

2020/21
DUNEDIN CITY COUNCIL
ANNUAL REPORT
TE RIPOATA-A-TAU MŌ TE
KAUNIHERA A-ROHE O ŌTĒPOTI



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SECTION 1:

Introduction | He kupu whakataki

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Introduction from the Mayor | He Kupu Whakataki nā te Kahika

It is with pleasure that we bring to you our 2020/21 Annual Report. We had many achievements during the year, along with a number of challenges, including adjusting to a global pandemic and its ongoing impacts. The health and wellbeing of our community is our top priority in these times.

It is with great sadness that we acknowledge the passing of our former Mayor, Dave Cull, in April 2021. We remember him for the love that he had for our city, the service he gave to our community, and his work in the local government sector through his role as president of Local Government New Zealand. We are grateful for the huge contribution that he made.

In July 2020, we farewelled Sue Bidrose, our Chief Executive Officer of nearly seven years. Dr Bidrose left to take up a new role at AgResearch. We were very appreciative of her leadership and dedication to public service during her time with us.

In October 2020, we were delighted to appoint Sandy Graham as our new Chief Executive Officer. During the recruitment process, she was the outstanding candidate. She cares deeply about the city and has a proven track record of performance and delivery.

During the year, Ms Graham appointed Jeanette Wikaira as Manahautū, General Manager of Māori, Partnerships and Policy. This role was established to lead and promote the organisation's Treaty of Waitangi responsibilities. A key focus of the role is to lead systems change across the organisation by embedding Treaty of Waitangi commitment throughout DCC's strategic and operational functions.

In June, Council made the decision to establish positions on our Planning and Environment Committee, and our Infrastructure Services Committee, for representatives of our two rūnaka: Te Rūnanga o Ōtākou, and Kāti Huirapa Rūnaka ki Puketeraki. These positions will provide mana whenua with a stronger decision-making voice within the Council and build on our commitment to the principles of The Treaty of Waitangi.

Council's strategic framework consists of eight individual strategies that were developed from 2010 to 2017. A high-level review of these strategies has shown that the framework needs to be refreshed. We will update our framework in a manner that acknowledges the importance of our ecological limits and social wellbeing foundations.

To date, work on our Zero Carbon 2030 target has focused on developing policies and processes to ensure that emissions are considered in our decision making on major projects, and in how we deliver our services. While we are doing what we can to reduce our Council activity emissions, we will be working with the community to achieve this target for the whole city.

Our work on adapting to climate change continues to focus on South Dunedin as the area in our city of highest risk, given the density of the population. We are working with the Otago Regional Council, the community, mana whenua, Central Government and others to understand what is happening, so that we can identify options and create plans for long-term adaptation.

The demand for housing in our city is greater than the number of houses we have. To help address this we have notified a change to our Second-Generation District Plan that would provide around 2,000–2,500 new houses. Our Mayor's Taskforce for Housing, Housing Action Plan continues to be implemented, and we are reviewing our Housing Policy and Dunedin City Social Housing Strategy. We have also committed \$20 million over the next 10 years to expand our own community housing portfolio.

During 2020/21, we continued our focus on renewing and improving the infrastructure assets in our city. In total, our capital expenditure for the year was \$110.9 million.

The Peninsula Connection project to widen the narrow roads progressed with the completion of the section from Company Bay to Broad Bay. Work on this project continues with bulk fill and seawall construction taking place around the Portobello foreshore.

Our LED street light installation project nears completion. This project has seen around 13,000 new lights being installed around the city. Not only do they provide better visibility for road users, but they create savings through reduced energy consumption.

Design activities for the new Mosgiel Pool progressed during the year and a building consent has been lodged. Site establishment activities have commenced.

In February 2021, we issued a 'do not drink' notice for Waikouaiti, Karitane and Hawksbury Village after intermittent elevated lead levels were detected during water sampling. To eliminate DCC pipework as a possible cause, we replaced water pipes in Edinburgh Street, Waikouaiti earlier than intended, and this work was finished in June.

An extensive investigation into this matter was undertaken. Thankfully it showed that there was no widespread lead in the drinking water network. Based on all the work carried out, the likely cause was determined to be lead getting into the water from pipes and fittings in private properties.

Residents have since been advised that the water is now safe to drink. We are grateful for the patience and understanding of the people in these communities during the time taken to ensure the safety of their drinking water. We also acknowledge the DCC staff who worked tirelessly to do all they could to protect the people in these communities.

We received good news during the year that Dunedin was confirmed as a host city for the FIFA Women's World Cup in 2023. New Zealand and Australia are co-hosting this event, with Dunedin the only South Island city to host matches. We hope that when the time comes, we will be able to welcome overseas visitors to our city.

In June, we adopted our 10 year plan 2021–31, “tō tātou eke whakamuri – the future of us”, following nearly two years of work on its development. We asked our community to ‘join the conversation’ on this plan for our future and were delighted with the level of feedback and engagement that we got. While we have a clear plan over the next 10 years, we will continue the conversation with you on what we need to do to ensure our city continues to grow and thrive.

I would like to take this opportunity to thank everyone who has contributed to the work that we have undertaken this year, and for the ongoing support that we have had from so many in our community, all for our great small city.

Nāku noa, nā

Aaron Hawkins
Mayor of Dunedin



Mayor and Councillors | Ko tō Koromatua me kā Kaikaunihera



Aaron Hawkins (Mayor)



Doug Hall



Jules Radich



Christine Garey (Deputy Mayor)



Carmen Houlahan



Chris Staynes



Sophie Barker



Marie Laufiso



Lee Vandervis



David Benson-Pope



Mike Lord



Steve Walker



Rachel Elder



Jim O'Malley

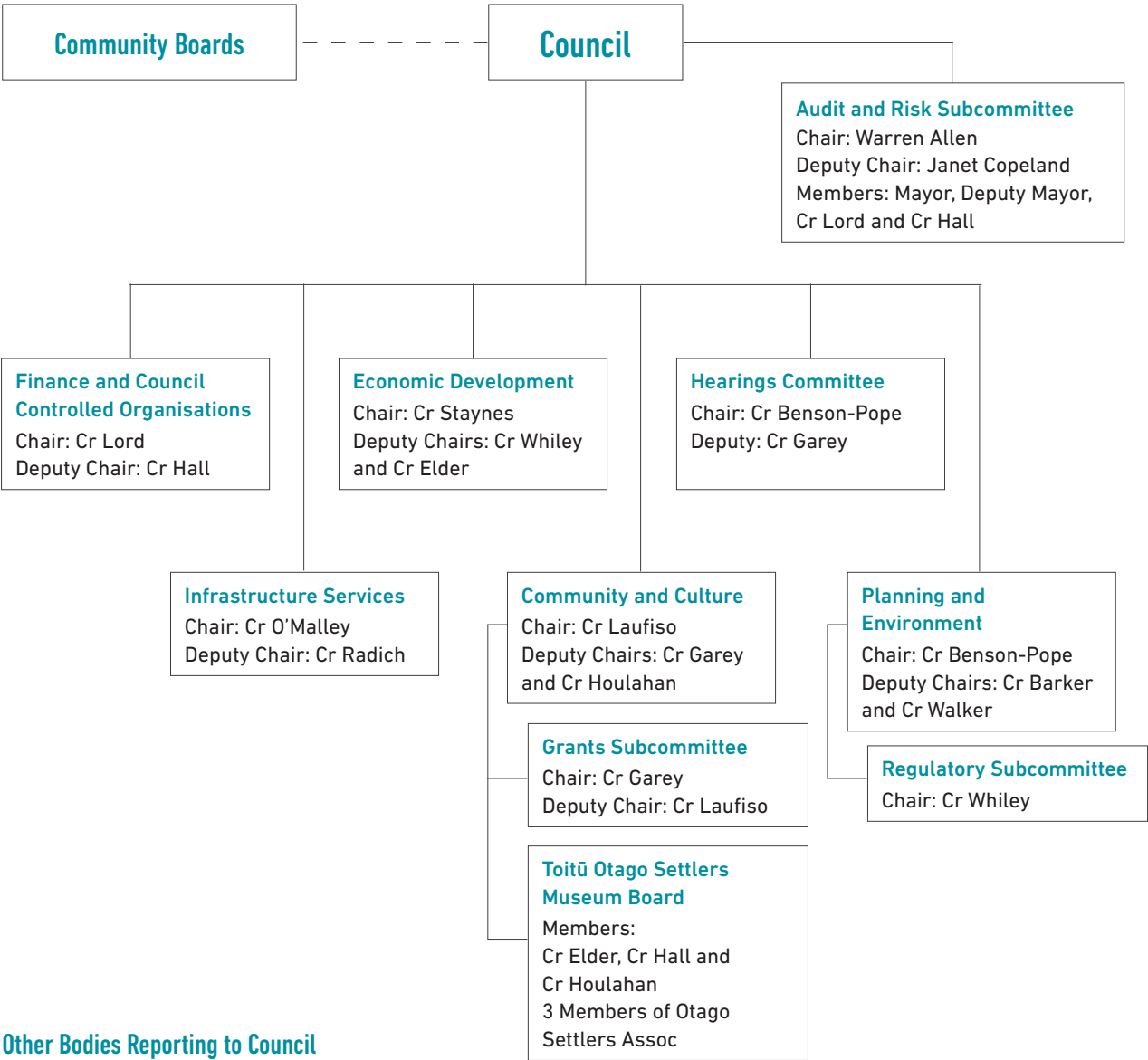


Andrew Whiley

Community Boards | Kā poari hapori

Mosgiel – Taieri	Otago Peninsula	Saddle Hill	Strath Taieri	Waikouaiti Coast	West Harbour
Joy Davis (Chair)	Paul Pope (Chair)	Scott Weatherall (Chair)	Barry Williams (Chair)	Alasdair Morrison (Chair)	Francisca Griffin (Chair)
Dean McAlwee (Deputy Chair)	Hoani Langsbury (Deputy Chair)	Paul Weir (Deputy Chair)	Mark O'Neill (Deputy Chair)	Geraldine Tait (Deputy Chair)	Trevor Johnson (Deputy Chair)
Phillipa Bain	Lox Kellas	Christina McBratney	Blair Dale	Andy Barratt	Duncan Eddy
Martin Dillon	Graham McArthur	Keith McFadyen	David (Jock) Frew	Sonya Billyard	Ange McErlane
Brian Miller	Cheryl Neill	John Moyle	Leeann McLew	Mark Brown	Jacque Ruston
Brian Peat	Edna Stevenson	Leanne Stenhouse	Robin Thomas	Mandy Mayhem-Bullock	Kristina Goldsmith
Cr Carmen Houlahan	Cr Andrew Whiley	Cr Jules Radich	Cr Mike Lord	Cr Jim O'Malley	Cr Steve Walker

Council Committee structure | Te aka o Te Kōmiti Kaunihera



Other Bodies Reporting to Council

- District Licensing Committee**
Chair: Colin Weatherall
Deputy Chair: Andrew Noone and Mike Lord
Members: David Benson-Pope, Karen Elliot, Katie Lane and Rakei Amohau
- Otago Civil Defence Emergency Management Group**
- Dunedin Heritage Trust Fund**

Finances | Kā mahi tahua

This section presents a summary of the financial results for the year ending 30 June 2021.

Council Financial Results

	2021 \$000	2020 \$000	2019 \$000	2018 \$000	2017 \$000	2016 \$000
Rates	163,492	156,949	149,312	138,306	134,186	130,315
Dunedin City Holdings Limited interest	5,902	5,902	5,902	5,902	5,902	5,902
Crown subsidies and grants	34,957	39,628	42,423	31,907	17,572	15,536
Vested assets	7,957	4,867	4,634	8,128	10,006	8,968
Other revenue including unrealised gains and capital receipts	94,264	71,571	84,138	74,218	70,567	67,213
Total revenue	306,572	278,917	286,409	258,461	238,233	227,934
Personnel expenses	65,970	67,488	62,353	57,429	53,536	49,728
Operational expense	140,821	127,554	123,798	123,793	109,123	97,327
Fair value losses	1,055	548	200	90	88	1,092
Interest expense	8,007	9,822	10,324	11,900	13,705	16,074
Depreciation expense	74,283	73,097	68,597	65,035	61,327	56,447
Total expenditure	290,136	278,509	265,272	258,247	237,779	220,668
Surplus (deficit) before taxation	16,436	408	21,137	214	454	7,266
Cash flow position						
Cash flows from operating activities	75,567	66,379	83,845	54,622	47,635	50,890
Cash flows from investing activities including capital	(110,990)	(87,922)	(95,930)	(51,250)	(31,820)	(31,126)
Cash flows from financing activities including debt raising	28,000	25,000	18,500	(2,342)	(14,023)	(22,515)
Interest						
Interest expense	8,007	9,822	10,324	11,900	13,705	16,074
Capitalised interest	-	-	-	-	-	-
Total interest	8,007	9,822	10,324	11,900	13,705	16,074
Financial position						
Total assets	3,859,662	3,429,429	3,399,012	3,308,233	3,185,464	3,007,089
Term loans	271,973	243,973	218,973	200,473	202,419	216,073
Total equity	3,512,539	3,121,579	3,120,186	3,052,940	2,933,438	2,737,212
Rates as a percentage of total revenue	53.33%	56.27%	52.13%	53.51%	56.33%	57.17%
Interest expense as % of operating revenue	2.61%	3.52%	3.60%	4.60%	5.75%	7.05%
Interest expense as % of rates revenue	4.90%	6.26%	6.91%	8.60%	10.21%	12.33%
Number of times that operating cash flow pays the interest expense	9.4	6.8	8.1	4.6	3.5	3.2
Number of times rates pays the interest expense	20.4	16.0	14.5	11.6	9.8	8.1
Net debt as % of total revenue	89%	87%	76%	78%	85%	95%
Net debt as % of rates	166%	155%	147%	145%	151%	166%

Consolidated Financial Results

	2021 \$000	2020 Restated \$000	2019 Restated \$000
Total revenue	580,361	510,984	557,465
Surplus (deficit) before taxation	55,332	(10,058)	31,470
Total assets	4,816,643	4,318,243	4,285,125
Total equity	3,737,762	3,283,790	3,329,799
Financial expenses *	23,929	29,241	28,233
Term loans	819,465	790,609	691,069
Financial expenses as % of operating revenue	4%	6%	5%
Term loans as % of total assets	17%	18%	16%

* Financial expenses excludes fair value loss on investment properties

Issuer Credit Rating

The achievement of a good credit rating is another important indication of prudent financial management and is an important factor in obtaining finance at a competitive interest rate. The Council as a Group is assessed by the rating agency Standard & Poor's. Below is the rating history for the Group. The most recent and full Standard & Poor's rating report is available on the Standard and Poor's website.

Standard & Poor's Credit Rating

Issuer Credit	11/12/20	12/12/19	11/12/18	8/12/17	15/12/16	16/12/15
Rating as of:						
Rating:	AA/Stable/A-1+	AA/Stable/A-1+	AA/Stable/A-1+	AA/Stable/A-1+	AA/Stable/A-1+	AA/Stable/A-1+

Strategic overview | He tirohaka whānui

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.

Dunedin has a thriving economy, with connected and supportive communities. The distinctive built heritage and treasured natural environment are enjoyed by residents and visitors alike. The compact city is also safe and accessible and has great arts and culture.

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.

The Council's work to achieve these strategic goals is underpinned by two overarching principles: Te Tiriti o Waitangi / The Treaty of Waitangi – the Council's work and partnership with Māori is guided by the Treaty principles; and sustainability – the Council takes a sustainable development approach that takes into account the social, economic, environmental and cultural interests of Dunedin's communities and the needs of future generations.

Achieving great outcomes as a community

The purpose of a strategic approach to decision-making is ultimately to achieve great outcomes for all of us. The hard work is done by everyone in the city when it comes to achieving our goals and the Council is just one of many stakeholders working to support Dunedin being one of the world's great small cities.

Summary of community outcomes and indicators

A summary of the community outcomes for the city are below. These describe what Dunedin will be like if the city achieves its goals. The indicators for tracking progress, plus an update with the 2020/21 results (and Māori statistics if applicable) are also provided.

Outcome	Indicators	2020/21 update	Māori stats 2020/21 (if applicable)
Vision	Perception that Dunedin is one of the world's great small cities	86% (QoL, 2020)	85% (QoL, 2020)
Social Wellbeing: A supportive city with caring communities and a great quality of life	Percentage of residents who have experienced problems with damp or mould in their homes during winter	20% (QoL, 2020)	21% (QoL, 2020)
	Residents' sense of community within their local neighbourhood	55% (ROS, 2020/21)	46% (ROS, 2020/21)
3 Waters: A healthy city with reliable and quality water, wastewater and stormwater systems	The water quality of Dunedin's lakes and rivers using Land Air Water Aotearoa measures	Not measured, measure still in development	N/A
	Satisfaction with the way the DCC manages the city's water related infrastructure	55% (ROS, 2020/21)	51% (ROS, 2020/21)
Spatial Plan: A compact city with a vibrant CBD and thriving suburban and rural centres	Satisfaction with the way the city is developing in terms of its look and feel	62% (ROS, 2020/21)	62% (ROS, 2020/21)
	Urban development capacity	Not measured, measure still in development	N/A
Economic development: A successful city with a diverse, innovative and productive economy	Growth in full time equivalent jobs	1.3% growth in filled jobs (Year to March 2021) Note: Change of data sources mean a slight change in indicator measure (FTE to filled jobs)	1.1% growth in filled jobs (Year to March 2021) Note: Change of data sources mean a slight change in indicator measure (FTE to filled jobs)
	Growth in real GDP per capita	-4.0% decrease (Year to March 2021)	N/A
	Ability to cover costs of everyday needs	50% (QoL, 2020)	42% (QoL, 2020)
Ara Toi: A creative city with a rich and diverse arts and culture scene	Percentage of residents rating Dunedin as creative	72% (ROS, 2020/21)	65% (ROS, 2020/21)
	Percentage of residents visiting one or more cultural facility within the last twelve months	89% (ROS, 2020/21)	96% (ROS, 2020/21)

Outcome	Indicators	2020/21 update	Māori stats 2020/21 (if applicable)
Integrated Transport: A connected city with a safe, accessible and low-carbon transport system	Percentage of residents who walk, jog, cycle or take public transport to work	19% (ROS, 2020/21)	9% (ROS, 2020/21)
	Number of fatal and serious injury crashes	46	8
Te Ao Tūroa: A sustainable city with healthy and treasured natural environments	City greenhouse gas emissions	1,573,008 tCO ₂ e (gross emissions, 2018/19)	N/A
	Total area of indigenous habitats in Dunedin protected by the District Plan, DCC reserve land and land held under QEII covenants and other statute-based protective mechanisms and/or recognised as Areas of Significant Conservation Value (ASCV)	ASCV = 10,687 ha ASBV* = 19,947 ha QEII = 778.70 ha (since 1995) DoC Protected = 21,064 ha (since 1995) Since there is overlap between the different protection types the total area is less than the sum of the above; Total (with ASCV) = 32,432 ha Total (with ASBV) = 35,035 ha	N/A
Parks & Recreation: An active city with quality and accessible recreational spaces and opportunities	Percentage of residents who participate in physical activity five or more days a week	39% (QoL, 2020)	44% (QoL, 2020)
	Percentage of residents using a park, reserve and/or open space and/or recreation facility at least once a month	71% (ROS, 2020/21)	77% (ROS, 2020/21)

*ASBV = Areas of Significant Biodiversity Value. This is introduced in the Second Generation District Plan to recognise and protect areas of significant indigenous vegetation and significant habitats of indigenous fauna.

Highlights of activities and projects in the 2020/21 financial year are below.

A supportive city with caring communities and a great quality of life

- Community support networks instigated over COVID lockdown, including the Ōtepoti Community Support Network, Ōtepoti Pasifika support Network and Dunedin Migrant Sector Partnership have continued. Three new funds responding to COVID, Pasifika and Maori needs were allocated to 42 organisations. Community and Events grants of \$2.5 million were allocated to at least 200 community, arts, environmental projects, and events organisations.
- Over the year the events team coordinated the Puaka Matariki Festival, Armistice Day, the annual lighting of the city's Christmas tree and New Year's Eve. In 2021 the team organised Chinese New Year, Waitangi Day, Thieves' Alley Market Day, ANZAC Day dawn service and city activations for the Americas Cup and Cricket Fan Zone. Sunday Sounds in the Botanic Garden continue to be well supported.
- MBIE has established a Regional Events Fund programme as part of its suite of COVID-19 recovery initiatives. As the regional facilitator for the Dunedin area, Enterprise Dunedin is offering contestable funding for new or existing events that will attract increased domestic visitation to the city. For the Dunedin region, there is a total funding pool of \$720,000 available over a two-and-half-year period.

A healthy city with reliable and quality water, wastewater and stormwater systems

- The Water System Plan and Wastewater System Plan have been progressed. They are three-year programmes to develop improved long-term investment plans to meet the current and future needs of Dunedin. Work completed includes treatment plant and key pump station process capability assessments which have informed capital works in the 10 Year Plan 2021–31. Baseline work included completing a gap analysis on the wastewater network models (Integrated Catchment Modelling) and beginning environmental monitoring.
- A Three Waters Services Reform Memorandum of Understanding with the Crown was entered into which secured \$15.84 million stimulus funding for Three Waters initiatives in Dunedin.
- Work to update DCC's Water Safety Plans to align to the latest Ministry of Health handbook guidance commenced, along with a review of the risk assessments for the Dunedin City and Waikouaiti supplies which will inform updated improvement plans.

A compact city with a vibrant CBD and thriving suburban and rural centres

- On 20 November 2019, Variation 1 (Minor Amendments) to the 2GP was notified for public submissions. Following the submission process, decisions on Variation 1 were notified on 18 July 2020. The appeal period ended on 28 August 2020 with no appeals received. As of 28 August 2020, Variation 1 was deemed operative.
- On 3 February 2021, Variation 2 (Additional Housing Capacity) to the 2GP was notified for public submissions. The submission period closed on 4 March 2021 and the further submission period closed on 17 June 2021. 305 original submissions and 256 further submissions were received. The first two of three hearings are proposed to be held in late September and October 2021.
- Project planning has started for the development of a Future Development Strategy (FDS), which will replace the Dunedin City Spatial Plan. The purpose of an FDS is to promote long-term strategic planning by setting out how Council intends to achieve well-functioning urban environments and provide sufficient development capacity over the next 30 years. The FDS must spatially identify the broad locations in which development capacity will be provided over the long term and the infrastructure required to service that capacity. The DCC has already undertaken preliminary work by updating the housing capacity assessment, growth projections, undertaking a housing preferences study, running a housing choices community engagement process and undertaking background work to evaluate options to increase housing capacity.

A successful city with a diverse, innovative and productive economy

- Seven new and emerging local studios received \$450,000 funding through New Zealand Centre of Digital Excellence (CODE) grants. A further second round of \$500,000 was also announced during the year. Progress continued on the development of CODE Limited. Dunedin-based Kiwi Paralympian Holly Robinson was confirmed as a character in the official video game of the Tokyo 2020 Paralympics.
- Enterprise Dunedin received \$700,000 from the Government's Strategic Tourism Assets Protection Programme to deliver a series of projects targeting the recovery of the visitor sector. Regional Tourism Organisations have been tasked with implementing further projects across the Destination Management space, including the rewrite of a new Dunedin Destination Plan.
- "A pretty good plan D" campaign continued to target domestic visitors. The campaign was recognised as one of the top marketing campaigns of 2020/21 and reached the finals of the New Zealand Marketing Association awards (outcome to be announced later in the year).
- Film Dunedin supported the Netflix production, "The Royal Treatment". The project contracted Dunedin crew, actors and service providers and generated close to 4,500 bed nights in the period January to April 2021.
- While COVID-19 continued to disrupt the international education industry, Study Dunedin concentrated on ensuring that both staff and students were supported. This included an I-Hub Café monthly event for existing students, supporting leadership training and regular get togethers for International Education staff, and partnering with tertiary providers to welcome potential new students to the city.

A creative city with a rich and diverse arts and culture scene

- An exhibition entitled *A Splendid Gathering: Medieval and Renaissance Manuscripts from the Reed Collection* was held in the Reed Gallery in the City Library from 7 August – 25 October 2020. Dunedin Public Libraries holds one of the largest collections of medieval and renaissance manuscripts in New Zealand. The majority were purchased by Alfred Hamish Reed, who donated his collection to the Library in 1948. The Reed Medieval and Renaissance Manuscripts Collection today numbers twelve bound manuscripts and more than sixty leaves and fragments, chiefly from Western Europe, and ranging in date from the late ninth to the sixteenth century.
- An exhibition entitled *Seasons of Summers: New Zealand's Queen of Romance* celebrating New Zealand's prolific and internationally romance novelist, Essie Summers, was opened to coincide with the unveiling of a new plaque on the Dunedin Writers Walk commemorating her on 8 May 2021, and a talk at the 2021 Dunedin Writers and Readers Festival.
- Dunedin participated in a number of collaborations with the other 38 Cities of Literature. Writers were selected and remunerated by Quebec City UNESCO City of Literature for its virtual 'Mega Poetry Happening', at which a film of ten local poets was broadcast live. Dunedin was showcased in Manchester UNESCO City of Literature's online exhibition.
- Two Dunedin writers were selected and remunerated by Norwich UNESCO City of Literature (UK) for virtual residencies in 2020 and 2021 and received attention globally for their virtual appearances and commissioned works.

