



DUNEDIN | kaunihera
CITY COUNCIL | a-rohe o
Ōtepoti

2018/19

DUNEDIN CITY COUNCIL SUMMARY ANNUAL REPORT



Introduction from the Mayor

Thank you for your interest in Dunedin City Council's Summary Annual Report 2018/19. This reports on the first year of the 10 Year Plan 2018-28.

It was another year of steady growth for the city – population, job numbers and GDP all increased. Council continued to upgrade existing infrastructure, in part to help cater for that growth, while also investing in some new projects to make Dunedin an even more sustainable and attractive place to live.

2018/19 was also a significant year for strengthening the sense of community in our great small city.

Dunedin was named the Most Beautiful City at the Keep New Zealand Beautiful Awards 2018. A new Ōtepoti Youth Vision was launched, providing the city with a framework to support our young people and take an active role in enabling them to be successful.

The terrible events in Christchurch on 15 March had a profound impact on many Dunedin people, but I was immensely proud of the way our community pulled together in the wake of the tragedy. Thousands of people attended Dunedin's civic vigil and that sense of aroha and solidarity continues to be reinforced.

The University of Otago officially celebrated its 150th anniversary in June. Since its founding, the University has been a key part of Dunedin – growing hand in hand with the city. In recent years, it has also been a key player involved in fostering Dunedin's international relationships. Those relationships continued to strengthen in 2018/19, particularly in education, but also in business, literature, film and tourism - bringing substantial benefits to both sides.

There was extensive engagement throughout the year on the Central City Plan upgrade. After receiving feedback on ways we could make George Street more attractive, vibrant, safe and pedestrian friendly, Council endorsed a preliminary concept design for this main retail area. Good progress was made on the Peninsula Connection road widening project, as well as the urban cycleway programme.

Responding to the challenges (and opportunities) presented by climate change remained a key focus throughout the year. In June, Council voted to declare a climate emergency and accelerate efforts to become a net carbon zero city – bringing forward the target for achieving that goal by 20 years to 2030.

On the climate change adaptation front, we joined forces with EQC, Otago Regional Council, GNS Science and others to investigate the interaction of stormwater and groundwater in South Dunedin. Results of these investigations will help us to develop a holistic plan aimed at reducing the risk of flooding in the area.

Housing availability, affordability and quality are also key challenges for the city as it continues to grow. Council has agreed to take a stewardship role in implementing the city's Housing Action Plan aimed at ensuring affordable and accessible homes.

Overall, another busy year of solid progress which sees both city and the Council well placed to seize the opportunities and meet the challenges ahead.

Dave Cull
Mayor of Dunedin

Introduction from the Chief Executive Officer

We are pleased to present the 2018/19 Summary Annual Report. It outlines how we have tried to strike a balance between renewing and upgrading existing infrastructure, while investing in some new projects.

The final annual report budgets for 2018/19 resulted in an overall rates increase of 7.96%, keeping within the limit of 8% as set out in the 10 year plan 2018-2028.

Dunedin has moved from being a low to a medium growth city. While in many ways this is a sign that our city is thriving, it has its challenges. It means the Dunedin City Council (DCC) needs to invest in upgrading existing infrastructure to respond to the challenges of a growing city, while also planning for some new projects which will make Dunedin an even better place to live.

In total, our capital expenditure in 2018/19 was \$101.28 million, with a big focus on renewals and improvements. Since the 2017 flood event, over \$20 million has been spent on flood remediation. This includes the replacement of the Sutton–Mount Ross bridge that was damaged during the event, and the installation of a temporary Silverstream bridge after debris caused 25 metres of the pipe bridge to be washed away. Work has also been done to target the renewal, and upsizing where necessary, of wastewater pipes as well as renewing other 3 Waters' assets in Kaikorai Valley and North East Valley. This is a sizeable spend, higher than it has ever been and it shows the DCC's commitment to catching up on deferred maintenance.

Keeping our roads safe for everyone and resilient against weather events has been another focus. Safety improvements such as the Barnes Dance, intersection and mobility improvements were completed across the city, as well as repairs on slips from flood events and maintenance on structures to secure against long term structural damage.

Another major milestone was the completion of hearings for the Second Generation District Plan (2GP) after many years of consultation and engagement with the community. The next step for the 2GP will be the appeals phase with mediations beginning in August 2019.

