278)	10,043
Forest land	26,375	954	_	(2)	241	_	_	(270)	27,570
Buildings and structures	20,285	290	_	(19)	241	_	_	(509)	20,047
Fixed plant and equipment	25,743	1,850	_	(2,596)	_	_	_	(1,236)	23,761
Roadways and bridges	7,183	1,630 5	_	(2,390)	_	_	_	(1,230)	7,188
Stadium	223,595	19	_	_	_	_	_	_	223,614
Networks	512,334	30,020	_	(52)			_	14	542,316
Vehicle, mobile plant	26,100	2,852	_	(2,074)		_	_	56	26,934
Rolling stock and rail track	5,098	280	_	(2,074)	_	_	_	-	5,378
Construction	26,150	15,356	_	_	_	_	_	(140)	41,366
Office equipment	2,457	105	_	(28)				(1,533)	1,001
Total	885,643	51,731		(4,771)	241			(3,626)	929,218
Accumulated depreciation/ amortisation and impairment	000,010	51,761		(1,//1)	211			(0,020)	020,210
Buildings and structures	(4,749)	-	-	18	-	(293)	-	260	(4,764)
Fixed plant and equipment	(19,367)	-	-	2,510	-	(1,743)	-	1,241	(17,359)
Roadways and bridges	(3,904)	-	_	-	-	(168)	-	-	(4,072)
Stadium	(38,570)	-	-	-	-	(7,292)	-	-	(45,862)
Networks	(130,908)	-	-	52	-	(15,032)	-	-	(145,888)
Vehicle, mobile plant	(15,298)	-	-	1,952	-	(2,263)	-	116	(15,493)
Rolling stock and rail track	(2,510)	-	-	-	-	(239)	-	-	(2,749)
Construction	-	-	-	-	-		-	-	-
Office equipment	(1,581)	_		28	_	(98)	_	889	(762)
Total	(216,887)	-	-	4,560	-	(27,128)	-	2,506	(236,949)
Net book value as at 30 June	668,756	51,731	_	(211)	241	(27,128)	_	(1,120)	692,269
Group total net book value as at 30 June	3,255,884	87,065	10,006	(301)	189,284	(87,558)	_	(4,182)	3,450,198

Last Year	Balance as at 1 July 2015	Additions (assets constructed or purchased)	Vested Assets (assets transferred)	Disposals	Net revaluation/	Depreciation	Impairment	Reclassification	Total at 30 June 2016
Operational assets	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Gross carrying amount									
Land	89,672	1,330	_	(720)	_	_	_	18	90,300
Buildings and structures	218,763	419	_	-	_	_	_	1	219,183
Fixed plant and equipment	13,582	387	_	_	_	_	_	_	13,969
Vehicle, mobile plant	3,813	253	_	(292)	_	_	-	12	3,786
Office equipment	25,993	818	_	_	_	_	-	_	26,811
Library collection	7,839	1,158	_	-	_	_	-	_	8,997
Total	359,662	4,365	-	(1,012)	_	-	-	31	363,046
Accumulated depreciation/ amortisation and impairment									
Land	-	-	-	-	-	-	-	-	-
Buildings and structures	-	-	-	-	-	(9,425)	-	-	(9,425)
Fixed plant and equipment	(9,131)	-	-	-		(808)	-	-	(9,939)
Vehicle, mobile plant	(2,908)	-	-	263	-	(258)	-	-	(2,903)
Office equipment	(19,809)	-	-	_	-	(1,636)	-	_	(21,445)
Library collection	(5,191)	_	_	_	_	(944)		_	(6,135)
Total	(37,039)	_	-	263	-	(13,071)	-	-	(49,847)
Net book value as at 30 June	322,623	4,365	_	(749)	_	(13,071)	_	31	313,199

Last Year	Balance as at 1 July 2015	Additions (assets constructed or purchased)	Vested Assets (assets transferred)	Disposals	Net revaluation/ (decrements)	Depreciation	Impairment	Reclassification	Total at 30 June 2016
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Infrastructural assets									
Gross carrying amount									
Land	24,435	-	-	-	-	-	-	-	24,435
Land fill provision capitalised	2,763	_	-	-	_	_	-	_	2,763
Roadways and bridges	923,093	12,627	9,768	_	14,447	_	_	(35)	959,900
Water reticulation	254,589	2,430	640	-	_	_	-	(5)	257,654
Water plant and facilities	68,574	232	-	-	-	-	-	22	68,828
Wastewater reticulation	218,450	2,893	-	-	-	-	-	_	221,343
Wastewater plant and facilities	100,628	1,449	-	-	-	-	-	-	102,077
Stormwater reticulation	123,121	819	-	-	-	-	-	-	123,940
Stormwater plant and facilities	2,262	-	-	-	-	-	-	_	2,262
Landfill plant and facilities	5,193	-	-	-	-	-	-	_	5,193
Other infrastructural assets		_	_	_	_	_	-	_	
Total	1,723,108	20,450	10,408	-	14,447	_	_	(18)	1,768,395
Accumulated depreciation/ amortisation and impairment									
Land fill provision capitalised	(1,465)	-	-	-	-	(163)	-	3	(1,625)
Roadways and bridges	_	-	-	-	18,269	(18,278)	-	9	-
Water reticulation	-	_	-	-	_	(6,903)	-	_	(6,903)
Water plant and facilities	-	_	-	-	-	(2,225)	-	_	(2,225)
Wastewater reticulation	-	_	_	-	-	(4,966)	-	_	(4,966)
Wastewater plant and facilities	-	_	_	-	-	(3,833)	-	_	(3,833)
Stormwater reticulation	-	-	_	-	-	(2,533)	-	_	(2,533)
Stormwater plant and facilities	-	-	_	-	-	(96)	-	_	(96)
Landfill plant and facilities	-	-	-	-	-	(350)	-	-	(350)
Other infrastructural assets	-	_	_	_	_	-	-	_	_
Total	(1,465)	-	-		18,269	(39,347)	-	12	(22,531)
Net book value as at 30 June	1,721,643	20,450	10,408	_	32,716	(39,347)	-	(6)	1,745,864

Last Year	# Balance as at 1 July 2015	Additions (assets constructed or purchased)	Wested Assets O (assets transferred)	\$ 00 Disposals	Met revaluation/decrements)	\$ 00 00 Depreciation	\$ O Impairment	\$ 00 Reclassification	6 Total at 8 30 June 2016
Restricted assets									
Gross carrying amount									
Land	170,096	_	_	(394)	_	_	_	(18)	169,684
Buildings and structures	37,127	726	-	-	-	_	_	_	37,853
Hard surfaces and reticulation systems	12,007	69	_	_	_	_	_	_	12,076
Fixed plant and equipment	3,049	114	_	_	_	_	_	2	3,165
Road reserve	182,239	20	8,388	-	-	_	_	_	190,647
Playground and soft-fall areas	3,755	118	_	_	1,043	_	_	_	4,916
Total	408,273	1,047	8,388	(394)	1,043	-	_	(16)	418,341
Accumulated depreciation/ amortisation and impairment									
Buildings and structures	_		_			(1,731)	_		(1,731)
Hard surfaces and reticulation						(1,701)			(1,751)
systems	(739)	_	-	_	_	(726)	_	-	(1,465)
Fixed plant and equipment	(411)	-	-	-	-	(119)	_	(14)	(544)
Road reserve	-	-	-	-	_	-	-	-	-
Playground and soft-fall areas	(871)		_	-	1,169	(307)	_	9	
Total	(2,021)	_	_	-	1,169	(2,883)	_	(5)	(3,740)
Net book value as at 30 June	406,252	1,047	8,388	(394)	2,212	(2,883)	_	(21)	414,601

Last Year	Balance as at 1 July 2015	Additions (assets constructed or purchased)	Vested Assets (assets transferred)	Disposals	Net revaluation/ (decrements)	Depreciation	Impairment	Reclassification	Total at 30 June 2016
II-uit-u-	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Heritage assets Gross carrying amount									
Land	4,388								4,388
Buildings	4,366 8,310	_	_	_	_	_	_	_	
Collections	65,937	50	_	_	_	_	_	_	8,310 65,987
Monuments			-	_	_	_	_	_	
Total	12,129 90,764	50	26 26		_	_			12,155 90,840
Accumulated depreciation/ amortisation and impairment									
Land	-	-	-	-	-	-	-	-	-
Buildings	-	-	_	-	-	(140)	-	-	(140)
Collections	(309)					(95)	-	-	(404)
Monuments		_	_		_	(72)	_	_	(72)
Total	(309)	-	_	_	_	(307)	_	-	(616)
Net book value as at 30 June	90,455	50	26	_		(307)	_	_	90,224
Capital work in progress									
Water and waste systems	11,136	10,689	_	-	-	-	-	-	21,825
Land and buildings	796	(553)	_	-	-	-	-	-	243
Other assets	950	222	-	-	-	-	-	-	1,172
	12,882	10,358	_	_	_	_	_	_	23,240
Council total net book value as at 30 June	2,553,855	36,270	18,822	(1,143)	34,928	(55,608)	_	4 2	2,587,128

Vested assets

State Highway 88 assets (Anzac Ave) Other vested assets

9,854 8,968 18,822

Last Year	Balance as at 1 July 2015	Additions (assets constructed or purchased)	Vested Assets (assets transferred)	Disposals	Net revaluation/ (decrements)	Depreciation	Impairment	Reclassification	Total at 30 June 2016
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Subsidiaries assets									
Gross carrying amount									
Land	10,213	120	_	_	_	-	_	(10)	10,323
Forest land	25,574	801	_	-	-	-	-	_	26,375
Buildings and structures	20,694	860	-	(1,269)	-	-	-	_	20,285
Fixed plant and equipment	23,964	2,137	_	(358)	-	-	-	-	25,743
Roadways and bridges	6,712	471	-		-	-	-	-	7,183
Stadium	224,556	894	-	(1,855)	-	-	-	-	223,595
Networks	487,717	31,504	-	(6,887)	-	-	-	-	512,334
Vehicle, mobile plant	24,776	2,196	-	(872)	-	-	-	_	26,100
Rolling stock and rail track	4,720	378	_	_	-	-	-	_	5,098
Construction	20,862	5,288	_	_	-	-	-	_	26,150
Office equipment	1,969	513	_	(25)	_		_	_	2,457
Total	851,757	45,162	_	(11,266)	-	-	-	(10)	885,643
Accumulated depreciation/ amortisation and impairment									
Buildings and structures	(4,847)	-	-	377	-	(279)	-	-	(4,749)
Fixed plant and equipment	(17,512)	-	-	348	-	(1,848)	(355)	-	(19,367)
Roadways and bridges	(3,730)	-	-	-	-	(174)	-	-	(3,904)
Stadium	(31,904)	-	-	708	-	(7,374)	-	-	(38,570)
Networks	(123,596)	-	_	6,839	-	(14,151)	-	_	(130,908)
Vehicle, mobile plant	(13,843)	-	_	661	-	(2,116)	-	_	(15,298)
Rolling stock and rail track	(2,286)	-	_	_	-	(224)	-	_	(2,510)
Construction	-	-	_	_	-	-	-	_	-
Office equipment	(1,450)	-	_	25	_	(156)	-	_	(1,581)
Total	(199,168)	-	-	8,958	-	(26,322)	(355)	_	(216,887)
Net book value as at 30 June	652,589	45,162	_	(2,308)	_	(26,322)	(355)	(10)	668,756
Group total net book value as at 30 June	3,206,444	81,432	18,822	(3,451)	34,928	(81,930)	(355)	(6)	3,255,884

16 Investment Property

			CO	RE COUNCIL	CON	SOLIDATED
			Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Opening balance			88,288	89,684	88,288	89,684
Plus additions			-	13	_	13
			88,288	89,697	88,288	89,697
Less disposals			-	370	_	370
			88,288	89,327	88,288	89,327
Net Gains / losses from fair value adjustments			2,150	(1,039)	2,150	(1,039)
Closing balance			90,438	88,288	90,438	88,288
Trend statement for the six years to 30 June 2	Actual 2017 \$000	Actual 2016 \$000	Actual 2015 \$000	Actual 2014 \$000	Actual 2013 \$000	Actual 2012 \$000
Fair market value of investment properties	90,438	88,288	89,684	95,217	91,413	93,565

Investment properties and properties intended for sale

All investment properties were valued by Daryl Taggart, David Paterson, Jon Parker and Chelsea Mudge of Quotable Value Limited.

In broad terms the value is established based on the expected return in the future for a particular property. Therefore it should be noted that the rate of return disclosed is the result of assessing past income to a future value.

Investment properties; net income and investment return

	COI	NSOLIDATED
	Actual 2017 \$000	Actual 2016 \$000
Rental from investment properties	7,929	7,978
Operating expenditure investment properties	(2,891)	(2,810)
	5,038	5,168
Plus internal rental for car–park buildings	890	890
Less internal management fees and salaries	(548)	(629)
	5,380	5,429
Plus net gain on sale of properties	-	50
Net gains or (losses) from fair value adjustments	2,150	(1,039)
Net income including fair value gains and losses	7,530	4,440

Investment return including fair value gains and losses but excluding the interest paid on loans borrowed: 8.33% (2016: 5.03%).

17 Intangible Assets

	CO	RE COUNCIL	CON	NSOLIDATED
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Opening cost	8,856	8,626	15,102	14,411
Additional intangible assets	382	230	833	691
Carbon credits surrendered	(117)	-	(117)	
Closing cost	9,121	8,856	15,818	15,102
Accumulated amortisation opening balance	6,342	5,503	11,057	9,730
Impairments	-	_	_	_
Amortisation	897	839	1,399	1,327
Accumulated amortisation closing balance	7,239	6,342	12,456	11,057
Net book value	1,882	2,514	3,362	4,045
Computer intangibles	1,860	2,375	3,340	3,906
Carbon credits	22	139	22	139
	1,882	2,514	3,362	4,045

During 2013 the Dunedin City Council as owner of land with pre 1989 forests on that land was entitled to carbon credits (NZU's). These have been acquired and have been banked, held to be offset against expected future carbon liabilities from the operation of the landfill. Further NZU's have been acquired on the open market and are also held to offset expected future carbon liabilities.

18 Forestry Assets

	CONSOLIDATED	
	Actual 2017 \$000	Actual 2016 \$000
Forestry assets		
Opening balance	123,802	113,629
Add costs capitalised in establishing forests during year	2,083	1,947
Increase in forest from acquisition	3,212	237
Revaluation	9,629	9,524
Less value of logs harvested	(2,393)	(1,535)
Closing balance	136,333	123,802

CONSOLIDATED

The directors of City Forests Limited revalue its forestry assets annually and Dunedin City Holdings Limited adopts that value.

The valuation methodology used establishes the fair value of the collective forest and land resource and then subtracts the value of the forestry land at \$27,569,800 value. The PBE IPSAS valuation rules require that the value is calculated under the assumption that a stand will not be replanted once felled irrespective of the sustainable forest policy of the Directors. The change in the value of the forest from period to period is reflected in the Statement of Comprehensive Revenue and Expense.

Fair value requires calculating the present value of expected net cash flows using a post-tax discount rate. This discount rate used by the company is 6.5% (2016: 6.5%).