A connected city with a safe, accessible and low-carbon transport system

- To improve pedestrian safety, speed management and parking around schools, safety improvements around sixteen schools were programmed for 2020/21. Fifteen schools have been completed with the last school scheduled to be completed in mid-August.
- The construction of the peninsula widening on section 2 was completed and officially opened in October 2020. Section 4 (Company Bay to Broad Bay) was completed and officially opened in June 2021. This project improves the road safety and accessibility of the peninsula through road widening and the provision of shared pedestrian and cycleway space.

A sustainable city with healthy and treasured natural environments

- The second year of a Te Ao Tūroa Summer Studentship was completed in partnership with the University of Otago and Otago Polytechnic, producing an interactive map database that helps identify groups and organisations that are working towards the United Nations Sustainable Development Goals in the Dunedin area. The project outcomes feed into RCE Otago, "Whaiao – Education for Sustainability Otago" of which the DCC is part.
- The fourth year of Te Ao Tūroa Grants saw a total of \$30,000 awarded to two applicants achieving support for their community projects around enhancing the habitat corridor linking Orokonui Ecosanctuary and wider Dunedin for indigenous biodiversity, and creating awareness and understanding of marine biodiversity and connection between our actions on land and the coastal environment.
- This year's recipient of the Environment Envoy commission 'The Lime Burners' project attracted around 450 people over 10 days at the Gasworks Museum. Through workshops and demonstrations, a group of nine artists led by Tim Barlow engaged the community in the reduction of CO2 emissions in the artmaking and building industries by showcasing experimental artistic and masonry techniques focused on lime materials as low carbon alternatives.

An active city with quality and accessible recreational spaces and opportunities

- DCC has awarded the contract to build the new Mosgiel Pool to local company Cook Brothers Construction. The new pool is a joint project between the DCC and the Taieri Community Facilities Trust. The Trust is contributing \$4 million towards the \$15.5 million build. The new facility is expected to open in September 2022. The pool will be built on land adjacent to the current pool site at the western end of Memorial Park.
- The first of the Moana Pool Master Plan projects is complete. The onsite indoor cycling studio has been upgraded with Life Fitness IC7 bikes, the ICG Coach by Colour and MyRide software and coaching systems. The whole project is expected to be completed in 2025. It will cost about \$16 million and is included in the DCC's 10 Year Plan 2021 – 31. A contract to undertake the design work has been awarded to Beca.

Māori participation update | He pūroko mō kā take Māori

Long term success and enduring partnership with Māori are important to the DCC. The DCC acknowledges its Treaty of Waitangi responsibilities and is committed to working in partnership to provide opportunities for Māori to contribute to decision making processes and to have an active role in the city's development.

Māori Representation

Mana whenua and mataawaka interests are currently represented within the Council's governing arrangements by the Māori Participation Working Party (MPWP). Māori membership of the MPWP is made up from Kāti Huirapa ki Puketeraki Rūnaka, Te Rūnaka o Ōtākou and Araiteuru Marae. The MPWP was established as a Councillor advisory panel with the aim of providing greater understanding of Māori needs and aspirations and greater involvement in strategic decision making. The DCC has worked closely with the MPWP members to ensure Māori representation arrangements are fit for purpose and reflect the changes occurring across the wider local government sector. Plans for the future of the MPWP include elevating the group to operate as a Māori strategic advisory entity. A review of the purpose and role of the MPWP will occur in 2021/22.

The Council also works with, and seeks cultural services from, Aukaha Ltd, a consultancy service based in Dunedin. Aukaha represents five Papatipu Rūnaka across the broader Otago region. Aukaha provides a range of services including trade training for Māori and Pasifika, Business Development and Procurement, Resource Management and Cultural Services.

2020/21 Update

This is the third year that two performance measures have been included to track progress of the Council's commitment to the Treaty of Waitangi. These measures will be refined as the DCC works to embed Treaty of Waitangi principles across all work, and improve processes used to track progress.

Te Tiriti o Waitangi/Treaty of Waitangi Indicator	2020/21
Rūnaka satisfaction with the Māori Participation Working Party and other forms of engagement to be measured through an annual survey.	An annual survey has not been undertaken as Council has ongoing discussions with Rūnaka throughout the year on the partnership framework. A review of the role and terms of reference of the working party is being undertaken during the 2021/22 year.
Percentage of key DCC printed publications that include Māori content and Te Reo translations	Not measured in 2020/21. Work has been undertaken to provide improved Treaty of Waitangi indicators for the 10 year plan 2021-31.

Highlights

In addition to partnering across a range of steering groups and projects, highlights of the work undertaken during 2020/21 include:

- Development of the Manahautū (General Manager) Māori, Partnerships and Policy role as part of the executive leadership team. This role provides strategic advice and direction across the DCC business and works to develop partnership opportunities with mana whenua and mataawaka in Ōtēpōti.
- The appointment of two Rūnaka representatives, one from each Rūnaka, to the Planning and Environment Committee, and the Infrastructure Services Committee.
- Work on the DCC's strategic refresh commenced. The strategic refresh project will develop an overarching Māori strategic framework that will identify how Treaty of Waitangi principles are to be equally applied to all DCC strategies and offer clarity as to how commitments to the Treaty are to be delivered, by whom and how outcomes are to be measured.
- Two priority areas that form part of the overarching Māori Strategic Framework commenced; the development of a Māori Engagement Plan and a Māori Cultural Capability Plan. The Māori Engagement Plan aims to guide the DCC's Treaty of Waitangi approach to partnership with mana whenua and mataawaka; and the Māori Capability Plan aims to raise the cultural capability and confidence of DCC staff to engage with mana whenua and mataawaka communities. Both plans will be completed and implemented across the organisation in 2021/22.
- Establishment of a Māori Development Fund to support local marae, allowing the DCC to further develop its relationships with the city's three marae, Ōtākou Marae, Puketeraki Marae and Araiteuru Marae. The fund aims to support each marae to develop capacity to continue their work in supporting Dunedin communities. Allocation of this fund will commence in 2021/22.
- Establishment of a Māori and Pasifika Innovation Fund in conjunction with the Otago Community Trust. This fund will support innovation and development projects and initiatives that contribute and support Māori and Pasifika communities to grow and thrive. Allocation of this fund will commence in 2021/22.
- A review of the Māori Participation Working Party to assess the relevance and effectiveness of the MPWP to ensure that there is an effective provision of governance on matters of Treaty of Waitangi partnership priorities. The review will be finalised in 2021/22.

Sustainability update | He pūroko whakapūmautaka

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.

Background

Alongside Te Tiriti o Waitangi / The Treaty of Waitangi, sustainability is a strategic principle underpinning Dunedin's vision of being one of the world's great small cities. Te Ao Tūroa, Dunedin's Environment Strategy, sets the strategic direction for improving Dunedin's environmental wellbeing, and connecting the Dunedin community with sustainable ecology and local environmental actions.

As part of the 2019/20 Annual Plan, Council approved the development and budget for a climate change work programme. This budget included funds for both mitigation and adaptation work and covered both 2019/20 and 2020/21.

Carbon emissions reduction has been a strong focus of the programme since June 2019, when the Council declared a climate emergency and adopted a target of achieving city-wide net carbon neutrality (for all gases except biogenic methane) by 2030. As well as developing a work programme around city-wide emissions, the DCC continues its annual corporate emissions measurement and reporting through Toitū carbonreduce. Planning for future growth through the District Plan will also offer opportunities to reduce carbon emissions city-wide. Consistent with its commitment to climate change mitigation, the DCC maintains its Waipori Fund policy of divestment from fossil fuels, and a policy of formal opposition to offshore oil and gas.

Preparing to adapt to climate change continued to be a key part of DCC's business and planning in 2020/21. South Dunedin is one area where DCC has been planning for future mitigation projects to prepare stormwater and wastewater systems for the more frequent and intense rainfalls that are expected.

The DCC, in partnership with the Otago Regional Council (ORC), has undertaken a large phase of community discussions about the effects of climate change in South Dunedin, as part of the South Dunedin Future programme. Collaborative discussions in relation to integration and programme planning have been progressing between the DCC and ORC, with the establishment of a jointly funded South Dunedin Future Programme Manager position to lead the programme of work across both organisations.

The DCC continues to report progress on its climate change work programme through the Global Covenant of Mayors (formerly Compact of Mayors).

The DCC will continue to take a sustainable approach to its activities and programmes by continuing to use resources responsibly, taking a long-term view, considering future generations and taking account of the social, economic, environmental and cultural effects of DCC's decisions.

2020/21 Update

Two performance measures track progress of the Council's commitment to sustainability.

Sustainability Indicator	2020/21	Māori stats 2020/21
Percentage of residents agreeing that 'Dunedin is a sustainable city'	47% (ROS, 2020/21)	53% (ROS, 2020/21)
Percentage of residents agreeing that 'the DCC is a leader in encouraging the development of a sustainable city'	32% (ROS, 2020/21)	39% (ROS, 2020/21)

Highlights

Highlights of the work undertaken by the DCC in the 2020/21 year include:

- The DCC commissioned an update to the emissions inventory of the city, which is a key commitment of the Global Covenant of Mayors for Climate and Energy. The inventory was completed in March 2021 and shows how the city's greenhouse gas emissions are tracking overall and by sector, with transportation and agriculture the largest emitting sectors, followed by stationary energy.
- Work towards a Dunedin action plan to reduce emissions continued. A Climate 2030 Rapid Review undertook a stocktake of DCC activities to identify initiatives for reducing emissions and increasing climate resilience. Findings from the review were fed into the preparation of the 10 Year Plan. The Council also agreed to join a Zero Carbon 2030 Alliance with founding partners across the city.
- A review of the DCC's internal Emissions Reduction Plan is underway. The DCC anticipates having a new Emissions Reduction Plan, including a new set of actions and targets, and new measurement and reporting processes, in place during 2021/22.
- As part of the South Dunedin Future programme, collaborative discussions progressed in relation to programme management, technical data, academic linkages and central government legislative reform. A Technical Advisory Group, and a dedicated Programme Manager position for South Dunedin Future were established.

- DCC staff contributed to the development of the National Climate Change Risk Assessment developed by the Ministry for the Environment, and the ORC commissioned an 'Otago Regional Climate Change Risk Assessment' report.
- The DCC and ORC continued to meet with community, sports, faith-based and social groups active in the South Dunedin area as part of the 'What is happening?' phase of community engagement. COVID-19 restrictions had some impact on the engagement, however staff met with a total of 48 groups in 2020/21. The aim of these face-to-face meetings was to build relationships and raise awareness of the flood risks and climate change challenges and opportunities facing the area. This was the first step in a multi-year process to involve as much of the community as possible in future decisions about how best to respond and adapt to climate change.
- As well as meeting face to face with individual groups, the DCC, ORC and partner agencies held frequent public drop-in information sessions on a range of climate change-related topics in the South Dunedin community. Five sessions were held in 2020/21 on topics including the St Clair-St Kilda Coastal Plan, three waters systems, community resilience and civil defence. Staff have also attended a number of community hui, written updates for the South Dunedin newsletter, The Lowdown, and given a range of interviews related to the programme.

SECTION 2:

Services and activities | He ratoka, he mahi

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Services and activities | He ratoka, he mahi

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.

This section describes how each group of activity fits into the strategic framework including links with community outcomes and major strategies. The service rationale for each of the activities in the group are outlined. For each activity level of service statements and associated performance measures, results of performance achievement are provided, along with explanations on non-achievement. An outline of some of the service achievements or effects on the community during the year, comparison of capital expenditure budgets vs actuals and a funding impact statement for each group is also provided.

Group of Activity	Services and activities	
Roading and footpaths	Transport	
Water supply	Water supply	
Sewerage and sewage	Wastewater	
Stormwater	Stormwater	
Reserves and recreational facilities	Aquatic services Botanic Garden	Cemeteries and crematorium Parks and reserves
Property	Commercial property Community housing	Operational property
Libraries and museums	Lan Yuan Chinese Garden Dunedin Public Art Gallery Dunedin Public Libraries	Olveston Historic Home Toitū Otago Settlers Museum
Waste management	Waste and environmental solutions	
Regulatory services	Building services Compliance solutions	Parking operations Parking services
Community and planning	City development Resource consents	Community development and events
Economic development	Business development Destination Dunedin	Dunedin i-SITE Visitor Centre
Governance and support services	Business information services Civic and administration Communications and marketing Corporate leadership Corporate policy Customer services agency	Finance (includes Warm Dunedin) Fleet operations Human resources Investment account Waipori Fund

Residents' Opinion Survey 2020/21

The Residents' Opinion Survey is one of the DCC's main methods of measuring performance. The Residents' Opinion Survey (ROS) uses a sequential mixed-mode methodology and is conducted continuously over the year.

Residents are randomly selected from the electoral roll to participate in the survey. Selected residents are sent a letter that invites them to complete the survey online. After two weeks, non-responding individuals are sent a reminder postcard and then a paper questionnaire a further one and a half weeks later.

In 2020/21, 1,287 responses were obtained over the course of 12 months, giving a response rate of 31% and a margin of error of +/- 2.7% at the 95% confidence interval. Recent ROS response rates were 32% in 2020, 28% in 2019 and 26% in 2018. Post data collection, the sample has been weighted to known population distributions according to the 2013 census using age, gender and ethnicity.

Technical note: Not all survey respondents answered all questions. The 2020/21 ROS has been conducted using standard analytical methods. Satisfaction with facilities are reported for respondents who have used that facility in the previous 12 months. Where a respondent has answered 'don't know', their response is not included in the percentage calculations.

The full results of the 2020/21 ROS and results of previous years are available at www.dunedin.govt.nz/ros.

Satisfaction Scale

A ten point scale is used to measure satisfaction although results are presented at the five point level and either a 'Don't know' or 'Not at all' option is provided as appropriate.

Very dissatisfied		Dissatisfied		Neutral		Satisfied		Very satisfied	
1	2	3	4	5	6	7	8	9	10

Roading and footpaths | Kā huanui me kā ara hīkoi

What we provide:

The roading and footpaths group includes activities and services related to transport.

The DCC provides for the planning, construction, maintenance, and upgrading of Dunedin's roads and footpaths. This includes making sure street lighting is adequate, traffic signals and road marking are functioning and clear, and cycle ways and footpaths are fit for purpose for Dunedin's communities.

The transport network is vital to Dunedin's economy and is an important contributor to the lifestyle of every Dunedin resident as they move about the city. It is DCC's role to maintain and upgrade the transport network to meet all relevant legislative requirements.

Community outcomes

The roading and footpaths group contributes to the following community outcomes:

- A connected city with a safe, accessible and low-carbon transport system
- A supportive city with caring communities and a great quality of life
- A successful city with a diverse, innovative and productive economy
- An active city with quality and accessible recreational spaces and opportunities
- A sustainable city with healthy and treasured natural environments
- A compact city with a vibrant CBD and thriving suburban and rural centres



Measuring performance

Measure		Data Source	Target 2020/21	Actual 2020/21	Actual 2019/20	Achievement
Level of service: The transport network facilitates efficient travel						
Percentage of residents satisfied with overall roading and maintenance		ROS	≥60%	29%	30%	Not achieved. 1.
Average travel time by vehicle on five key urban routes at peak time (7.30-9.30am)	Route 1-St Clair to Octagon	Travel Time Survey	<15 minutes	13.08 min	10.1 min	Achieved.
	Route 2-Normanby to Octagon		<15 minutes	11.28 min	10.8 min	Achieved.
	Route 3-Mosguel to Octagon		<22 minutes	18.25 min	17.5 min	Achieved.
	Route 4-Brockville to Octagon		<15 minutes	8.55 min	8.4 min	Achieved.
	Route 5-Waverley to Octagon		<15 minutes	12.23 min	10.9 min	Achieved.
Level of service: The transport network facilitates active travel						
Percentage of residents satisfied with the suitability of the road network for cyclists throughout the city		ROS	≥30%	32%	31%	Achieved.
Percentage of residents satisfied with condition of footpaths throughout the city		ROS	≥60%	38%	49%	Not Achieved. 2.
Percentage of residents satisfied with the ease of pedestrian access throughout the city		ROS	≥65%	63%	67%	Not Achieved. 3.
Percentage of residents satisfied with the condition of the streetlights throughout the city		ROS	≥75%	61%	65%	Not Achieved. 4.
Level of service: The transport network facilitates accessibility						
Percentage of residents satisfied with parking availability in the central city		ROS	≥45%	14%	20%	Not Achieved. 5.
Level of service: The transport network facilitates safe travel						
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 measure)		NZTA Dunedin City Road Safety Report	Reducing	1 fewer crashes with fatalities or injuries	9 fewer crashes with fatalities or injuries	Achieved. 6.

Measure	Data Source	Target 2020/21	Actual 2020/21	Actual 2019/20	Achievement
Level of service: The transport network facilitates comfortable travel					
The average quality of ride on local sealed road network measured by smooth travel exposure (DIA measure)	RAMM, NZTA	Smooth travel exposure $\geq 80\%$	76.5%	78.7%	Not Achieved. 7.
Level of service: The transport network facilitates sustainable maintenance					
Percentage of sealed road network that is resurfaced (DIA measure)	Work achieved reports	Target (m ²) equating to 6% of network	4.7% of the network	4.21% of the network	Not Achieved. 8.
Percentage of footpaths within the level of service standard adopted by the Council in its Asset Management Plan (DIA measure)	RAMM Rating	<15% of network is rated poor or very poor	16%	18%	Not Achieved. 9.
Level of service: The network is maintained in a responsive manner					
Percentage of service requests relating to roads and footpaths to which the response is provided within five working days (DIA measure)	Customer Service Agency Records	$\geq 90\%$	58%	93%	Not Achieved. 10.

Explanations

- 1 & 2. The 10 year plan 2021–31 provides for an increase in the maintenance and renewals budget for roading and footpaths, but it is noted that even with these increases, there will still be a shortfall in achieving the levels of service provided for in Asset Management Plans.
3. 63% of residents are satisfied with the ease of pedestrian access throughout the city which shows a decrease of 4% from the prior year and below the target of 65%. Minor improvement projects to improve pedestrian safety and mobility have aimed to improve pedestrian access in the city. An accessibility audit is being undertaken by MR Cagney which will identify areas that need to be addressed from an accessibility perspective, and these will be included in future work programmes.
4. 61% of residents are satisfied with the condition of street lights on the network, a decrease of 4% from the prior year. Installation of the city-wide LED street light upgrade was completed in July 2021.
5. 14% of residents are satisfied with parking availability in the central city. This is a decrease of 6% from the prior year and below the target of 45%. Parking strategies are being developed as part of the new Shaping Future Dunedin Transport project.
6. A safety improvement programme is delivered each year that looks to address engineering improvements to areas of the network identified as high risk. Low Cost Low Risk (LCLR) safety improvements continued within the network with an emphasis on safety education.
7. 76.5% of the sealed network meets a comfortable travel experience as measured through the roughness of the road surface. This is a decrease of 2.2% from the prior year and below the target of 80%.
8. 4.7% of the sealed network was resurfaced in the year, a 0.49% increase on the prior year but below the annual target of 6%. The target reflects the expected average seal life of approximately 13 years, however this varies depending on factors such as the composition of the seal and road use.
9. 16% of the footpath network is rated in poor or very poor condition. This is a decrease of 2% from the prior year, but remains above the target of 15%. Footpath renewal programmes have been increased to address the level of service.
10. 58% of service requests were responded to within 5 working days, a 35% decrease on the prior year. Methodology for measuring response times changed to ensure that contractors visited the site of the request. Prior methodology was office based and provided no guarantee that an actual response on site had been made.

Some of our achievements in 2020/21:

Urban Cycleway programme: The single stage business case for the arterial cycleways programme has been completed and submitted to Waka Kotahi NZTA for approval. Scheme designs have been completed.

Retail Quarter (George Street) Central City Upgrade: The detailed business case for Waka Kotahi was presented to Council in September 2021. Preliminary designs for the enabling works in Great King Street and Filleul Street have been developed. Site and condition investigations have commenced, and the initial construction programme has been established.

Works completed in 2020/21 included:

Retaining Walls: 439m² of retaining walls were constructed in the 2020/21 financial year. This is a decrease of 826m² on the 2019/20 financial year. Retaining walls are renewed at the end of their life resulting in a variance of the level of work undertaken year on year.

Reseals: A total of 44.7km of carriageway was resealed during the 2020/21 financial year. This is an increase of 3.1km on the 2019/20 financial year and an achievement of 4.7% of the network versus a target of 6%.

Footpaths: A total of 23.3km was resurfaced in the 2020/21 financial year. This is an increase of 1.2km on the 2019/20 financial year and an achievement of 2.6% of the network versus a target of 4%.

Pavement Rehabs: One site totalling 200 metres of pavement was rehabilitated in the 2020/21 financial year. This is a decrease of 200 metres on the 2019/20 financial year. Planned rehabilitation sites have been deferred till 2021/22 when funding has been provided for in the 10 year plan 2021–31.

Kerb and Channel: A total of 6.55 kilometres of kerb and channel renewal was completed in the 2020/21 financial year. This is a decrease of 0.58km on the 2019/20 financial year and an achievement of 0.6% of the network versus a target of 1.25%. Kerb and Channel improves sealed road drainage and protects road pavement condition.

Intersection Safety Improvements: To improve safety at high risk intersections, a new roundabout was installed at Forbury / Bayview intersection, 2 roundabouts were installed at Emerson Street and Tunnel Beach Road intersections, and 3 trial roundabouts were made permanent.

Pedestrian Safety Improvements: To improve pedestrian safety, a new shared walking and cycling path has been installed at Blackhead Road and a new footpath is being installed at Gladstone Road, Mosgiel with 75% of the work completed. A safety fence along Pine Hill Road is also 75% complete.

LED Rollout: 10,150 LEDs have been installed in the 2020/21 financial year. The project commenced in December 2019 with 3,029 LEDs installed in the 2019/20 financial year. This project was completed in the first quarter of the 2021/22 year, in line with the 10 year plan.

Capital Expenditure

	Note	2020/21 Actual \$000	2020/21 Budget \$000
New Capital			
Transport – Central city upgrade	1	376	2,000
Transport – City to waterfront connection	2	1	750
Transport – Dunedin urban cycleways	3	2,006	5,081
Transport – LED Street lights	4	4,666	5,921
Transport – Mosgiel East plan change areas	5	1,052	570
Transport – Mosgiel West plan change areas	6	15	2,700
Transport – Peninsula connection	7	17,751	16,600
Transport – Tertiary precinct upgrade	8	10	750
Transport – Low cost, low risk improvements	9	7,568	5,600
Transport – Other unsubsidised new capital		787	680
Transport – Harbour arterial efficiency improvements		31	-
		34,263	40,652
Renewals			
Transport – Column replacement (street lights)	10	626	1,500
Transport – Flood reinstatement		(26)	-
Transport – Footpath renewals	11	2,832	2,500
Transport – Gravel road re-metaling		1,088	1,250
Transport – Major drainage control		3,013	3,000
Transport – Pavement rehabilitations	12	959	-
Transport – Pavement renewals	13	7,076	6,000
Transport – Structure component replacement	14	1,314	-
Transport – Traffic services renewal		473	585
Transport – St Clair seawall steps and ramp		30	-
		17,385	14,835
Total Capital		51,648	55,487

Explanation of variance

- 1 & 2. Project budget reprofiled in the 10 year plan 2021-31.
3. Cycleways budget has been reprofiled in the 10 year plan 2021-31 with the completion of the Harbour Link Cycleway in 2021/22.
- 4 & 10. The LED street light installation project is generally complete, with post implementation surveying and control system commissioning underway.
5. The budget for this project was insufficient to undertake the work required.
6. Delivery of this project was impacted by delays in design and will be completed in the 2021/22 year.
7. Spending on the Peninsula connection project was ahead of budget for the year.
8. Project budget reprofiled in the 10 year plan 2021-31.
9. Increased delivery of high profile safety projects due to additional Waka Kotahi NZTA funding being available.
11. Renewals spend for the year was ahead of budget .
12. This expenditure was previously categorised and budgeted as operating expenditure.
13. Renewals spend for the year was ahead of budget .
14. Renewals spend for the year was ahead of budget including bridges and retaining walls.

Dunedin City Council: Funding impact statement for the year ended 30 June 2021 for

Roading and footpaths

	2020 Long-term plan \$000	2021 Long-term plan \$000	2021 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	14,613	15,271	17,380
Targeted rates	31	32	29
Subsidies and grants for operating purposes	8,948	9,056	11,481
Fees and charges	835	853	1,339
Internal charges and overheads recovered	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	859	878	910
Total operating funding (A)	25,286	26,090	31,139
Application of operating funding			
Payments to staff and suppliers	19,934	20,845	26,743
Finance costs	1,191	1,191	1,191
Internal charges and overheads applied	1,826	1,866	1,835
Other operating funding applications	–	–	–
Total application of operating funding (B)	22,951	23,902	29,769
Surplus (deficit) of operating funding (A-B)	2,335	2,188	1,370
Sources of capital funding			
Subsidies and grants for capital expenditure	20,403	22,653	21,749
Development and financial contributions	224	224	258
Increase (decrease) in debt	–	–	20,673
Gross proceeds from sale of assets	–	–	17
Lump sum contributions	–	–	–
Other dedicated capital funding	–	–	–
Total sources of capital funding (C)	20,627	22,877	42,697
Application of capital funding			
Capital expenditure			
– to meet additional demand	3,195	3,805	2,626
– to improve the level of service	12,505	19,975	8,892
– to replace existing assets	30,787	32,910	40,130
Increase (decrease) in reserves	–	–	–
Increase (decrease) of investments	(23,525)	(31,625)	(7,581)
Total application of capital funding (D)	22,962	25,065	44,067
Surplus (deficit) of capital funding (C-D)	(2,335)	(2,188)	(1,370)
Funding balance ((A-B)+(C-D))	–	–	–

Water supply | He putaka wai

What we provide:

The water supply group includes activities and services related to water supply.