Following the opening of the South Dunedin Community Pop Up in late 2017, the DCC has now secured a site for the development of the permanent South Dunedin Library and Community Complex. This site was purchased for \$4.75 million and is an ideal location for access, proximity and parking. Budget is provided in the 10 year plan for this development and further funding will be sought in the 2020/21 annual plan.

A recent Council decision to become a net carbon zero city by 2030 provides the opportunity for us to develop a more coordinated response to climate change. The Council has committed to developing a climate resilience work programme as part of the 2019/20 Annual Plan and it is expected that the next 10 year plan will outline the steps needed to achieve the 2030 net carbon zero goal.

Overall, 2018/19 was another year of progress towards making Dunedin one of the world's great small cities.

Sue Bidrose
Chief Executive Officer

Strategic overview

Often people ask how the Council makes decisions and prioritises work to develop our city. The decision-making process starts with the vision of Dunedin as one of the world's great small cities.

The Council, working with the community and stakeholders, has developed a strategic framework to support decision-making with key priorities for investment, effort and development.



There are eight strategies focused on long-term outcomes and Dunedin’s development.

- The **3 Waters Strategic Direction Statement** sets out how the DCC will ensure the city has safe, reliable and affordable water services.
- The **Spatial Plan** shapes the form of the city.
- The **Economic Development Strategy** sets out priorities for creating jobs, incomes and opportunities.
- The **Social Wellbeing Strategy** outlines how the DCC will foster inclusive communities and quality lifestyles.
- The **Integrated Transport Strategy** sets priorities for how the safe and efficient movement of people and goods will be supported.
- **Ara Toi Ōtepoti Arts and Culture Strategy** roadmaps strategic actions which support the creative sector in Dunedin and develop an environment which acknowledges the intrinsic value of the arts.
- **Te Ao Tūroa, Dunedin’s Environment Strategy** delineates Dunedin’s climate change impact plan and connects the communities with sustainable ecology and environmental actions.
- The **Parks and Recreation Strategy** develops the use of Dunedin’s open spaces, recreation facilities and parks to connect and value our spaces and promote more active communities.

A summary of the community outcomes that set out what the city will be like if the Council achieves its goals, including the indicators for tracking progress against these outcomes with an update of 2018/19 results (and Māori statistics if applicable), is provided in the full Annual Report.

Getting things done

We have undertaken many activities and projects in the 2018/19 financial year that have contributed to our community outcomes. Here are some of the highlights.



3 Waters – Refurbishment of the Ross Creek Reservoir was completed and the site was re-opened for recreational use.

Temporary Silverstream pipe bridge installed in December 2018 after flood event damage.

DCC worked together with other stakeholders to implement a monitoring and modelling programme for stormwater & groundwater in South Dunedin.



City planning – Decisions on the 2GP were released in November 2018, with 83 appeals officially received. Mediations will begin in August 2019.

A total of 29 grants were offered in 2018/19 for heritage projects from the Heritage Fund, totalling \$461,000.



Economic development – The DCC continued development on the Centre of Digital Excellence (CODE) with a decision expected early 2019/20.

Dunedin was also a production base for Blumhouse Productions (USA) to shoot a feature film.



Social wellbeing – The Council adopted the Dunedin Housing Action Plan 2019-39.

The Ōtepoti Youth Vision was launched in May 2019, which sets out goals and objectives to foster successful youth development within the city.

The DCC, with Amnesty International and mana whenua, organised the Standing Together Ōtepoti Dunedin Civic Vigil, attended by 18,000 people.



Transport – First stage of Peninsula Connection Safety Improvement Project has been completed.

The contract for installation and maintenance of LED streetlights has also been awarded.



Arts and culture – The DCC secured a site for the development of the South Dunedin Library and Community Complex.

Ara Toi staff have also been working closely with CharcoalBlue to complete the Performing Arts Feasibility Study.



Environment – \$30,000 worth of Te Ao Tūroa grants awarded to two community groups.

There has also been continued support for education and volunteer initiatives.

The online 'Story Map' of Dunedin was finalised – a tool to discover areas of interest around the Town Belt.



Parks and Rec – The DCC launched its in house swim school Just Swim.

The construction of the new artificial turf and associated landscape works on Logan Park was also finished.

How we did

The DCC's services are grouped into 12 groups of activity based on their primary community outcome contribution.