The forestry valuation is subject to a number of assumptions. The ones with the most significant volatility or impact on the valuation are the discount rate applied and the log prices adopted. The discount rate adopted was 6.5%; a +/- 50 basis point movement in the discount rate would change the valuation by +\$7.03 mil/ - \$6.41 mil. A 10% increase or decrease in assumed log prices would change the valuation by +\$11.59 mil/ -\$11.51 mil; (note that these sensitivites shown are independent and different outcomes would result from combined changes in discount and log prices).

At 30 June 2017 the company owned stands of trees on 16,795 hectares of a total land holding of 20,850 hectares. During the year the company harvested approx. 277,201 m3 of logs from its forests.

City Forests Limited is exposed to financial risks associated with USD log price and the USD and AUD sawn timber prices. This risk is managed through its financial management policy described within note 20, Financial Instruments. City Forests Limited is a long-term forestry investor that expects log prices to fluctuate within a commodity cycle. It is not possible to hedge against 100% of the price cycle but the company does manage harvest volumes to minimise the impact of the commodity price cycle over the longer term.

The valuer of the forestry asset was an employee of City Forests Limited who has a Bachelor of Forestry Science with Honours, a Post Graduate Certificate in Executive Management and is a member of the New Zealand Institute of Forestry. He has the appropriate knowledge and the skills to complete the valuation.

A peer review of the valuation process and key inputs was conducted by Woodlands Pacific. The peer review was completed with regard to a summary of market transactions at arms length terms and current market conditions. The valuation assumptions include all direct costs and revenues.

Log inventories are valued at net realisation value less estimated point of sale costs and wood processing inventories at net realisable value.

New Zealand carbon credits

The New Zealand Emissions Trading Scheme was enacted under the Climate Change Response Amendment Act 2008 and was made into law on 26 September 2008.

A forest owner with forests established after 31st December 1989, under the Act, may opt to join the Emissions Trading Scheme. Post-89 forests will earn carbon credits (NZU's) from 1st January 2008 and these may be traded within New Zealand or converted into Assigned Amount Units (AAU's) and sold internationally. City Forests Limited completed registration of the Post-89 forests under the Emissions Trading Scheme in January 2010. These forests have been sequestering carbon under the scheme since 1st January 2008. Subsequent to our Post-89 registration, the New Zealand Government has allocated City Forests Limited a total of 2,005,337 Post-89 derived NZU's, being the carbon sequestered by these forests during the 2008 to 2017 calendar years. In 2017, 30,967 ERU's were purchased. There has been no carbon credit sales for the financial year.

As at 30th June 2017, 1,369,304 units were unsold (2016: 965,903). Under the accrual principle, the unsold credits have been valued based on the current market prices and recognised in the financial statements.

In future years there will be a carbon credit liability against a proportion of the carbon credits sequestered from Post-1989 forest areas in accordance with New Zealand Emission Trading Scheme Regulations. A proportion of Carbon sequestered from Post-1989 areas will have to be surrendered to compensate for the carbon liability generated from harvesting those forest areas. The intangible asset represents the value of carbon sequestered to date and can be used to settle carbon credit liability on harvesting.

CONSOLIDATED

Actual 2016	Actual 2017
\$000	\$000
17.288	23.413

New Zealand carbon credits

19 Waipori Fund

Funds from the sale of Waipori Power Generation Limited and the Council's 42% interest in United Electricity became available in the latter part of October 1998. Funds were invested in short-term financial instruments from that date. Following the Council's appointment of Dunedin City Treasury Limited as fund manager and the selection of equity and property investment advisors in March 1999, the programme of investment selection began in accordance with the allocation broadly indicated in the Council approved statement of policies and objectives.

Waipori Fund – Income Statement for the Year Ended 30 June 2017	Actual 2017 \$000	Actual 2016 \$000
Income	3,222	2,510
Less expenditure	(213)	(205)
Net operating income	3,009	2,305
Plus unrealised gains/(loss)	2,700	1,667
Net surplus to equity	5,709	3,972
Less inflation adjustment	(1,782)	(336)
Available for distribution to Council	3,927	3,636

Waipori Fund – Statement of Movement in E	quity as at 30 .	June 2017			Actual 2017 \$000	Actual 2016 \$000
Equity at the haginning of the year					82,263	\$000 81,951
Equity at the beginning of the year Plus net surplus for the year					5,709	3,972
Plus het surplus for the year				-	87,972	85,923
Less distribution					(3,755)	(3,660)
Less distribution				-	84,217	82,263
				-	04,217	02,203
					Actual 2017	Actual 2016
Waipori Fund – Balance Sheet as at 30 June	2017				\$000	\$000
Current assets					•	·
Bank account					1,857	349
Accounts receivable					312	343
Short term investments					312	347
- Other					6,614	5,579
					0,014	3,373
- Dunedin City Council Total current assets				-	0.702	6,275
Total current assets					8,783	6,275
Investments						
Equities					42,986	47,594
Property					_	_
Term financial instruments						
- Other					31,649	27,452
-Dunedin City Council				-	808	1,177
Total investments				-	75,444	76,223
Total assets				_	84,227	82,498
Current liabilities						
Accruals					9	235
Total current liabilities				-	9	235
Equity					· ·	200
Principal of the fund including inflation adjust	tment				84,046	82,288
Residual surplus					172	(25)
Total equity				-	84,218	82,263
Total equity and liabilities				-	84,227	82,498
Total equity and habilities				-	01,557	02,100
Waipori Fund – Trend Statement for the	Actual	Actual	Actual	Actual	Actual	Actual
6 years to 30 June 2017	2017	2016	2015	2014	2013	2012
•	\$000	\$000	\$000	\$000	\$000	\$000
Main income sources						
Interest	1,819	1,669	1,743	1,675	1,681	1,838
Dividend	1,625	1,869	1,876	1,630	1,790	1,265
Rent	_	, _	_	_	197	213
Realised gains/loss on asset sales	(222)	(1,028)	(347)	217	359	(388)
	,		, ,			,
Main assets	/0.010	27.500	22.000	01 7/1	25.677	22.670
Financial instruments	40,812	34,503	32,880	31,741	35,674	32,640
Equity	42,986	47,594 -	48,678	43,397	39,578	33,333
Direct property investment * Alternative investments	_	_	-	_	- 678	2,450 938
	_	_	-	_	0/0	300
Return on assets before unrealised gains or l						
Financial instruments	4.46%	4.84%	5.30%	5.28%	4.71%	5.63%
Equity	3.78%	3.93%	3.85%	3.75%	4.52%	3.80%
Direct property investment *	-	-	-	-	-	8.69%
Return on assets after unrealised						
gains or losses	6.94%	6.30%	13.10%	6.08%	9.91%	1.28%

 $^{^{\}star}$ Direct property investment sold in June 2013 for \$2,602,000.

20

Financial Instruments

The consolidated entity's corporate treasury function provides services to the business, co-ordinates access to domestic financial markets and manages the financial risks relating to the operations of the consolidated entity.

The consolidated entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the consolidated entity's policies approved by the Council, which provides written principles on the use of financial derivatives.

a) Liquidity risk

Liquidity risk represents the group's ability to meet its contractual obligations. The group evaluates its liquidity requirements on an ongoing basis and Dunedin City Treasury Limited actively manages its liquidity risk through: maintaining the best credit rating appropriate to the Dunedin City Council group expenditure and revenue plans arrangement of appropriate backup facilities to the short term borrowing programme managing a prudent balance of both short and long term borrowing programmes regular review of projected cash flows and debt requirements.

In general the group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls.

The maturity profiles of the group's financial assets and liabilities are as follows:

Contractual cash-flow profile of financial instruments of the Council

2017	Carrying Amount \$000	Contractual Cash flows \$000	Less than 1 Year \$000	Between 1 and 5 Years \$000	After 5 Years \$000
Financial assets					
Cash in bank	4,460	4,460	4,460	-	
Dunedin City Holdings Limited advance	112,000	112,000	-	-	112,000
Trade and other receivables	13,194	13,194	13,194	-	-
Current financial assets	6,864	6,864	6,864	-	-
Other financial assets	75,120	75,120	31,649	485	42,986
Loans and advances	324	324	221	50	53
Total	211,962	211,962	56,388	535	155,039
Financial liabilities					
Short term borrowing	-	-	-	-	_
Trade and other payables	21,551	21,551	21,551	-	-
Revenue received in advance	3,256	3,256	3,256	-	
Derivative financial liability	10,188	11,060	4,665	5,986	409
Term liabilities	202,419	326,916	18,108	74,026	234,781
Total	237,414	362,783	47,580	80,012	235,190

2016	Carrying Amount \$000	Contractual Cash flows \$000	Less than 1 Year \$000	Between 1 and 5 Years \$000	After 5 Years \$000
Financial assets					
Cash in bank	2,668	2,668	2,668	-	-
Dunedin City Holdings Limited advance	112,000	112,000	-	-	112,000
Trade and other receivables	11,634	11,634	11,634	-	-
Current financial assets	5,829	5,829	5,829	-	_
Other financial assets	75,531	75,531	27,452	485	47,594
Loans and advances	3,568	3,568	3,178	270	120
Total	211,230	211,230	50,761	755	159,714
Financial liabilities					
Short term borrowing	_	-	_	-	_
Trade and other payables	20,223	20,223	20,223	-	_
Revenue received in advance	3,651	3,651	3,651	-	-
Derivative financial liability	15,808	21,070	5,314	15,205	551
Term liabilities	216,073	382,725	19,032	73,568	290,125
Total	255,755	427,669	48,220	88,773	290,676

Contractual cash-flow profile of financial instruments of the Group

2017	Carrying Amount \$000	Contractual Cash flows \$000	Less than 1 Year \$000	Between 1 and 5 Years \$000	After 5 Years \$000
Financial assets					
Cash in bank	19,596	19,596	19,596	-	_
Trade and other receivables	39,275	39,275	39,275	-	_
Current financial assets	8,772	8,772	8,772	-	_
Derivative financial assets	6,419	9,777	3,530	4,713	1,534
Other financial assets	75,129	75,129	31,649	485	42,995
Loans and advances	324	324	221	50	53
Total	149,515	152,873	103,043	5,248	44,582
Financial liabilities					
Short term borrowing	473	473	473	-	-
Trade and other payables	54,659	54,659	54,659	-	-
Revenue received in advance	3,256	3,256	3,256	-	-
Derivative financial liability	21,730	30,127	11,432	18,991	(296)
Term liabilities	573,029	655,680	183,393	237,175	160,944
Total	653,147	744,195	253,213	256,166	160,648

2016	Carrying Amount \$000	Contractual Cash flows \$000	Less than 1 Year \$000	Between 1 and 5 Years \$000	After 5 Years \$000
Financial assets					
Cash in bank	20,080	20,080	20,080	-	-
Trade and other receivables	46,432	46,432	46,432	-	-
Current financial assets	7,171	7,171	7,171	-	_
Derivative financial assets	8,709	9,512	1,729	6,916	867
Other financial assets	75,538	75,538	27,452	485	47,601
Loans and advances	3,568	3,568	3,178	270	120
Total	161,498	162,301	106,042	7,671	48,588
Financial liabilities					
Short term borrowing	857	857	857	-	-
Trade and other payables	44,705	44,705	44,705	-	-
Revenue received in advance	3,651	3,651	3,651	-	-
Derivative financial liability	32,058	40,786	9,626	25,994	5,166
Term liabilities	580,515	654,123	163,065	343,685	147,373
Total	661,786	744,122	221,904	369,679	152,539

Maturity profile of financial instruments of the Council

2017	Weighted Average Effective Interest Rate %	Variable Interest Rate \$000	No Interest \$000	Less than 1 Year \$000	Between 1 and 5 Years \$000	After 5 years \$000	Total Carrying Amount \$000
Financial assets							
Cash in bank	0.00%	4,460	-	4,460	-	-	4,460
Dunedin City Holdings Limited							
advance	5.27%	112,000	-	-	-	112,000	112,000
Trade and other receivables		-	13,194	13,194	-	-	13,194
Current financial assets	1.75%	6,864	-	6,864	-	-	6,864
Other financial assets	4.20%	75,120	-	31,649	485	42,986	75,120
Loans and advances	2.31% _	324	_	221	50	53	324
Total		198,768	13,194	56,388	535	155,039	211,962
Financial liabilities							
Short term borrowing		_	_	-	_	_	-
Trade and other payables		_	21,551	21,551	_	_	21,551
Revenue received in advance		-	3,256	3,256	-	-	3,256
Term liabilities	6.27%	202,419	_	17,041	57,515	127,863	202,419
Total	_	202,419	24,807	41,848	57,515	127,863	227,226
Financial instrument exposures							
Derivative financial asset		_	_	-	-	_	-
Derivative financial liability		10,188	_	-	-	10,188	10,188
Interest rate swaps		_	_	-	_	_	_
Foreign currency forward exchange							
contracts		-	-	-	-	-	-

2016	Weighted Average Effective Interest Rate %	Variable Interest Rate \$000	No Interest \$000	Less than 1 Year \$000	Between 1 and 5 Years \$000	After 5 years \$000	Total Carrying Amount \$000
Financial assets							
Cash in bank	0.00%	2,668	-	2,668	-	-	2,668
Dunedin City Holdings Limited							
advance	5.27%	112,000	-	-	-	112,000	112,000
Trade and other receivables		_	11,634	11,634	-	-	11,634
Current financial assets	2.25%	5,829	-	5,829	-	-	5,829
Other financial assets	4.84%	75,531	-	27,452	485	47,594	75,531
Loans and advances	3.00%	3,568	_	3,178	270	120	3,568
Total		199,596	11,634	50,761	755	159,714	211,230
Financial liabilities							
Short term borrowing		_	-	-	_	-	
Trade and other payables		_	20,223	20,223	_	_	20,223
Revenue received in advance		_	3,651	3,651	_	_	3,651
Term liabilities	6.91%	216,072	-	17,738	54,922	143,412	216,072
Total	_	216,072	23,874	41,612	54,922	143,412	239,946
Financial instrument exposures							
Derivative financial asset		_	-	-	_	_	-
Derivative financial liability		15,808	-	_	_	15,808	15,808
Interest rate swaps		_	-	_	_	_	_
Foreign currency forward exchange							
contracts		-	-	-	_	-	-

Maturity profile of financial instruments of the Group

2017	Weighted Average Effective Interest Rate %	Variable Interest Rate \$000	No Interest \$000	Less than 1 Year \$000	Between 1 and 5 Years \$000	After 5 years \$000	Total Carrying Amount \$000
Financial assets							
Cash in Bank	0.00%	19,596	-	19,596	_	-	19,596
Trade and other receivables		-	39,275	39,275	_	-	39,275
Current financial assets	1.75%	8,772	_	8,772	_	_	8,772
Other financial assets	4.20%	75,129	-	31,649	485	42,995	75,129
Loans and advances	2.31% _	324	_	221	50	53	324
Total		103,821	39,275	99,513	535	43,048	143,096
Financial liabilities							
Short term borrowings	1.75%	473	_	473	_	_	473
Trade and other payables		_	54,659	54,659	_	_	54,659
Revenue received in advance		-	3,256	3,256	_	-	3,256
Term liabilities	6.27% _	573,029	-	101,686	328,194	143,149	573,029
Total		573,502	57,915	160,074	328,194	143,149	631,417
Financial instrument exposures							
Derivative financial asset		6,419	_	-	_	6,419	6,419
Derivative financial liability		21,730	-	-	_	21,730	21,730
Interest rate swaps		-	-	-	_	_	_
Foreign currency forward exchange		0.50					
contracts		656	_	_	_	656	656

2016	Weighted Average Effective Interest Rate %	Variable Interest Rate \$000	No Interest \$000	Less than 1 Year \$000	Between 1 and 5 Years \$000	After 5 years \$000	Total Carrying Amount \$000
Financial assets							
Cash in Bank	0.00%	20,080	-	20,080	-	-	20,080
Trade and other receivables		-	46,432	46,432	-	-	46,432
Current financial assets	2.25%	7,171	-	7,171	-	-	7,171
Other financial assets	4.84%	75,538	-	27,452	485	47,601	75,538
Loans and advances	3.00%	3,568	_	3,178	270	120	3,568
Total		106,357	46,432	104,313	755	47,721	152,789
Financial liabilities							
Short term borrowings		857	_	857	-	-	857
Trade and other payables		-	44,705	44,705	-	-	44,705
Revenue received in advance		-	3,651	3,651	_	-	3,651
Term liabilities	6.91%	580,515	_	1,770	454,478	124,267	580,515
Total		581,372	48,356	50,983	454,478	124,267	629,728
Financial instrument exposures							
Derivative financial asset		8,981	-	-	-	8,981	8,981
Derivative financial liability		32,261	-	-	_	32,261	32,261
Interest rate swaps		-	-	-	_	-	-
Foreign currency forward exchange							
contracts		_	_	-	_	-	_

Fair value of financial instruments

The following table details the carrying value in the financial statements and the fair value of financial instruments.