The DCC collects, stores and treats raw water to make it of a standard that is safe to drink. The water is supplied in adequate quantities for drinking and other uses to Dunedin homes, businesses and fire hydrants for use by Dunedin's communities and firefighters. This makes up the reticulated water system which Dunedin has. Some residents use bore-water, surface water or other sources of water to meet their needs.

By delivering a reticulated water system, the DCC ensures that every customer connected to the network receives adequate quantities of safe water with a minimal impact on the environment and at an acceptable financial cost. This secures the DCC's ability to sustainably deliver appropriate services to future generations.

Community outcomes

The water supply group contributes to the following community outcomes:

- A sustainable city with healthy and treasured natural environments
- A healthy city with reliable and quality water, wastewater and stormwater systems
- A supportive city with caring communities and a great quality of life



Measuring performance

Measure		Data Source	Target 2020/21	Actual 2020/21	Actual 2019/20	Achievement
Level of service: The water tastes and looks pleasant and is supplied at adequate pressure						
Percentage of residents satisfied with water pressure and quality		ROS	≥70%	67%	72%	Not Achieved. 1.
Level of service: The water is safe to drink						
The extent to which the local authority's drinking water supply complies with:	a) part 4 of the drinking-water standards (bacteria compliance criteria)	Internal reporting	100%	96%	100%	Not achieved. 2.
	(b) part 5 of drinking-water standards (protozoal compliance criteria)	Internal reporting	100%	98%	100%	Not achieved. 3.
Level of service: Service calls are responded to promptly						
Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:	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	40 minutes	39 minutes	Achieved.
	b) resolution of 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	<240 minutes	104 minutes	112 minutes	Achieved.
	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	<1 day (1,440 minutes)	0.89 days (1,276 minutes)	0.88 days (1,273 minutes)	Achieved.

Measure		Data Source	Target 2020/21	Actual 2020/21	Actual 2019/20	Achievement
	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	<1.67 days (2,400 minutes)	1.40 days (2,014 minutes)	1.83 days (2,634 minutes)	Achieved.
The total number of complaints received * by the local authority about any of the following:	Level of service: The water tastes and looks pleasant					
	Drinking water clarity	Internal reporting	**Not applicable	41 complaints	59 complaints	Not applicable
	Drinking water taste	Internal reporting	**Not applicable	11 complaints	4 complaints	Not applicable
	Drinking water odour	Internal reporting	**Not applicable	1 complaint	8 complaints	Not applicable
The total number of complaints received * by the local authority about any of the following:	Level of service: Water is supplied at adequate pressure					
	The total number of complaints received by the local authority about drinking water pressure or flow	Internal reporting	**Not applicable	150 complaints	111 complaints	Not applicable
	Level of service: The water supply is reliable					
	The total number of complaints received by the local authority about continuity of supply	Internal reporting	**Not applicable	403 complaints	344 complaints	Not applicable
	Level of service: The Council is responsive to customer concerns					
	The local authority's response to any of these issues per 1,000 connections to the local authority's networked reticulation system	Internal reporting	**Not applicable	14 complaints (0.32 per 1,000 connections)	11 complaints (0.25 per 1,000 connections)	Not applicable
	Total complaints expressed per 1,000 connections to the local authority's networked reticulation system	Internal reporting	<15 per 1,000 connections	13.70 per 1,000 connections	11.83 per 1,000 connections	Achieved.
	Level of service: Water resources are used efficiently and sustainably					
The average consumption of drinking water per day per resident within the territorial authority district		Internal reporting	<240 litres	239 litres per day	214 litres per day	Achieved.
The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology to calculate this) Calculation Method: 1. Treatment plant production minus non-domestic minus domestic minus known unbilled = Estimated non-revenue water 2. Estimated non-revenue water divided by periods' treatment plant production = Percentage real water loss			Less than or equal to 20%	22%	25%	Not achieved. 4.

* While all complaints are recorded, multiple complaints received from different people about one issue are counted as one complaint.

** These DIA mandatory measures require a count of complaints received, and therefore do not have a target.

Total number of rated properties for water as at 30 June 2021: 44,741

Explanations

1. There was a slight decrease in satisfaction for the 2020/21 year.
- 2 & 3. DCC has a new Drinking Water Assessor that identified several compliance issues that had not previously been recognised. The Port Chalmers, Outram and Waikouaiti plants were found to be non-compliant for bacteriological compliance. This was due to an inability to prove compliance for two days at Port Chalmers due to a chlorine analyser fault and insufficient data to prove bacterial compliance at the Outram (one additional flow meter required) and Waikouaiti plants (some data gaps). The Outram, West Taieri and Waikouaiti plants were found to be non-compliant for protozoal compliance. This was due to insufficient data to prove compliance at Outram (one additional flow meter required), the inability to carry out pressure decay tests on membranes at West Taieri Water Treatment Plant (UV treatment to be added to compensate), and the recycled water stream at Waikouaiti Water Treatment Plant requiring a greater level of monitoring.
An infringement notice was received from the ORC for a non-compliant discharge from the Waikouaiti Water Treatment Plant.
4. This measure is subject to wide variance as coarse data is used to calculate the final result. The measure uses data from a small number of water meters installed on residential connections and extrapolates data from these connections to get an estimated usage figure for domestic demand across the city. A few thousand additional meters would need to be installed to get a statistically representative sample. As DCC does not use volumetric charging for residential connections, there is little incentive to prioritise meter installation over other capital expenditure projects.

Some of our achievements in 2020/21

Three waters pipeline renewals: Term contracts for design and physical works were initiated. Several design and physical works packages are in progress. A third physical works term contract was signed in July with the first construction package beginning in August 2021.

Sample stations: Water quality sample stations upgrade programme has been completed.

Dam safety assurance programme: Completed gap analysis of our Dam Safety Assurance Programme, identifying work and resources needed to meet the requirements of the NZSOLD Dam Safety Guidelines 2015.

Ross Creek Reservoir: Building Code Compliance achieved for refurbishment project and 'All from Water' artwork installed on the face of the dam (Arts & Creativity in Infrastructure Policy).

Smart water metering: Commenced installation of first meters for commercial properties. Planning for main roll out is in progress and due to start in August 2021.

Water quality sampling: Expanded the water quality sampling programme substantially which helps ensure the supply of safe water to the community.

Capital Expenditure

	Note	2020/21 Actual \$000	2020/21 Budget \$000
New Capital			
Water supply – Water new capital other	1	862	1,345
Water supply – Waikouaiti/Karitane plant		34	-
		896	1,345
Renewals			
Water supply – Careys Bay renewals	2	276	700
Water supply – Central city renewals	3	129	470
Water supply – Karitane water main renewals	4	4,491	1,910
Water supply – Other water renewals	5	8,940	4,009
Water supply – Ross Creek dam renewal		235	139
Water supply – Tertiary precinct renewals		60	186
Water supply – Water treatment plants membrane replacement	6	(4)	1,136
Water supply – Sawyers Bay water main renewal	7	1,259	-
Water supply – Northern pipeline renewals	8	344	-
Water supply – Edinburgh St water main renewal	9	3,301	-
Water supply – Waikouaiti/Karitane network		70	-
		19,101	8,550
Total Capital		19,997	9,895

Explanation of variance

- General water supply projects not specifically budgeted for.
- 2 & 3. Still in project design phase.
- Covid-19 provided an opportunity to redesign this set of contracts and deliver this project faster than planned.
- Additional expenditure on toby replacements due to expanded service, smart water meter project ahead of budget and general water supply projects not specifically budgeted for such as Forbury Corner, Benhar watermain and the Waikouaiti water treatment plant.
- A reduced amount of work required on this project will be completed in the 2021/22 year.
- 7 – 9. Project not specifically budgeted for. Funded by Three Waters Reform stimulus funding.

Dunedin City Council: Funding impact statement for the year ended 30 June 2021 for

Water supply

	2020 Long-term plan \$000	2021 Long-term plan \$000	2021 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	21,161	22,113	22,079
Subsidies and grants for operating purposes	-	-	534
Fees and charges	6,125	6,260	5,590
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	27,286	28,373	28,203
Application of operating funding			
Payments to staff and suppliers	13,453	13,810	15,292
Finance costs	1,575	1,575	1,361
Internal charges and overheads applied	1,441	1,473	1,691
Other operating funding applications	-	-	-
Total application of operating funding (B)	16,469	16,858	18,344
Surplus (deficit) of operating funding (A-B)	10,817	11,515	9,859
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	3,574
Development and financial contributions	117	117	625
Increase (decrease) in debt	-	-	853
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	117	117	5,052
Application of capital funding			
Capital expenditure			
– to meet additional demand	-	419	211
– to improve the level of service	-	2,077	514
– to replace existing assets	2,362	3,227	19,272
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	8,572	5,909	(5,086)
Total application of capital funding (D)	10,934	11,632	14,911
Surplus (deficit) of capital funding (C-D)	(10,817)	(11,515)	(9,859)
Funding balance ((A-B)+(C-D))	-	-	-

Sewerage and sewage | Pūnaha parakaika me te parawai

What we provide:

The sewerage and sewage group includes activities and services related to wastewater.

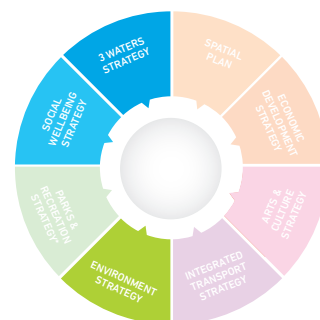
Wastewater is the dirty water discharged from toilets, kitchens, bathrooms and laundries in dwellings and commercial premises. It also includes trade waste discharged from industrial premises into public sewers. The DCC collects domestic and trade wastewater via its systems of sewers and pumping stations, and transfers them to the wastewater treatment plants, where it is treated to a standard acceptable for discharge to the environment.

The DCC protects public health and safety by delivering effective wastewater services to every customer connected to the network with a minimal impact on the environment and at an acceptable financial cost. This secures the DCC's ability to sustainably deliver appropriate services to future generations.

Community outcomes

The sewerage and sewage group contributes to the following community outcomes:

- A sustainable city with healthy and treasured natural environments
- A healthy city with reliable and quality water, wastewater and stormwater systems
- A supportive city with caring communities and a great quality of life



Measuring Performance

Measure		Data Source	Target 2020/21	Actual 2020/21	Actual 2019/20	Achievement
Level of service: Sewage is managed without adversely affecting the quality of the receiving environment						
The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1,000 sewerage connections to that sewerage system		Internal Reporting	0	2 overflows per 1,000 connections	1.8 overflows per 1,000 connections	Not achieved.
Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of abatement notices, infringement notices, enforcement orders and convictions			0	0	0	Achieved.
Level of service: Service calls are responded to promptly						
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	35 minutes	Achieved.
	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		<240 minutes	125 minutes	123 minutes	Achieved.
Level of service: The wastewater service is reliable and the Council is responsive to customer concerns						
Percentage of residents satisfied with the sewerage system		ROS	≥65%	66%	62%	Achieved.

Measure		Data Source	Target 2020/21	Actual 2020/21	Actual 2019/20	Achievement
The total number of complaints received * by the territorial authority about any of the following:	Sewage odour	Internal Reporting	**Not applicable	31	16	Not applicable
	Sewerage system faults		**Not applicable	110	110	Not applicable
	Sewerage system blockages		**Not applicable	127	123	Not applicable
	The territorial authority's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system		**Not applicable	6 complaints (0.12 per 1,000 connections)	3 complaints (0.06 per 1,000 connections)	Not applicable
	All of the above complaints expressed per 1,000 connections to the territorial authority's sewerage system		<5 per 1,000 connections	5.28 per 1,000 connections	5.07 per 1,000 connections	Not achieved. 1.

* While all complaints are recorded, multiple complaints received from different people about one issue are counted as one complaint.

** These DIA mandatory measures require a count of complaints received, and therefore do not have a target.

Total number of rated properties for wastewater as at 30 June 2021: 49,223

Explanations

1. 92 faults and 18 alarms (Allanton). A large number of customer complaints received relate to pump alarms triggering on the Allanton pressure sewer system where pumps service individual properties. Future upgrade to the Allanton system means alarms will alert the contractor to the system fault rather than the property owner, resulting in fewer customer complaints relating to this system.

Some of our achievements in 2020/21:

Middlemarch wastewater: Middlemarch wastewater treatment plant consent lodged.

Green Island: Recommissioned lime plant at Green Island wastewater treatment plant for trialling of liming of sludge to provide a wider range of future biosolids treatment/reuse options.

Northern wastewater scheme: Commenced Northern wastewater schemes consenting study in preparation for consents expiring in 2024 and 2027.

Mosgiel wastewater treatment plant: Refurbishment and recommissioning of the Mosgiel wastewater treatment plant digestion system including gasometer.

Capital Expenditure

	Note	2020/21 Actual \$000	2020/21 Budget \$000
New Capital			
Wastewater – Green Island wastewater treatment plant	1	117	1,350
Wastewater – Kaikorai Valley overflow		3	55
Wastewater – Northern wastewater treatment plants	2	-	850
Wastewater – Wastewater new capital other	3	1,042	1,476
Wastewater – Plant improvements	4	335	-
		1,497	3,731
Renewals			
Wastewater – Careys Bay renewals	5	132	700
Wastewater – Central city renewals		129	280
Wastewater – Green Island wastewater treatment plant	6	328	3,000
Wastewater – Mosgiel wastewater treatment plant		106	-
Wastewater – North East Valley	7	2,130	1,105
Wastewater – Other wastewater renewals	8	6,170	1,750
Wastewater – Tertiary precinct renewals		138	132
Wastewater – Wastewater pumpstation renewals	9	396	1,550
Wastewater – Biofilter media replacement	10	170	1,330
Wastewater – Sawyers Bay wastewater renewal	11	478	-
		10,177	9,847
Total Capital		11,674	13,578

Explanation of variance

1. Still in project planning and calibration phase.
2. Delayed due to land purchase negotiations.
3. Delays experienced in the Integrated Catchment Model due to Covid-19 lockdown, GAP analysis and contract negotiations. Project back on track with 75% of spend planned in 2021/22 and completion expected in first quarter of 2022/23.
4. Projects not specifically budgeted for. Funded by Three Waters Reform stimulus funding.
5. Still in project design phase.
6. Still in project planning and calibration phase.
7. Covid-19 provided an opportunity to redesign this set of contracts and deliver this project faster than planned.
8. Actual renewals expenditure was ahead of budget and included some projects not specifically budgeted for such as the Peninsula connection and Forbury intersection.
9. Delays with tenders and contractor supplies, most contracts awarded and design underway. Some packages completing in 2021/22.
10. Project commenced in September 2020 with construction expected during Winter 2021.
11. Project not specifically budgeted for. Funded by Three Waters Reform stimulus funding.

Dunedin City Council: Funding impact statement for the year ended 30 June 2021 for

Sewerage and sewage

	2020 Long-term plan \$000	2021 Long-term plan \$000	2021 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	31,026	32,421	32,291
Subsidies and grants for operating purposes	20	20	163
Fees and charges	367	375	645
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	31,413	32,816	33,099
Application of operating funding			
Payments to staff and suppliers	13,508	13,682	15,152
Finance costs	4,613	4,613	3,987
Internal charges and overheads applied	2,267	2,317	2,660
Other operating funding applications	-	-	-
Total application of operating funding (B)	20,388	20,612	21,799
Surplus (deficit) of operating funding (A-B)	11,025	12,204	11,300
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	776
Development and financial contributions	188	188	842
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	188	188	1,618
Application of capital funding			
Capital expenditure			
– to meet additional demand	467	447	579
– to improve the level of service	1,055	1,089	896
– to replace existing assets	3,770	9,407	10,199
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	5,921	1,449	1,244
Total application of capital funding (D)	11,213	12,392	12,918
Surplus (deficit) of capital funding (C-D)	(11,025)	(12,204)	(11,300)
Funding balance ((A-B)+(C-D))	-	-	-

Stormwater | Wai marakai

What we provide:

The stormwater group includes activities and services related to managing stormwater.

Stormwater is rainwater that flows across ground and does not get absorbed into the soil. It flows into stormwater pipes and streams, and from there into the sea. The DCC owns and maintains a large network of pipes, pumping stations and other infrastructure to safely dispose of stormwater.

By ensuring adequate stormwater provision to Dunedin communities, we can protect public safety with a minimal impact on the environment. This secures our ability to sustainably deliver appropriate services to future generations.

Effective management of stormwater is essential to prevent the flooding of properties and businesses. Controls are also necessary to ensure that stormwater does not become excessively contaminated and cause pollution of the watercourses, the harbour and the ocean.

Community outcomes

The stormwater group contributes to the following community outcomes:

- A sustainable city with healthy and treasured natural environments
- A healthy city with reliable and quality water, wastewater and stormwater systems
- A supportive city with caring communities and a great quality of life



Measuring Performance

Measure		Data Source	Target 2020/21	Actual 2020/21	Actual 2019/20	Achievement
Level of service: Stormwater services perform adequately and reliably						
Percentage of residents satisfied with the stormwater system		ROS	≥50%	52%	49%	Achieved.
System and adequacy	The number of flooding events that occur in a territorial authority district.*	Internal Reporting	0	0	0	Achieved.
	For each flooding event, the number of habitable floors affected. (Expressed per 1,000 properties connected to the territorial authority's stormwater system)	Internal Reporting	0	0	0	Achieved
Level of service: Stormwater is managed without adversely affecting the quality of the receiving environment						
Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:	Abatement notices	Internal Reporting	0	0	0	Achieved.
	Infringement notices		0	0	0	Achieved.
	Enforcement orders		0	0	0	Achieved.
	Successful prosecutions		0	0	0	Achieved.
Level of service: Service calls are responded to promptly						
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	49 minutes	50 minutes	Achieved.

Measure	Data Source	Target 2020/21	Actual 2020/21	Actual 2019/20	Achievement
The number of complaints received ** by a territorial authority about the performance of its stormwater system, expressed per 1,000 properties connected to the territorial authority's stormwater system	Internal Reporting	<1 per 1,000 connections	0.58 complaints per 1,000 connections	0.31 complaints per 1,000 connections	Achieved. 1.

* A flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor. A habitable floor refers to a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages.

** While all complaints are recorded, multiple complaints received from different people about one issue are counted as one complaint.

Total number of rated properties for stormwater as at 30 June 2021: 49,059

Explanations

1. A total of 28 complaints were received in the 12 month period.

Some of our achievements in 2020/21:

Environmental monitoring: Additional environmental monitoring commenced (in conjunction with wastewater system planning).

Carlyle Road Stormwater: Upgrade pumps, building and pipework.

Watercourses program: The scale of the watercourses program has continued to grow with new sites being added on a regular basis. There are now over 50 sites on the program.

Capital Expenditure

	Note	2020/21 Actual \$000	2020/21 Budget \$000
New Capital			
Stormwater – South Dunedin flood alleviation	1	-	830
Stormwater – Stormwater new capital other	2	1,564	3,500
		1,564	4,330
Renewals			
Stormwater – Central city renewals	3	129	1,080
Stormwater – Mosgiel stormwater pumpstations and network		789	1,022
Stormwater – Other stormwater renewals	4	1,298	934
Stormwater – Tertiary precinct renewals		164	159
Stormwater – Sawyers Bay stormwater renewal	5	258	-
		2,638	3,195
Total Capital		4,202	7,525

Explanation of variance

- Delays experienced in the Integrated Catchment Model due to the 2019/20 Covid-19 lockdown, GAP analysis and contract negotiations. Project back on track with 75% of spend planned in 2021/22 and completion expected in first quarter of 2022/23.
- Watercourse projects still in design phase.
- Still in project design phase.
- Stormwater projects not originally planned but needed doing at the same time as water and wastewater renewals.
- Project not specifically budgeted for. Funded by Three Waters Reform stimulus funding.

Dunedin City Council: Funding impact statement for the year ended 30 June 2021 for

Stormwater

	2020 Long-term plan \$000	2021 Long-term plan \$000	2021 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	5,957	6,225	6,201
Subsidies and grants for operating purposes	-	-	31
Fees and charges	92	94	37
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	6,049	6,319	6,269
Application of operating funding			
Payments to staff and suppliers	3,310	3,403	3,769
Finance costs	79	79	68
Internal charges and overheads applied	503	514	590
Other operating funding applications	-	-	-
Total application of operating funding (B)	3,892	3,996	4,427
Surplus (deficit) of operating funding (A-B)	2,157	2,323	1,842
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	246
Development and financial contributions	17	17	195
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	17	17	441
Application of capital funding			
Capital expenditure			
– to meet additional demand	215	143	111
– to improve the level of service	2,785	1,857	1,453
– to replace existing assets	1,316	3,066	2,638
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	(2,142)	(2,726)	(1,919)
Total application of capital funding (D)	2,174	2,340	2,283
Surplus (deficit) of capital funding (C-D)	(2,157)	(2,323)	(1,842)
Funding balance ((A-B)+(C-D))	-	-	-

Reserves and recreational facilities | Taunaha whenua, papa rēhia

What we provide:

The reserves and recreational facilities group includes activities and services related to:

- Aquatic services
- Botanic Garden
- Cemeteries and crematorium
- Parks and reserves

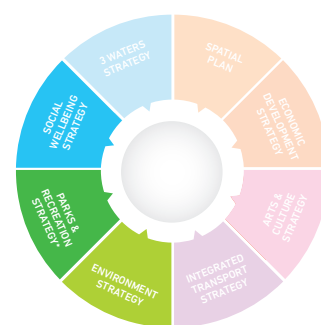
The DCC operates three community swimming pools, and over 100 playgrounds, sportsgrounds, and parks and reserves are maintained every day to meet the leisure, fitness and lifestyle needs of Dunedin. The DCC also maintains open green spaces and reserves like the Botanic Garden and other important facilities like cemeteries and a crematorium.

Green spaces, aquatic facilities and the other activities in this group are central to the wellbeing of Dunedin's communities. The maintenance of these activities allows a breadth of leisure opportunities and the pursuit of 'active' lifestyles in parks, pools, gardens and reserves so that Dunedin's communities can be fit, active and connected in natural spaces.

Community outcomes

The reserves and recreational facilities group contributes to the following community outcomes:

- An active city with quality and accessible recreational spaces and opportunities
- A supportive city with caring communities and a great quality of life
- A sustainable city with healthy and treasured natural environments



Measuring Performance

Measure		Data Source	Target 2020/21	Actual 2020/21	Actual 2019/20	Achievement
Level of service: Aquatic facilities are accessible to everyone						
Percentage of residents who visit a DCC swimming pool at least once a year		ROS	≥50%	49.9%	52%	Not Achieved. 1.
Number of annual attendances at DCC swimming pools	Moana Pool	Internal data	≥600,000	595,949	489,093	Not Achieved. 2.
	St Clair Hot Salt Water Pool	Internal data	≥36,000	46,080	43,883	Achieved.
	Mosgiel Pool	Internal data	≥35,000	23,826	25,733	Not Achieved. 3.
	Port Chalmers Pool	Internal data	≥14,500	14,371	11,362	Not Achieved. 4.
Level of service: Aquatic facilities are well maintained and meet the needs of users						
Percentage of users satisfied with Moana Pool		ROS	≥85%	76%	83%	Not Achieved. 5.
Percentage of users satisfied with community swimming pools (St Clair Salt Water Pool, Mosgiel Pool and Port Chalmers Pool)		ROS	≥85%	76%	71%	Not Achieved. 6.
Level of service: The Botanic Garden and its facilities are well maintained and meet the needs of users						
Percentage of residents who visit the Botanic Garden at least once in a year		ROS	≥75%	77%	76%	Achieved.
Percentage of users satisfied with the Botanic Garden		ROS	≥90%	92%	96%	Achieved.
Level of service: Parks and reserves facilities are accessible to everyone						
Percentage of respondents that agree sites and facilities are satisfactorily accessible		ROS	≥80%	72%	75%	Not Achieved. 7.

Measure	Data Source	Target 2020/21	Actual 2020/21	Actual 2019/20	Achievement
Level of service: Parks and reserves facilities are well maintained and meet the needs of users					
Percentage of users satisfied with DCC playgrounds	ROS	≥80%	67%	71%	Not Achieved. 8.
Percentage of users satisfied with DCC sportsfields	ROS	≥80%	71%	75%	Not Achieved. 9.
Percentage of users satisfied with DCC tracks	ROS	≥80%	79%	84%	Not Achieved. 10.
Percentage of users satisfied with DCC scenic, bush and coastal reserves	ROS	≥80%	83%	86%	Achieved.
Level of service: Cemetery and crematorium services meet the needs of funeral directors and the bereaved					
Percentage of users satisfied with the cemeteries	ROS	≥80%	75%	82%	Not Achieved. 11.

Explanations

- 1, 2, & 4. The number of visits to the DCC swimming pools are improving following the impact that COVID-19 has had.
3. Community Pool season is September 2020 – March 2021. The current facility was built in the mid 1930's and is now ready to be replaced. A new Mosgiel pool is being built.
5. Moana pool is to be upgraded, with improvements including to changing rooms, and the hydroslide.
6. Dissatisfaction with the old Mosgiel swimming pool has impacted on the results. A new pool is being built.
7. A new Greenspace contract has begun, and it will address the provision of services that are below intended target levels.
8. A playspaces review is under way and will inform the playspaces plan.
9. A sportfield review is under way and will inform the sportfield plan.
10. A tracks review is planned and will inform the tracks plan.
11. Levels of service for cemeteries will be reviewed under the new Greenspace contract.