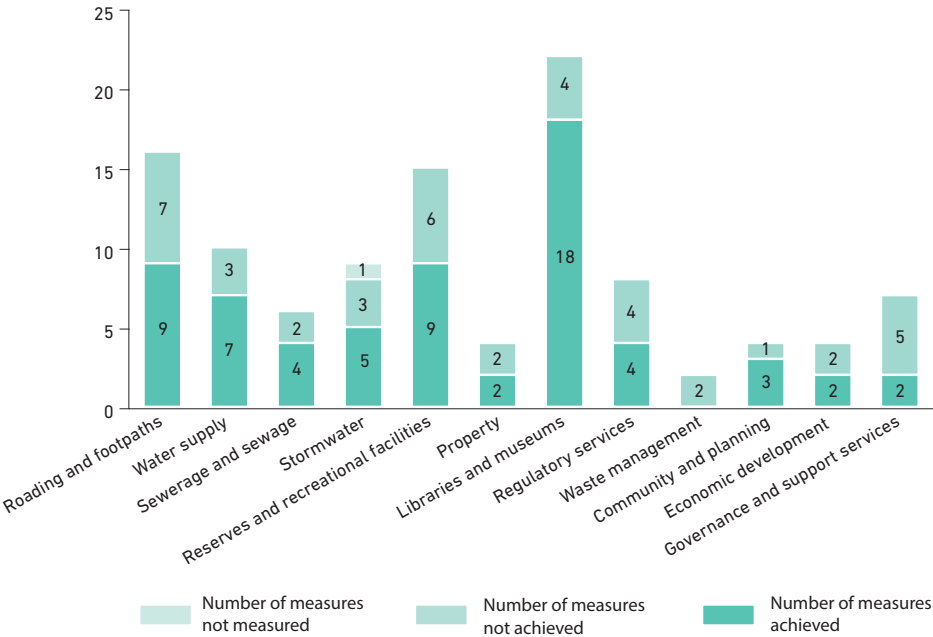
As in previous years, the DCC has measured both its financial and non-financial performance.

The 10 year plan 2018-28 contained 107 non-financial service performance measures that were monitored and reported on. The following graph is a summary of the non-financial performance achievement of each activity group for 2018-19.

It shows that we:

- Met the target for 65 (61%) of our performance measures
- Did not meet the target for 41 (38.3%) of our performance measures

Summary of performance



For full details of DCC performance, including explanations of results, the reader is encouraged to obtain access to the full Annual Report either at www.dunedin.govt.nz or via correspondence to Dunedin City Council, PO Box 5045, Dunedin 9054.

Māori participation update

The DCC is committed to the Treaty of Waitangi and enabling Māori to contribute to decision-making processes. The DCC is also committed to its other strategic principle of sustainability, working towards and encouraging the development of a sustainable city.

In addition to partnering across a range of steering groups and projects, highlights of the work undertaken during 2018/19 include:

- Significant Manawhenua engagement and input into the George Street part of the Central City Plan.
- Finalisation of a digital app to support understanding of Te Reo, including local dialect, and Tikaka Māori.
- Creation of new Senior Manager – Māori position within DCC.
- Treaty of Waitangi training undertaken by all staff in executive and senior leadership positions of DCC.
- Inclusion of Māori specific booster to enable results to be produced separately for Māori across all measures in the Dunedin Quality of Life Survey.
- Review and analysis of Manawhenua partnership arrangements, including Memorandum of Understanding and the Māori Participation Working Group.

Sustainability update

The DCC is committed to its strategic principle of sustainability, that Dunedin works to become a sustainable city and that the DCC is a leader in encouraging the development of a sustainable city.

Some of the highlights of the work undertaken by the DCC in the 2018/19 year include:

- Progressing to the final stage of the global Covenant of Mayors commitment and the development of the Dunedin climate action plan.
- Declared a climate emergency and brought forward the net carbon zero goal to 2030.
- Dunedin took the top accolade in the Keep New Zealand Beautiful Awards 2018, highlighting the work and projects across Dunedin, such as the beautification work, recycling projects and sustainable tourism.
- Sponsored the Great Kererū Count 2019, inspiring more people to care for the natural world and help achieve a healthy environment.

Overview of financial results

During 2018/19 Council brought forward a significant volume of its capital program that had been initially scheduled for future years.

Some elements of this 'accelerated capital program' attracted external funding that had been included in future years' budgets. As this income is included in Council's operating surplus, but the expenditure is not, this had a significant positive impact on Council's reported operating surplus.