Current Year 30 June 2017 CORE COUNCIL

	Carrying	Fair	Quoted Market	Observable	Significant Non- Observable
	Value \$000	Value \$000	Price \$000	Inputs \$000	Inputs \$000
T	φυσο	\$000	φυσο	φυσο	φοσο
Financial assets					
Cash in Bank	4,460	4,460	_	4,460	_
Receivables from subsidiary	112,000	112,000	_	_	112,000
Receivables	13,194	13,194	-	_	13,194
Current financial assets	6,864	6,864	-	6,864	_
Other financial assets	75,120	75,120	42,986	32,134	_
Loans and advances	324	-	-	-	324
Financial liabilities					
Short term borrowings	-	-	-	_	_
Trade and other payables	21,551	21,551	-	_	21,551
Revenue received in advance	3,256	3,256	-	_	3,256
Term liabilities	202,419	202,419	-	202,419	-
Financial instrument exposures					
Derivative financial asset	-	-	-	_	_
Derivative financial liability	10,188	10,188	-	10,188	_
Interest rate swaps	-	-	-	_	_

Current Year 30 June 2017 CONSOLIDATED

	Carrying Value \$000	Fair Value \$000	Quoted Market Price \$000	Observable Inputs \$000	Significant Non- Observable Inputs \$000
Financial assets					
Bank balance	19,596	19,596	-	19,596	_
Receivables	39,275	39,275	-	_	39,275
Current financial assets	8,772	8,772	-	8,772	_
Other financial assets	75,129	75,129	31,649	43,480	_
Loans and advances	324	324	_	-	324
Financial liabilities					
Short term borrowings	473	473	-	473	_
Trade and other payables	54,659	54,659	-	_	54,659
Revenue received in advance	3,256	3,256	-	_	3,256
Term liabilities	573,029	573,029	_	573,029	-
Financial instrument exposures					
Derivative financial asset	6,419	6,419	-	6,419	_
Derivative financial liability	21,730	21,730	-	21,730	_
Interest rate swaps	-	_	-	_	_

Last Year 30 June 2016 CORE COUNCIL

Last fear 50 June 2016	CORE COUNCIL							
	Carrying Value \$000	Fair Value \$000	Quoted Market Price \$000	Observable Inputs \$000	Significant Non- Observable Inputs \$000			
Financial assets								
Bank balance	2,668	2,668	-	2,668	_			
Receivables from subsidiary	112,000	112,000	-	_	112,000			
Receivables	11,634	11,634	-	_	11,634			
Current financial assets	5,829	5,829	-	5,829	-			
Other financial assets	75,531	75,531	47,594	27,937	_			
Loans and advances	3,568	3,568	-	-	3,568			
Financial liabilities								
Short term borrowings	_	_	-	_	_			
Trade and other payables	20,223	20,223	-	_	20,223			
Revenue received in advance	3,651	3,651	-	_	3,651			
Term liabilities	216,073	216,073	_	216,073	-			
Financial instrument exposures								
Derivative financial asset	_	_	-	_	_			
Derivative financial liability	15,808	15,808	-	15,808	_			
Interest rate swaps	_	_	-	-	_			

Last Year 30 June 2016 CONSOLIDATED

			Quoted		Significant Non-
	Carrying	Fair	Market	Observable	Observable
	Value	Value	Price	Inputs	Inputs
	\$000	\$000	\$000	\$000	\$000
Financial assets					
Bank balance	20,080	20,080	-	20,080	_
Receivables	46,432	46,432	-	_	46,432
Current financial assets	7,171	7,171	-	7,171	-
Other financial assets	75,538	75,538	47,594	27,944	_
Loans and advances	3,568	3,568	-	-	3,568
Financial liabilities					
Short term borrowings	857	857	-	857	_
Trade and other payables	44,705	44,705	-	_	44,705
Revenue received in advance	3,651	3,651	-	_	3,651
Term liabilities	580,515	580,515	-	580,515	-
Financial instrument exposures					
Derivative financial asset	8,981	8,981	-	8,981	_
Derivative financial liability	32,261	32,261	-	32,261	_
Interest rate swaps	_	_	_	_	_

b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Council and Group. The Council and Group has adopted a policy of only dealing with creditworthy counterparties that are rated the equivalent of investment grade and above. This information is supplied by credit rating agencies. The group's exposure and credit ratings of its counterparties are continually monitored and the aggregate value of transactions undertaken is spread amongst the approved counterparties. In terms of the ratepayer base the Rating Powers Act provides significant legal remedy to recover amounts owing to the Council.

Financial instruments which potentially subject the Group to credit risk, principally consist of bank balances, accounts receivable, short term investments and various other financial instruments.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas. The group does not have any significant credit risk exposure to any single counterparty or group of counterparties having similar characteristics.

The Council and Group is not exposed to any concentration of credit risk. The carrying amounts of the Council and Group's financial assets and financial liabilities are equivalent to their fair value, except with regard to forestry suspensory loans and the term bonds which carry an interest liability below the current market rate. The fair value of the financial instruments is based on quoted market prices for these instruments at balance date.

Policy and practice for the Council is detailed and recorded in the Liability Management Policy and the Investment Policy.

Past due, but not impaired, receivables are as follows	CO	CORE COUNCIL		NSOLIDATED
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Age analysis:				
30 – 60 days	69	143	511	1,035
60 – 90 days	48	319	278	653
90 days plus	409	450	1,190	922

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard & Poor's credit ratings.

Current Year 30 June 2017		CORE COU	NCIL	
	AA	AA-	No Rating	Total 2017
Financial assets analysis				
Bank balance		4,460		4,460
Receivables from subsidiary	112,000			112,000
Receivables			13,194	13,194
Current financial assets		6,864		6,864
Other financial assets		74,635	485	75,120
Loans and advances			324	324
		CONSOLID	ATED	
	AA	AA-	No Rating	Total 2017
Financial assets				
Bank balance		19,596		19,596
Receivables			39,275	39,275
Current financial assets		8,772		8,772
Other financial assets		75,129		75,129
Loans and advances			324	324
Last Year 30 June 2016		CORE COU	NCIL	
Last Year 30 June 2016	AA	CORE COU	NCIL No Rating	Total 2016
Last Year 30 June 2016 Financial assets analysis	AA			Total 2016
	AA			Total 2016 2,668
Financial assets analysis	AA 112,000	AA-		
Financial assets analysis Bank balance		AA-		2,668
Financial assets analysis Bank balance Receivables from subsidiary		AA-	No Rating	2,668 112,000
Financial assets analysis Bank balance Receivables from subsidiary Receivables		AA- 2,668	No Rating	2,668 112,000 11,634
Financial assets analysis Bank balance Receivables from subsidiary Receivables Current financial assets		AA- 2,668 5,829	No Rating	2,668 112,000 11,634 5,829
Financial assets analysis Bank balance Receivables from subsidiary Receivables Current financial assets Other financial assets		AA- 2,668 5,829	No Rating 11,634 485 3,568	2,668 112,000 11,634 5,829 75,531
Financial assets analysis Bank balance Receivables from subsidiary Receivables Current financial assets Other financial assets		AA - 2,668 5,829 75,046	No Rating 11,634 485 3,568	2,668 112,000 11,634 5,829 75,531
Financial assets analysis Bank balance Receivables from subsidiary Receivables Current financial assets Other financial assets	112,000	2,668 5,829 75,046 CONSOLID	No Rating 11,634 485 3,568 ATED	2,668 112,000 11,634 5,829 75,531 3,568
Financial assets analysis Bank balance Receivables from subsidiary Receivables Current financial assets Other financial assets Loans and advances	112,000	2,668 5,829 75,046 CONSOLID	No Rating 11,634 485 3,568 ATED	2,668 112,000 11,634 5,829 75,531 3,568
Financial assets analysis Bank balance Receivables from subsidiary Receivables Current financial assets Other financial assets Loans and advances Financial assets	112,000	AA- 2,668 5,829 75,046 CONSOLID AA-	No Rating 11,634 485 3,568 ATED	2,668 112,000 11,634 5,829 75,531 3,568 Total 2016
Financial assets analysis Bank balance Receivables from subsidiary Receivables Current financial assets Other financial assets Loans and advances Financial assets Bank balance	112,000	AA- 2,668 5,829 75,046 CONSOLID AA-	11,634 485 3,568 ATED No Rating	2,668 112,000 11,634 5,829 75,531 3,568 Total 2016
Financial assets analysis Bank balance Receivables from subsidiary Receivables Current financial assets Other financial assets Loans and advances Financial assets Bank balance Receivables	112,000	2,668 5,829 75,046 CONSOLID AA- 20,080	11,634 485 3,568 ATED No Rating	2,668 112,000 11,634 5,829 75,531 3,568 Total 2016
Financial assets analysis Bank balance Receivables from subsidiary Receivables Current financial assets Other financial assets Loans and advances Financial assets Bank balance Receivables Current financial assets Current financial assets	112,000	2,668 5,829 75,046 CONSOLID AA- 20,080 7,171	11,634 485 3,568 ATED No Rating	2,668 112,000 11,634 5,829 75,531 3,568 Total 2016 20,080 46,432 7,171

Effectiveness of cash flow hedges

The matched terms method is the method used in applying hedges across the group. In all cases the critical terms of both the hedges instrument and the underlying transaction are matched.

	CO:	CORE COUNCIL		CONSOLIDATED	
	Actual	Actual	Actual	Actual	
	2017	2016	2017	2016	
Effectiveness	100%	100%	100%	100%	

c) Interest rate risk

Each entity with material debt within the Dunedin City Council group has its own interest rate risk management policy approved by its own governing body. This policy determines for economic reasons the proportion of projected debt that is fixed by the issue of fixed debt or by interest rate swap. The treasury company monitors on a monthly basis the level of fixed interest rates for the next ten years and compares this against anticipated debt levels.

The Group uses interest rate swaps to manage its exposure to interest rate movements on its multi option note facility borrowings by swapping a proportion of those borrowings from floating rates to fixed rates.

CONSOLIDATED

The notional principal outstanding with regard to the interest rate swaps is:

	2017 \$000	2016 \$000
Maturing in less than one year	32,500	15,000
Maturing between one and five years	250,000	200,000
Maturing after five years	507,500	409,000
	790,000	624,000

d) Currency risk

The group uses currency derivatives to hedge significant future export sales by City Forests Limited and significant future expenditure by the Dunedin City Council. NZD is the functional currency of both City Forests Limited and the Dunedin City Council group.

City Forests Limited manages the risk associated with exchange rate fluctuations through the use of currency derivatives to hedge significant future export sales in accordance with the Company's foreign exchange policy.

The foreign exchange policy of City Forests Limited allows foreign exchange forward contracts and the purchase of options in the management of its exchange rate exposures. The instrument purchased are only against the currency in which the exports are sold.

Projected sales of City Forests Limited, up to three years out, may be covered by forward exchange hedging instruments. Transactions may only be undertaken with a core of nominated international banks and the quantities of the transactions are subject to limits against each individual bank. The types of transactions that may be carried out are limited by policy and a report on foreign funds held and the forward cover in place is provided at each director's meeting.

The foreign exchange policy of the Dunedin City Council allows for funds spent in foreign currency to be protected by foreign currency hedging to protect NZD cash flows. Funds spent in foreign currency are remitted from New Zealand at the earliest opportunity.

At balance sheet date, the total notional amount and fair values of outstanding forward foreign exchange contracts to which City Forest Limited is committed are as follows:

	CON	ISOLIDATED
	2017	2016
	\$000	\$000
Forward foreign exchange contracts		
- fair value	656	(321)
- nominal value	8,800	13,074
(sale of USD and purchase of NZD)		
Forward foreign exchange contracts		
- fair value	-	(53)
- nominal value	-	(1,719)
(sale of NZD and purchase of USD)		
Forward foreign exchange contracts		
– fair value	-	_
- nominal value	-	_
(sale of AUD and purchase of NZD)		

All contracts are current.

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Sensitivity Analysis of Financial Assets and Liabilities

Based on historic movements and volatilities the following movements are reasonably possible over a twelve-month period:

Proportional foreign exchange rate movement of -10% (depreciation of NZD) and a +10% (appreciation of the NZD) against the USD, from the year end rate of 0.7310 and against the AUD, from the year end rate of 0.9801. A parallel shift of +1%/-1% in the NZD market interest rate from the year end 90 day BBBR of 2.41% (2016: 2.41%).

Should these movements occur, the impact on consolidated profit and loss and equity for each category of financial instruments held at balance date is presented below. The movements are illustrative only and considers + or - 100 basis points (bp).

	Carrying Amount \$000	, ,		Effect of movement in FX		
		-10	00bp	+100bp	-100bp	+100bp
		Profit	Equity	Profit Equity	Profit	Profit
Financial assets						
Derivatives – designated as cash flow hedges (interest rate swaps, forward currency deals separately disclosed)	6,419	-	-		1,583	817
Other financial assets	84,225	-	-		158	(129)
	90,644	_	-		1,741	688
Financial liabilities Other financial liabilities	_	_	-		-	-
Derivatives – designated as cash flow hedges (interest rate swaps, forward currency deals separately disclosed)	21,730	-	(18,358)	- 16,946	-	
	21,730		(18,358)	- 16,946		

- 1. Cash and cash equivalents include deposits at call which are at floating interest rates. Sensitivity to a 1% movement inrates is immaterial as these deposits are very short term.
- 2. Derivatives subject to the hedge accounting regime are managed by the company to be 100% effective and thus there is no sensitivity to change in either interest rates or exchange rates.
- 3. Changes to interest rates charged caused by any change to the credit standing of the Group cannot be hedged.
- 4. External borrowings within each of the companies of the Group are subject to an interest rate hedge policy. Sensitivity to any movement in the interest rate is limited to the effect on the amount of floating rate debt that exceeds the amount of the fixed rate hedge.