Some of our achievements in 2020/21:

Parks facilities: Various hard surfaces have been replaced including the car parks at Sunnyvale and Monticello sportsgrounds. Tomahawk Beach car park was resurfaced, fenced and replanted. The entrance canopy at the Caledonian Gymnasium was replaced.

Playgrounds: Various play equipment and softfall replacement works continued to take place across the city including Mosgiel Memorial, Arthur Street and Navy Park.

Botanic Garden: The retention of the Botanic Garden's '6-star' status – Garden of International Significance following the assessment by the New Zealand Garden Trust.

Coastal structures: Upgrades included Otago Boat Harbour ramp refurbishment and pile replacement, and the Deborah Bay floating pontoon refurbishment.

Stakeholder engagement: Stakeholder engagement has been completed for a number of projects including the Recreational Tracks Plan, the Sports Facilities Review and the Botanic Garden Strategic Plan. Reserve Management Plan reviews are underway for Truby King Recreational Reserve, Signal Hill Reserve and the Reserves General Policies.

Capital Expenditure

	Note	2020/21 Actual \$000	2020/21 Budget \$000
New Capital			
Aquatic Services – Moana Pool improvements		-	20
Aquatic Services – Mosgiel Pool (DCC contribution only)		853	1,000
Cemeteries and crematorium – City wide beam expansion		35	40
Parks and Reserves – Public toilets	1	-	257
Parks and Reserves – Track network development		2	97
Parks and Reserves – Recreation facilities new capital		149	200
		1,039	1,614
Renewals			
Aquatic Services – Moana Pool renewals	2	964	2,796
Aquatic Services – Mosgiel Pool renewals		-	30
Aquatic Services – Port Chalmers Pool renewals		220	112
Aquatic Services – St Clair Pool renewal		31	88
Aquatic Services – Hydroslide renewal	3	12	1,000
Cemeteries and crematorium – Structures renewals		13	31
Parks and Reserves – Greenspace renewals		520	713
Parks and Reserves – Playground renewals		488	568
Parks and Reserves – Recreation facilities renewals	4	1,495	2,817
Parks and Reserves – Sports field lighting	5	253	-
		3,996	8,155
Total Capital		5,035	9,769

Explanation of variance

1. Delay in Tunnel Beach toilet and car park project. The Tunnel Beach project is currently pending consent. Physical works will be scheduled following this with estimated completion in 2022.
- 2 & 3. Budget allocated to Moana redevelopment project which is pending completion of design work and procurement.
4. Delay in Tunnel Beach toilet and car park project. Budget also used to offset overspend on sportsfield lighting.
5. Completion of work deferred from 2019/20.

Dunedin City Council: Funding impact statement for the year ended 30 June 2021 for

Reserves and recreational facilities

	2020 Long-term plan \$000	2021 Long-term plan \$000	2021 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	20,378	21,295	25,757
Targeted rates	11,924	12,460	4,936
Subsidies and grants for operating purposes	646	654	530
Fees and charges	5,300	5,724	5,449
Internal charges and overheads recovered	9	9	1
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	(38)
Total operating funding (A)	38,257	40,142	36,635
Application of operating funding			
Payments to staff and suppliers	29,018	30,210	27,966
Finance costs	729	729	729
Internal charges and overheads applied	3,236	3,307	3,030
Other operating funding applications	-	-	-
Total application of operating funding (B)	32,983	34,246	31,725
Surplus (deficit) of operating funding (A-B)	5,274	5,896	4,910
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	130
Development and financial contributions	126	126	227
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	2
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	126	126	359
Application of capital funding			
Capital expenditure			
– to meet additional demand	3	3	10
– to improve the level of service	2,330	3,680	773
– to replace existing assets	10,009	5,954	4,252
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	(6,942)	(3,615)	234
Total application of capital funding (D)	5,400	6,022	5,269
Surplus (deficit) of capital funding (C-D)	(5,274)	(5,896)	(4,910)
Funding balance ((A-B)+(C-D))	-	-	-

Property | Kā wāhi whenua

What we provide:

The property group includes activities and services related to:

- Community housing
- Commercial housing (includes miscellaneous and investment portfolios)
- Operational property

The DCC manages property to maintain core services and provide social housing, and provide non-rates revenue. The property portfolio includes the management of housing units for qualifying elderly and lower socio-economic residents, arts and culture facilities like the Regent Theatre, sports facilities like the Edgar Centre and the Ice Sports Stadium, and non-rates revenue from the statutory management of Dunedin City Endowment Land.

Property management is essential to the Council's influence in economic development, arts and culture, social housing, and libraries and museums and maintaining the range of services provided to Dunedin's communities. It supports all of the DCC's activities and services.

Community outcomes

The property group contributes to the following community outcomes:

- A creative community with a rich and diverse arts and culture scene
- A supportive city with caring communities and a great quality of life
- An active city with quality and accessible recreational spaces and opportunities
- A compact city with a vibrant CBD and thriving suburban and rural centres.



Measuring performance

Measure	Data Source	Target 2020/21	Actual 2020/21	Actual 2019/20	Achievement
Level of service: The housing provided by the Council meets the needs of tenants and rental values will not exceed operating expenses					
Percentage of tenants satisfied with Council provided rental housing	Tenant survey	≥95%	99%	91%	Achieved.
Percentage occupancy of Council provided rental housing	Internal review	≥94%	97%	97%	Achieved.
Level of service: Council investment properties are appropriately managed					
Percentage overall occupancy of Council investment properties	Internal property records	≥95%	93%	89%	Not achieved. 1.
Level of service: Council operational properties are appropriately managed					
Percentage of service request response times met	Internal property records	≥75%	85%	91%	Achieved.

Explanations

1. A small number of units within investment properties remain vacant, however these are expected to be leased soon. Increased leasing of other properties has seen this measure improve from 2019/20.

Some of our achievements in 2020/21:

Community Housing: Refurbishment of 38 public housing units at the Palmyra site progressed well, with three of the four blocks fully refurbished by June 2021. Refurbishment includes improved insulation, new bathrooms, double glazing, electrical work, and safety improvements.

Work also continued at the School Street site. Nine units were in very poor condition and were demolished in early 2020. They are being replaced with 10 new units, designed to meet the Homestar 8 standard, and will be some of the most energy efficient public housing units in the country. Work on this site is scheduled for completion in early 2022.

A review of DCC's existing Social Housing policies and strategy commenced in May 2020, and questions for community feedback were included as part of the ten year plan, with a report on 'waitlist prioritisation criteria' due to Council in September 2021. This work is aligned to the Mayoral Taskforce for Housing.

Community Halls: Upgrades at 12 Council owned community halls and libraries was completed with the assistance of a Provincial Growth Fund grant for \$426,298. Upgrade works included roof repairs, repainting, new heating, and other general upgrades.

South Dunedin Library & Community Complex: Work on the design of the new South Dunedin Library & Community Complex continued, with a concept design due later in 2021. Demolition of the existing buildings on the site is planned for 2022. The new complex is due to open its doors to the public in 2024.

Dunedin Railway Station: Stage one of a three-stage exterior repair project at Dunedin Railway Station commenced in November 2020. The first stage concentrated on the north end of the building and included removal of the roof, replacement of damaged tiles, leadwork and stonework repairs, timber replacement and repainting. The first stage of this project was completed in June 2021, with the whole project due for completion by June 2023.

Civic Centre: Exterior work commenced in January 2021 to complete essential repairs to the building. The first stage of this work concentrated on the roof, balconies and exterior face, and includes a programme of window replacement to ensure the building is watertight. This project is scheduled for completion by June 2023.

Capital Expenditure

	Note	2020/21 Actual \$000	2020/21 Budget \$000
New Capital			
Property – Housing	1	1,947	3,550
Property – Sammy's building		-	100
Property – South Dunedin Library and Community Complex	2	(269)	900
Property – Commercial	3	573	2,200
		2,251	6,750
Renewals			
Property – Central Library refurbishment		31	300
Property – Civic	4	2,715	4,566
Property – Community	5	1,422	2,250
Property – Housing renewals	6	4,661	3,300
Property – Commercial and operational renewals		1,752	1,800
		10,581	12,216
Total Capital		12,832	18,966

Explanation of variance

1. The School Street Housing development project was impacted by delayed delivery.
2. A change in project approach impacted the design timeline and expenditure. It is now planned to demolish and purpose build the facility, rather than reuse and refurbish the existing buildings on site.
3. Not all of this budget was required however the Wall St Manuka Causeway installation will be completed in early 2021/22.
4. Delayed projects including roof replacements for the Civic Centre and Dunedin Public Art Gallery.
5. Initial design work was completed for the tarpit remediation project. Physical work will occur in 2023/24.
6. Refurbishment of block three at the Palmyra housing site has been completed, the final block is scheduled for completion by December 2021.

Dunedin City Council: Funding impact statement for the year ended 30 June 2021 for

Property

	2020 Long-term plan \$000	2021 Long-term plan \$000	2021 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	4,351	4,547	8,091
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	426
Fees and charges	18,099	18,497	16,550
Internal charges and overheads recovered	8,341	8,524	8,088
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	30,791	31,568	33,155
Application of operating funding			
Payments to staff and suppliers	17,825	18,243	18,818
Finance costs	3,266	3,266	2,766
Internal charges and overheads applied	2,984	3,050	2,992
Other operating funding applications	-	-	-
Total application of operating funding (B)	24,075	24,559	24,576
Surplus (deficit) of operating funding (A-B)	6,716	7,009	8,579
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	5
Increase (decrease) in debt	-	-	3,447
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	3,452
Application of capital funding			
Capital expenditure			
– to meet additional demand	-	-	-
– to improve the level of service	4,500	2,438	1,688
– to replace existing assets	6,200	6,312	11,144
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	(3,984)	(1,741)	(801)
Total application of capital funding (D)	6,716	7,009	12,031
Surplus (deficit) of capital funding (C-D)	(6,716)	(7,009)	(8,579)
Funding balance ((A-B)+(C-D))	-	-	-

Libraries and museums | Kā wharepukapuka, kā whare taoka

What we provide:

The libraries and museums group includes activities and services related to:

- Dunedin Public Libraries (including City of Literature)
- Dunedin Public Art Gallery
- Toitū Otago Settlers Museum
- Dunedin Chinese Garden
- Olveston Historic Home

The DCC owns and operates the Dunedin Public Libraries, Dunedin Public Art Gallery, Toitū Otago Settlers Museum, Dunedin Chinese Garden and Olveston. The DCC provides opportunities to access and experience visual arts and culture by viewing art collections held in a safe and quality environment. The DCC maintains and preserves a rich heritage of stories, treasures and knowledge through its cultural institutions.

The Council is one of four local authorities in Otago that contribute to the management and funding of the Otago Museum under the Otago Museum Trust Board Act 1996.

Community outcomes

The libraries and museums group contributes to the following community outcomes:

- A creative city with a rich and diverse arts and culture scene
- A supportive city with caring communities and a great quality of life
- A successful city with a diverse, innovative and productive economy



Measuring Performance

Measure	Data Source	Target 2020/21	Actual 2020/21	Actual 2019/20	Achievement
Level of service: Library facilities are accessible, and collections are maintained and updated to meet the needs of the community					
Percentage of residents who visit Dunedin Public Libraries at least once a year	ROS	≥60%	54%	64%	Not achieved. 1.
Percentage of residents who visited and were satisfied with Dunedin Public Libraries	ROS	≥90%	91%	89%	Achieved.
Total number of visits to Dunedin Public Libraries annually	Electronic Door Count	≥1,100,000	913,462	920,579	Not achieved. 2.
Number of participants in lifelong learning programmes conducted by the library annually	Monthly statistics	≥35,000	30,455	35,086	Not achieved. 3.
Level of service: The Dunedin Public Art Gallery provides access to a diverse visual art experience which meets the expectations of visitors and the collection is managed according to international best practice					
Percentage of residents who visit Dunedin Public Art Gallery at least once in a year	ROS	≥40%	51%	51%	Achieved.
Percentage of residents who visited and were satisfied with their visit to Dunedin Public Art Gallery	ROS	≥90%	90%	90%	Achieved.
Total number of visits to Dunedin Public Art Gallery annually	Electronic Door Counter	≥195,000	181,648	198,046	Not achieved. 4.
Level of visitor satisfaction with Dunedin Public Art Gallery	Visitor surveys	≥90%	93%	97%	Achieved.
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 versus time	≥40%	60.0%	56.6%	Achieved.

Measure	Data Source	Target 2020/21	Actual 2020/21	Actual 2019/20	Achievement
Level of service: The Toitū Otago Settlers Museum (Toitū) facilities provide access to a diverse social history experience which meets the expectations of visitors					
Percentage of residents who visit Toitū at least once a year	ROS	≥75%	66%	71%	Not achieved. 5.
Percentage of residents who visited and were satisfied with their visit to Toitū	ROS	≥95%	93%	94%	Not achieved. 6.
Total number of visits to Toitū annually	Electronic Door Counter	≥250,000	237,319	216,656	Not achieved. 7.
Number of special exhibitions, public programs and events staged per year at Toitū and the Dunedin Chinese Garden	Annual status analysis	≥100	105	86	Achieved.
Level of visitor satisfaction with Toitū	Trip Advisor	≥4.5 out of 5 stars (as at 30 June each year)	4.8	5	Achieved.
Level of service: Visitors enjoy an authentic Chinese architectural and cultural experience					
Percentage of residents who visit the Dunedin Chinese Garden at least once a year	ROS	≥15%	21%	24%	Achieved.
Percentage of residents who visited and were satisfied with their visit to Dunedin Chinese Garden	ROS	≥85%	90%	83%	Achieved.
Total number of visits to Dunedin Chinese Garden annually	Manual count plus ticket sales	≥40,000	29,938	34,676	Not achieved. 8.
Level of visitor satisfaction with Dunedin Chinese Garden	Trip Advisor	≥4.0 out of 5 stars (as at 30 June each year)	4.6	4.5	Achieved.
Level of service: Visitors enjoy an authentic historical experience at Olveston					
Percentage of residents who visit Olveston at least once a year	ROS	≥10%	9%	10%	Not achieved. 9.
Percentage of visitors who visited and were satisfied with their visit to Olveston	ROS	≥90%	91%	92%	Achieved.
Total number of visits to Olveston annually	Ticket sales	≥35,000	12,097	24,527	Not achieved. 10.
Level of visitor satisfaction with Olveston	Trip Advisor	≥4.5 out of 5 stars (as at 30 June each year)	4.5	4.5	Achieved.

Explanations

- Visitation has been impacted by COVID-19 Level 2 restrictions and this is also reflected in reduced participation in public programmes.
- Total visitation was below the target due to the impact of COVID-19 Level 2 restrictions and reduced participation in public programmes.
- Number of participants in public programmes have been impacted by COVID-19 during Level 2 restrictions when all public programmes were cancelled and also COVID related uncertainty impacting longer term events planning.
- 5. Visitor numbers have been impacted by closed borders and no cruise ship visits to Dunedin.
- Although not quite on target, satisfaction has remained high.
- 10. Visitor numbers have been impacted by closed borders and no cruise ship visits to Dunedin.

Some of our achievements in 2020/21:

The **Nook & Cranny Festival** was a great success with an audience of 1500 and 50 different bands/soloists playing throughout the Library on 2 May 2021 to launch New Zealand Music Month.

The Dunedin City Library hosted two significant **book launches** in June 2021 in partnership with Dunedin UNESCO City of Literature, both with capacity audiences – *A Clear Dawn: An Anthology of Asian Writing*; and *Prague in My Bones* – a memoir by Czech-New Zealand author Jindra Tichy.

City of Literature Programmes: Free programmes were offered to South Dunedin children by the City of Literature as part of the National Library's Read Share Grow collaboration: 'City of Literature Primary Possibilities' saw primary school students engage in poetry workshops; and in the 'City of Literature SuperGrans Readaloud' local picture book authors visited kindergartens supported by volunteer readers from SuperGrans.

City of Literature Bus Shelter Decals: The City of Literature collaborated with the ORC and Hocken Collections on a series of 'Transported' decals installed on bus shelters, featuring words by local writers and images that explore transport in Dunedin over the decades.

City of Literature Writers' Walk Plaque: The late Essie Summers, Dunedin's 'Queen of Romance' with sales of 19 million worldwide, was celebrated with a Writers' Walk plaque funded by the Friends of the Library and Alexander McMillan Trust; Essie Summers also features in the free City of Literature app *dtour*.

Olveston: New events undertaken during the year have included monthly High Tea and tours in the great hall. The high teas have been so popular, they have also been selling as private birthday parties. Private formal dinners have been held in both the great hall and dining room. The Christmas murder mystery events "A Night To Die For" have been sold out not only to the public, but also for private corporate functions. Charitable events have included the New Zealand Brain Tumour Trust fund raising event, and Pink Ribbon fund raiser. Over 400 primary school children attended educational programs offered by Olveston. The filming of a Netflix film in March saw the house being closed for 7 days for filming. The film is expected to come out in 2022.

Capital Expenditure

	Note	2020/21 Actual \$000	2020/21 Budget \$000
New Capital			
Dunedin Public Art Gallery – Art in public places		32	-
Dunedin Public Art Gallery – Basement store/Minor capital works		246	224
Dunedin Public Art Gallery – Acquisitions – DPAG Society funded		34	30
Dunedin Public Art Gallery – Acquisitions – rates funded		112	80
Dunedin Public Art Gallery – Acquisitions – donation funded		-	35
Dunedin Public Libraries – Acquisitions operational collection		110	-
Dunedin Public Libraries – Heritage collection purchases rates funded		54	56
Dunedin Public Libraries – Heritage collection purchases Trust funded		-	10
Toitu Otago Settlers Museum – Minor capital works		19	20
Toitu Otago Settlers Museum – Acquisitions – rates funded		8	50
		615	505
Renewals			
Dunedin Public Art Gallery – Exhibition lighting		10	10
Dunedin Public Libraries – Acquisitions operational collection		814	915
Dunedin Public Libraries – Minor capital equipment		43	55
Olveston Historic Home – Minor capital works		56	102
Toitu Otago Settlers Museum – HVAC and building management		68	80
Toitu Otago Settlers Museum – Plant renewal		63	100
Lan Yuan Chinese Garden – Plant and furniture renewal	1	-	500
		1,054	1,762
Total Capital		1,669	2,267

Explanation of variance

- Budget was not required. Future building renewal expenditure is determined by Property.

Dunedin City Council: Funding impact statement for the year ended 30 June 2021 for

Libraries and museums

	2020 Long-term plan \$000	2021 Long-term plan \$000	2021 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	25,945	27,113	24,877
Targeted rates	-	-	-
Subsidies and grants for operating purposes	261	266	412
Fees and charges	1,860	1,900	1,474
Internal charges and overheads recovered	18	18	40
Local authorities fuel tax, fines, infringement fees, and other receipts	93	95	5
Total operating funding (A)	28,177	29,392	26,808
Application of operating funding			
Payments to staff and suppliers	18,292	18,646	18,052
Finance costs	939	939	939
Internal charges and overheads applied	6,508	6,651	6,513
Other operating funding applications	-	-	-
Total application of operating funding (B)	25,739	26,236	25,504
Surplus (deficit) of operating funding (A-B)	2,438	3,156	1,304
Sources of capital funding			
Subsidies and grants for capital expenditure	31	31	-
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 (C)	31	31	-
Application of capital funding			
Capital expenditure			
– to meet additional demand	-	-	-
– to improve the level of service	220	455	459
– to replace existing assets	1,877	2,176	1,210
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	372	556	(365)
Total application of capital funding (D)	2,469	3,187	1,304
Surplus (deficit) of capital funding (C-D)	(2,438)	(3,156)	(1,304)
Funding balance ((A-B)+(C-D))	-	-	-

Regulatory services | Ratoka waeture

What we provide:

The regulatory services group includes activities and services related to:

- Building services
- Compliance solutions (includes animal services, environmental health and alcohol licensing)
- Parking operations
- Parking services (enforcement)

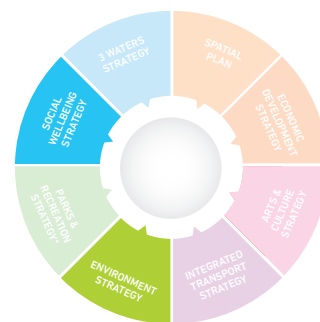
The DCC provides: monitoring services to enforce standards of public safety with the control of dogs; building services that meet customer needs and statutory requirements; protection for the public by monitoring and enforcing standards of public health; and services to reduce alcohol-related harm by monitoring and enforcing standards within licensed premises.

The regulatory services group contributes directly to the safety and health of residents. By monitoring and enforcing standards of public safety, the Council fulfils its role as the authority for a range of regulatory frameworks which help to make Dunedin a great place to live.

Community outcomes

The regulatory services group contributes to the following community outcomes:

- A supportive city with caring communities and a great quality of life
- A sustainable city with healthy and treasured natural environments



Measuring Performance

Measure	Data Source	Target 2020/21	Actual 2020/21	Actual 2019/20	Achievement
Level of service: Legislative standards and bylaws are enforced to protect the public					
Percentage of residents satisfied with the control of roaming dogs	ROS	≥60%	61%	69%	Achieved.
Percentage of "A" graded food premises	DCC internal reporting	≥70%	91%	90%	Achieved.
Percentage of residents satisfied with the control of noise	ROS	≥60%	56%	66%	Not achieved. 1
Level of service: Statutory timeframes for processing of building consents applications and certifications are met					
Percentage of building consent applications processed in accordance with statutory timeframes	Internal processing analysis	100%	99.3%	97.1%	Not achieved. 2
Percentage of Code Compliance Certificates issued in accordance with statutory timeframes	Internal processing analysis	100%	99.4%	97.6%	Not achieved. 3.
Level of service: Monitoring of legislative standards and bylaws is undertaken to protect the public					
Percentage of registered health premises inspected in accordance with the statutory timeframes	DCC internal reporting	100%	100%	90%	Achieved.
Number of alcohol licensing monitoring visits completed each quarter	DCC internal reporting	≥50 compliance visits per quarter	25 completed visits	129 completed visits	Not achieved. 4.
Level of service: Car parking is available, meets the demands of users and parking regulations are enforced					
Percentage of residents satisfied with the availability of metered on-street parking in the central city	ROS	≥40%	19%	23%	Not achieved. 5.

Explanations

1. Work has begun on a Live Music Action Plan with representatives from the community.
2. A total of 99.3% (3,001 of 3,021) building consents were processed within the statutory timeframes.
3. A total of 99.4% (2,200 of 2,213) Code Compliance Certificates were processed within the statutory timeframes.
4. This reduction in monitoring is due to the significant drop in the number of events since the pandemic.
5. A review of central city parking management is planned over the next few years as part of the Shaping Future Dunedin Transport work. This will include how parking is managed and the potential to use improved technology and wayfinding signage to help people find parking.

Some of our achievements in 2020/21:

Building consents volume: A record volume of building consent applications was received in the year with 99.3% of the applications processed within the statutory timeframes.

Building consents online: The portal for submitting building consents applications was improved with most building related applications and forms now able to be submitted online.

Dog park improvements: Several dog parks across the city have seen new items installed including new fencing, drinking fountains, lighting, shelters and seating.

Trading in Public Places Bylaw: This new bylaw took effect on 1 January 2021, responding to safety concerns around electric scooters by requiring share scheme operators to have a permit and comply with conditions.

Capital Expenditure

	Note	2020/21 Actual \$000	2020/21 Budget \$000
New Capital			
Compliance Solutions – Dog exercise areas		(2)	-
		(2)	-
Renewals			
Parking Operations – Parking meter renewals	1	-	200
Parking Operations – Parking building parking meter renewals	2	-	260
Parking Services – Body worn camera renewals		16	25
		16	485
Total Capital		14	485

Explanation of variance

1. The delay in parking meter upgrades is pending the supply of equipment.
2. Budget not required.

Dunedin City Council: Funding impact statement for the year ended 30 June 2021 for

Regulatory services

	2020 Long-term plan \$000	2021 Long-term plan \$000	2021 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	13,819	14,026	16,606
Internal charges and overheads recovered	94	96	162
Local authorities fuel tax, fines, infringement fees, and other receipts	2,272	2,274	1,750
Total operating funding (A)	16,185	16,396	18,518
Application of operating funding			
Payments to staff and suppliers	9,980	10,144	11,032
Finance costs	72	72	72
Internal charges and overheads applied	5,663	5,788	5,636
Other operating funding applications	-	-	-
Total application of operating funding (B)	15,715	16,004	16,740
Surplus (deficit) of operating funding (A-B)	470	392	1,778
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 (C)	-	-	-
Application of capital funding			
Capital expenditure			
– to meet additional demand	-	-	-
– to improve the level of service	19	-	(2)
– to replace existing assets	366	225	16
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	85	167	1,764
Total application of capital funding (D)	470	392	1,778
Surplus (deficit) of capital funding (C-D)	(470)	(392)	(1,778)
Funding balance ((A-B)+(C-D))	-	-	-

Waste management | Rautaki para

What we provide:

The waste management group includes activities and services related to waste and environmental solutions.