The elements of this accelerated capital program that did not attract external funding resulted in an increase to budgeted levels of debt at June 2019 but had no impact on Council's long term debt projections. Despite this, Council's interest expense was approximately \$1.5m lower than the previous year and \$1.9m below budget.

Smaller amounts of unbudgeted revenue were also generated from investment and property valuation gains, the vesting of infrastructure assets, the receipt of other government grants and various Council departments' activity levels being greater than budget, thus generating increased levels of fees and charges.

The impact of this extra revenue on Council's financial result was mitigated by Council's depreciation expense exceeding budget by around \$5m and other operational costs exceeding budget by a similar amount. These additional operational costs were caused largely by Council increasing maintenance activity for its property, reserves and transport areas, additional costs incurred to generate the increased income mentioned above, property value write down and preliminary costs incurred to enable Council to effectively deliver its future capital program.

Outlook











This is the first year of Council's current 10 year plan 2018-28. The financial strategy within the 10 year plan provided a fiscally responsible platform for Council to deliver the key features of the Plan, being:

"an ambitious programme of spending to upgrade existing infrastructure as well as some new projects which will make our city an even more attractive place to live, work, study and do business".

Key features of the financial strategy include spending \$878m on capital projects over the ten year period, having an average of 5% per annum rate increase across years 2 to 10, limiting debt to \$350m, having a positive operating surplus for the 10 year period and continuing the full range of services offered at the beginning of the period covered by the Plan.

The results of the first year of the 10 year plan, being the year ended 30 June 2019, are consistent with this financial strategy.

Where our money went

Activities and services	Capital costs		Operating costs		Where your rates went (every \$100)
	Actual \$101m	Budget \$68m	Actual \$265m	Budget \$254	
 Roading and footpaths	\$51m	\$35m	\$43m	\$41m	\$9
 3 Waters	\$19m	\$13m	\$65m	\$61m	\$37
 Reserves and recreational facilities	\$9m	\$7m	\$35m	\$34m	\$21
 Property	\$16m	\$5m	\$31m	\$30m	\$3
 Libraries and museums	\$1m	\$2m	\$22m	\$21m	\$17
 Regulatory services	\$0m	\$0m	\$10m	\$10m	\$0
 Waste management	\$1m	\$1m	\$15m	\$13m	\$2
 Community and planning	\$1m	\$1m	\$11m	\$10m	\$7
 Economic development	\$0m	\$0m	\$5m	\$5m	\$3
 Governance and support services	\$3m	\$4m	\$28m	\$29m	\$1

Dunedin City Council

Summary statement of comprehensive revenue and expense for the year ended 30 June 2019

	CORE COUNCIL			CONSOLIDATED	
	Actual 2019 \$000	Budget 2019 \$000	Actual 2018 \$000	Actual 2019 \$000	Actual 2018 \$000
Total operating revenue	286,409	257,772	258,461	557,465	526,125
Operating expenditure	254,208	241,073	245,985	499,556	474,277
Financial expenses	11,064	12,937	12,262	28,233	28,974
Total operating expenditure	265,272	254,010	258,247	527,789	503,251
Operating surplus (deficit) from continuing operations	21,137	3,762	214	29,676	22,874
Share of associate surplus (deficit)	-	-	-	1,794	1,638
Surplus (deficit) before taxation	21,137	3,762	214	31,470	24,512
Less taxation	(1,296)	(450)	(1,049)	4,897	7,711
Surplus (deficit) after taxation	22,433	4,212	1,263	26,573	16,801

Other comprehensive revenue and expense

Gain (loss) on property, plant and equipment revaluations	42,280	37,500	114,854	42,280	114,854
Gain (loss) on forestry land revaluations	-	-	-	4,734	2,277
Gain (loss) of comprehensive revenue in associates	-	-	-	(116)	177
Gain (loss) of cash flow hedges at fair value through other comprehensive revenue and expense	2,533	3,053	3,385	(23,158)	(3,098)
Gain (loss) on foreign exchange hedges	-	-	-	497	(1,303)
Gain (loss) on carbon credit revaluation	-	-	-	2,846	5,158
Income tax on other comprehensive income	-	-	-	(992)	(1,059)
Total other comprehensive revenue and expense	44,813	40,553	118,239	26,091	117,006
Total comprehensive revenue and expense	67,246	44,765	119,502	52,664	133,807

Surplus (deficit) attributable to:

Dunedin City Council and Group	22,433	4,212	1,263	26,607	16,874
Non-controlling interest	-	-	-	(34)	(73)

Total comprehensive revenue and expense attributable to:

Dunedin City Council and Group	67,246	44,765	119,502	52,698	133,880
Non-controlling interest	-	-	-	(34)	(73)

Dunedin City Council

Summary statement of changes in equity for the year ended 30 June 2019

	CORE COUNCIL			CONSOLIDATED	
	Actual 2019 \$000	Budget 2019 \$000	Actual 2018 \$000	Actual 2019 \$000	Actual 2018 \$000
Movements in equity					
Opening equity	3,052,940	2,970,761	2,933,438	3,277,135	3,143,328
Total comprehensive revenue and expense attributable to Dunedin City Council and Group	67,246	44,765	119,502	52,698	133,880
Total comprehensive revenue and expense attributable to non-controlling interest	-	-	-	(34)	(73)
Closing equity	3,120,186	3,015,526	3,052,940	3,329,799	3,277,135
Components of equity					
Accumulated funds	1,690,660	1,677,424	1,668,710	1,833,776	1,812,435
Reserves	1,429,526	1,338,102	1,384,230	1,496,023	1,464,700
Total equity	3,120,186	3,015,526	3,052,940	3,329,799	3,277,135

Dunedin City Council

Summary statement of financial position as at 30 June 2019

	CORE COUNCIL			CONSOLIDATED	
	Actual 2019 \$000	Budget 2019 \$000	Actual 2018 \$000	Actual 2019 \$000	Actual 2018 \$000
Current assets	41,094	21,612	35,244	105,787	81,672
Non-current assets	3,357,918	3,245,436	3,272,989	4,179,338	4,026,880
Total assets	3,399,012	3,267,048	3,308,233	4,285,125	4,108,552
Current liabilities	45,124	32,871	38,802	93,114	80,879
Non-current liabilities	233,702	218,651	216,491	862,212	750,538
Total liabilities	278,826	251,522	255,293	955,326	831,417
Equity attributable to Dunedin City Council and Group	3,120,186	3,015,526	3,052,940	3,329,287	3,276,592
Equity attributable to minority interest	-	-	-	512	543
Total equity	3,120,186	3,015,526	3,052,940	3,329,799	3,277,135
Total liabilities and equity	3,399,012	3,267,048	3,308,233	4,285,125	4,108,552

Dunedin City Council

Summary statement of cashflows for the year ended 30 June 2019

	CORE COUNCIL			CONSOLIDATED	
	Actual 2019 \$000	Budget 2019 \$000	Actual 2018 \$000	Actual 2019 \$000	Actual 2018 \$000
Net cash inflow (outflow) from operating activities	83,845	62,603	54,622	115,452	86,520
Net cash inflow (outflow) from investing activities	(95,930)	(70,555)	(51,250)	(165,542)	(136,102)
Net cash inflow (outflow) from financing activities	18,500	8,164	(2,342)	71,905	37,519
Net increase (decrease) in cash held	6,415	212	1,030	21,815	(12,063)
Opening cash and cash equivalents balance	5,490	1,008	4,460	7,533	19,596
Closing cash and cash equivalents balance	11,905	1,220	5,490	29,348	7,533

Notes to the summary financial statements

Statement of accounting policies

The summary 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 summary financial statements of the Council and group are for the year ended 30 June 2019.

The specific disclosures included in the summary financial statements have been extracted from the full financial statements. The full financial statements were authorised for issue by the Council on 8th October 2019 and have been audited, receiving an unmodified audit opinion.

The Council has designated itself and the Group as public benefit entities (PBEs). The full financial statements have been prepared in accordance with Tier 1 PBE accounting standards and generally accepted accounting practice in New Zealand (NZ GAAP), and make an explicit and unreserved statement of compliance with PBE accounting standards for the period presented in this summary annual report.

The information in this summary report has been prepared in accordance with PBE FRS 43: Summary Financial Statements.

Users of the summary financial report should note that the summary financial statements do not include all of the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements.

The full Annual Report can be found on the Council website at www.dunedin.govt.nz. Users who do not have access to the website can request a printed version from the following address:

Financial Controller, Dunedin City Council, PO Box 5045, Dunedin 9054.