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Commitments, Contingencies, Guarantees and Insurance

	CO	RE COUNCIL	CONSOLIDATED	
	Actual 2017 \$000	Actual 2016 \$000	Actual 2017 \$000	Actual 2016 \$000
Capital commitments approved and contracted				
Other property plant and equipment capital commitments	588	-	11,928	11,609
Roading capital commitments	2,424	436	2,424	436
Water and waste capital commitments	8,332	3,481	8,332	3,481
	11,344	3,917	22,684	15,526
Significant Council operating commitments				
Payable within 1 year	32,796	8,844	32,796	8,844
Payable between 1 to 2 years	28,639	8,844	35,881	8,844
Payable between 2 to 5 years	49,277	18,782	49,277	18,782
Payable later than 5 years	5,459		5,459	
	116,171	36,470	123,413	36,470
Non-cancellable operating lease commitments				
Payable within 1 year	31	_	2,992	2,416
Payable between 1 to 2 years	31	_	4,949	5,214
Payable between 2 to 5 years	_	_	535	526
Payable later than 5 years				
	62	_	8,476	8,156

The Council has a number of commitments as lessor from leasehold property. As at 30 June 2017 the amount has not been quantified.

The Council has guarantees of \$500,628 (2016: \$558,047). These are on behalf of recreation and service organisations that have funded expenditure by way of commercial loan or prospective fund raising. These are not considered to be liabilities as the possibility of an outflow of resources embodying economic benefits is remote.

The Otago Regional Council requires the payment of a bond from those entities involved in solid waste disposal. By mutual agreement the payment of a bond of \$1,000,000 has been waived as long as the Council retains ownership of the Green Island landfill site, and maintains the conditions of the consents.

As detailed in Note 11 the Council has uncalled capital of 849,900,000 for Dunedin City Holdings Limited, the uncalled capital can be drawn by the Company on demand as and when required.

The Group has the following additional contingent liabilities:

	CORE COUNCIL		CONSOLIDATED	
	Actual 2017 Actual 2016		Actual 2017	Actual 2016
	\$000	\$000	\$000	\$000
Golden Block Investments Limited	1,325	1,325	1,325	1,325
	1,325	1,325	1,325	1,325

The borrowings of Golden Block Investments are secured by registered first mortgage over the property and undertakings and guarantees for the amount of \$1,325,000 or 50% of the debt, whichever is the lesser from each of the shareholders of which DCC is one.

Insurance of assets

The total value of property plant and equipment of the Council covered by insurance contracts for the 2017/18 year is \$1,533,083,000 (2016/17: \$1,483,233,000).

The maximum amount to which assets are insured for non-natural disaster under the Council insurance policies is \$250,000,000 (2016: \$250,000,000).

The Council is not covered by any financial risk sharing arrangements in relation to its assets.

An insurance reserve fund of \$293,000 (2016: \$286,00) exists to meet to meet the cost of claims that fall below deductible limits under the Council insurance policies.

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Transactions with Related Parties

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/ recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Council and group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between entities and are on that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Council and group would have adopted in dealing with the party at arm's length in the same circumstances.

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Explanations of Major Variances against Budget

Explanation for major variances from the Council's budget figures in its 2016/17 annual plan are as follows:

Statement of Comprehensive Revenue and Expense

Subsidies and grants revenue was less than budget by \$6.269 million resulting from Transport undertaking less NZTA funded capital projects than expected. This shortfall primarily related to the Peninsula road widening and LED lighting projects.

Other revenue was greater than expected by \$14.240 million due to a number of unbudgeted items including: improved occupancy of the property portfolio; unbudgeted forestry harvesting income; and the non-cash vesting of roading and water and waste assets.

Other expenses were \$10.202 million greater than budget reflecting increased costs to delivery core services including green space and roading maintenance. In addition, there was unbudgeted expenditure as Council completed asset assessments and remediation across a number of portfolios.

Financial expenses were less than budget by \$1.039 million due to the lower debt position and favourable floating interest rate

Depreciation expenditure was \$4.677 million greater than budget due to the unbudgeted revaluation of Three Waters assets effective from 1 July 2016.

Statement of Financial Position

The term loan balance as at 30 June 2017 was \$202.419 million or \$16.956 million less than budget. This difference was driven by higher than expected repayments during the year as evidenced in the statement cashflows – see comment below regarding investing activities.

Statement of Cashflows

Net cash inflow from operations was \$13.053 million less than budget driven by the revenue and expense variances discussed above

Net cash outflow from investing activities was \$27.991 million less than budget primarily driven by lower than expected cash outlay for capital expenditure. A number of key projects have been delayed while scoping and design work is completed – Peninsula road widening, LED lighting and Ross Creek reservoir reinforcement work. These projects are now either underway or scheduled to commence in the 2017/18 financial year.

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Post Balance Date Events

There are no post balance date events.



Appendix 1

Community Outcome Reporting Update

Community outcome indicator reporting completed this year is shown below. It should be noted that reporting on indicators that the Council directly controls or influences can be found in Section 2 of this report.

A thriving and diverse economy

Dunedin has an ambitious, prosperous, diverse and resilient economy that builds on its strengths.

Indicators that the Council influences are shown in Section 2: Economic Development and City Promotion Group of Activity

City Indicator	Result 2013/14	Result 2014/15	Result 2015/16	Result 2016/17	Trend	Data Source
Growth in Dunedin GDP (% Growth)	2% (NZ = 2.7%)	2.2%	2.3%	2.4% (Infometrics)*	_	Business and Economic Research Ltd/ Infometrics
Total Employment (FTE)	49,874 FTE	51,118 FTE	51,670 FTE	60,804 filled jobs (Infometrics)*	_	Business and Economic Research Ltd/ Infometrics
Number of New Businesses	+113	+315	+218	Data not available	_	Business and Economic Research Ltd/ Infometrics

^{*}Enterprise Dunedin procured economic data relating to these indicators from Infometrics in early 2017. BERL data was not procured in 2017.

A connected community

Dunedin's communities are connected by safe, effective transportation and communications, linked locally, nationally and internationally.

Indicators that the Council influences are shown in Section 2: Roading and Footpaths Group of Activity

City Indicator	Mode	Result 2014/15	Result 2015/16	Result 2016/17	Trend	Data Source
Means of	Drove truck, van or car	41%	37%	41%	Increase	Residents'
travel to work/	(no passengers)*					Opinion
school (mode of commute)	*Privately owned vehicle	88%	Not measured	Not measured	-	Survey
	*Company owned vehicle	12%	Not measured	Not measured	-	
	Drove truck, van or car (with passengers)	10%	11%	13%	Increase	
	Walk or jog	7%	9%	8%	Decrease	
	Work from home	6%	5%	4%	Decrease	
	Passenger in truck, van or car	4%	3%	4%	Increase	
	Public Transport (Bus)	4%	5%	4%	Decrease	
	Bicycle	1%	4%	3%	Decrease	
	Motorcycle	1%	0%	1%	Increase	
	Other	2%	3%	2%	Decrease	

City Indicator	Result 2013/14	Result 2014/15	Result 2015/16	Result 2016/17	Trend	Data Source
Frequency of bus use (At least once per week)	16% (2014)	Not measured (biennial)	16% (2016)	Not measured (biennial)	_	Biennial Quality of Life Survey
Number of international flights per week	Average of 5 per week (with some seasonal variation)	Average of 4 per week (with some seasonal variation)	Average of 4 per week (with some seasonal variation)	Average of 4 per week (with some seasonal variation)	No Change	Dunedin International Airport Limited
Passenger loadings (international and domestic)	853,097	861,982	909,617	909,614	Decreasing	Dunedin International Airport Limited
Value of goods loaded at Port Otago (\$ million)	\$4,517	\$3,611	\$3,428	\$3,246	Decreasing	Statistics NZ

A safe and healthy city

Dunedin is a clean, green crime-free city where people feel safe and enjoy a healthy lifestyle.

Indicators that the Council influences are shown in Section 2: Water Supply, Sewage and Sewerage, Stormwater and Solid Waste Groups of Activity

City Indicator	Result 2013/14	Result 2014/15	Result 2015/16	Result 2016/17	Trend	Data Source
Total recorded crime (reported incidents)	10,726 Year to 31 Dec 2013	9,962 Year to 31 Dec 2014	Not available at the time of printing	Changes to statistical methods; data not available due to changes	-	NZ Police
Feel safe in city centre during the day	95% (2014)	Not measured (biennial)	96%(2016)	Not measured (biennial)	_	Biennial Quality of Life Survey
Feel safe in city centre during the night	47% (2014)	Not measured (biennial)	47%(2016)	Not measured (biennial)	_	Biennial Quality of Life Survey
Feel safe at home during the day	98% (2014)	Not measured (biennial)	96%(2016)	Not measured (biennial)	-	Biennial Quality of Life Survey
Feel safe at home during the night	92% (2014)	Not measured (biennial)	94%(2016)	Not measured (biennial)	-	Biennial Quality of Life Survey
Experience of barriers to general practitioners (% no barrier)	Not measured	Not measured	Not measured	Not measured	-	Biennial Quality of Life Survey

A distinctive built environment

Dunedin is a compact city with a vibrant centre for people to work live and play; complemented by thriving suburban and rural centres.

Indicators that the Council influences are shown in Section 2: City Planning Group of Activity

City Indicator	Result 2013/14	Result 2014/15	Result 2015/16	Result 2016/17	Trend	Data Source
Perceptions of city vibrancy – Dunedin is a fun city (% positive)	54%	49%	66%	66%	No change	Residents' Opinion Survey
Perception of the value of the city's architecture (% positive)	81%	81%	88%	87%	Decreasing	Residents' Opinion Survey
Number of properties and structures protected under District Plan that are demolished	Reported in Section 2: City Planning and Regulatory Services					DCC Planning

A valued and protected natural environment

Dunedin is recognised as a place with outstanding natural environments and significant biodiversity. Dunedin's distinctive rural and coastal landscapes are sustainably managed and protected.

Indicators that the Council influences are shown in Section 2: City Planning and Stormwater Groups of Activity

City Indicator	Result 2013/14	Result 2014/15	Result 2015/16	Result 2016/17	Trend	Data Source
Air quality–number of days PM10 Standards exceeded	1 day (2013)	0 days (2014)	Not available at the time of printing	Not available at the time of printing	_	Otago Regional Council
Recreational water quality (number of times it is not safe to swim at popular swimming locations)	4	5	0	Not available at the time of printing	-	Otago Regional Council
Areas of Significant Conservation Value (Hectares and km)	10,688 Ha plus 91km of estuarine edge No Change					DCC Planning
Total area of indigenous habitat in Dunedin protected by the District Plan, DCC reserve land and land held under QEII covenants and other statute- based protective mechanisms	Reported in Section 2: City Planning and Regulatory Services					DCC Planning

A supportive community

Dunedin's people feel included and connected with their wider community and enjoy a good quality of life.

Indicators that the Council influences are shown in Section 2: Events and City Development Group of Activity

City Indicator	Result 2013/14	Result 2014/15	Result 2015/16	Result 2016/17	Trend	Data Source	
Perceptions of quality of life (% positive) (extremely good or good)	84% (2014)	Not measured (biennial)	88% (2016)	Not measured (biennial)	_	Biennial Quality of Life Survey	
Residents' sense of community within their local community	Reported in Se	Reported in Section 2: Community Development and Support					
Residents' perception that Dunedin recognises and supports cultural diversity	Reported in Section 2: Community Development and Support					Biennial Quality of Life Survey	

A vibrant and creative city

Dunedin is a city known for its diverse and engaging arts and culture.

Indicators that the Council influences are shown in Section 2: Museums, Libraries and Art Gallery and Events and Community Development Groups of Activity

City Indicator	Result 2013/14	Result 2014/15	Result 2015/16	Result 2016/17	Trend	Data Source
Number of residents employed in the arts /creative sector (FTE)	1,286 FTE (2.6% of workforce)	1,383 FTE (2.7% of workforce)	1,334 FTE (2.6% of workforce)	Data not available	_	Business and Economic Research Limited
Perception that Dunedin is a creative city	Reported in Se	Reported in Section 2: Museums, Art Gallery and Libraries				
Perceptions of city vibrancy – Dunedin is a fun city (% positive)	54%	49%	66%	66%	No change	Residents' Opinion Survey

A city of learning

Dunedin is a leading city of education, and its community engages in lifelong learning.

Indicators that the Council influences are shown in Section 2: Museums, Libraries and Art Gallery Group of Activity

City Indicator	Result 2013/14	Result 2014/15	Result 2015/16	Result 2016/17	Trend	Data Source
Number of tertiary enrolments per year Equivalent Full time students	22,970 (2014)	22,645 (2015)	Data not available at the time of printing	Changes to statistical methods; data not available due to changes	_	Ministry of Education (Education Counts)

An active city

Dunedin's people lead active, healthy and enjoyable lifestyles.

Indicators that the Council influences are shown in Section 2: Sport Recreation and Leisure Group of Activity

City Indicator	Result 2013/14	Result 2014/15	Result 2015/16	Result 2016/17	Trend	Data Source
Frequency of physical activity (% of nearly every day)	36% (2014) 6 or more days/week)	Not measured (biennial)	35% (2016) 6 or more days/week)	Not measured (biennial)	_	Biennial Quality of Life Survey
Perception of overall health (Rate health as excellent, very good or good)	81%	Not measured (biennial)	81%	Not measured (biennial)	_	Biennial Quality of Life Survey
Ratio of sportsfields to population (hectares per 1,000 population)	Reported in Se		DCC Parks and Reserves yardstick statistic			
Participation at Council-owned pools (total attendances)	Reported in Section 2: Sport, Recreation and Leisure					DCC internal attendance data
The Botanic Gardens maintains a grading of "International Significance" from the New Zealand Gardens Trust	Reported in Section 2: Sport, Recreation and Leisure					NZ Gardens Trust

A sustainable and resilient city

Dunedin is a resilient city with communities prepared for the impacts of climate change and extreme natural events, and reduced reliance on non-renewable resources.

City Indicator	Result 2013/14	Result 2014/15	Result 2015/16	Result 2016/17	Trend	Data Source
Decrease in the waste sourced from within Dunedin and disposed of to DCC landfills in Dunedin (kg/person/year)	396kg/person	423kg/person	457kg/person	466kg/person	Increasing	DCC Internal reporting
Increase in the quantity of diverted material collected via the DCC's collection service for diverted material	Reported in Se	Reported in Section 2: Solid Waste				
Decrease in the number of dry weather sewerage overflows from the DCC's sewerage system, expressed per 1,000 sewerage connections (required under DIA mandatory measures)	Reported in Section 2: Sewerage and Sewage					DCC Internal Reporting
Increase in the percent of Dunedin residents agreeing that Dunedin is a sustainable city (Residents' Opinion Survey)	40%	37%	52%	57%	Increasing	Residents' Opinion Survey
Increase in the percent of Dunedin residents who feel a sense of community with others in their local neighbourhood (Quality of Life Survey)	Reported in Section 2: Community Development and Support					Biennial Quality of Life Survey

Appendix 2

Schedule 5: Annual Report Disclosure Statement

Annual Report Disclosure Statement for the Year Ending 30 June 2017

What is the purpose of this Statement?