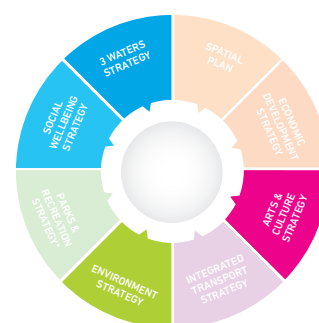
The DCC provides waste collection, resource recovery, and residual disposal service for domestic and some commercial residents in Dunedin. It includes large waste management facilities like the Green Island landfill and inner-city and rural recycling hubs. It also provides education on e-waste minimisation and public education on Council's sustainability practices in Dunedin's unique waste management context.

The DCC currently manages the collections and environmental monitoring contracts, one open and five closed landfill facilities, one recovery store, three transfer stations, and eight recycling drop-off facilities to provide effective waste and recycling collection services and waste disposal facilities in a way that protects public health, minimises impact on the environment, and promotes waste minimisation.

Community outcomes

The Waste and Environmental Solutions group contributes to the following community outcomes:

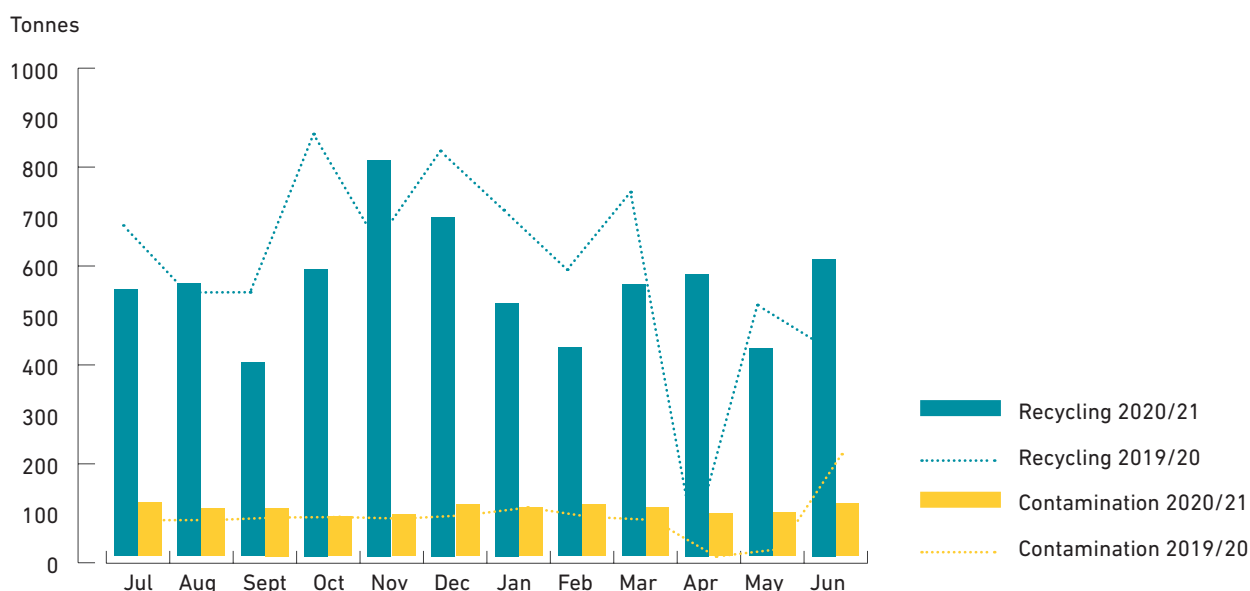
- A sustainable city with healthy and treasured natural environments
- A healthy city with reliable and quality water, wastewater and stormwater systems
- A supportive city with caring communities and a great quality of life



How do we measure performance?

Measure	Data Source	Target 2020/21	Actual 2020/21	Actual 2019/20	Achievement
Level of service: Refuse collection and kerbside recycling meet customer expectations					
Overall satisfaction with rubbish disposal service	ROS	≥70%	52%	64%	Not Achieved. 1.
Level of service: Waste minimisation targets 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 materials sold	6,624 tonnes. 6.5% decrease on 2019/20	7,085 tonnes. 10% decrease on 2018/19	Not Achieved. 2.

Total waste diverted and sold during 2020/21 by month (tonnes)



Explanations

1. Overall satisfaction has decreased from 64% to 52%, with the primary causes of dissatisfaction being the continued use of pre-paid plastic rubbish bags for kerbside waste collection, and the lack of organic collection services. Public engagement on a new kerbside collection service was conducted alongside the 2021/31 Ten Year Plan, with the 'Four bins plus one' option subsequently adopted for implementation in 2022/23.
2. A reduction in the number of available markets for recyclable material, combined with higher acceptance standards for the types and quality of recyclable materials, forced Council to stop accepting plastics 3, 4, 6, and 7 for recycling in July 2020, which contributed to a 6.5% reduction in diverted materials sold.

Some of our achievements in 2020/21:

Waste minimisation grants: \$136,424 of contestable funding was awarded to community groups/schools and organisations for waste minimisation initiatives.

Community recycling facilities: The fifth inner city facility was completed in July 2020 located next to the Marsh Study Centre on Castle Street.

Polystyrene recycling: Collection of household polystyrene packaging for recycling commenced at the Green Island resource recovery site. This is recycled into insulation material by Expol.

Second weighbridge: Installation of a second weighbridge at the Green Island Transfer Station began in April 2021. This weighbridge will permit accurate recording of incoming waste quantities as well as allowing for all users of the Transfer Station to pay by weight for disposed materials.

Green Island Resource Recovery site: A redevelopment of the resource recovery area and Rummage Store was completed in order to increase the area available for drop-off of recyclable material, improve traffic flow, and improve the 'customer experience' of the site.

Waikouaiti Resource Recovery site: A redevelopment of the resource recovery area was completed in order to enable the local 'OneCoast' community group to begin establishment of a community recycling operation.

Kerbside recycling audits: Two recycling inspection programmes were conducted to provide education and feedback to residents on the content of their yellow lidded recycling bins. A total of 13,500 households were covered by these inspection programmes.

Waste Futures Project: The Waste Futures project involves using the Better Business Case methodology to develop a future waste and diverted materials system for Dunedin. It also includes feasibility studies for operating the Green Island landfill until an alternative landfill is available, and investigating the technical feasibility of a new landfill facility at the designated Smooth Hill site. Phase one of this project focused on the Strategic Case and Programme Business Case and is now complete. Phase two focussed on the economic, financial, commercial, and management business cases and is also now complete. Phase three focussed on the resource consent applications for the designated landfill site located at Smooth Hill which were submitted in August 2020. Phase four and five are now underway which include technical investigations into the Green Island landfill and proposed Resource Recovery Park, as well as procurement of future kerbside collection services and resource recovery facilities.

Capital Expenditure

	Note	2020/21 Actual \$000	2020/21 Budget \$000
New Capital			
Waste and Environmental Solutions – Green Island landfill and transfer	1	898	466
Waste and Environmental Solutions – Green Island landfill renewals		16	-
Waste and Environmental Solutions – Landfill gas collection system		4	230
Waste and Environmental Solutions – Middlemarch landfill and transfer station		71	90
Waste and Environmental Solutions – Waikouaiti transfer station		342	100
Waste and Environmental Solutions – Green Island landfill aftercare	2	268	750
Waste and Environmental Solutions – Smooth Hill Meteorological Station		12	-
Waste and Environmental Solutions – City recycling facilities		8	-
		1,619	1,636
Renewals			
Waste and Environmental Solutions – Bin replacements		46	50
Waste and Environmental Solutions – Green Island landfill renewals	3	7	326
		53	376
Total Capital		1,672	2,012

Explanation of variance

1. Increased budget allocation from underspend in renewals.
2. Final capping of completed landfill areas postponed until 2021/22.
3. Budget allocated to new capital.

Dunedin City Council: Funding impact statement for the year ended 30 June 2021 for

Waste management

	2020 Long-term plan \$000	2021 Long-term plan \$000	2021 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	604	631	576
Targeted rates	2,981	3,115	2,899
Subsidies and grants for operating purposes	-	-	-
Fees and charges	13,838	12,909	10,559
Internal charges and overheads recovered	1,002	1,024	1,717
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	18,425	17,679	15,751
Application of operating funding			
Payments to staff and suppliers	13,270	13,562	17,002
Finance costs	179	179	179
Internal charges and overheads applied	932	952	850
Other operating funding applications	-	-	-
Total application of operating funding (B)	14,381	14,693	18,031
Surplus (deficit) of operating funding (A-B)	4,044	2,986	(2,280)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	497
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	-	-	497
Application of capital funding			
Capital expenditure			
– to meet additional demand	-	-	-
– to improve the level of service	702	404	1,217
– to replace existing assets	632	509	455
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	2,710	2,073	(3,455)
Total application of capital funding (D)	4,044	2,986	(1,783)
Surplus (deficit) of capital funding (C-D)	(4,044)	(2,986)	2,280
Funding balance ((A-B)+(C-D))	-	-	-

Community and planning | Te hapori me te whakamahere kaupapa

What we provide:

The community and planning group includes activities and services related to:

- Community development and events
- City development
- Resource consents

The DCC is responsible for promoting the sustainable management of the natural and physical resources within Dunedin. This includes developing, reviewing and administering the District Plan, Spatial Plan and related policies, and processing applications for resource consents under the District Plan. The DCC also provides heritage, biodiversity and urban design advice to residents, and administers the heritage fund.

The community and planning group provides advice to community providers, administers a range of community support and grants, and organises community events. The community and planning group contributes to the vibrancy of the city for Dunedin residents and visitors, and works with community groups to provide a better quality of life, while driving development and delivery of the city's key strategies.

Community outcomes

The community and planning group contributes to the following community outcomes:

- A creative city with a rich and diverse arts and culture scene
- A successful city with a diverse, innovative and productive economy
- A supportive city with caring communities and a great quality of life
- A sustainable city with healthy and treasured natural environments
- A compact city with a vibrant CBD and thriving suburban and rural centres



Measuring Performance

Measure	Data Source	Target 2020/21	Actual 2020/21	Actual 2019/20	Achievement
Level of service: Advice and support is provided to the community and key stakeholders, and grants funding and contract support is appropriately administered and monitored					
Percentage of customers satisfied with advice, support, and assistance provided by Community Development	Annual survey	≥95%	100%	91%	Achieved.
Level of service: Council-funded events meet the needs of residents					
Percentage of residents satisfied with city festivals and events	ROS	≥70%	56%	70%	Not Achieved. 1.
Percentage of residents satisfied with the overall look and feel of the city	ROS	≥75%	62%	70%	Not Achieved. 2.
Level of service: Resource consents are processed efficiently and meet statutory timeframes and customer information needs are met					
Percentage of resource consents processed within statutory timeframes	Internal processing analysis	100%	98%	99%	Not Achieved. 3.

Explanations

1. Health and Safety compliances, including COVID-19 protocol considerations, have affected event viability. International acts unable to visit may have negatively impacted consumer attitudes.
2. Design and engagement are advancing on the Central City Plan with the Retail Quarter (George Street) works and planning for the Creative Quarter upgrade likely to commence in 2022. The Central City Plan is a response to residents' concerns about the overall appearance of the central city and seeks to coordinate amenity upgrades with the necessary Three Waters infrastructure upgrades. Prior to these amenity enhancements being rolled out across the city, it is likely resident satisfaction will trend downward as the existing street environment ages.
3. Staff processed a total of 98% (838 of 854) of resource consents within statutory timeframes.

Some of our achievements in 2020/21:

Enviroschools continued to support 37 Dunedin Primary, Intermediate and Secondary schools through student and teacher hui, and a range of sustainability focused initiatives.

Task Force Green Volunteers undertook around 20,000 hours of work across approximately 300 projects to support DCC and community.

The **Dunedin Youth Council** presented a submission summarising the data gathered from a youth survey and hosted meetings to assist with consultation for the 10 Year Plan.

The **Dunedin Biodiversity Fund** allocated \$83,426 to 29 different local biodiversity projects. The fund received a record number of applications from first-time applicants in 2020/21.

Dunedin's Native Planting Guide was successfully promoted at high profile city events such as the New Zealand Science Festival and Wild Dunedin.

The **Dunedin Heritage Fund** allocated \$763,855 in grants to 44 different local heritage restoration, repair and conservation projects. The Fund grants leveraged an estimated \$4.4 million in private investment into heritage properties across the city. The Fund has been consistently over-subscribed with considerable promotion work being undertaken in tandem with heritage advice provided to applicants.

A housing capacity assessment was prepared to meet requirements under the National Policy Statement on Urban Development (NPS-UD). The assessment estimates the demand for dwellings in Dunedin and the supply of development capacity in Dunedin. It assesses the sufficiency of development capacity to meet demand in the short-term (three years), medium-term (10 years) and long-term (30 years), including the sufficiency of dwellings by dwelling type, development type, and broad location. It also assesses the impact of planning and infrastructure decisions on that demand and supply.

The housing capacity assessment provides an evidence base that will inform decision-making, particularly for the Second Generation District Plan (2GP) and Future Development Strategy (FDS).

A parklet on Great King Street opposite the Dental School, outside the Hunter Centre, was installed in June. The installation followed the completion of two significant building projects. Consultation with adjoining building users was undertaken in co-ordination with the University's Strategic Architect. Planning work is currently underway to determine suitable locations for the remaining parklets, which are currently in storage. These parklets were to be deployed as part of a planned Innovating Streets project on Union Street East. Following the decision not to progress that project, urban design and transportation have agreed to identify suitable locations in the wider Tertiary Precinct area or near the St Clair commercial centre.

Other items of street furniture used during the Octagon Experience have been permanently installed (bench seats along Portsmouth Drive/planter boxes used by enviro-schools). Additional locations are being investigated to ensure the reuse of stored items.

Capital Expenditure

	Note	2020/21 Actual \$000	2020/21 Budget \$000
New Capital			
City Development – Minor amenity centres upgrades	1	(28)	513
City Development – Street trees and furniture		14	126
Community Development and Events – Minor equipment		5	5
		(9)	644
Total Capital		(9)	644

Explanation of variance

1. Delay in landscaping and placemaking projects.

Dunedin City Council: Funding impact statement for the year ended 30 June 2021 for

Community and planning

	2020 Long-term plan \$000	2021 Long-term plan \$000	2021 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	11,223	11,728	12,199
Targeted rates	-	-	-
Subsidies and grants for operating purposes	146	149	139
Fees and charges	1,375	1,315	1,559
Internal charges and overheads recovered	257	263	217
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	1
Total operating funding (A)	13,001	13,455	14,115
Application of operating funding			
Payments to staff and suppliers	10,433	10,460	12,147
Finance costs	209	209	209
Internal charges and overheads applied	1,959	2,002	1,985
Other operating funding applications	-	-	-
Total application of operating funding (B)	12,601	12,671	14,341
Surplus (deficit) of operating funding (A-B)	400	784	(226)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	30
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 (C)	-	-	30
Application of capital funding			
Capital expenditure			
– to meet additional demand	-	-	-
– to improve the level of service	375	203	(7)
– to replace existing assets	125	67	(2)
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	(100)	514	(187)
Total application of capital funding (D)	400	784	(196)
Surplus (deficit) of capital funding (C-D)	(400)	(784)	226
Funding balance ((A-B)+(C-D))	-	-	-

Economic development | Te whakatupu ohaoha

What we provide:

The economic development group includes activities and services related to:

- Business development
- Marketing Dunedin
- Visitor centre (i-SITE)

The DCC supports and encourages business vitality, alliances for innovation, a hub for skills and talent, linkages beyond our borders and a compelling destination to make Dunedin a great place to live, work, study, visit and invest in.

The economic development group works in partnership with other agencies to: promote the city, attract visitors and migrants; and encourages and support business, job growth and entrepreneurial activity.

Community outcomes

The economic development group contributes to the following community outcomes:

- A creative city with a rich and diverse arts and culture scene
- A successful city with a diverse, innovative and productive economy
- A supportive city with caring communities and a great quality of life



Measuring Performance

Measure	Data Source	Target 2020/21	Actual 2020/21	Actual 2019/20	Achievement
Level of service: Enterprise Dunedin provides business sector support and coordinates the marketing of the city for tourism and education and attracting investment and skilled migrants					
Percentage of residents satisfied with the Council's support for economic development	ROS	≥50%	31%	46%	Not achieved . 1.
Percentage growth in Dunedin's total visitor nights	Commercial accommodation monitor	≥1.6% increase on previous year	N/A	-4.60% pa growth (12 months to September 2019)	Not measured. 2.
Dunedin's market share of total NZ convention capacity (percentage increase on previous year)	Convention Activity Survey	≥5% increase on previous year	N/A	N/A	Not measured. 3.
Level of service: The i-site Visitor Centre provides an accessible, accurate tourism information and booking service					
Percentage of external customers satisfied with the i-SITE/Visitor centre	Independent external survey	≥90%	96%	100%	Achieved.

Explanations:

1. Results can be affected by variability in economic outcomes as a result of uncontrollable factors, like COVID-19 border closures and alert level shifts.
2. The Commercial Accommodation Monitor (CAM) was discontinued in November 2019. The Monitor was replaced by the Accommodation Data Programme (ADP) in June 2020. The ADP is not comparable to the CAM and has not been operational long enough to establish growth trends. However, the ADP did show as a baseline that there were 708,409 guest nights in Dunedin over the 12 months to May 2021.
3. The Convention Activity Survey was disestablished in June 2019 and has since been replaced by the Business Events Data Programme (BEDP). Unfortunately, there are not yet enough Dunedin venues participating in the BEDP to provide reliable results (just 1 Dunedin venue participated in the March 2021 survey).

Some of our achievements in 2020/21:

Otago Regional Economic Development (ORED) Framework: Work continued on regional economic development activity during the period through the ORED framework. The framework was endorsed by the Otago Mayoral Forum in July 2019. The Coastal Otago Economic Development Advisor also supported a successful \$400,000 application to the PGF for Halls and Monuments programme.

Business Events: Following an Investment Logic Mapping process, a plan for business events was developed and implemented across the sector.

Enterprise Dunedin business clinics were held with 41 businesses to support their development.

Film Dunedin: Film Dunedin continued to support growing film activity in Dunedin. In the 12 months to 30 June 2021, Film Dunedin responded to 196 inquiries related to filming in the city, compared to 105 enquiries in the same period in 2020 and issued 48 film permits compared to 47 film permits in the same period in 2020.

i-SITE Visitor centre: Visitors through the visitor centre doors for the year were down 63% compared to the previous year. Domestic visitors represented 92% of transactions and of these, 52% were Dunedin residents. The 8% international visitors have been those on visas who remained in the country and have been continuing with their working holidays.

Project China: A video conference between Dunedin's Mayor and the Deputy Chairman of Shanghai Standing Committee was held in November 2020. This provided an opportunity for the Mayor to meet high ranking officials in Shanghai and support educational and research opportunities.

Strategic Tourism Assets Protection Programmes: some of the \$700,000 investment has focused on product development and capability. A series of projects were implemented across the industry; these included Crisis Resilience, Pathways towards Carbon Neutrality and Digital Enhancement. A project to review the current and future product mix across Dunedin is underway.

Capital Expenditure

	Note	2020/21 Actual \$000	2020/21 Budget \$000
New Capital			
Economic Development – Office equipment		1	-
		1	-
Total Capital		1	-

Dunedin City Council: Funding impact statement for the year ended 30 June 2021 for

Economic development

	2020 Long-term plan \$000	2021 Long-term plan \$000	2021 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	4,872	5,091	4,917
Targeted rates	525	548	500
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,245	1,273	2,226
Internal charges and overheads recovered	2	2	46
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	6,644	6,914	7,689
Application of operating funding			
Payments to staff and suppliers	5,266	5,376	6,257
Finance costs	-	-	-
Internal charges and overheads applied	1,109	1,133	1,164
Other operating funding applications	-	-	-
Total application of operating funding (B)	6,375	6,509	7,421
Surplus (deficit) of operating funding (A-B)	269	405	268
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 (C)	-	-	-
Application of capital funding			
Capital expenditure			
– to meet additional demand	-	-	-
– to improve the level of service	-	-	1
– to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	269	405	267
Total application of capital funding (D)	269	405	268
Surplus (deficit) of capital funding (C-D)	(269)	(405)	(268)
Funding balance ((A-B)+(C-D))	-	-	-

Governance and support services | Ratoka whakahaere, ratoka tautoko

What we provide:

The governance and support services group includes activities and services related to:

- Business information services
- Civic and administration
- Communications and marketing
- Corporate leadership
- Corporate policy
- Customer services agency
- Finance
- Fleet operations
- Human resources
- Investment account
- Waipori fund
- Warm Dunedin

The governance and support services group provides technical and administrative support for the key delivery activities of the DCC. In some instances, an external service to residents and the public is provided (e.g. the provision of the Council's website). The support services are largely funded by an internal charge to the other activities in this section. The charge is based on an allocation method that endeavours to reflect the true cost to the key delivery activities.

Community outcomes

The governance and support services group contributes to the following community outcomes:

- A healthy city with reliable and quality water, wastewater and stormwater
- A compact city with a vibrant CBD and thriving suburban and rural centres
- A successful city with a diverse, innovative and productive economy
- A creative city with a rich and diverse arts and culture scene
- A connected city with a safe, accessible and low-carbon transport system
- A sustainable city with healthy and treasured natural environments
- An active city with quality and accessible recreational spaces and opportunities
- A supportive city with caring communities and a great quality of life



Measuring Performance

Measure	Data Source	Target 2020/21	Actual 2020/21	Actual 2019/20	Achievement
Level of service: The information required to participate in the democratic process is appropriately 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%	Achieved.
Percentage of LGOIMA official information requests that are responded to within 20 working days	Internal analysis of LGOIMA processing	100%	70%	79%	Not achieved. 1.
Percentage of residents satisfied with the amount of public consultation undertaken	ROS	≥50%	30%	38%	Not achieved. 2.
Level of service: The information residents require is appropriately available					
Percentage of residents satisfied with the Council's website	ROS	≥65%	56%	62%	Not achieved. 3.
Level of service: Staff communicate with residents appropriately					
Percentage of residents satisfied with how staff communicate	ROS	≥80%	69%	78%	Not achieved. 4.
Level of service: The Waipori Fund achieves the annual target for non-rates income for offsetting against rates requirements (Note: target excludes inflation adjustment)					
Cash received from the Waipori Fund	Annual financial reporting	≥\$3.27 million	\$3.37 m	\$3.39m	Achieved.

Measure	Data Source	Target 2020/21	Actual 2020/21	Actual 2019/20	Achievement
Level of service: The Investment Account receives budgeted dividend					
Dividend received from Dunedin City Holdings Limited (all paid as Interest on Shareholder's Advance)	Annual financial reporting	\$5.902 million	\$5.902 m	\$5.902m	Achieved.

Explanations:

1. A total of 236 LGOIMA's were received, and 165 were processed within the timeframe.
2. Satisfaction with consultations has decreased. Consultations undertaken during the year included "the future of us" – 10 year plan 2021-31.
3. Website satisfaction – an online feedback system is being implemented on the DCC website, to get direct feedback on what is working well, and what is not.
4. The DCC customer services team responded to 262,000 customer requests during 2020/21. Customer satisfaction is surveyed continually to identify areas for improvement. Work is underway to improve customer experiences in the way that requests and complaints are managed.

Some of our achievements in 2020/21:

Customer Experience Award – Supportive Team: The Customer Services Agency was recognised with a 3rd place award from a field of 43 nominations from across New Zealand as part of the October 2020 ALGIM (Association of Local Government Information Management) awards. The team was recognised for its empathy and professionalism in its support for Dunedin City and the wider Otago community during the 2020 Covid-19 pandemic response and management of the Otago Welfare hotline.

South Dunedin Future: Working with the Otago Regional Council, a first phase of community engagement to build relationships and raise awareness of the flood risks and climate change challenges and opportunities facing South Dunedin was undertaken. This included meeting face to face with 51 community groups over the 12 month period.

Electric vehicles: The DCC fleet is reducing its carbon emissions with the addition of 12 new EVs which brings the total number of EVs to 20 plus one hybrid.

Capital Expenditure

	Note	2020/21 Actual \$000	2020/21 Budget \$000
New Capital			
Business Information Services – ICT systems and services	1	92	1,850
Fleet operations – Book bus replacement	2	-	600
Customer Services Agency – CSA self service kiosk		-	50
		92	2,500
Renewals			
Business Information Services – ICT renewals	3	1,254	2,210
Fleet operations – Fleet replacement		739	617
		1,993	2,827
Total Capital		2,085	5,327

Explanation of variance

- 1 & 3. The underspend was primarily driven by lower than expected expenditure on a number of key IT projects including the Payroll System Replacement, Infrastructure Program, Smart Water Meter project and Records Management System.
2. This expenditure will be incurred in the 2021/22 year.

Explanation of allocation of debt in activity funding impact statements

The actual increase of debt for 2021 has been allocated to the individual activities based on their financial performance and capital expenditure.