All amounts are shown in New Zealand dollars and are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

The Council early adopted PBE IFRS 9 Financial Instruments this year to ensure consistency of treatment with its non-PBE subsidiaries when they adopted IFRS 9 Financial Instruments. Under PBE IFRS 9, all financial assets and liabilities are measured at amortised cost, fair value through profit or loss, or fair value through OCI on the basis of the Group's business model for managing the financial instrument and contractual cash flow characteristics of the financial instrument. This new standard had minimal impact on Group reporting.

There has been one change in accounting policy. In prior years City Forests Limited used 'cost' as a basis for allocating 'decreases due to harvest'. As at 30 June 2019, City Forests Limited has adopted 'fair value' as the basis for decreases due to harvest in line with NZ IAS 41 Agriculture. As a result, the Company has restated the fair value allocation of decreases due to harvest for the 2018 financial statements. The results of this are shown in the revised statement of financial performance in section 3.2 (note 1) of the full annual report (and related notes), and the forestry assets reconciliation also in section 3.2 (note 29) of the full annual report. There is no net change in the Statement of Financial Position due to this restatement.

Capital commitments

The capital commitments of the Council were \$67.459 million (2018: \$32.228 million) and of the Group \$124.348 million (2018: \$55.001 million).

Contingencies

The Council has a contingent liability related to the equity investment in Golden Block Investments Limited of \$1.325 million. The Council has uncalled capital of \$849.9 million for Dunedin City Holdings Limited. The Group has contingent liabilities relating to performance bonds of \$724,000 (2018: \$666,000).

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.

Explanations of major variances against budget

Explanations for major variances from the Council's budget figures in its 2018/19 annual plan are as follows:

Statement of comprehensive revenue and expense

Total operating revenue was greater than budget due to the following: higher than expected funding for

roading capital projects, the Logan Park artificial turf and the Waterfront development (Provincial Growth Fund). There was also increased activity in a number of operational areas including building services, parking operations and the crematorium.

The favourable variance also included the following non-cash items: higher than expected vested assets (\$2.1 million), additional fair value gains related to the Waipori Fund (\$4.4 million), and an unbudgeted fair value increase related to the investment property portfolio (\$1.8 million).

Development and financial contributions from across the city were also greater than budget, including income from continued development in Mosgiel.

Other operating expenses were greater than budget due to the following: expenditure on the development of various projects including waste futures, central city, hospital rebuild and the waterfront development. Operating expenses were also impacted by increased maintenance on buildings and infrastructure assets along with a non-cash increase in the provision for landfill after-care costs. Some of the additional expenditure contributed to the increased revenue discussed above.

Financial expenses were less than budget by \$1.9 million primarily due to a favourable floating interest rate.

Depreciation expenditure was \$5.2 million greater than budget due to the impact of asset revaluations across multiple portfolios along with the increased level of capital expenditure.

Statement of financial position

The term loan balance as at 30 June 2019 was \$218.9 million or \$12.0 million greater than budget. This difference was driven by higher than expected capital expenditure for the year as evidenced in the statement of cashflows - see comment below regarding investing activities.

Statement of cashflows

Net cash inflow from operations was \$21.2 million greater than budget driven by the revenue and expense variances. The inflow was particularly impacted by the additional grants funding for the various capital projects discussed above.

Net cash outflow from investing activities was \$24.9 million greater than budget primarily driven by a higher level of capital expenditure including roading projects and two recent property purchases.

Post balance date events

There are no post balance date events.

Independent Auditor's report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of Dunedin City Council's summary of the annual report for the year ended 30 June 2019

The summary of the annual report was derived from the annual report of the Dunedin City Council (the Council) and its subsidiaries and controlled entities (the group) for the year ended 30 June 2019.

The summary of the annual report comprises the following summary statements on pages 6 and 10 to 13:

- the summary statement of financial position as at 30 June 2019;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2019;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of the statement of service performance.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS 43: Summary Financial Statements.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2019 in our auditor's report dated 8 October 2019.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS 43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out 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.

In addition to the audit of the summary annual report and the full annual report, we have completed other statutory and regulatory engagements for the City Council and its subsidiaries and controlled entities. These engagements are compatible with the Auditor-General's independence requirements.

Other than the audit of the summary annual report, the full annual report and these statutory and regulatory engagements, we have no relationship with or interests in the Council or any of its subsidiaries and controlled entities.

A handwritten signature in black ink, reading "Julian Tan". The signature is written in a cursive, flowing style.

Julian Tan
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand
4 November 2019

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New Zealand

www.dunedin.govt.nz



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