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

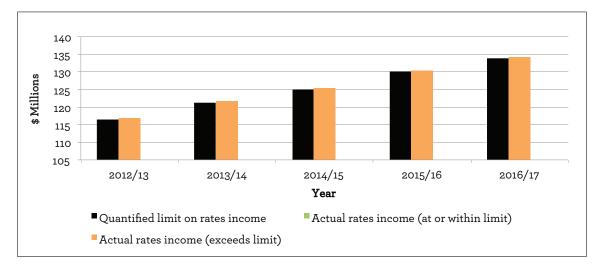
Rates affordability benchmark

The Council meets the rates affordability benchmark if -

- Its actual rates income equals or is less than each quantified limit on rates; and
- Its actual rates increases equal or are less than each quantified limit on rates increases.

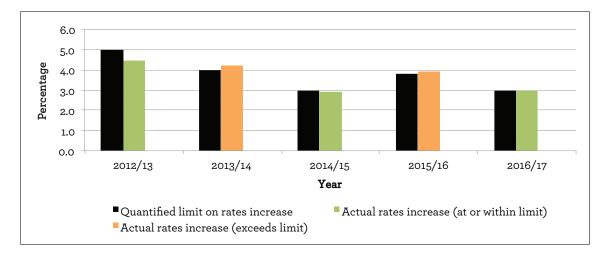
Rates (income) affordability

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's long term plan. The quantified limit is \$134 million in 2016/17.



Rates (increases) affordability

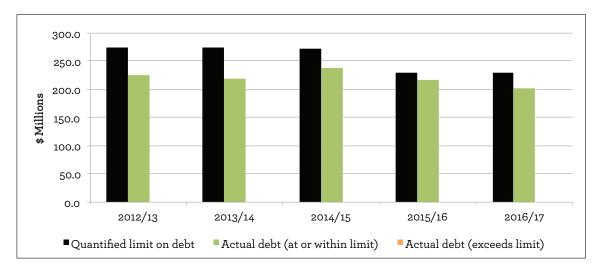
The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long term plan. The quantified limit is 3% in 2016/17.



Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

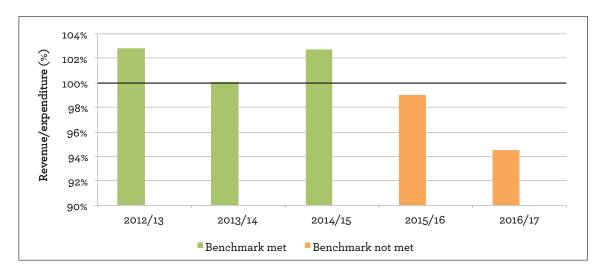
The following graph compares the Council's actual borrowing with a quantified limit on borrowing statement in the financial strategy included in the Council's long term plan. The quantified limit is \$230 million in 2016/17.



Balanced budget benchmark

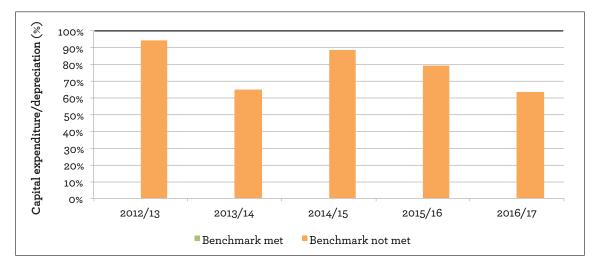
The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

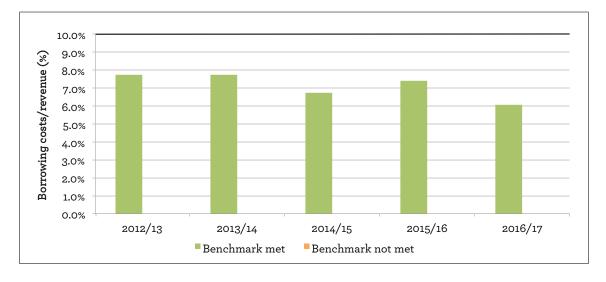
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

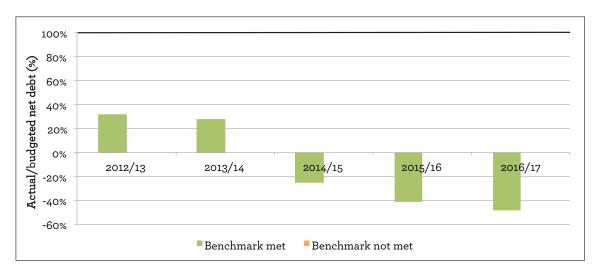
Because Statistics New Zealand projects the Council's population will grow below the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



Debt control benchmark

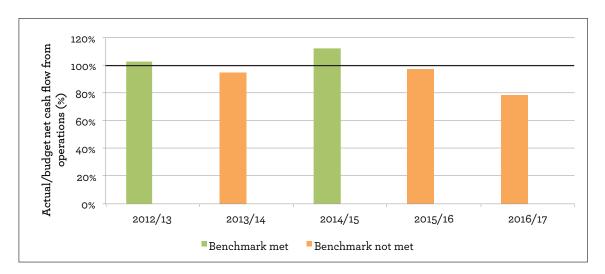
The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Additional information or comment

- Note 1: Budgets, including rates are approved and set at the end of May each year. Between May and June, additional rates revenue arises due to growth (eg subdivisions, extensions), and budgets don't include this. Actual rates include this growth. This affects the Rates Affordability benchmarks.
- Note 2: The Quantified Limit used in the 2012/13 Long Term Plan is the forecast as opposed to the target in the Rates (Income) Affordability benchmark.
- Note 3: Voluntary rates (eg Warm Dunedin) are excluded from the quantified limits for rates in the Long Term Plans but are included in actual rates revenue in the Rates Affordability benchmarks.
 - This is because the Council has no control over uptake of the scheme and it only effects rates of those in the scheme.
- Note 4: Debt control benchmark. The Council planned to have net assets from 2012/13 that is, its financial assets (excluding trade and other receivables) were planned to exceed its financial liabilities. The results shown graphically above are correct. The graph shows 'benchmark met' whenever the Council is better off (either less indebted or with greater net assets) than planned. Conversely, it shows 'benchmark not met' whenever the Council is either more indebted or has less net assets than planned.

Appendix 3

Report on Council Controlled Organisations

To achieve the objectives of the Council a Council Controlled Organisation has been established. This organisation was set up to independently manage Council investments and significant Council facilities. Below is the Statement of Service Performance reflecting the achievement of this organisation in meeting Council expectations.

Dunedin City Holdings Limited

Statement of Service Performance for the Year Ended 30 June 2017

The performance targets established in the 2016/17 Statement of Intent for Dunedin City Holdings Limited and the results achieved for the Year Ended 30 June 2017 are as follows.

Performance Targets		Outcome Achieved		
Economic				
Business Objectives				
		The review of the draft 2017 Statements of Intent we by 31 December 2016.	re completed	
Review the operating activities of each of the along with Dunedin City Holdings Limited for the goals and objectives of the Statement of I	or compliance with	Reviews of the operating activities were performed as required by the Board of Dunedin City Holdings Limited.		
Financial				
Monitor financial performance of each of the	group companies.	Continual monthly reviews of operating initiatives and financial performance of each of the group companies, excluding Dunedin International Airport Limited which reports on a quarterly basis, have been undertaken.		
Monitor the capital structure of each group c	ompany.	The Company's Standard and Poor's long term credit rating was reaffirmed at AA in December 2016. The A1+ short term rating remained the same.		
		Ongoing reviews of capital structure within the Grouperformed.	p were	
Review the capital expenditure of each of the companies for compliance and approval as reDunedin City Holdings Limited.		Continual monthly reviews of capital expenditure of each of the group companies, excluding Dunedin International Airport Limited which reports on a quarterly basis, have been undertaken.		
Parent Financial Forecasts		Parent Achievement		
	\$'000		\$'000	
EBITDA	9,610	EBITDA	10,276	
Net Profit After Tax	3,223	Net Profit After Tax	3,473	
Cash Flow from Operations	3,251	Cash Flow from Operations	4,301	
Capital Expenditure	-	Capital Expenditure	-	
Term Loans	31,000	Term Loans	30,000	
Interest/Dividend Distributions to Shareholder	5,902	Interest/Dividend Distributions to Shareholder Shareholder's Funds to Total Assets	5,902 51%	
Shareholder's Funds to Total Assets	50%	onatonoider a runda to rotal rissets	51/0	

Performance Targets	Outcome Achieved			
Group Financial Forecasts	Group Achievement			
No group forecasts were prepared in the 2016/2017 Statement		\$'000		
of Intent. The Board of Dunedin City Holdings Limited is looking to include Group targets in the future.	EBITDA	93,608		
looking to metade Group targeto in the rature.	Net Profit After Tax	18,512		
	Cash Flow from Operations	35,416		
	Capital Expenditure	47,845		
	Term Loans	572,556		
	Interest/Dividend Distributions to Shareholder	5,902		
	Shareholder's Funds to Total Assets	27%		
Shareholders				
Engage with the shareholder annually on opportunities for the company and/or its subsidiaries to contribute, or assist where possible, with Council's community outcomes (as listed in the annual plan).	Consideration was given to the shareholder's expectations in the annual company's Statement of Intent.			
Bring to the attention of the shareholder any strategic or operational matters where there may be conflict between the Council's community outcomes and those of the company and seek the shareholder's view on these.	There were no matters of conflict requiring escalation to the shareholder.			
Keep the shareholders informed of all substantive matters.	All substantive matters were reported to the shareholder within 5 days of the Dunedin City Holdings Limited board becoming aware of them.			
Encourage each company within the group to act as a socially and environmentally responsible corporate citizen.	Reviews of the activities undertaken by the group companies for purposes of being a socially and environmentally responsible corporate citizen have been undertaken throughouthe year.			

Aurora Energy Limited

Statement of Service Performance for the Year Ended 30 June 2017

The performance targets established in the 2016/17 Statement of Intent for Aurora Energy Limited, and the results achieved for the Year Ended 30 June 2017 are as follows.

rear Ended 50 June 2017 are as follows.	
Performance Targets	Outcome Achieved
Economic	T
General Objectives	
The Statement of Intent (SoI) will be submitted to and approved by Dunedin City Holdings Limited (DCHL), ensuring consistency across the DCHL Group.	The Statement of Intent for the 2017 financial year was submitted to and accepted by DCHL prior to 30 June 2016.
Bring to the attention of the Shareholder any strategic or operational matters where there may be a conflict between the Council's community outcomes and those of the company.	Issues of potential strategic or operational conflicts were notified to the Shareholder.
Keep the Shareholder informed of all substantive matters.	All substantive matters were reported to the Shareholder within 24 hours.
Promote economic development by providing essential electricity infrastructure to support the Council's strategy to be one of the worlds' great small cities.	While safety targets were achieved, some Network Reliability targets were not achieved.
Network Operations	
Consumer connections (ICP count) 87,500 average per annum.	Achieved. Total customer connections were 87,771 as at 31 March 2017.
Energy received into the network 1,400 Gigawatt hours per annum	Not achieved 1,364
Load factor % ≥ 54.00% energy into network/peak kW hours.	Not achieved - 53.44%
Loss ratio % \leq 6.0% energy into network less energy delivered/energy into network.	Achieved - 5.9%
Capacity utilisation % ≥ 30.0% peak network kW/installed distribution transformer capacity kVA.	Achieved - 30.5%
Network Reliability	
SAIDI (System Average Interruption Duration Index)	
- Class B interruptions planned ≤ 14.10 minutes	Not achieved - 62.48 minutes
- Class C interruptions unplanned ≤ 76.31 minutes	Not achieved - 77.29 minutes
SAIFI (System Average Interruption Duration Index)	
- Class B interruptions planned ≤ 0.09	Not achieved – 0.31 interruptions
– Class C interruptions unplanned ≤ 1.40	Achieved - 1.21 interruptions
Community, People, Safety and Environment	
Community	
Support community initiatives with \$20,000 of sponsorship per annum.	\$34,835 was spent in support of community initiatives during the year. Aurora's main community sponsorship is the Southern Lakes Festival of Colour.
Promote uptake of electric vehicles with the number of public charging facilities connected to Aurora network.	There are two public fast chargers connected to the network, one each in Dunedin and Alexandra.
Partner with DOC in the NZ falcon conservation project aimed at reducing risk of bird electrocution.	Falcon safe network designs were tested and the findings shared with the industry via presentation at the 2017 Electricity Engineers Association Conference. The findings are being incorporated into network standards across all regions.

Performance Targets		Outcome Achieved	
Safety			
Reduce harm to contractors with ≤ 5.00 total red frequency rate (TRIFR) per 200,000 hours work	3 3	Aurora's largest contractor achieved a TR 200,000 hours worked during the year.	IFR of 4.33 per
Zero serious harm events involving members of	the public.	There were no serious harm incidents dur the public.	ring the year involving
Environment			
No transgression of the environmental and reso	ource law occurs.	There were no Resource Management Act year.	t breaches during the
Prevent adverse environmental impacts associated with network assets with zero leaks of sulphur hexafluoride or polychlorinated biphenyl.		Not able to be monitored during the year.	
Financial			
Objectives			
	\$,000		\$'000
EBITDA (before subvention)	38,936	Not achieved	35,399
Net surplus (before subvention)	8,073	Not achieved	7,294
Shareholder's funds	186,191	Achieved	190,432
Cash flow from operations (1)	34,490	Not achieved	20,981
Capital expenditure	≥ 47,463	Not achieved	45,152
Term debt	200,900	Achieved	191,350
Dividends and or subvention	7,500	Not achieved	2,601
Shareholder's funds to total assets	39.9%	Achieved	40.3%
(1) The target for cash flow from operations (after subvention) was incorrectly disclosed on the statement of intent. The target did not recognise the effect of subvention payments and GST on capital expenditure. Had these items been recognised, the company would have reported a target of \$20.155 million and an outcome of 'Achieved'.			

City Forests Limited

Statement of Service Performance for the Year Ended 30 June 2017

The performance targets established in the 2016/17 Statement of Intent for City Forests Limited, and the results achieved for the Year Ended 30 June 2017 are as follows.