Dunedin City Council: Funding impact statement for the year ended 30 June 2021 for

Governance and support services

	2020 Long-term plan \$000	2021 Long-term plan \$000	2021 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	722	636	1,173
Targeted rates	585	643	643
Subsidies and grants for operating purposes	-	-	97
Fees and charges	12,513	12,424	9,537
Internal charges and overheads recovered	25,444	26,004	25,525
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	39,264	39,707	36,975
Application of operating funding			
Payments to staff and suppliers	29,536	30,172	34,386
Finance costs	322	851	(3,494)
Internal charges and overheads applied	6,739	6,888	6,851
Other operating funding applications	-	-	-
Total application of operating funding (B)	36,597	37,911	37,743
Surplus (deficit) of operating funding (A-B)	2,667	1,796	(768)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	23,092	33,903	2,530
Gross proceeds from sale of assets	60	60	121
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	23,152	33,963	2,651
Application of capital funding			
Capital expenditure			
– to meet additional demand	-	-	-
– to improve the level of service	506	507	69
– to replace existing assets	2,839	2,869	2,016
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	22,474	32,383	(202)
Total application of capital funding (D)	25,819	35,759	1,883
Surplus (deficit) of capital funding (C-D)	(2,667)	(1,796)	768
Funding balance ((A-B)+(C-D))	-	-	-

SECTION 3:

Finances | **Tahua**

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Financial statements | He pūroko tahua

Dunedin City Council

Statement of comprehensive revenue and expense for the year ended 30 June 2021

		CORE COUNCIL			CONSOLIDATED	
	Note	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 Restated \$000
Revenue continuing operations						
Rates revenue	2	163,492	163,136	156,949	163,492	156,949
Development and financial contributions	3	2,153	832	1,216	2,153	1,216
Subsidies and grants	4	41,227	40,700	40,057	41,227	40,057
Financial revenue	5	16,798	11,566	12,454	12,607	8,125
Other revenue	6	82,902	62,408	68,241	360,882	304,637
Total operating revenue		306,572	278,642	278,917	580,361	510,984
Expenses						
Other expenses	7	140,354	128,847	127,017	270,154	259,396
Personnel expenses	12	65,970	67,972	67,488	126,550	130,688
Audit fees	8	317	317	195	742	943
Financial expenses	9	9,212	12,051	10,712	23,929	29,241
Depreciation and amortisation	10	74,283	73,289	73,097	104,696	102,592
Total operating expenses		290,136	282,476	278,509	526,071	522,860
Operating surplus (deficit) from operations		16,436	(3,834)	408	54,290	(11,876)
Share of associate surplus (deficit)		-	-	-	1,042	1,818
Surplus (deficit) before taxation		16,436	(3,834)	408	55,332	(10,058)
Less taxation	13	(734)	(864)	(1,154)	11,558	(3,427)
Surplus (deficit) after taxation		17,170	(2,970)	1,562	43,774	(6,631)
<i>Surplus (deficit) attributable to:</i>						
Dunedin City Council and Group		17,170	(2,970)	1,562	43,774	(6,631)

Explanations of major variances against budget are provided in Note 38.

The accompanying notes and accounting policies form an integral part of these financial statements.

Dunedin City Council

Statement of other comprehensive revenue and expense for the year ended 30 June 2021

		CORE COUNCIL			CONSOLIDATED	
	Note	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 Restated \$000
Other comprehensive revenue and expense						
Gain (loss) on property, plant and equipment revaluations		372,394	37,500	(1,882)	372,394	(1,882)
Gain (loss) on property, plant and equipment disposals		-	-	(500)	-	(500)
Gain (loss) on forestry land revaluations		-	-	-	6,524	2,874
Gain (loss) of comprehensive revenue in associates		-	-	-	91	2,101
Gain (loss) of cash flow hedges at fair value through other comprehensive revenue and expense		1,396	1,196	2,213	29,523	(17,417)
Gain (loss) on foreign exchange hedges		-	-	-	1,212	(33)
Gain (loss) on carbon credit revaluation		-	-	-	12,279	8,454
Income tax on other comprehensive income		-	-	-	(11,573)	3,124
Total other comprehensive revenue and expense		373,790	38,696	(169)	410,450	(3,279)
Surplus (deficit) after taxation		17,170	(2,970)	1,562	43,774	(6,631)
Total comprehensive revenue and expense		390,960	35,726	1,393	454,224	(9,910)
<i>Total comprehensive revenue and expense attributable to:</i>						
Dunedin City Council and Group		390,960	35,726	1,393	454,224	(9,910)

Statement of changes in equity for the year ended 30 June 2021

		CORE COUNCIL			CONSOLIDATED	
	Note	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 Restated \$000
Movements in equity						
Opening equity		3,121,579	3,161,587	3,120,186	3,283,538	3,293,700
Total comprehensive revenue and expense		390,960	35,726	1,393	454,224	(9,910)
Closing equity		3,512,539	3,197,313	3,121,579	3,737,762	3,283,790

The accompanying notes and accounting policies form an integral part of these financial statements.

Dunedin City Council

Statement of financial position as at 30 June 2021

		CORE COUNCIL			CONSOLIDATED	
	Note	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 Restated \$000
Current assets						
Cash and cash equivalents	15	7,939	9,558	15,362	30,018	65,716
Other current financial assets	19	6,975	9,733	7,163	8,096	8,065
Derivative financial instruments	34	-	-	-	2,059	1,226
Trade and other receivables	16	22,285	18,015	22,813	54,536	47,746
Taxation refund receivable		592	864	868	592	1,397
Inventories	17	294	288	352	5,743	9,001
Non-current assets held for sale	18	3,694	-	-	3,694	1,770
Prepayments		768	500	676	2,333	1,615
Total current assets		42,547	38,958	47,234	107,071	136,536
Non-current assets						
Term receivables	16	-	-	-	6,021	10,023
Other non-current financial assets	19	201,144	192,180	190,897	89,169	78,906
Shares in subsidiary companies	20	128,689	128,689	126,139	-	-
Derivative financial instruments	34	-	-	-	7,588	13,921
Investments accounted for using the equity method	21	-	-	-	35,706	34,574
Intangible assets	30	4,321	3,395	4,923	10,100	8,995
Intangible assets carbon credits	32	-	-	-	49,443	31,970
Investment property	29	104,976	93,480	95,740	104,976	95,740
Forestry assets	31	-	-	-	200,246	169,150
Property, plant and equipment	28	3,377,985	3,098,618	2,964,496	4,206,323	3,738,428
Total non-current assets		3,817,115	3,516,362	3,382,195	4,709,572	4,181,707
Total assets		3,859,662	3,555,320	3,429,429	4,816,643	4,318,243
Current liabilities						
Short term borrowings	23	-	-	-	1,482	1,194
Trade and other payables	24	37,668	25,544	32,234	71,616	61,466
Revenue received in advance	24	14,082	3,600	8,712	14,082	8,712
Employee entitlements	25	8,461	8,263	8,638	15,449	15,304
Derivative financial instruments	34	-	-	703	1,228	3,011
Provision for tax		-	-	-	657	-
Current portion of term loans	26	-	-	-	-	-
Total current liabilities		60,211	37,407	50,287	104,514	89,687
Non-current liabilities						
Term loans	26	271,973	308,873	243,973	819,465	790,609
Employee entitlements	25	1,279	1,284	1,422	2,141	2,460
Provisions	27	12,684	9,847	10,519	12,684	10,519
Derivative financial instruments	34	656	367	1,349	36,489	59,767
Other non-current liabilities		320	229	300	373	948
Deferred taxation	13	-	-	-	103,215	80,463
Total non-current liabilities		286,912	320,600	257,563	974,367	944,766

Dunedin City Council

Statement of financial position as at 30 June 2021 (continued)

		CORE COUNCIL			CONSOLIDATED	
	Note	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 Restated \$000
Equity						
Accumulated funds		1,709,845	1,688,539	1,692,509	1,882,047	1,838,387
Revaluation reserves	14	1,793,209	1,498,197	1,420,815	1,812,113	1,439,628
Restricted reserves	14	10,141	10,944	10,307	10,141	10,307
Cash flow hedge reserves	14	(656)	(367)	(2,052)	(23,084)	(45,632)
Carbon credit reserve	14	-	-	-	16,862	8,019
Forest land revaluation reserve	14	-	-	-	39,683	33,081
Total equity		3,512,539	3,197,313	3,121,579	3,737,762	3,283,790
Total liabilities and equity		3,859,662	3,555,320	3,429,429	4,816,643	4,318,243

Explanations of major variances against budget are provided in Note 38.

Dunedin City Council

Statement of cash flows for the year ended 30 June 2021

	CORE COUNCIL			CONSOLIDATED	
	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 Restated \$000
Cash flow from operating activities					
<i>Cash was provided from operating activities</i>					
Rates received	163,196	162,974	156,509	163,196	156,509
Other revenue	115,389	100,611	100,246	352,218	325,746
Interest received	7,240	8,105	7,563	1,541	1,304
Dividend received	1,205	1,531	1,661	1,205	2,847
Taxation refund received	1,011	850	1,248	1,011	1,380
	288,041	274,071	267,227	519,171	487,786
<i>Cash was applied to:</i>					
Suppliers and employees	(203,792)	(198,532)	(191,276)	(383,226)	(381,710)
Interest paid	(8,682)	(11,571)	(9,572)	(24,131)	(26,288)
Taxation paid	-	-	-	(1,028)	(2,436)
	(212,474)	(210,103)	(200,848)	(408,385)	(410,434)
Net cash inflow (outflow) from operating activities	75,567	63,968	66,379	110,786	77,352
Cash flow from investing activities					
<i>Cash was provided from investing activities</i>					
Sale of assets	140	120	731	1,960	1,453
Reduction in loans and advances	-	-	-	-	-
Carbon credits sold	-	-	-	(125)	8,240
Decrease in investments	-	-	4,499	4,698	11,383
	140	120	5,230	6,533	21,076
<i>Cash was applied to:</i>					
Increase in investments	(5,480)	(2,550)	(2,550)	(2,930)	-
Capital expenditure	(105,650)	(124,841)	(90,602)	(190,357)	(154,171)
	(111,130)	(127,391)	(93,152)	(193,287)	(154,171)
Net cash inflow (outflow) from investing activities	(110,990)	(127,271)	(87,922)	(186,754)	(133,095)
Cash flow from financing activities					
<i>Cash was provided from financing activities</i>					
Loans raised	28,000	64,900	25,000	240,270	142,111
Increase in short term borrowings	-	-	-	-	-
	28,000	64,900	25,000	240,270	142,111
<i>Cash was applied to:</i>					
Loans repaid	-	-	-	(200,000)	(50,000)
Decrease in short term borrowings	-	-	-	-	-
	-	-	-	(200,000)	(50,000)
Net cash inflow (outflow) from financing activities	28,000	64,900	25,000	40,270	92,111
Net increase (decrease) in cash held	(7,423)	1,597	3,457	(35,698)	36,368
Opening cash and cash equivalents balance	15,362	7,961	11,905	65,716	29,348
Closing cash and cash equivalents balance	7,939	9,558	15,362	30,018	65,716

Explanations of major variances against budget are provided in Note 38.

The accompanying notes and accounting policies form an integral part of these financial statements.

Dunedin City Council

Reconciliation of operating surplus (deficit) to net cash flows from operating activities

	CORE COUNCIL			CONSOLIDATED	
	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 Restated \$000
Surplus (deficit) after taxation	17,170	(2,970)	1,562	43,774	(6,631)
Share of retained surplus in associated companies	-	-	-	(1,042)	(1,818)
Add (less) non-cash items					
Depreciation and amortisation	74,283	73,289	73,097	104,696	102,592
Depletion of forest	-	-	-	12,375	9,441
Forestry revaluation	-	-	-	(38,164)	(11,628)
New Zealand carbon credits	-	-	-	(5,069)	(4,862)
Asset impairment	-	-	-	(741)	5,372
After-care provision adjustment	2,165	-	611	2,165	611
Investment property fair value loss (gain)	(9,044)	-	(784)	(9,044)	(784)
Unrealised loss (gain) on investments	(7,203)	-	(2,609)	(7,203)	(2,609)
Vested assets	(7,957)	(3,000)	(4,867)	(7,957)	(4,867)
Add (less) non cash adjustments	440	1,847	(217)	(10,932)	(6,663)
Total non-cash items	52,684	72,136	65,231	40,126	86,603
Add (less) movements in working capital items					
(Increase) decrease in trade and other receivables	528	(2,487)	(4,575)	(6,790)	(1,071)
(Increase) decrease in term receivables	-	-	-	4,002	1,018
(Increase) decrease in inventories	58	(28)	(64)	3,258	2,180
(Increase) decrease in prepayments	(92)	72	23	(719)	(62)
(Increase) decrease tax refund receivable	276	(300)	86	805	67
Increase (decrease) in trade and other payables	5,434	(4,684)	1,091	10,150	(3,709)
Movement in capital creditors in accounts payable	(5,579)	-	(1,717)	(6,168)	(4,737)
Increase (decrease) in other current liabilities	5,193	2,229	4,326	5,515	4,587
Increase (decrease) in other provisions	(143)	-	138	(319)	190
Increase (decrease) provision for tax	-	-	-	657	2,299
Increase (decrease) deferred tax	-	-	-	22,752	1,101
Net movement in working capital items	5,675	(5,198)	(692)	33,143	1,863
Add (less) items classified as investing or financing activities					
Profit on sale of investments	(96)	-	(106)	(96)	(106)
Loss on sale of investments	150	-	342	150	342
Profit on sale of property, plant and equipment	(42)	-	(117)	(597)	(224)
Loss on sale of property, plant and equipment	26	-	159	26	159
Investment in financial instrument	-	-	-	(4,698)	(2,836)
Total items classified as investing or financing activities	38	-	278	(5,215)	(2,665)
Net cash flow from operating activities	75,567	63,968	66,379	110,786	77,352

The accompanying notes and accounting policies form an integral part of these financial statements.

Dunedin City Council

Funding impact statement for the year ended 30 June 2021 (whole of Council)

	Annual Plan 2020 \$000	CORE COUNCIL Actual 2020 \$000	Annual Plan 2021 \$000	Actual 2021 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	83,605	83,767	93,883	94,969
Targeted rates	73,967	73,967	69,585	69,578
Subsidies and grants for operating purposes	11,346	11,867	11,329	13,814
Fees and charges	68,106	59,709	56,895	63,126
Interest and dividends from investments	9,764	9,190	9,816	8,444
Local authorities fuel tax, fines, infringement fees, and other receipts	3,441	2,902	3,113	2,629
Total operating funding (A)	250,229	241,402	244,621	252,560
Applications of operating funding				
Payments to staff and suppliers	195,307	194,543	197,136	206,616
Finance costs	12,833	9,821	12,051	8,007
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	208,140	204,364	209,187	214,623
Surplus (deficit) of operating funding (A-B)	42,089	37,038	35,434	37,937
Sources of capital funding				
Subsidies and grants for capital expenditure	31,121	27,384	28,439	26,504
Development and financial contributions	832	1,216	832	2,153
Increase (decrease) in debt	43,000	25,000	64,900	28,000
Gross proceeds from sale of assets	120	731	120	140
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	75,073	54,331	94,291	56,797
Application of capital funding				
Capital expenditure				
– to meet additional demand	4,675	2,434	6,873	3,537
– to improve the level of service	22,336	11,892	29,241	15,953
– to replace existing assets	97,947	77,990	89,841	91,330
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	(7,796)	(947)	3,770	(16,086)
Total applications of capital funding (D)	117,162	91,369	129,725	94,734
Surplus (deficit) of capital funding (C-D)	(42,089)	(37,038)	(35,434)	(37,937)
Funding balance ((A-B)+(C-D))	-	-	-	-

Dunedin City Council

Statement of financial involvement in Council controlled organisations as at 30 June 2021

Dunedin City Holdings Limited is Dunedin City Council's wholly owned investment company. Its purpose is to monitor and provide leadership to subsidiary and associate companies, and to deliver financial returns to the Dunedin City Council.

The provision of financial assistance by Dunedin City Council to Dunedin City Holdings Limited is by way of share capital and shareholder loan. The financial return for the current year is as follows:

	Dividend 2021 \$000	Interest 2021 \$000	Total 2021 \$000
Dunedin City Holdings Limited	-	5,902	5,902

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. Approve all 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 Council		
1. Golden Block Investments Limited	49%	Investment rental building.
Subsidiaries of Dunedin City Holdings Limited		
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 Dunedin City Council Group.
3. Aurora Energy Limited	100%	Provision of electricity distribution services in Dunedin City and Central Otago.
4. Otago Power Limited	100%	Non trading company.
5. Delta Utility Services Limited	100%	Infrastructure specialist providing a range of electrical and environmental services to local authority and private sector customers with service depots throughout the South Island.
6. Lakes Contract Services Limited	100%	Non trading company.
7. Dunedin Venues Management Limited	100%	Event, turf, and stadium and facilities management company currently operating out of the Forsyth Barr Stadium, Dunedin Centre/Town Hall Complex and the University of Otago Oval.
8. Dunedin Stadium Property Limited	100%	Ownership of the Forsyth Barr Stadium.
9. Dunedin Railways Limited	100%	Until March 2020, operated a tourist and excursion train on the Taieri Gorge railway line and on the Seaside line north of Dunedin. Due to the impact of COVID-19, the company was put into hibernation from 1 July 2020 to allow time for alternative operating models to be considered.
Associated Companies of Dunedin City Holdings Limited		
1. Dunedin International Airport Limited	50%	Provision of airport services at Momona.

This statement should be read in conjunction with Note 20 and 21 on investments.

Notes to the financial statements | He whakamārama mō te pūroko tahua

Dunedin City Council

Notes to the financial statements for the year ended 30 June 2021

1 Statement of accounting policies

REPORTING ENTITY

Dunedin City Council (the Council) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

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 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 Council has designated itself and the group as public benefit entities (PBEs) for the purposes of complying with generally accepted accounting practice.

The financial statements of the Council and group are for the year ended 30 June 2021. The financial statements were authorised for issue by the Council on 14th December 2021.

BASIS OF PREPARATION

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.

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the year.

Statement of compliance

The financial statements of the Council and group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with and comply with PBE Standards.

Presentation currency and rounding

The 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. All values are rounded to the nearest thousand dollars (\$000), other than certain remuneration and severance payment disclosures (note 12). The remuneration and severance payments are rounded to the nearest dollar.

Standards issued and not yet effective that have been early adopted

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. This replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with earlier adoption permitted.

The Council early adopted this standard to ensure consistency of treatment with its non-PBE subsidiaries when they adopted IFRS 9 Financial Instruments. This new standard had minimal impact on Group reporting.

Under PBE IFRS 9 Financial Instruments, 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.

Financial instruments include cash, trade and other receivables, Waipori investments, trade and other payables, and term borrowings. For each of these specific categories it has been assessed that there has been no change in category and no change in the measurement of the carrying value.

Other changes in accounting policies

The Group has changed its accounting policy regarding how the forestry revaluation reserves are presented within equity. Previously the revaluation of forestry reserves was reported (including the portion relating to the underlying land) as a separate balance within equity. The forestry revaluation reserve balance is now being reported within the accumulated funds balance for the current and prior periods in accordance with the applicable accounting standards, the portion relating to land revaluations is still reported separately within equity.

There have been no other changes in accounting policy. All other policies for the current year and comparative year have been applied on a consistent basis.

Standards issued and not yet effective, and not early adopted

The following standards and amendments, issued but not yet effective and not early adopted, are relevant to the Council. In all instances, the Council and group have not yet assessed the effects of the new standard.

Service Performance Reporting

In November 2017, the XRB issued PBE FRS 48 Service Performance Reporting. There has been no PBE Standard dealing solely with service performance reporting. This standard establishes new requirements for public benefit entities (PBEs) to select and present service performance information. PBE FRS 48 is effective for annual periods beginning on or after 1 January 2022, with early adoption permitted. The Council plans to apply this standard in preparing its 30 June 2023 financial statements.

Statement of Cashflows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The Council plans to apply this amendment in preparing its 30 June 2022 financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Basis of consolidation

The Council consolidates in the Group financial statements those entities it controls (its subsidiaries). Control exists where the Council is exposed, or has rights, to variable benefits (either financial or non-financial) and has the ability to affect the nature and amount of those benefits from its power over the entity. Power can exist over an entity if, by virtue of its purpose and design, the relevant activities and the way in which the relevant activities of the entity can be directed has been predetermined by the Council.

Investments in subsidiaries are measured at cost in the Council's parent financial statements.

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows of entities in the group on a line-by-line basis. All intragroup balances, transactions, revenues, and expenses are eliminated on consolidation except rates charged by the Council to Group entities (note 2).

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, with the exception of the valuation of Dunedin Stadium Property's fixed assets and the related depreciation expense.

Foreign currency transactions

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).

Goods and services tax

Items in the financial statements are stated exclusive of GST, except for receivables and payables which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year include:

- landfill provision (note 27);
- valuation of forestry assets (note 31);
- valuation of property, plant and equipment (note 28);
- valuation of derivative financial instruments (note 34);
- carrying value of the deferred tax liability (note 13).

2 Rates revenue

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
General rates	93,914	82,982	93,914	82,982
Community services rate	4,936	11,789	4,936	11,789
Kerbside recycling rate	2,899	2,863	2,899	2,863
Citywide water rate	22,079	21,217	22,079	21,217
Citywide drainage rate	38,471	36,963	38,471	36,963
Allanton drainage rate	19	19	19	19
Blanket Bay drainage rate	1	1	1	1
Curles Point drainage rate	1	1	1	1
Private street lighting rate	29	29	29	29
Tourism/economic development rate	500	500	500	500
Warm Dunedin rate	643	585	643	585
	163,492	156,949	163,492	156,949

The total amount of rates charged on Council owned properties that have not been eliminated from revenue and expenditure is \$10.44m (2020: \$10.54m). For the Group, rates of \$11.65m have not been eliminated (2020: \$11.53m).

Rating base information

	2021	2020	2019
The number of rating units	56,230	55,936	55,705
The total capital value of the rating units	\$33.798 billion	\$25.625 billion	\$25.376 billion
The total land value of the rating units	\$15.140 billion	\$10.130 billion	\$10.102 billion

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 \$1,275 (2020: \$1,451).

Relevant significant accounting policies

Rates are set annually by resolution of 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 based on usage. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.

Revenue from rates penalties is recognised when the penalty is imposed.

Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

3 Development and financial contributions

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Development and financial contributions	2,153	1,216	2,153	1,216
	2,153	1,216	2,153	1,216

Relevant significant accounting policies

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the services for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

4 Subsidies and grants

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Waka Kotahi NZ Transport Agency roading subsidies	33,051	38,221	33,051	38,221
Government and government agency grants	1,906	1,407	1,906	1,407
Other grants	6,270	429	6,270	429
	41,227	40,057	41,227	40,057

Relevant significant accounting policies

The Council receives funding assistance from the Waka Kotahi NZ Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

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

5 Financial revenue

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Profit on sale of investments	96	106	96	106
Gain on fair value of investments	8,258	3,157	8,258	3,157
Gain on foreign currency transactions	-	-	342	-
Dividend received - Dunedin City Holdings Limited	-	-	-	-
Other dividends received	1,196	1,663	1,196	1,663
Interest received - Dunedin City Holdings Limited	5,902	5,902	-	-
Other interest received	1,346	1,626	2,715	3,199
	16,798	12,454	12,607	8,125

Relevant significant accounting policies

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.

Since the inception of the Term Receivable balance, interest has been accounted for at a conservative level to contractual obligations, on the basis that the probability of contractual future repayments being on time and at the required level was low. During the past year the underlying development which relates to this receivable has progressed well, to the point where recovery of the contractual balance is reasonably certain. The increased probability that the Group will now receive amounts in line with contractual requirements has resulted in the Group recognising an additional \$0.4 million of interest in June 2021 that related to the period 1 June 2017 to 30 June 2020.

6 Other revenue

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 Restated \$000
Rental from investment properties	7,871	7,281	7,871	7,281
Rental from community housing properties	6,239	6,183	6,239	6,183
Commercial and domestic waste disposal charges	8,157	8,864	8,157	8,864
Parking fees	6,797	5,460	6,797	5,460
Regulatory services rendered	5,334	4,472	5,334	4,472
Gain on fair value of investment property	9,044	784	9,044	784
Forest revaluation	-	-	38,164	11,628
Vested assets	7,957	4,867	7,957	4,867
Profit on sale of property, plant and equipment	42	117	597	224
Line charges	-	-	69,584	66,637
Pass-through and recoverable cost revenue	-	-	32,660	36,415
Customer contributions	-	-	11,007	5,835
Electrical services	-	-	18,637	24,043
Greenspace services	-	-	19,040	16,952
Forestry sales revenue	-	-	63,662	46,638
COVID-19 wage subsidy	-	-	131	4,365
Other fees and charges	31,461	30,213	56,001	53,989
	82,902	68,241	360,882	304,637

Relevant significant accounting policies

Revenue is measured at fair value. The specific policies for significant revenue items included in other revenue are explained below:

Rental from investment and community housing properties

Lease rentals (net of any incentives given) are recognised on a straight line basis over the term of the lease.

Commercial and domestic waste disposal charges

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed by users.

Regulatory services rendered

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Gain on fair value of investment property

Investment properties are held primarily to earn lease revenue and/or for capital growth. All investment properties are measured at fair value, determined annually by an independent registered valuer. Any gain or loss arising is recognised in the surplus or deficit for the period in which the gain or loss arises. Investment properties are not depreciated.

Forest revaluation

See note 31 Forestry assets.

Vested assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

Line charges and pass-through and recoverable cost revenue

Line charges and pass-through and recoverable cost revenue is recognised at the fair value of services provided. These revenue streams relate to the provision of distribution services for electricity. Prices are regulated and customers are charged through a mix of fixed charges which are recognised on a straight line basis and variable charges which are recognised based on the volume of distribution services provided. This revenue is recognised during the period in which the service is delivered.