Performance Targets	Outcome Achieved	
General	Outcome Acmeved	
	Tl	
A comprehensive review of the Company's long term strategic plan will have been completed which meets the objective of a 6% return on Shareholder's funds.	Three year average return is 12.1%. Strategy day held on 9 June 2017 involving the Board and	
	Senior Managers. The Company's long term strategic plan has been reviewed and accepted by the shareholder as part of the annual budget and statement of intent process.	
Opportunities for expanding the Company's scale will have been investigated.	The strategic plan incorporates a modest forest expansion program. Two new property purchases totalling 396.9ha occurred during the year and a number of opportunities were investigated.	
No single customer will have received more than 30% of the Company's annual harvest by volume.	Our largest customer Craigpine Timber Limited received 10.7% of the Company's annual harvest volume.	
The Company will maximise financial opportunities from the sale of Carbon stored in the company forests.	The Company has monitored Carbon sales price during the period and considered its Carbon Sales policy at board level. No Carbon Sales occurred during the period.	
The Company will incorporate Carbon accounting in the strategic plan.	Carbon strategy recognised in Forest Valuation and Strategic 10 year plan.	
The Company will balance and track exposure to domestic and export markets.	Domestic log sales 44.3% (45.1% last year).	
The Company will meet its annual supply commitments to domestic customers.	On an annualised basis all customers received their contracted volumes within plus or minus 10%. Variations by mutual agreement.	
The Company will meet its volume commitments to export shipping and export customer contracts.	All export commitments were met however purchase wood volumes were needed to supplement Company production for some shipments.	
The annual harvest from the forest estate will be within 20% of the long term sustainable yield.	The annual harvest from the Company forest estate was 227,201 m³, including billet wood. This is 97.3% of the sustainable yield of 285,000 m3.	
An annual forest health report will have been completed by 30 June 2017.	The annual forest health report was completed January 2017. One disease incursion of Red Neddle Cast was discovered in Company forests during the year. From next year our Company forest health report will be superseded by a forest industry wide biosecurity surveillance network.	
The annual fire plan will be updated and become operational.	Fire plan was completed in September 2016 prior to the start of the fire season.	
The Company will actively participate in regional land use planning processes.	The Company actively participated in the Otago Regional Council Plan Change 6a process and the Forestry National Environmental Standard process.	
The Company will have reviewed the best species and silvicultural management plan to apply to annual operational areas.	A comprehensive forest growing performance improvement program was started during the year incorporating input from Scion lead researchers.	
The Company will participate in Industry Research Consortia.	The Company has paid the Forest Growers Levy and is directly involved through the Forest Owners Association in the allocation of Levy Funds.	

Performance Targets

At least one new forest management technique will be introduced as a result of research findings.

The Company will participate in environmental research to minimise chemical use.

The Company will maintain supply arrangements with Otago and Southland wood processors.

Bioenergy wood supply

Lost time accident rates for staff and contractors will be reduced to a maximum 25 lost time injuries per 1,000,000 hours.

Drug and Alcohol Testing

Forest Stewardship Council Certification will be maintained.

A current forest management plan will be in place which identifies social and environmental, as well as economic outputs.

The Company will work with partners to maintain and enhance RT&E species on and around the Company estate.

The Company will have in place an environmental management system which will include procedures for sustainability monitoring.

Every staff member will have a training plan.

The Company will engage with its contractors to participate in Modern Apprenticeship programs.

Each harvesting crew will utilise trained tree fellers, breaker outs and log makers.

There will be "nil" instances of non-compliance with the Company's EEO policy.

All the Company's forest management plans will have a section allocated to Recreation and Educational use of the forests.

The Company will maintain a Forest Access Permit Scheme.

The Company will track and report on the distance of public walking and mountain bike tracks in the Company's forests.

To contribute to, or assist where possible, with the Dunedin City Council community outcomes (as listed in the Annual Plan).

Outcome Achieved

Forest management plans have been modified to increase site productivity as a result of research findings.

Herbicide and cutover over-sowing testing was conducted during the period.

Otago and Southland supply:

 Pan Pac:
 27,023 m³

 Craigpine:
 29,835 m³

 Niagara:
 20,129 m³

 Dongwha:
 12,822 m³

 Bioenergy:
 8,064 m³

Lost time accident rate for staff and contractors was 7.1 lost time injuries per 1,000,000 hours. (18.2 last year)

99 tests were conducted, one positive random test was recorded.

Forest Stewardship Council Certification was maintained following audit in 2016.

The Company has a comprehensive forest management plan that has been externally audited as part of the FSC certification process. This covers all forest areas.

Sponsorship of \$5000 was donated to research and conservation of the NZ Falcon.

An environmental management system is in place with ongoing monitoring of environmental values. This is available on the Company's website and includes water, soil disturbance and reserve biodiversity monitoring.

Forest staff members have training plans. Other training is provided as necessary. Contractors have training plans for their employees.

There are currently two modern apprentices employed in Company operations.

Each harvest crew has multiple trained employees for all three listed tasks.

There were no instances of non–compliance with the Company's EEO policy.

The Company's forest management plans have sections allocated to recreation and education. Recreation use is monitored through permit issuance.

326 permits were issued during the year.

The Company has 8.2 km of walking tracks and 20.9 km of mountain bike tracks on its estate.

The Company's financial sustainability, environmental and recreational achievements compliment the annual plan. No issues of conflict with the plan have been identified.

Performance Targets		Outcome Achieved	
Financial			
Targets			
	\$'000		\$'000
Profit before income tax	18,411	Profit before income tax	27,524
Profit after income tax	13,254	Profit after income tax	20,104
Shareholder's equity	123,650	Shareholder's equity	130,873
Normal dividend	3,000	Normal dividend	4,500
Special dividend	1,500	Special dividend	1,500
Operating cashflow	5,454	Operating cashflow	12,200
Capex	4,630	Capex	6,467
Term debt	20,507	Term debt	20,528

Delta Utility Services Limited

Statement of Service Performance for the Year Ended 30 June 2017

The performance targets established in the 2016/17 Statement of Intent for Delta Utility Services Limited, and the results achieved for the Year Ended 30 June 2017 are as follows.

Performance Targets	Outcome Achieved
The Shareholder	
Consult with the Shareholder on matters to be included in the Company's Statement of Intent.	Achieved. The Statement of Intent for the 2017 financial year was submitted to and accepted by DCHL prior to 30 June 2016.
Bring to the attention of the Shareholder any strategic or operational matters where there may be conflict between the Council's community outcomes and those of the Company and seek the Shareholder's view on these.	Achieved. Monthly financial results were provided to DCHL in line with the agreed timetable.
Keep the Shareholder informed of all substantive matters.	Achieved. Board reports were produced and meetings were held each month to review the Company's compliance with goals and objectives stated in the SOI and Strategic Plan.
Community, People, Safety and Environment	
Community	
Make positive contribution to our community with \$25,000 of sponsorship per annum.	Achieved. Over \$45,000 was paid in sponsorship/donations to community groups during the year.
Support community recreation and visitor experience by achieving KPIs on service contracts.	Achieved. Target KPIs were maintained or exceeded on average throughout the year.
People	
Support Delta apprenticeship scheme. Average number of apprentices in the scheme of 10 or more per annum.	Achieved. During the year, 19 staff were involved in an apprenticeship scheme.
Monitor absences due to illness. Lower than 2.5% sick leave based on hours.	Achieved. Staff sick leave was 1.47% of total hours during the year.
Monitor voluntary leavers relative to permanent staff. Below 15.0% staff turnover.	Not achieved - Voluntary staff turnover was 15.7% over the 2016/17 year.
Safety	
Reduce harm to employees and contractors with ≤5.00 total recordable injury frequency rate (TRIFR) per 200,000 hours worked.	Achieved. The TRIFR achieved for the year was 4.33 per 200,000 hours worked.
Zero serious harm events involving members of the public.	Achieved. There were no serious harm incidents during the year involving the public.
Maintain tertiary level ACC workplace management practices accreditation. Obtain.	Achieved. All accreditation was maintained.
Environment	
Maintain all existing environmental accreditations.	Achieved. All environmental accreditations were maintained.
Maintain full compliance with the Resource Management Act (RMA). Zero breaches.	Achieved. There were no RMA breaches during the year.
Maintain or lower fuel efficiency to ≤ 10.00 litres fuel used per 100 kilometres	Achieved. Fuel efficiency across the Delta light commercial fleet was calculated at 9.7 litres per 100 kilometres.
Introduce ≥ 3 electric vehicles to Delta's business and promote uptake of electric vehicles.	Not achieved. Delta owned and operated one electric vehicle throughout the year.
Economic	
Maintain essential infrastructure to support Dunedin City Council's strategy to be one of the world's great small cities. Deliver maintenance services per contractual arrangements.	Achieved. Delta met or exceeded its KPIs on all contracts held with Aurora Energy and the Dunedin City Council throughout the year.

Performance Targets		Outcome Achieved	
Financial			
Objectives			
	\$'000		\$'000
EBITDA	11,839	Not achieved	11,092
Net profit after income tax	4,119	Achieved	4,830
Shareholder's funds	19,693	Achieved	20,023
Cash flow from operations	10,245	Not achieved	9,612
Capital expenditure	≤ 9,167	Achieved	4,965
Term debt	≤ 29,569	Achieved	25,465
Dividends	2,500	Achieved	2,500
Shareholder's funds to total assets	30%	Achieved	32%

Dunedin City Treasury Limited

Statement of Service Performance for the Year Ended 30 June 2017

The performance targets established in the 2016/17 Statement of Intent for Dunedin City Treasury Limited, and the results achieved for the Year Ended 30 June 2017 are as follows.

Performance Targets		Outcome Achieved	
Economic			
Zero breaches of the policies pertaining to Duned Treasury Limited.	din City	Achieved. There were no breaches of policies pertaining to Dunedin City Treasury Limited.	
Funding sources are used in line with funding powhereby no more than \$200 million can mature of 12 months and more than 20% of funding must had greater than 5 years.	over the next	Achieved. During the year the Company successfully issued: - 14 tranches of promissory notes - 2 tranche of Floating rate notes at rates which were consistent or better than organisations with similar ratings.	
All funds invested outside the DCC Group have spolicies.	satisfied DCC	Achieved. All funds invested outside the DCC Group have satisfied DCC policies.	
Continued maintenance to an interest rate reset paccordance with DCC policies.	profile in	Achieved.	
Regular reporting of the Company's achievement defined benchmarks.	against	Achieved. Reporting achievements against defined benchmarks are provided to the Board monthly and quarterly.	
Manage the 'Waipori Fund' fully as set by Counciperformance benchmarks.	il and meet	Achieved - The 'Waipori Fund' recorded a return for the year of \$5,702,542 which is a return of 6.9%. After deduction of inflation of 2.2%, the 'real' return is 4.7%.	
Advise shareholder within 1 business day of any breaches of policy.		Achieved. There were no breaches of policy that were required to be reported to the shareholder.	
Financial			
Targets			
	\$'000		\$'000
Net profit after tax	1	Net profit after tax	115
Cash flow from operations	5	Cash flow from operations	645
Capital expenditure	-	Capital expenditure	-
Term loans	577,000	Term loans	567,378
Shareholder's funds to total assets	0.4%	Shareholder's funds to total assets	-0.2%

Dunedin International Airport Limited

Statement of Service Performance for the Year Ended 30 June 2017

The performance targets established in the 2016/17 Statement of Intent for Dunedin International Airport Limited, and the results achieved for the Year Ended 30 June 2017 are as follows.

Performance Targets Outcome Achieved Economic Statement of Intent Review Engage with shareholders annually on opportunities for the company to contribute, or assist where possible, with Council's community outcomes (as listed in the annual plan) and the Ministers' expectations. Consult with shareholders on matters to be included in the company's Statement of Intent. • Prepare annually the company's Statement of Intent having The Company's Statement of Corporate Intent was submitted to both shareholders for review and comment and subsequently given consideration to shareholder's expectations. approved in a timely manner as required. Achieved Bring to the attention of the shareholders any strategic or operations matters where there may be conflict between the Council's community outcomes and/or the Ministers expectations and those of the company and seek the shareholder's view on these. Consult with shareholders at the earliest possible time on matters where conflict may or could result. • Report to and consult with shareholders on matters where No such areas of conflict arose during the year. the company's and shareholder's requirements are in conflict. Achieved Keep the shareholders informed of all substantive matters. On a "no surprises" basis advise shareholders promptly of any substantive matter that has the potential to impact negatively on shareholders and the company with a particular focus on matters of interest to the media. Report to shareholders within 24 hours substantive Dunedin Airport maintained communication with its matters which have the potential to impact negatively on shareholders through regular quarterly reporting. shareholders and the company with a particular focus on There was one issue that required specific attention outside of matters of interest to the media. these normal regular communication channels regarding the Achieved decision to operate the Dreamliner 787-900 from Christchurch Airport and not Dunedin Airport for the trip to see the Aurora - "Flight to the Lights". Shareholders were advised of all of the technical issues as to why the fight could not operate through Dunedin. Marketing and Business Development Increase passenger numbers through the airport. Partner with our airline, airport, City and tourism industry. · Foster productive relationships with our airlines, City and Over 90 meetings were attended with our airline, city and industry partners through a minimum of 5 meetings per industry partners this year. We engaged with our airline partners on a regular basis and have strengthened our relationships vear. through broadening the network of contacts within the airlines. Achieved We met with a number of different airline teams including scheduling, strategy, revenue management and marketing. We continue to meet regularly with our City and Regional partner

to share information and identify ways in which we can work

collaboratively to create destination awareness.

Performance Targets

Outcome Achieved

• Invest in strategic route development opportunities.

Achieved

We continue to work with our airline partners to identify new route opportunities in both the domestic and trans-Tasman markets. We have met with our airline partners regularly and shared with them market information to demonstrate the demand in the market for additional trans-Tasman services. Providing robust market information and creating strong route development cases to present to the airlines will remain a strategic focus for 2017/2018.

Through proactive and collaborative work, in 2016/2017, we saw an increase in services and capacity by Air New Zealand, who introduced an extra Dunedin – Auckland direct service on three days of the week. In early 2017, Air NZ announced another direct Dunedin–Auckland service which meant by July this year Dunedin will have three direct services to Auckland on four days of the week. In addition to this, all Wellington services are now operated by A320 jet aircraft and all Christchurch services changed to 68 seater ATR's.

The above contributed to 2016–2017 being another records year, with 973,089 passengers travelling through Dunedin Airport, an increase of 7.0% on the previous year

We have invested in approximately 20 campaigns with our airline and industry partners focusing on promotion of both domestic and trans-Tasman services in and out of Dunedin.

• Invest in a minimum of two promotional campaigns a year jointly with airlines and our industry partners.

Achieved

Develop strategies and initiatives to grow trading activities. Implement initiatives to improve the performance of non-aeronautical activities.

 Foster productive relationships with our major business partners to identify potential opportunities through facilitating a minimum of 5 meetings with each major partner per year.

Achieved

 Develop and maintain productive relationships with our non-aeronautical business partners and identify opportunities to implement initiatives to improve business performance.

Achieved

We continue to focus on creating stronger and more collaborative relationships with our airport partners. As part of this strategy we have created a new role of Retail Manager who will work directly with our airport retail and food and beverages partners. We successfully recruited and filled this role in July 2017.

Over the year we met with our partners on 30 occasions.

We continue to share information with our business partners regarding airline developments to enable them to understand the strategy for airport growth. We have worked closely with our Duty Free partner to drive change within the airport customer proposition and current retail products. A new Airport Manager for Duty Free and Try Otago stores has made a number of changes to both product and customer service which has resulted in increased sales against budget in 2017. We will be seeing a number of changes implemented in both the retail and food and beverage offerings during the next period.

Customer Service

Provide outstanding customer service to our valued customers.

Provide high standards of service to our customers and recognise the role the airport plays in connecting our customers to the Dunedin experience.

• Carry out and analyse a minimum of two customer service surveys per annum.

Achieved

 Achieve an average rating of "good" across all areas of customer service.

Achieved

Customer service surveys are run continuously through the terminal WiFi and results were tracked quarterly to provide information on areas for development or change. An average rating of "good" across all areas of customer service. Survey results are shared internally and with our airport partners.

Performance Targets Outcome Achieved Infrastructure Provide and efficiently maintain infrastructure to meet the needs of our customers. Ensure all airside infrastructure maintenance causes no delays to airline operations. • No delays to regular scheduled passenger operations. All airside work is controlled under an approved Method of Work Plan (MOWP) which resulted in no delays to any aircraft Achieved operations with any of our airline partners due to airside maintenance work. No airport attributable delays to airline operations during the reporting period. Ensure the future of the airport is protected. • Promote the airports needs for inclusion in the Second-Master Plan Generation District Plan. The bulk of planning work for the 20-year airport master plan has essentially reached a conclusion, with the draft master plan Achieved due to go out to consultation with DIAL stakeholders in early FY17/18. DIAL are now finalizing the draft master plan and seeking a legal peer review. Second Generation District Plan - 2GDP We continue to remain engaged with city planners and have submitted on the Dunedin City Council, Second Generation District Plan (2GDP). The main areas of focus remain in: Protecting our flight paths and designations for future runway extensions if required. • Improving commercial returns from outdoor advertising. • Improving conditions for parking footprint extensions. **Human Resources** To retain and value our employees. To provide relevant training to our staff. • Ensure recurrent safety training for all staff is provided. All Required recurrent safety and compliance training for staff has been undertaken which Includes but is not limited to: Achieved • First Aid refresher training. Basic Life Support/Pre-Hospital Emergency Care (PHEC) training for AES staff (refreshers and new staff). • Rescue Fire Annual Competency training. • Coordinated Incident Management System (CIMS) Level 2 training for AES, Customer Service and Landside Ops staff. Coordinated Incident Management System (CIMS) Level 4 training for Operations leadership team. NZQN Level 3 and Level 4 Health and Safety representative • Elevated work platform (EWP) training. • Fire extinguisher training. • Allocate 0.1% of revenue to staff training. \$15,200 was allocated to staff training with \$68,980 (453% of allocation) spent during the year, comprising of: Achieved \$57,526 - safety and compliance training \$11,453 - professional development To recognise and review staff performance. Annual Employee Performance Reviews have been changed in order to realign them to the financial year and not the calendar • Each staff member to have a formal annual performance year. All annual reviews will now be conducted in July/August review each year instead of the previous January/February. This

means that all employees annual reviews are to be later by 6

months this year.

Not Achieved

Performance Targets	Outcome Achieved
Ensure that our staff are fully engaged with the company's	- Carrotine Memorea
Vision, Purpose and Values.	
Conduct an annual staff engagement survey.	Following on from our first staff engagement survey in 2016 we
Achieved	again conducted a companywide survey in March 2017. The response rate was up from last year to 96% and the engagement
	score of 70% was also up from 61% previously.
	The Company's VISION, VALUES and STRATEGIC GOALS were reviewed and discussed with staff for comment and feedback during May 2017.
Safety and Compliance	l l l l l l l l l l l l l l l l l l l
To make safety our first priority and provide a safe and inclusive airport environment.	
To work with our staff and stakeholders to maximise safety on site for all staff and visitors:	
Hold a minimum of two airport Health and Safety Committee meetings each year.	Two Health and Safety Committee meetings took place during the year.
Achieved	Health and Safety remains a fixed agenda item on all bimonthly team meetings.
Review the Health and Safety Plan with the Health and Safety Committee each year.	The Health and Safety Plan was reviewed with no changes being implemented, except for update Health and Safety
Achieved	objectives for FY17/18. Revised plan (Amendment 11) Effective 01 July 2017.
Review Health and Safety objectives with the Health and Safety Committee each year.	The company's Health and Safety Objectives for FY17/18 have been approved by the Health and Safety Committee and the
Achieved	senior leadership team, and promulgated in the revised Health and Safety plan as per above.
Attend a minimum of two of our stakeholder's Health and Safety meetings each year.	In this reporting period, the DIAL Safety and Compliance Manager has attended the Health and Safety meetings of both
Achieved	our major airline partners and ground crew, and in addition attended Health and Safety meetings for the baggage hall redevelopment and rental car building projects.
Report on Health and Safety management and provide	Health and Safety management is reported via:
statistical data to the company's monthly board meetings. Achieved	Monthly Board reports with both statistical data and commentary via a Health and Safety dashboard.
	Safety Alerts/memos issued to relevant stakeholders.
	Quarterly Board Health and Safety committee established during the reporting period, with increased oversight at a governance level.
Ensure the Company meets all of its safety, security and environmental obligations.	
Maintain our CAA operating certificate obligations.	The annual CAA Safety Audit was not scheduled within the reporting period. Due to SMS implementation programme, the next CAA Safety Audit is scheduled for November 2017
Successfully achieve compliance in our annual CAA safety and security audits with no major findings.	The annual CAA Security Audit undertaken during the reporting period, with no major findings.
Achieved	
Conduct an annual internal audit of our CAA safety and security systems.	The annual international Part 139 Audit was undertaken in March 2017, with no major findings.
Achieved	

Performance Targets	Outcome Achieved
Proactively manage Wildlife Hazards	
Strike rate of less than 5 per 10,000 aircraft movements. Not Achieved	The 12-month moving average strike rate for the April – June 2017 period was 7.4 per 10,000 aircraft movements. This results in Dunedin Airport being classified as medium risk by the Civil Aviation Authority, with a slight upward trend. Pushing this moving average up, was a higher than normal strike rate in the Jul to Dec-16 period the quarterly strike rate for the April–June 2017 period was 3.4 strikes per 10,000 aircraft movements, with no strikes in the previous quarter.
Near-miss strike rate of less than 10 per 10,000 aircraft movements. Not Achieved	The 12-month moving average near strike rate for the April – June 2017 was 23 per 10,000 aircraft movements. Quarterly monitoring during the reporting period suggested a lower rate, however the Civil Aviation Authority had incorrectly reported Dunedin Airport near strike date in earlier reporting. Based on the corrected data, Dunedin Airport has exceeded 10 near strikes per 10,000 aircraft movements since the April – June 2015 period.
	The increase in near-strike reports can be influenced by increased reporting by air crew and/or a real increase in wildlife activity on the airport and surrounding environs. Accordingly, DIAL are commissioning the expertise of an international airport wildlife hazard management agency (AVISURE), to undertake a complete wildlife risk assessment and critical review of DIAL's wildlife hazard management practices. This work is to commence in FY17/18.
Maintain our obligations on any current resource consents in place.	
Report as required to the Authority each year on bore water consent RM 11.369.01. Achieved	The annual report for consent RM 11.369.01 for bore water was issued to the Otago Regional Council (ORC) in August 2016. The report was accepted with no issues raised.
Report as required to the Authority on sewage discharge consent 2004.309. Achieved	Monthly reporting and an annual report for consent 2004.309 for sewage discharge was issued to the ORC in April 2017. The report was accepted; however, the ORC remains engaged with DIAL on some exceedances in Phosphorus, Biological Oxygen Demand (BOD) and Ammoniacal Nitrogen levels during the reporting period. The ORC is comfortable with the actions DIAL are taking to remedy this issue, with no enforcement or improvement notices being raised.
Maintain voluntary annual reporting on de-icing fluid usage at the airport. Achieved	A voluntary annual report on de-icing fluid usage at the airport was issued to the ORC in January 2017.
Maintain high quality dairy farming practices. No 'Critical' findings raised by any Fonterra dairy farm inspections. Achieved	Both of the airports dairy farms were inspected by Fonterra in April 2017 with no critical findings. The Otokia Rd farm received an 'A–rating' on all measures during the inspection.
Maintain food hygiene standards at Momona Garage.	
Maintain grade 'A' food hygiene certificate. Achieved	The Dunedin City Council (DCC) carried out the annual inspection of the Momona Garage in July 2017 and the Grade

A certification was maintained.

Performance Targets Outcome Achieved Financial Performance Monitoring Grow the company's revenues and earnings from its trading Achieve increased revenues from non-aeronautical activities compared to the previous year. • Increase total non-aeronautical revenue by a minimum of Non-aeronautical income (excluding interest income, dividends 1.5%. received, gain on sale of fixed assets, and gains on fair value movements of investments) was 6.5% above last year. Achieved The primary reason for this increase was a 7.2% increase in parking revenue against prior years as a result of an increase in the number of domestic flights and passengers. There was no increase in parking fees during the year. Further, airport owned dairy farms recorded a 59.3% increase in revenue against prior year as a result of the dairy industry rebounding from historical lows, and the airport owned garage increased revenue by 9.0%. Maintain the company's economic sustainability through the mitigation of business risk. On-going monitoring and refinement of the company's risk strategy. Monthly and Quarterly Financial Reports were circulated to the • Monthly financial report to the Board. Board for review and comment. Achieved Quarterly Shareholder Reports including financial statements, • Quarterly detailed cost centre reports to the Board. cash flows, aircraft and passenger movements are reviewed and approved by the Board prior to being sent to shareholders. • Quarterly financial statements, cash flows and aircraft Six monthly Statutory Compliance Reports were circulated passenger activity to the Board and Shareholders. to the Board for review and comment. However, we are in Achieved the process of conducting a full review of our corporate and operational business risks and associated reporting. As such, • Six monthly risk analysis undertaken and reported to the the Risk Analysis Reports were not prepared. Board. Not Achieved Non-financial

Corporate Citizen

Be recognised as a positive contributor to our community.

Provide sponsorship to community events and organisations.

• Invest 0.25% of revenue to sponsorship.

Achieved

This year we allocated \$33,000 to the sponsorship of community organisations and events. We distributed \$34,150 to the following organisations/events:

OUSA Beer Festival	\$4,000
Foodshare	\$1,450
iD Fashion	\$7,300
Momona Playcentre	\$400
Alps 2 Ocean	\$5,000
Yellow Eyed Penguins	\$10,000
Orokonui Ecosanctuary	\$4,000
Cancer Society	\$500
RSA	\$500
Surf Life Saving	\$500
Otago Hospice	\$500
TOTAL.	\$34.150

Performance Targets

• Develop a sponsorship strategy.

Achieved

Engage with our community and share information.

• Conduct a minimum of 10 school or community group visits per year.

Achieved

Initiate opportunities to speak to the community, stakeholders and organisations.

Achieved

Act as a socially and environmentally responsible corporate citizen.

 Develop and implement sustainable practices for our waste streams.

Achieved

Use NZ manufactured and/or supplied goods where possible.

 In accordance with the Procurement Policy, NZ manufactured or supplied goods will be used wherever possible.

Achieved

Outcome Achieved

Our new Sponsorship strategy and process allows for a more proactive and consistent approach to allocating sponsorship funds. The new process requires all sponsorship enquires to be directed through the airport website. All potential partners are requested to provide information on their organisation/event and how this aligns with Dunedin Airport and our brand values.

11 organised community airport visits were facilitated this year by our airport customer service and Airport Emergency Services teams who welcomed more than 450 adults and children to the airport. These visits continue to be an important part of our community engagement strategy and creating a stronger connection between the airport, City and region.

We presented in the community on approximately 14 occasions throughout the year which enabled us to tell the airport story and inform the community on the part we play in our region. Regular presentations were given to our City partners allowing us to share airport information that will enable us to identify opportunities for collaboration.

Our total waste system design was completed with our new waste management service provider, OCS in FY16/17. Implementation of back of house and front of house recycling streams ongoing. Average landfill diversion rate for the reporting period was 13.22% for the airport waste stream, 54.55% for the Momona village and 14.97% overall.

Dunedin Airport only has procurement relationships with organisations outside of New Zealand with the following companies:

Three Consulting of Sydney for Aviation Strategy and Route Business case.

Tourism Futures - Dunedin Aviation Monitoring Report.

Dunedin Stadium Property Limited

Statement of Service Performance for the Year Ended 30 June 2017

The performance targets established in the 2016/17 Statement of Intent for Dunedin Venues Limited, and the results achieved for the Year Ended 30 June 2017 are as follows.

Performance Targets		Outcome Achieved	
Economic			
Statement of Intent is consistent with the o	bjectives of the	Achieved. The Statement of Intent is consisted objectives of the shareholder.	ent with the
Operating activities are compliant with the goals and objectives stated in the Statement of Intent.		Achieved. The operating activities of Dunedi Property Limited are compliant with the object Statement of Intent.	
Assets are maintained at an operational level.		Achieved. The asset maintenance has been recompliant with the asset management timetal	
Reduce long term debt.		Achieved. The debt has been reduced by \$1,065,000 to \$92,935,000 at the end of the financial year.	
Consult with the shareholder where conflict community outcomes may or could result.	with the Council's	Achieved. There were no matters requiring es shareholder.	scalation to the
To report matters of substance to the Share of occurrence.	holder within 5 days	Achieved. There are no matters of substance shareholder.	to report to the
Financial			
Targets			
	\$'000		\$'000
EBITDA	9,206	EBITDA	4,017
Net Loss	(3,096)	Net Loss	(8,233)
Operating Cash Flow	3,987	Operating Cash Flow	(783)
Capital Expenditure	-	Capital Expenditure	19
Term Debt	86,512	Term Debt	92,935
Shareholder's funds to total assets	49%	Shareholder's funds to total assets	47%
The financial forecasts in the Statement of Intents were impacted by reduced subventions receipts. The Company is currently working with Dunedin City Holdings Limited and its subsidiary companies on maintaining the cash funding model that has been in place through subvention receipts.			

Dunedin Venues Management Limited

Statement of Service Performance for the Year Ended 30 June 2017

The performance targets established in the 2016/17 Statement of Intent for Dunedin Venues Management Limited, and the results achieved for the Year Ended 30 June 2017 are as follows.