The impact of the 2020 Default Price Quality Path determination on revenue recognition regulated lines revenue for the 2020/21 financial year was \$1.184 million more than the Commerce Commission's allowable revenue cap, largely due to higher residential electricity volumes than forecasted. Under the Commerce Commission's allowable revenue cap rules, this over-recovery of lines revenue will be returned to consumers via a line charge adjustment in the 2022/23 financial year.

Customer contributions

Customer contribution revenue relates to contributions received from customers towards the costs of reticulating electricity to new connections, constructing uneconomic lines and relocating existing network assets. Revenue is generally recognised at the time the new connection is fully constructed and lived in. For contracts with multiple performance obligations revenue is recognised at the point in time when each performance obligation is satisfied.

Electrical services

Electrical Services revenue is derived from the construction of electrical infrastructure assets. The construction of each individual piece of infrastructure is generally taken to be one performance obligation. Where contracts are entered for several projects the total transaction price is allocated across each project based on standalone selling prices. Revenue from construction contracts is recognised over time on a cost-to-cost method i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The directors of Delta Utility Services Limited consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations. The company generally becomes entitled to invoice customers through a monthly claim based on a measure and value calculation or on a milestone basis. The customer is sent a relevant claim or statement of work, the customer assesses the claim and approves it for payment on which an invoice is raised. The Group recognises a contract asset (Work in Progress) for any work performed. Any amount recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the invoiced amount exceeds the revenue recognised to date under the cost-to-cost method, then the Group recognises a contract liability (Income in Advance) for the difference.

A small amount of Delta Utility Services Limited's contracts include performance bonuses for meeting relevant performance KPIs. In this instance the expected value of revenue is only recognised to the amount management considers it likely, measurable and recoverable. This is assessed on a periodic basis and is based on all available information including historic performance. Where modifications in design or contract requirements are entered into, the transaction price is updated to reflect these. Where the price of the modification has not been confirmed, an estimate is made of the amount of revenue to recognise.

Construction and service contracts can include defect and warranty periods following completion of the project. These obligations are not deemed to be separate performance obligations and therefore are estimated and included in the total costs of the contracts. Where required, amounts are recognised in provisions. Where material a retention is held or a performance bond is put in place to reflect this claim/defects periods. Where material costs are incurred to obtain or fulfil a contract, these costs are held on the balance sheet and amortised over either the life of the contract or, in the case of a construction contract, in line with the stage of completion.

Forestry sales revenue

In respect of export sales, the largest category of forestry sales revenue, the Group has determined that there are two performance obligations. The Group is obligated under the contract to supply the specified goods and also to arrange and pay for shipping and insurance on behalf of the customer. Control of the goods passes, and the service of arranging shipping and insurance is complete, at the point when the goods have been loaded onto a ship at the port of departure, to be delivered to the customer's chosen destination. Revenue is recognised at this point in time. In respect of domestic sales within New Zealand, control is considered to be transferred to the customer on delivery of the goods.

COVID-19 wage subsidy

The COVID-19 wage subsidy was a subsidy available from the Ministry of Social Development (MSD) when certain COVID-19 restrictions apply and there is a related reduction in revenue. City Forests, Delta, Dunedin Venues and Dunedin Railways all met the criteria to be eligible for the subsidy in 2020. In 2021, Dunedin Venues and Dunedin Railways only recognised COVID-19 income. The wage subsidy was accounted for in line with NZ IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. The majority of the wage subsidy with the Group was physically received during the 2020 financial year and was recognised in that period.

Other fees and charges

Entrance fees are charged to users of the Council's local facilities, such as pools, museum exhibitions and Dunedin Chinese Garden. Revenue from entrance fees is recognised upon entry to such facilities.

Infringement fees and fines which mostly relate to traffic and parking infringements, and library overdue book fines, are recognised when the infringement notice is issued or when the fines/penalties are otherwise imposed.

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

Revenue from the sale of goods is 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.

Revenue from other 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.

7 Other expenses

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 Restated \$000
General grants	6,134	5,796	6,024	5,700
Otago Museum levy	4,452	4,240	4,452	4,240
Directors' remuneration	-	-	1,200	1,166
Research and development	-	-	-	170
Bad debts written off	1	305	123	671
Bad debts written back	-	-	(508)	-
Increase (decrease) in after-care provision	2,165	611	2,165	611
Increase (decrease) in doubtful debt provision	(206)	(1)	(318)	(95)
Loss on disposal of property, plant and equipment	26	159	26	159
Impairment of intangible assets	-	-	-	10
Impairment of DRL property, plant and equipment	-	-	-	4,486
Elected members' remuneration and expenses	1,744	1,723	1,744	1,723
Rental expense operating leases	75	62	3,622	4,897
Investment property operating expenses	3,450	2,915	3,450	2,915
Inventories expensed	85	44	85	44
Transmission costs on the energy network	-	-	30,310	33,961
Maintenance costs on the energy network	-	-	19,610	17,686
Cost of bush applied	-	-	12,375	9,441
Shipping costs	-	-	17,704	8,446
Other expenditure	122,428	111,163	168,090	163,165
	140,354	127,017	270,154	259,396

Relevant significant accounting policies

General grants

Non-discretionary grants are grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant.

Operating lease expenses

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Finance leases

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 transferred.

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.

Research and development

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

Impairment losses

At each balance sheet date, the carrying amounts of assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit to which the assets belongs is estimated.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is immediately recognised as an expense, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent of any previous revaluation increase for that asset (or cash-generating unit) that remains in the revaluation reserve. Any additional impairment is immediately recognised as an expense.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is immediately recognised as revenue.

Bad debts written back

Bad debts written back relates to the writeback of the Term Receivable. This receivable arose from the supply of infrastructure services on a Christchurch development property and was written down by \$508k on initial recognition on the basis that the probability of contractual future repayments being on time and at the required level was highly unlikely. During the past year the underlying development which relates to this receivable has progressed well, to the point where recovery of the Delta Utility Services Limited's contractual balance is reasonably certain and the carrying value has been increased in line with the contractual value.

8 Audit fees

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
<i>Fees paid to Audit New Zealand for:</i>				
Financial statements	191	179	545	511
Long-term plan audit	126	16	126	16
Regulatory (information disclosure) reporting	-	-	43	40
Price and quality thresholds and other regulatory reporting	-	-	28	25
Customised price-quality path application	-	-	-	351
	317	195	742	943

9 Financial expenses

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Overdraft interest	2	1	2	1
Loss on sale of investments	150	342	150	342
Loss on sale of foreign currency transactions	-	-	-	1,360
Fair value loss on investments	1,055	548	1,055	548
Interest paid to subsidiaries	8,005	9,821	-	-
Term interest	-	-	22,722	26,990
	9,212	10,712	23,929	29,241

Relevant significant accounting policies

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.

All other borrowing costs are recognised as an expense in the financial year in which they are incurred.

10 Depreciation and amortisation

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 Restated \$000
Operational	13,928	13,903	43,234	42,429
Infrastructural	55,402	54,329	55,402	54,329
Restricted and heritage	3,928	3,952	3,928	3,952
As per note 28 Property, plant and equipment	73,258	72,184	102,564	100,710
Intangible	1,025	913	2,132	1,882
	74,283	73,097	104,696	102,592

Depreciation and amortisation expense by group of activity

	CORE COUNCIL	
	Actual 2021 \$000	Actual 2020 \$000
Roading and footpaths	23,644	23,128
Water supply	13,833	13,731
Sewerage and sewage	12,671	12,502
Stormwater	4,714	4,643
Reserves and recreational facilities	4,696	4,702
Property	10,402	9,997
Libraries and museums	1,325	1,658
Regulatory services	375	446
Waste management	621	527
Community and planning	30	8
Economic development	48	58
Governance and support services	1,924	1,697
	74,283	73,097

11 Total group expenditure

	CORE COUNCIL		
	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000
Roading and footpaths	53,413	50,967	48,370
Water supply	32,177	31,079	30,606
Sewerage and sewage	34,469	33,213	33,208
Stormwater	9,142	8,298	8,666
Reserves and recreational facilities	36,421	36,631	35,878
Property	34,978	34,603	34,916
Libraries and museums	26,830	27,120	27,526
Regulatory services	17,115	17,291	17,048
Waste management	18,651	13,600	15,733
Community and planning	14,371	14,075	14,579
Economic development	7,469	5,928	7,139
Governance and support services	40,895	44,851	40,191
Total expenditure per activity	325,931	317,656	313,860
Less: Internal expenditure	(35,795)	(35,180)	(35,351)
Total expenditure per financial statements	290,136	282,476	278,509

12 Remuneration and staffing

Personnel expenses

	CORE COUNCIL	
	Actual	Actual
	2021	2020
	\$000	\$000
Salaries and wages	62,285	63,667
Defined contribution plan employer contributions	2,218	2,151
Other personnel costs	1,467	1,670
	65,970	67,488

Relevant significant accounting policies

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Defined contribution schemes

Employer contributions to Kiwisaver, the Local Government Superannuation Scheme SuperEasy and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred.

Other disclosures

a) Severance payments

There were 5 severance payments made during the year: \$68,886, \$13,000, \$7,000, \$6,855, \$5,163.
(2020: \$34,775, \$34,000, \$15,000, \$9,800, \$5,000, \$1,400.)

b) Chief Executive remuneration

Sandy Graham; 20 July 2020 to 30 June 2021 \$370,279.

Sue Bidrose; 1 July 2020 to 17 July 2020 \$98,581 which includes \$67,525 unused annual leave paid at the end of contract. Sue Bidrose; 1 July 2019 to 30 June 2020 \$435,204.

c) 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 throughout the industry.

The number of full-time employees who were employed as at 30 June 2021 594.38 (2020: 610.28) The number of full-time equivalent other employees as at 30 June 2021 168.60 (2020: 156.43)

(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.)

d) The number of employees as at 30 June 2021 receiving;

Less than \$60,000	487
\$60,000 to \$79,999	188
\$80,000 to \$99,999	167
\$100,000 to \$119,999	84
\$120,000 to \$139,999	21
\$140,000 to \$159,999	12
\$160,000 to \$179,999	8
\$180,000 to \$279,999	6
\$280,000 to \$399,999	3

The number of employees as at 30 June 2020 receiving;

Less than \$60,000	505
\$60,000 to \$79,999	193
\$80,000 to \$99,999	169
\$100,000 to \$119,999	80
\$120,000 to \$139,999	20
\$140,000 to \$159,999	13
\$160,000 to \$179,999	8
\$180,000 to \$279,999	8
\$280,000 to \$439,999	2

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 2021 and 2020 exceed a \$20,000 movement. The less than 5 criterion does not apply to the top band.

e) 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 COUNCIL	
	Actual 2021 \$000	Actual 2020 \$000
Mayor and Councillors		
Remuneration	1,305	1,229
Executive Leadership Team		
Remuneration	2,323	1,988
Total key management personnel remuneration	3,628	3,217

Key management personnel comprises: 15 full-time equivalent elected members and 7 full-time equivalent executive leaders (2021 and 2020).

f) 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 REMUNERATION		ROLE
Hawkins A G		166,500	Mayor
Barker S	1	72,748	
Benson-Pope D H	1,2,4	103,103	
Elder R A		71,488	
Garey C P	1	93,790	Deputy Mayor
Hall D W		71,488	
Houlahan C		71,488	
Laufiso M E		85,786	
Lord M L	1,4	88,317	
O'Malley J P	1,3	87,806	
Radich J		71,488	
Staynes C J		85,786	
Vandervis L	4	71,998	
Walker S A	1,3	77,604	
Whiley A P		85,786	
		1,305,176	

1. Includes Consent Hearing fees

2. Includes Second Generation Variation 1 Plan Hearing fees

3. Includes Second Generation Variation 2 Plan Hearing fees

4. Includes District Licencing fees

13 Taxation

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

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 Restated \$000
Surplus (deficit) before taxation	16,436	408	55,332	(10,059)
(Gain) loss on fair value of investment property	(9,044)	(784)	(9,044)	(784)
Vested assets	(7,957)	(4,867)	(7,957)	(4,867)
Net non-taxable other income/non-deductible expenditure	(1,727)	2,143	954	18,237
Income subject to taxation	(2,292)	(3,100)	39,285	2,527
Prima facie taxation at 28%	(642)	(868)	11,000	708
Plus other adjustments	-	-	336	1,541
Imputation credits	-	-	-	-
Less tax effect of subvention payments	-	-	1,901	(73)
Group recognition of deferred tax in current year	-	-	(1,657)	(3,652)
Under (over) provisions prior years	(92)	(286)	(22)	(1,951)
Taxation charge	(734)	(1,154)	11,558	(3,427)
The taxation charge is represented by:				
- Current taxation	(642)	(868)	(76)	(147)
- Deferred taxation	-	-	11,656	(1,168)
- Under (over) tax provision in prior years	(92)	(286)	427	(501)
- Under (over) deferred tax in prior years	-	-	(449)	(1,611)
	(734)	(1,154)	11,558	(3,427)

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 2021 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.

Imputation credit account. The Group has access to consolidated Group imputation credits that relate to 30 June 2021 and earlier years which will be available for use in subsequent reporting periods totalling \$17,563,017 (2020: \$17,562,341). This is after taking into account imputation credits attached to accrued dividends and known income tax payments/refunds.

Deferred taxation

	Group 2021 \$000	Group 2021 \$000	Group 2021 \$000	Group 2021 \$000	Group 2021 \$000	Group 2021 \$000
	Opening Balance Sheet	Charged to Equity	Charged to Income	Closing Balance Sheet Assets	Closing Balance Sheet Liabilities	Closing Balance Sheet Net
Property, plant and equipment	45,976	(78)	2,047	(270)	48,223	47,953
Employee benefits	3,551	-	2,055	(2,390)	7,982	5,592
Tax losses	-	-	(593)	(610)	-	(610)
Forest	32,859	-	7,555	-	40,414	40,414
Forest costs capitalised	10,156	-	482	-	10,638	10,638
Other Investments	8,601	3,436	1,299	(390)	13,740	13,350
Hedge reserve – foreign exchange contracts	(93)	339	-	-	246	246
Hedge reserve – interest rate swaps	(16,936)	7,877	-	(9,059)	-	(9,059)
Group recognition of deferred tax in current year	(3,652)	-	(1,657)	(5,309)	-	(5,309)
Balance at the end of the year	80,463	11,574	11,188	(18,028)	121,243	103,215

	Group 2020 Restated \$000	Group 2020 Restated \$000	Group 2020 Restated \$000	Group 2020 Restated \$000	Group 2020 Restated \$000	Group 2020 Restated \$000
	Opening Balance Sheet	Charged to Equity	Charged to Income	Closing Balance Sheet Assets	Closing Balance Sheet Liabilities	Closing Balance Sheet Net
Property, plant and equipment	45,101	78	798	(114)	46,090	45,976
Employee benefits	3,654	-	(103)	(2,650)	6,201	3,551
Forest	31,900	-	959	-	32,859	32,859
Forest costs capitalised	9,829	-	327	-	10,156	10,156
Other Investments	7,342	2,369	(1,110)	(488)	9,089	8,601
Hedge reserve – foreign exchange contracts	(85)	(8)	-	(93)	-	(93)
Hedge reserve – interest rate swaps	(11,373)	(5,562)	-	(16,936)	-	(16,936)
Group recognition of deferred tax in current year	-	-	(3,652)	(3,652)	-	(3,652)
Balance at the end of the year	86,367	(3,123)	(2,781)	(23,933)	104,395	80,463

Relevant significant accounting policies

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 Revenue and Expense 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.

14 Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into components. The components are accumulated funds, revaluation reserves, restricted reserves, cash flow hedge reserves, carbon credit reserve and forest revaluation reserve.

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.

a) Accumulated funds

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 Restated \$000
Opening balance	1,692,509	1,690,660	1,838,387	1,840,205
Surplus (deficit)	17,170	1,562	43,774	(6,632)
Adjustments	-	-	(280)	761
Transfers to:				
– Gains (losses) on interest rate swaps and foreign exchange transactions	-	-	-	-
– Carbon credit reserve	-	-	-	3,766
– Restricted reserves	(551)	(1,107)	(551)	(1,107)
Transfers from:				
– Restricted reserves	717	1,394	717	1,394
Closing balance	1,709,845	1,692,509	1,882,047	1,838,387

b) Revaluation reserves

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Opening balance	1,420,815	1,423,197	1,439,628	1,439,909
Gain (loss) recognised on assets of associates	-	-	91	2,101
Property, plant and equipment revaluations	372,394	(2,382)	372,394	(2,382)
Closing balance	1,793,209	1,420,815	1,812,113	1,439,628

This reserve relates to the revaluation of property, plant and equipment to fair value, and to the assets of Dunedin International Airport.

c) 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 2021 \$000	Transfers Inwards 2021 \$000	Transfers Outwards 2021 \$000	Closing Balance 2021 \$000
A. H. Reed Capital Account to extend the Reed library collections	253	3	-	256
R. J. Trust Capital Account to extend library collections	306	4	-	310
G. McKay Housebound Capital Account to extend library collections	11	-	-	11
Clive R. B. Lister Capital Account to maintain the Clive Lister garden	244	3	-	247
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	47	1	-	48
DCC Recreation Loans Reserve to fund small loans to recreation clubs	259	3	-	262
Self Funded Insurance Reserve	314	4	-	318
Library Dunningham Bequest	13	-	-	13
Air Development Capital Reserve to develop the Taieri aerodrome	378	5	-	383
CARS Bethunes Operations Reserve	18	-	-	18
Dog Control Operations Reserve	13	-	-	13
Roading Property Reserve for property purchases	17	-	-	17
Road Maintenance 7 View St Waitati	9	-	-	9
Trans Net Mosgiel East	129	2	-	131
Library General operations Fund Reserve	95	1	-	96
Sportsground Upgrade Logan Park Reserve of development contributions	(190)	-	2	(192)
Sportsground Upgrade Bathgate Park Reserve of development contributions	20	1	-	21
Sportsground Upgrade Hancock Park Reserve of development contributions	32	-	-	32
Playground Upgrade Reserve of development contributions	8	1	-	9
Mosgiel East Reserve of development contributions	246	3	-	249
Mere Mere Over View Subsidiary Reserve	74	1	-	75
Aviary Bird Fund Operations Reserve	28	-	-	28
Mediterranean Garden Development Reserve	15	-	-	15
Craigie Burn Operations Reserve	362	4	-	366
Ocean View Sand Sausage Reserve	154	2	-	156
Waikouaiti Forest Replanting Reserve	414	5	145	274
Walton Park Reserve works	59	1	-	60
Cemetery Service Fund Maintenance Reserve	2,187	-	-	2,187
Art Gallery Funded Operations Reserve	422	5	-	427
Sale of Reserve Land Reserve	17	-	-	17
Hillary Commission General Subsidies Reserve	34	-	-	34
Bateman Bequest to extend Art Gallery collection	536	7	-	543
Harding Bequest Art Gallery Operations Reserve	32	-	-	32
Wastewater Mosgiel East	44	1	-	45
Waste Minimisation Reserve	501	454	570	385
EPH Renewal Fund Reserve community housing	2,098	26	-	2,124
Endowment Property Investment Reserve	1,094	14	-	1,108
Totals	10,307	551	717	10,141

Last Year

Name and brief description of the purpose of the reserve where not indicated in the reserve name.	Opening Balance 2020 \$000	Transfers Inwards 2020 \$000	Transfers Outwards 2020 \$000	Closing Balance 2020 \$000
A. H. Reed Capital Account to extend the Reed library collections	247	6	-	253
R. J. Trust Capital Account to extend library collections	299	7	-	306
G. McKay Housebound Capital Account to extend library collections	11	-	-	11
Clive R. B. Lister Capital Account to maintain the Clive Lister garden	238	6	-	244
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	46	1	-	47
DCC Recreation Loans Reserve to fund small loans to recreation clubs	253	6	-	259
Self Funded Insurance Reserve	307	7	-	314
Library Dunningham Bequest	13	-	-	13
Air Development Capital Reserve to develop the Taieri aerodrome	369	9	-	378
CARS Bethunes Operations Reserve	18	-	-	18
Dog Control Operations Reserve	13	-	-	13
Roading Property Reserve for property purchases	17	-	-	17
Road Maintenance 7 View St Waitati	9	-	-	9
Trans Net Mosgiel East	126	3	-	129
Library General operations Fund Reserve	93	2	-	95
Sportsground Upgrade Logan Park Reserve of development contributions	(186)	-	4	(190)
Sportsground Upgrade Bathgate Park Reserve of development contributions	20	-	-	20
Sportsground Upgrade Hancock Park Reserve of development contributions	31	1	-	32
Playground Upgrade Reserve of development contributions	8	-	-	8
Mosgiel East Reserve of development contributions	240	6	-	246
Mere Mere Over View Subsidiary Reserve	72	2	-	74
Aviary Bird Fund Operations Reserve	27	1	-	28
Mediterranean Garden Development Reserve	15	-	-	15
Craigie Burn Operations Reserve	354	8	-	362
Ocean View Sand Sausage Reserve	150	4	-	154
Waikouaiti Forest Replanting Reserve	405	9	-	414
Walton Park Reserve works	58	1	-	59
Cemetery Service Fund Maintenance Reserve	2,187	-	-	2,187
Art Gallery Funded Operations Reserve	392	30	-	422
Sale of Reserve Land Reserve	17	-	-	17
Hillary Commission General Subsidies Reserve	33	1	-	34
Bateman Bequest to extend Art Gallery collection	524	12	-	536
Harding Bequest Art Gallery Operations Reserve	31	1	-	32
Wastewater Mosgiel East	43	1	-	44
Waste Minimisation Reserve	981	910	1,390	501
EPH Renewal Fund Reserve community housing	2,050	48	-	2,098
Endowment Property Investment Reserve	1,069	25	-	1,094
Totals	10,594	1,107	1,394	10,307

Relevant significant accounting policies

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves include those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

d) Cash flow hedge reserves

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 Restated \$000
Opening balance	(2,052)	(4,265)	(45,632)	(33,501)
Gains (losses) on interest rate swaps and foreign exchange transactions	1,396	2,213	22,548	(12,131)
Closing balance	(656)	(2,052)	(23,084)	(45,632)

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.

e) Carbon credit reserves

	CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000
Opening balance	8,019	5,697
Transfer from retained earnings	-	(3,766)
Gain in carbon credits above initial recognition value	8,843	6,088
Closing balance	16,862	8,019

f) Forest land revaluation reserve

	CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000
Opening balance	33,081	30,285
Net revaluation of forest land	6,602	2,796
Closing balance	39,683	33,081

15 Cash and cash equivalents

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Cash in bank and on hand	7,939	15,362	30,018	65,716
	7,939	15,362	30,018	65,716

Relevant significant accounting policies

Cash and cash equivalents are comprised 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 overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

16 Trade and other receivables and term receivables

Trade and other receivables

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Trade debtors	18,560	20,247	50,617	45,026
Rate accounts issued and owing	4,429	3,785	4,429	3,785
Other debtor accounts issued and owing	1,853	1,545	2,739	2,548
Less: provision for uncollectability	(2,557)	(2,764)	(3,249)	(3,613)
	22,285	22,813	54,536	47,746

Total trade and other receivables comprise:

Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	19,601	19,767	51,923	19,767
Receivables from exchange transactions - this includes outstanding amounts for fees and charges that have not been subsidised by rates including commercial sales	2,684	3,046	2,613	27,979

Provision for uncollectability of receivables movements

Opening balance provision for uncollectability	(2,764)	(2,764)	(3,613)	(3,669)
Additional provisions made during the year	(482)	(833)	(521)	(1,143)
Provisions reversed during the year	688	528	762	528
Receivables written-off during the year	1	305	123	671
Closing balance provision for uncollectability	(2,557)	(2,764)	(3,249)	(3,613)

Provision for uncollectability of receivables analysis

Impaired credit loss	(1,918)	(2,093)	(1,918)	(2,093)
Expected credit loss	(639)	(671)	(1,331)	(1,520)
	(2,557)	(2,764)	(3,249)	(3,613)

Term receivables

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Term receivables	-	-	6,021	10,023
	-	-	6,021	10,023

The term receivable arose from Delta Utility Services Limited's supply of infrastructure services on a Christchurch development property and it is secured by a second mortgage over that development property. Interest is payable on this balance and loan repayments commenced in February 2019.

Relevant significant accounting policies

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

The carrying amount 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.

All past due balances are considered collectable (except those specific debtors identified as requiring an impaired credit loss), however, in line with NZ PBE IFRS 9 the Group applies a simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure credit losses, trade receivables are grouped based on similar credit risk and aging. The expected loss rates factor in the credit losses experienced over the three year period prior to the period end. The historical loss rates are then adjusted for where necessary based on current and forward-looking macroeconomic factors affecting customers.

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. If payment has not been made within three months of the Court's judgement, then the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

17 Inventories

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Raw materials in store (at cost)	294	352	5,736	6,677
Work in progress (at cost)	-	-	-	2,316
Finished goods (at cost)	-	-	7	8
	294	352	5,743	9,001

The Council inventories are not pledged as security for liabilities (2020: \$nil).

Relevant significant accounting policies

Inventories are stated at the lower of cost and net realisable value. Log inventories are initially valued at fair value less estimated point of sale costs. 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.

18 Non-current assets held for sale

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Land and buildings	3,694	-	3,694	1,770
Other assets	-	-	-	-
	3,694	-	3,694	1,770

Relevant significant accounting policies

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale (including those that are part of a disposal group).

19 Other financial assets

Other current financial assets

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Waipori Fund interest bearing securities	6,975	7,163	6,975	7,163
Other financial assets	-	-	1,121	902
	6,975	7,163	8,096	8,065

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 and not more than twelve months. The effective interest rate is between 1.105% and 5.00%.