Performance Targets		Outcome Achieved	
Safety and Compliance			
Health and Safety Plan has been reviewed.		An external Risk, Health and Safety expert results system completing a Gap Analysis Report for actions continue to be implemented focused continuous improvement.	r action. These
Minimum of 11 Health and Safety Committee per year.	e meetings held	The Health and Safety Committee formally roccasions. As a result of the Gap Analysis Re of further collective and individual meetings involving wider stakeholders.	eview a number
Engagement of staff on their understanding of Safety procedures. TIR rate of <2 incidents per 200,000 hours w Facilities and infrastructure are maintained a and in accordance with the Asset Manageme entered into with Dunedin Stadium Property	orked. s fit for purpose nt Plan (AMP)	Staff have been engaged in Health and Safet following: Inductions for new staff Staff rewards for advanced participation Health and Safety System briefings Providing Risk and Health and Safety technology to operate from Health and Safety awareness presentation Requirement for staff to undertake First A The TIR was 6.4 incidents per 200,000 hours To ensure Forsyth Barr Stadium complies wire entered into with DSPL, DVML undertakes to Ensure all warranties and compliance at F Stadium are maintained as per manufacturand or local legislation Provide to DSPL for each board meeting to the AMP, warranty and compliance and a maintenance undertaken	nnology platforms of for staff oid training s worked. th the AMP he following: Corsyth Barr orers specifications updates on ny significant
DVML is not in breach of its statutory obligations.		Engages respected service providers to carry of Service Level Agreements There were no identified breaches of statutor during the year.	
Financial			
Targets		Achievement	
	\$'000		\$'000
EBITDA	962	EBITDA	956
Net Profit After Tax	280	Net Profit After Tax	299
Operating Cash Flow	630	Operating Cash Flow	(1,996)
Capital Expenditure	450	Capital Expenditure	507
Term Loans	400	Term Loans	-
Shareholder's funds to total assets	0.22:1	Shareholder's funds to total assets	0.24:1
Dividend	-	Dividend	-

Performance Targets	Outcome Achieved		
Achieve a 15:1 return on investment of the Event Attraction Fund.	The overall return on investment for 2016/17 was:	nt of the Event Att	raction Fund
	Event	Benefit (\$000)	Return
	D1 Drifting	800	13:1
	Black Caps vs South Africa	1,200	9:1
	Bulldogs/Warriors	2,100	11:1
Economic benefit to Dunedin City is increased.	Total Economic Benefit generat was \$4.1 million (2016: \$21.9 m concerts in the 2015/16 financi match which resulted in the hig 2015/16. As there were no concin 2016/17, this resulted in the between the two years. No econ performed for the Highlanders	nillion). There wer al year and one Al th economic impac certs or an All Blac decrease in econo comic impact analy	e 3 major l Blacks test et figure for eks test match mic impact vsis was
Marketing and Business Objectives			
Improved contribution to DVML's financial performance and reputation for service excellence.	DVML has engaged and worked to enhance event experience. To Village Green experience offere Africa Test Match, which offere experience. The second was Wooffered a platform to deliver not and opportunities to showcase of the experience.	wo notable exampl d at the Black Cap d a cutting edge c omen You Can Bar kt generation even	es were The es vs South orporate lk On which
Increasing the number and value of hire days in DVML's venues by 10% as a result of providing a more flexible offering.	There was a total of 504 events during the year. This was slight Community Event Funding was	ly below 2016 hov	-
We have established a benchmark for monitoring effectiveness across all digital platforms.	During the year the Company r websites, expanded social mediand engagement of content on integrated digital campaigns in campaign, and expanded into d in new media, e.g. on demand and social media platforms.	a channels includi the social media p to the greater mar igital media via vi	ng the reach latforms, keting deo content
A full calendar of quality events across all DVML's venues that provide economic benefit and positive community engagement to Dunedin City.	There was a total of 504 events 603 event days (2016: 644 even major events at Forsyth Barr Sta Otago Oval was \$4.1 million (2	t days). Economic adium and the Uni	benefit from versity of
Survey Commercial Partners for satisfaction level – minimum 80% satisfaction to be achieved.	No survey of commercial partner 2016/17 financial year, it will b		
Achieve a 75% renewal rate for member contracts that are due for renewal in the financial year. Achieve 75 new memberships.	The renewal rate of members of 2016/17 was 80%. A total of 14 during the year.		
Survey Members for satisfaction level – minimum 80% satisfaction to be achieved.	A survey of members showed M 93%.	ſembers' satisfacti	on level of
Human Resources			
Attract and retain key staff.	Staff turnover was 11% for the y additional positions were create of Otago Oval turf maintenance	ed upon securing t	
Succession plans are in place.	Ongoing staff professional developathways and succession plann		ed on career

Performance Targets	Outcome Achieved
Shareholder	
Submit annually DVML's Statement of Intent having given consideration to Dunedin City Council's expectations.	DVML's Statement of Intent was submitted within Dunedin City Holdings Limited timeframes after taking into consideration the requirements of Dunedin City Holdings Limited.
Dunedin City Council satisfaction.	The Dunedin City Council has advised it is satisfied with DVML's reports and communications.
Social and Environmental	
Positive community feedback and less than two LGOIMA requests annually.	There were no LGOIMA requests in the year to 30 June 2017.
Report to the Dunedin City Council 6 monthly on the application of the Service Level Agreement for Community Event Funding to ensure it is applied efficiently and caters to a variety of events and community groups.	Two reports were provided to the Dunedin City Council on the application of the Service Level Agreement for Community Event Funding. One for the 6 months to 31 December 2016 and a further one for the full year to 30 June 2017.
Senior management conduct a minimum of 5 speaking engagements.	Senior management conducted five speaking engagements for the year.
Economic Development Strategy	
Achieve a minimum of \$5m visitor spend per each major event (>10,000 pax) for Dunedin City.	The Economic Impact for major events in the year to 30 June 2017 were as follows:
	Event Economic Benefit
	\$'000
	D1 Drifting 800
	Black Caps v South Africa 1,200
	Bulldogs v Warriors 2,100
	Total 4,100
	The Economic Impact for major events for the previous year was as follows:
	Event Economic Benefit
	\$'000
	Neil Diamond 3,500
	Fleetwood Mac 7,400
	Black Sabbath 2,700
	All Blacks v Wales 8,300
	Total 21,900
Achieve minimum 80% satisfaction rating through surveys of all major events (>10,000 pax).	The following satisfaction and attendance numbers were achieved in the year to June 2017:
60% of attendees of all major events (>10,000 pax) to come	Event Satisfaction % Attend outside of Dunedin
from outside of Dunedin City.	D1 Drifting 92% 47%
nom outside of Bulletin City.	Black Caps vs South Africa N/A 51%
	Bulldogs/Warriors 86% 57%
Dunedin City is successful in bidding for major events that gain positive exposure for Dunedin City, create economic benefit and serve the community's needs.	The Company bid for and secured 3 major events at Forsyth Barr Stadium and the University of Otago Oval, being D1 Drifting, Black Caps v South Africa Test Match Cricket and an in season Canterbury Bulldogs vs NZ Warriors NRL game. Additional to this there were 7 major conferences and conventions held at the Dunedin Centre for LGNZ, Volunteer Chief and Deputy Fire Officers, NZ First, NZNO Perioperative Nurses, Sweet Adelines, NZSSD and IPWEA NZ.

Performance Targets	Outcome Achieved	
Environment Strategy		
Recycled waste is increased by 10% from the previous year.	In the previous year 43% of waste was recycled at the Dunedin Centre and Forsyth Barr Stadium. For the period July 16 to November 30% of waste was recycled. A new waste management Service Provider was engaged in October 2016. Excluding organic recycling a total of 52% of waste was recycled. Including organics the total level of recycling for November 2016 to June 2017 was 70%.	
Improve energy efficiency.	A number of initiatives occurred during the year; replacing light fittings as they fail with LED; ensuring any chillers that are not required during off peak periods are being turned off; and a review of gas usage at the Dunedin Centre to ensure efficient usage. The Company engages an external party in the delivery of further operational efficiencies.	
Arts and Culture Strategy		
The number of community event days is increased from the previous year.	In both the 2016/17 and the 2015/16 years, the full value of the community access fund was utilised by the community. In 2016/17 this resulted in a total of 79 events with 43,979 people attending or participating. In 2015/16 there was a total of 126 events with 33,131 people attending or participating.	

Taieri Gorge Railway Limited

Statement of Service Performance for the Year Ended 30 June 2017

The performance targets established in the 2016/17 Statement of Intent for Taieri Gorge Railway Limited, and the results achieved for the Year Ended 30 June 2017 are as follows.

Performance Targets	Outcome Achieved
Safety and Compliance	
There is a target of a minimum of 3 Board Health and Safety meetings and 9 Staff Health and safety meetings.	Achieved. There have been 4 Board Health and Safety Committee meetings and 10 staff Health and Safety Committee meetings during the year all minuted.
Safety System and Risk Register has been reviewed/audited.	Achieved. The annual Safety Audit was completed in November 2016 and the Risk Register is undergoing a continuous review.
Monthly Board reports contain and Health and Safety report.	Achieved. Included in every monthly Board report.
To pass the Safety Audit and be issued with a Rail Service Licence.	Achieved. Completed November 2016 and Rail Service Licence retained.
A minimal accident record not exceeding four work related lost time injuries per 100,000 hours worked.	Achieved. There were three work related accidents with less than 100,000 hours worked by staff in the year.
Financial	
Revenue increase and a financial result which is at least break even.	Achieved. Revenue increased by 5.5% and a profit was achieved.
Bank debt reduced from previous year.	Not Achieved. The net cash situation deteriorating by \$1,662.
Monthly passenger activity to the Board. Financial risk analysis undertaken and mitigation measures reported to the Board as required.	Achieved. Included in monthly reports with forward projection showing month ahead and comment/measures where required on financial exceptions.
Marketing and Business	
Invest in a minimum of 2 promotional campaigns a year with industry partners.	Achieved. Participated in the Auckland trade show and Australian winter campaign with Enterprise Dunedin.
Carry at least 80000 passengers on no fewer than 700 trips per annum.	Achieved. There were 87,094 passengers carried on 729 trips.
Increase in trips to new destinations.	Achieved. Two Southern Rail Tour trips during the year are trips to new destinations.
Customer Service	
Monitor Trip Advisor to ensure customer satisfaction levels of 85% or better.	Achieved. Current satisfaction level is 90%.
Investigate the introduction of a new customer service survey.	Achieved. New customer survey introduced May 2017.
Infrastructure	
No delays to regular scheduled passenger operations.	Achieved. Increased re-sleepering programme, tunnel safety restrictions and bridge improvement programme has resulted in delays to train services.
Continuation of and development of an Asset Management Plan.	Achieved. The Vault system has been successfully introduced and developed during the year.
Human Resources	
Increase level of staff training and to update staff files to show individual training records.	Achieved. Staff training is now listed for the first time with training records entered into our Asset management system.
Each senior staff member has a formal annual performance survey.	Not achieved.
Develop an annual staff engagement survey.	Achieved. Carried out late 2016.

Performance Targets	Outcome Achieved
No breaches of EEO policy.	Achieved. No adverse comments on this issue during the year.
Staff turnover not to exceed 15%.	Achieved. Staff turnover was 10.8%.
Shareholders	
In the annual company's Statement of Intent consideration having been given to shareholders' expectations.	Achieved. In accordance with new DCC/DCHL policy this report substantially elongated to ensure shareholder requirements are reported.
Number of matters that have been escalated to shareholders.	Achieved. There have been no items to report but, as part of the no-surprises policy, a new section has been included in monthly Board reports to shareholders to stage-set any such events.
Number of substantive "no-surprises" matters that have been reported to shareholders within 24 hours.	Achieved. None needed to be reported but action initiated as in the previous item.
DCC Strategies	
Social and Wellbeing	
Number of volunteer hours to host trips in the year. Continue with a Memorandum of Co-Operation with OETT for the use of volunteer staff.	Achieved through use of volunteers with 7,629 volunteer hours recorded versus 7,198 in the previous year. The Memorandum of Co-operation with OETT was renewed during the year.
Free train tickets given to community organisations/events. Continuation of relationship with Cadbury and Childcare Association to run train trips for their events. Agree for access to the station/train for community activities.	Achieved. Free tickets continue to be issued, Cadbury and schools and kindergartens continue to have trips and we have agreed for music and dance groups to use Dunedin Railway Station.
Run train services to rural and coastal areas of Dunedin and Otago.	Achieved. Continuation of train services to inland rural areas and on the coastline north of Dunedin
"Grade A" Dunedin City Council Food Hygiene certificate achieved. What measures are in place to keep staff and visitors safe?	Achieved. A Grade rating maintained. Safety System and Plan maintained by company to cover staff and visitor safety.
Annual Leave balance stable or falling.	Achieved. Balance reduced by 3.1% in spite of increased payroll.
Economic Development	
Domestic and international income earned maintained or grows per annum. To stay in the top 5 out of 37 on Trip Advisor.	Achieved. Current rating is 3rd out of 51 Dunedin tours.
Number of Board meetings the "Emerging Director of the Year" winner attends.	Not achieved. The initiative did not involve TGRL during this year.
What initiatives have been introduced to increase numbers from cruise ships? Growth in percentage of customers from outside the city?	Shore excursion brochures distributed to each ship, pull up posters and marketing flash drives supplied to most ships. Increase of 3.15% in customers on daily train from outside Dunedin.
New Marketing Plan introduced during the year. Develop a customer survey to evaluate customer perceptions. Evidence of participation in Enterprise Dunedin marketing campaigns.	Not achieved. New Marketing Plan delayed. Customer survey introduced early 2017. Participated in Auckland Australia campaigns with Enterprise Dunedin.
Continue with Track and Trail train and coach service from and to Queenstown.	Achieved with the service running daily in the tourist season.
Environment	
Recycle plastic/cardboard waste generated.	Achieved. Recycling of plastic/cardboard and glass carried out during the year.
Weed control operation carried out.	Achieved with weed control operation during the Spring period.
How many passengers per litre of fuel compared to previous year?	Not achieved. Reduction in services from 743 to 729.

Performance Targets	Outcome Achieved
Arts and Culture	
Work with ID Fashion committee to ensure event can happen at Dunedin Station while train operations continue.	Achieved. Event took place Dunedin Railway Station March 2017 with extensive liaison TGRL/ID.
Maintain a heritage plaque at Dunedin Railway Station and report to the City any station building heritage deterioration.	Achieved. Heritage plaque on platform and regular verbal liaison with DCC on station issues.
To increase number of train services within the city from the previous year.	Not achieved. There is a goal to improve passenger numbers per litre of fuel used but there was a reduction of 1.4% in this this statistic over the year as a result of the new safety requirement to have 2 locomotives per train.
Spatial Plan	
To make Dunedin look good measured by the number of trains run and the Trip Advisor rating for the train services.	Achieved. There were 729 trips run during the year and the Trip Advisor rating has been maintained during the year.
Investigate use of biodiesel.	Achieved. Investigated but no regular supplier who can deliver to the train in Dunedin.
The Company does not disturb the heritage nature of aspects of the line measured by any complaints.	Achieved. All efforts taken to protect heritage and no complaints received on this matter.
What work has been completed in the Taieri Gorge on weed control?	Achieved. Carried out by contractor over the summer months.
Retention of in-house maintenance teams.	Achieved. Both the Workshop and Track and Structures maintenance teams retained during the year.
Retention of an accessible carriage and access ramps.	Achieved. Carriage P with wheelchair lift available as-required daily and access ramps at Dunedin Station for all trains.
Parks and Recreation	
Running trains to the Strath Taieri to connect with the Rail Trail and provision of toilet facilities at Pukerangi and Middlemarch and on the train.	Achieved. Liaison throughout the year with rail trail operators and continuing rail trail business with these operators. Toilets on every train and continued provision of toilets at Pukerangi and Middlemarch.
Continuation of the annual Walk the Gorge initiative.	Achieved with the event taking place on 7 May 2017.
Integrated Transport	
Taking passenger freight on suitable vans and investigating opportunities for bulk freight transport.	Achieved. Van on all trains for passenger freight and investigation during the year into bulk freight transport from Middlemarch.
Maintenance of a regular train/coach tourist service to and from Queenstown and a train service to and from Oamaru.	Achieved. Track and Trail train/road service ran throughout the tourist season and monthly trips to and from Oamaru continued.
Parks and Recreation	
No discharges into waterways from operations.	Achieved. No known discharges and no issues with ORC on this matter.