Other non-current financial assets

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Waipori Fund interest bearing securities	35,055	33,207	35,055	33,207
Waipori Fund equity investments	53,608	45,209	53,608	45,209
Other shares	481	481	506	490
Advances to subsidiaries	112,000	112,000	-	-
Other loans, advances	-	-	-	-
	201,144	190,897	89,169	78,906

Advances to subsidiaries and other loans, advances and community loans are measured at amortised cost. With the exception of shares in subsidiaries, all other noncurrent 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 2021, the interest rate on the advance was 5.27% (2020 5.27%).

Relevant significant accounting policies

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 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.

Loans and advances 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.

20 Shares in subsidiary companies

	CORE COUNCIL	
	2021	2020
Shares Dunedin City Holdings Limited	128,689	126,139

On incorporation, Dunedin City Holdings Limited issued 100,000,000 ordinary shares in favour of the Dunedin City Council. Only \$100,000 was called. During the year ended 30 June 2021 a further 2,550,000 ordinary shares were issued and called.

Since incorporation Dunedin City Holdings Ltd has issued additional shares of \$1 each in favour of the Dunedin City Council. The shares carry equal voting rights and 975,000,000 are uncalled. 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
– June 2018	2,550,000
– June 2019	2,550,000
– April 2020	125,100,000
– June 2020	2,550,000
– June 2021	2,550,000
Total number of shares	1,103,689,000
– Incorporation call	(100,000)
– June 2016 call	(115,839,000)
– June 2017 call	(2,550,000)
– June 2018 call	(2,550,000)
– June 2019 call	(2,550,000)
– June 2020 call	(2,550,000)
– June 2021 call	(2,550,000)
Total number of uncalled shares	975,000,000

21 Investment in associates

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Interest and advances in associate company	-	-	35,706	34,574
Golden Block Investments Limited (Property)	49%	49%	49%	49%
Dunedin International Airport Limited (Transport)			50%	50%

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 2021 have been used.

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

The only contingent liabilities arising from the group's involvement in the associate companies is for Golden Block Investments Limited which is detailed in note 36.

Summarised balance sheet

	Other Associates		Dunedin International Airport Limited	
	As at 30 June		As at 30 June	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Current assets				
Cash and cash equivalents	433	475	1,781	975
Other current assets	(1)	13	1,432	1,175
Total current assets	432	488	3,213	2,150
Non-current assets	2,343	2,364	99,403	102,599
Total assets	2,775	2,852	102,616	104,749
Current liabilities	103	239	3,049	6,676
Non-current liabilities				
Financial liabilities	2,400	2,600	14,750	14,750
Other financial liabilities	-	-	13,360	14,130
Total non-current liabilities	2,400	2,600	28,110	28,880
Total liabilities	2,503	2,839	31,159	35,556
Net assets	272	13	71,457	69,193
Less impairment	-	-	-	-
Other adjustments	(272)	(13)	(46)	(46)
Net assets after impairment and other adjustments	-	-	71,411	69,147
Carrying value of associates	-	-	35,706	34,574
	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	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Total revenue	635	563	14,603	15,031
Less expenses				
Other expenses	179	209	7,210	8,898
Interest expense	83	107	497	541
Depreciation and amortisation	16	1	3,908	3,251
Total expenses	278	317	11,615	12,690
Operating surplus (deficit) before tax	357	246	2,988	2,341
Less income tax	98	67	905	(1,295)
Operating surplus (deficit) after tax	259	179	2,083	3,636
Other comprehensive income	-	-	181	4,201
Total comprehensive income (deficit)	259	179	2,264	7,837
Dividend received from associate	94	-	-	1,186

Relevant significant accounting policies

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are accounted for in the Group financial statements using the equity method of accounting. Investments in associates are measured at cost in the Council's parent financial statements.

Under the equity method of accounting, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the change in net assets of the entity after the date of acquisition. The Group's share of the surplus or deficit is recognised in the group surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the Group financial statements.

If the share of deficits of the associate equals or exceeds the interest in the associate, the Group discontinues recognising its share of further deficits. After the Group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the entity. If the entity subsequently reports surpluses, the group will resume recognising its share of the those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where the Group transacts with an associate, surpluses or deficits are eliminated to the extent of the Group's interest in the associate.

Critical judgements in applying accounting policies

Dunedin International Airport (DIAL) is a key part of Dunedin's infrastructure. The investment in this infrastructure is to support and provide benefit to the city. DIAL is owned 50% by the Group and 50% by the Crown. With equal voting rights, control is shared with the Crown.

Golden Block Investments Limited owns and manages a retail property in the central business area of Dunedin and is owned 49.99% by Dunedin City Council. The Council has concluded that it is in a position to exercise significant influence but as it does not have a majority shareholding, does not control Golden Block Investments Limited for financial reporting purposes.

22 Non-quantifiable ownership interests

Otago Museum

Dunedin City Council (the Council) is a major contributor of operational funding to the Otago Museum through payment of an annual levy (2021: \$4.452m; 2020: \$4.240m). This funding is based on a statutory requirement. The Council has limited ability to modify the level of this financial support as in any given year the contribution cannot be less than the previous year. The Council has the power to appoint 4 of the 10 board members on the Otago Museum Trust Board. As each matter before the board requires majority voting the Council is unable to enact decisions unilaterally. There are limited financial benefits to the Council through rent/rates paid. Indirect financial and non-financial benefits are received through the betterment of the city and contributing to the relevant strategies of Council.

23 Short term borrowings

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Short term borrowings	-	-	1,482	1,194
	-	-	1,482	1,194

The Group's short term borrowings are unsecured and are arranged at floating interest rates thus exposing the Group to cash flow interest rate risk.

24 Trade and other payables, and revenue in advance

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Trade and other payables				
Trade creditors	2,903	4,241	29,021	24,855
Contract retentions	964	671	964	671
Accrued expenditure	32,844	26,266	31,754	24,826
Other payables	957	1,056	9,877	11,114
	37,668	32,234	71,616	61,466

Total trade and other payables comprise:

Payables from exchange transactions	37,462	31,850	71,481	61,082
Payables from non-exchange transactions	206	384	135	384

Revenue received in advance

Rates in advance	1,159	1,043	1,159	1,043
Other revenue in advance	12,923	7,669	12,923	7,669
	14,082	8,712	14,082	8,712

Relevant significant accounting policies

Trade and other payables are stated at cost.

25 Employee entitlements

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Current portion				
Accrued leave	5,612	5,743	11,483	11,589
Accrued long service leave	428	417	811	734
Sick leave over and above annual average	147	147	268	204
Accrued pay	2,002	2,049	2,296	2,230
Retirement gratuities	272	282	591	547
	8,461	8,638	15,449	15,304
Non-current portion				
Accrued long service leave	597	574	1,246	1,269
Retirement gratuities	682	848	895	1,191
	1,279	1,422	2,141	2,460

Relevant significant accounting policies***Current portion employee entitlements***

Employee benefits that are expected to be settled wholly before twelve months after the reporting period in which the employees render the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned to but not yet taken at balance date.

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 current portion of the retirement gratuities provision 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.

Non-current portion employee entitlements

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Entitlements to the non-current portion of accrued 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.

26 Term loans

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Total loan balance	271,973	243,973	819,465	790,609
Less current portion	-	-	-	-
Non-current portion	271,973	243,973	819,465	790,609
<i>Non-current portion</i>				
Promissory notes issued	-	-	149,858	129,875
Bonds issued	-	-	669,134	660,261
Related parties	271,500	243,500	-	-
Suspensory loan	473	473	473	473
	271,973	243,973	819,465	790,609

Accrued interest of \$1.127m on the loan balance of \$271.5m has been included in accrued expenditure in trade and other payables (note 24).

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

The Group has a \$975 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.

Three independent banks have provided committed facilities to the amount of \$200 million (2020: \$195 million).

The amount of unamortised premium or (discount) on bonds on issue at 30 June 2021 is nil (2020: nil).

The tender of promissory notes under the multi-option facility generally raises debt for a term of three months before being re-tendered. 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.

Analysis term loans non-current	Interest Rate	Group 2021 \$'000	Group 2020 \$'000
Promissory Notes		149,858	129,875
Floating rate notes 16/10/20	43bp over BKBM	-	45,000
Bonds 16/11/20	Coupon rate 5.56%	-	50,000
Bonds 15/4/21	Coupon rate 3.15%	-	30,000
Bonds 15/4/21	Coupon rate 1.25%	-	75,000
Bonds 25/11/21	Coupon rate 4.88%	70,000	70,000
Floating notes 15/10/22	56bp over BKBM	50,000	50,000
Bonds 15/11/22	Coupon rate 1.51%	45,000	45,000
Bonds 16/10/23	Coupon rate 0.36%	50,000	-
Floating notes 15/02/24	65bp over BKBM	25,000	25,000
Bonds 16/10/24	Coupon rate 3.79%	35,000	35,000
Bonds 17/7/25	Coupon rate 3.61%	50,000	50,000
Bonds 15/4/26	Coupon rate 3.98%	65,000	65,000
Bonds 15/3/26	Coupon rate 2.90%	50,000	50,000
Bonds 15/11/26	Coupon rate 2.09%	55,000	55,000
Bonds 16/11/26	Coupon rate 0.676%	60,000	-
Bonds 18/04/28	Coupon rate 1.93%	110,000	-
Fair value impact on bonds		4,134	15,261
Housing NZ loan		473	473
		819,465	790,609

The fair value of the debt and maturity profile is disclosed in note 34.

Contractual maturity analysis of term loans

The following is a maturity analysis of the term loans

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Repayable less than one year	-	-	220,994	330,399
Repayable between one to five years	-	-	374,216	230,057
Repayable later than five years	271,973	243,973	224,255	230,153
	271,973	243,973	819,465	790,609

While these are the contractual maturities of the consolidated term loans, the Group expects and has the discretion to refinance term borrowings under the multi-option debt issuance facility. As per the face of the accounts, the Group has therefore determined that all term borrowings are non-current as per the provisions of NZ IAS1.

Relevant significant accounting policies

Borrowings are initially recorded net of directly attributable transaction costs. 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.

27 Provisions

Landfill aftercare provision

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Opening balance	10,519	9,908	10,519	9,908
Amounts used	(673)	(63)	(673)	(63)
Unused amounts reversed	(340)	(37)	(340)	(37)
Additional provisions	4,046	475	4,046	475
Adjustment due to change in discount rate	(868)	236	(868)	236
Closing balance	12,684	10,519	12,684	10,519

The landfill aftercare provisions deal with the closed North Taieri landfill, the Green Island landfill and four other remaining smaller landfills.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation and discounted using rates based on market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash flows.

The Council has responsibility to provide ongoing maintenance and monitoring of landfills after the sites are closed.

The Green Island landfill is still operational with the current resource consent scheduled to expire in 2023.

The cash outflow for the closure of this landfill and subsequent maintenance and monitoring has been included in this provision. The current provision includes costs out to 2046.

The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and known legal requirements.

The gross provision before discounting is \$13.723m (2020: \$10.342m)

The following significant assumptions have been made in calculating the provision:

- the landfill will close when the current resource consent expires
- an inflation factor of 1.94% (2020: 1.65%)
- discount rates ranging from 0.38% to 3.00% per Treasury Guidelines (2020: 0.22% to 1.61%)

Relevant significant accounting policies

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.

28 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

Land and buildings - operational, infrastructure, restricted and heritage

Land and buildings have been valued at fair value by Aon New Zealand. The valuation is effective as at 30 June 2021. The personnel involved were: Peter Erceg (Director Valuation Services, Registered Valuer), Jonathon Dix (Senior Registered Valuer), Ben Radich (Senior Registered Valuer) and Colin Gliddon-Brown (Quantity Surveyor).

The key assumptions used are:

- The majority of building assets are specialist in nature. Specialised assets are valued on the basis of Depreciated Replacement Cost (DRC).
- DRC is determined by first establishing the cost to replace with an equivalent new asset less depreciation for physical, functional and economic obsolescence. Depreciation was applied on a straight-line basis to determine the depreciated replacement value.
- Non-specialised building assets (for example, community housing) are valued at their 'current market price' based on compared market evidence.
- Land is valued at fair value based on comparable market evidence taking into consideration adjustments for size, contour, quality, location, zoning and designation, current and potential uses.
- Where the underlying land value for an alternative use is higher than the derived value for the existing use, the land value adopted is highest and best use.
- Where land assets are designated Reserve Status the commonly accepted reserve methodology has been applied. The appropriate adjustments are made to reflect the retrieved nature of any future development potential.
- Restrictions on the Council's ability to sell land would normally not impair the value of the land because the Council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

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 core infrastructure assets is stated as follows: roading assets, \$1,746,964,546; water treatment plant and facilities, \$166,662,125; water other assets, \$924,221,033; sewerage treatment plant and facilities \$200,847,941; sewerage other assets, \$857,895,994; stormwater assets; \$543,894,375.

Roadways and bridges

The most recent valuation of infrastructural assets comprising roads, bridges, footpaths, lights, traffic signals and signs was performed by Larissa Curzon of Beca Limited and reviewed by Brian Smith of Brian Smith Advisory Services Limited. The valuation is effective as at 30 June 2021.

The assets are valued using the depreciated replacement cost method. The key assumptions used are:

- Rates from the 2020 valuation have been used with the Cost Adjustment Factor from the Latest Values for Infrastructures Cost Indexes from the NZ Transport Agency Procurement Manual Tools applied, supported by current contract rates where available. The indexes used were March 2020 to March 2021.
- No asset, except for timber bridges, has a residual value.
- All replacement rates, where appropriate, have an amount for removal and disposal of the existing asset that is being replaced included in the rate.
- Where installation/constructed dates are unknown, assets were valued using a default construction date, which is 50% of the assets total useful life.
- Useful lives are generally based upon NZ Infrastructure Asset Valuation and Depreciation Guidelines – Version 2.0. In specific cases these have been modified where, in the opinion of Beca and the DCC, a different life is appropriate. The changes are justified in the valuation report.
- The component level of the data used for the valuation is sufficient to calculate depreciation separately for those assets that have different useful lives.

3 waters and waste management

The most recent valuation of infrastructural assets comprising water reticulation, water plant and facilities, wastewater reticulation, wastewater plant and facilities, stormwater reticulation, stormwater plant and facilities, and landfill plant and facilities was performed by Council staff and independently reviewed by independent consultant company Rationale Limited. The valuation is effective as at 30 June 2021.

The assets are valued using the depreciated replacement cost method. The key assumptions used are:

- Estimating the replacement cost of the asset. In order to calculate the Gross Replacement Cost of assets, the current Optimised Replacement Costs and Residual Values for assets valued in previous years have been updated using price movement indices published by Statistics New Zealand. Various asset groups require different adjustments to account for the annual capital goods price level changes. To account for price level changes, a Dunedin specific Capital Goods Price Index is applied to reticulation assets, with fixed plant assets, and building and civil assets using national Capital Goods Price Indices. Council pays Statistics NZ to produce a "Capital Goods Price Index" (Index PPI.SPZDCC) for the construction of urban drainage and sewerage work in the Dunedin area. This along with the national Pipelines CGPI (S2CB), Plant and Machinery CGPI (S2GF), Buildings and Structures – CGPI (S2BI) has been used by Rationale to establish Dunedin's replacement cost of assets.
- The useful lives and ages are satisfactorily justified in the Valuation Report. The data is based on the condition assessment programme and methodology developed by DCC in conjunction with Opus (now WSP Opus) and subsequent condition assessments revealing cohorts to have a range of expected lives rather than applying a blanket life to all pipes based on material only. This is also reflected in the Asset Management system and Asset Management Plans.

The DCC has used the current valuation methodology for its 3 water infrastructure assets for many years. Annual valuations have been independently reviewed by third-party experts and have received Audit sign off.

With the recent focus on the proposed Three Waters Reform, Councils will start looking at how they approach the valuation of these assets.

It has been decided that over the coming months DCC senior management will commission an extensive exercise, including the involvement of external infrastructure valuation expertise, to ensure our current approach is still appropriate. The review will cover off all components of the valuation including optimised gross replacement cost, life to date accumulated depreciation for each asset/asset class, and the annual depreciation charge.

This exercise may result in a change of approach and also may materially alter the carrying value of DCC's 3 water infrastructure assets. This exercise will be completed in time for any changes necessary to be made in the 2022 annual report.

Other restricted assets

Coastal structures, fences and barriers and raised structures have been valued at depreciated replacement cost by Keith Campbell of WSP. The valuation is effective as at 30 June 2021.

Hard surfaces and reticulation systems

Hard surfaces, and drainage and irrigation assets, have been valued at depreciated replacement cost by WSP. The valuation is effective as at 30 June 2020. The personnel involved were Rachel Wells, Fraser Clarke and Keith Campbell.

Roading infrastructure assets have been valued at depreciated replacement cost by Larissa Curzon of Beca Limited as at 30 June 2021.

Fixed plant and equipment

Fixed plant and equipment has been valued at depreciated replacement cost by Keith Campbell of WSP. The valuation is effective as at 30 June 2021.

Playground and soft-fall areas

Playground equipment and soft-fall areas have been valued at depreciated replacement cost by WSP. The valuation is effective as at 30 June 2020. The personnel involved were Rachel Wells, Fraser Clarke and Keith Campbell.

Other heritage assets

Other 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, 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.

Heritage and cultural structures (monuments, statues and outdoor art) have been valued at fair value by Keith Campbell of WSP. The valuation is effective 30 June 2021. As the assets are specialised they have been valued using an optimised depreciated replacement cost approach.

Current year

	Balance as at 1 July 2020 \$000	Additions (assets constructed or purchased) \$000	Vested assets (assets transferred) \$000	Disposals \$000	Net revaluation/ (decrements) \$000	Depreciation \$000	Impairment \$000	Reclassification \$000	Total at 30 June 2021 \$000
Operational assets									
Gross carrying amount									
Land	107,704	8	-	-	54,789	-	-	(2,934)	159,567
Buildings and structures	226,376	9,305	-	-	31,640	-	-	2,386	269,707
Fixed plant and equipment	18,271	1,107	-	-	-	-	-	(1,296)	18,082
Vehicle, mobile plant	4,155	801	-	(383)	-	-	-	-	4,573
Office equipment	31,129	1,356	-	(64)	-	-	-	-	32,421
Library collection	12,105	1,031	-	-	-	-	-	-	13,136
Total	399,740	13,608	-	(447)	86,429	-	-	(1,844)	497,486
Accumulated depreciation/ amortisation and impairment									
Land	-	-	-	-	-	-	-	-	-
Buildings and structures	(20,498)	-	-	-	32,321	(10,816)	-	(1,007)	-
Fixed plant and equipment	(13,182)	-	-	-	-	(934)	-	1,148	(12,968)
Vehicle, mobile plant	(3,045)	-	-	285	-	(297)	-	-	(3,057)
Office equipment	(27,694)	-	-	57	-	(989)	-	-	(28,626)
Library collection	(9,908)	-	-	-	-	(892)	-	-	(10,800)
Total	(74,327)	-	-	342	32,321	(13,928)	-	141	(55,451)
Net book value									
Land	107,704	8	-	-	54,789	-	-	(2,934)	159,567
Buildings and structures	205,878	9,305	-	-	63,961	(10,816)	-	1,379	269,707
Fixed plant and equipment	5,089	1,107	-	-	-	(934)	-	(148)	5,114
Vehicle, mobile plant	1,110	801	-	(98)	-	(297)	-	-	1,516
Office equipment	3,435	1,356	-	(7)	-	(989)	-	-	3,795
Library collection	2,197	1,031	-	-	-	(892)	-	-	2,336
Total net book value	325,413	13,608	-	(105)	118,750	(13,928)	-	(1,703)	442,035

Current year

	Balance as at 1 July 2020 \$000	Additions (assets constructed or purchased) \$000	Vested assets (assets transferred) \$000	Disposals \$000	Net revaluation/ (decrements) \$000	Depreciation \$000	Impairment \$000	Reclassification \$000	Total at 30 June 2021 \$000
Infrastructural assets									
Gross carrying amount									
Land	25,858	555	-	-	10,050	-	-	-	36,463
Landfill provision capitalised	2,763	-	-	-	-	-	-	-	2,763
Roadways and bridges	1,057,058	51,631	2,185	-	(20,196)	-	-	-	1,090,678
Water reticulation	333,741	14,619	2,230	-	20,303	-	-	-	370,893
Water plant and facilities	79,265	3,706	-	-	(8,408)	-	-	-	74,563
Wastewater reticulation	350,927	5,995	1,065	-	15,003	-	-	-	372,990
Wastewater plant and facilities	97,499	2,194	-	-	460	-	-	-	100,153
Stormwater reticulation	166,715	3,566	1,584	-	9,972	-	-	-	181,837
Stormwater plant and facilities	1,289	710	-	-	10	-	-	-	2,009
Landfill plant and facilities	7,390	2,122	-	-	(205)	-	-	-	9,307
Total	2,122,505	85,098	7,064	-	26,989	-	-	-	2,241,656
Accumulated depreciation/ amortisation and impairment									
Land fill provision capitalised	(2,273)	-	-	-	-	(162)	-	-	(2,435)
Roadways and bridges	-	-	-	-	23,605	(23,605)	-	-	-
Water reticulation	(10,157)	-	-	-	20,365	(10,312)	-	-	(104)
Water plant and facilities	(3,453)	-	-	-	6,824	(3,479)	-	-	(108)
Wastewater reticulation	(7,674)	-	-	-	15,296	(7,736)	-	-	(114)
Wastewater plant and facilities	(4,936)	-	-	-	9,481	(4,935)	-	-	(390)
Stormwater reticulation	(4,509)	-	-	-	8,992	(4,558)	-	-	(75)
Stormwater plant and facilities	(137)	-	-	-	274	(156)	-	-	(19)
Landfill plant and facilities	(382)	-	-	-	630	(459)	-	-	(211)
Total	(33,521)	-	-	-	85,467	(55,402)	-	-	(3,456)
Net book value									
Land	25,858	555	-	-	10,050	-	-	-	36,463
Land fill provision capitalised	490	-	-	-	-	(162)	-	-	328
Roadways and bridges	1,057,058	51,631	2,185	-	3,409	(23,605)	-	-	1,090,678
Water reticulation	323,584	14,619	2,230	-	40,668	(10,312)	-	-	370,789
Water plant and facilities	75,812	3,706	-	-	(1,584)	(3,479)	-	-	74,455
Wastewater reticulation	343,253	5,995	1,065	-	30,299	(7,736)	-	-	372,876
Wastewater plant and facilities	92,563	2,194	-	-	9,941	(4,935)	-	-	99,763
Stormwater reticulation	162,206	3,566	1,584	-	18,964	(4,558)	-	-	181,762
Stormwater plant and facilities	1,152	710	-	-	284	(156)	-	-	1,990
Landfill plant and facilities	7,008	2,122	-	-	425	(459)	-	-	9,096
Total net book value	2,088,984	85,098	7,064	-	112,456	(55,402)	-	-	2,238,200

Current year

	Balance as at 1 July 2020 \$000	Additions (assets constructed or purchased) \$000	Vested assets (assets transferred) \$000	Disposals \$000	Net revaluation/ (decrements) \$000	Depreciation \$000	Impairment \$000	Reclassification \$000	Total at 30 June 2021 \$000
Restricted assets									
Gross carrying amount									
Land	169,763	54	20	-	129,144	-	-	-	298,981
Buildings and structures	47,066	1,229	344	-	(2,419)	-	-	(3,081)	43,139
Road reserve	193,603	-	529	-	-	-	-	-	194,132
Hard surfaces and reticulation systems	20,234	50	-	-	2,074	-	-	119	22,477
Fixed plant and equipment	3,257	888	-	-	2,469	-	-	1,351	7,965
Playground and soft-fall areas	8,642	734	-	-	(3,163)	-	-	(1,041)	5,172
Total	442,565	2,955	893	-	128,105	-	-	(2,652)	571,866
Accumulated depreciation/ amortisation and impairment									
Land	-	-	-	-	-	-	-	-	-
Buildings and structures	(3,071)	-	-	-	4,630	(1,617)	-	48	(10)
Road reserve	-	-	-	-	-	-	-	-	-
Hard surfaces and reticulation systems	(2,580)	-	-	-	2,673	(1,083)	-	(33)	(1,023)
Fixed plant and equipment	(923)	-	-	-	833	(131)	-	(74)	(295)
Playground and soft-fall areas	(2,109)	-	-	-	1,831	(457)	-	71	(664)
Total	(8,683)	-	-	-	9,967	(3,288)	-	12	(1,992)
Net book value									
Land	169,763	54	20	-	129,144	-	-	-	298,981
Buildings and structures	43,995	1,229	344	-	2,211	(1,617)	-	(3,033)	43,129
Road reserve	193,603	-	529	-	-	-	-	-	194,132
Hard surfaces and reticulation systems	17,654	50	-	-	4,747	(1,083)	-	86	21,454
Fixed plant and equipment	2,334	888	-	-	3,302	(131)	-	1,277	7,670
Playground and soft-fall areas	6,533	734	-	-	(1,332)	(457)	-	(970)	4,508
Total net book value	433,882	2,955	893	-	138,072	(3,288)	-	(2,640)	569,874

Current year

	Balance as at 1 July 2020 \$000	Additions (assets constructed or purchased) \$000	Vested assets (assets transferred) \$000	Disposals \$000	Net revaluation/ (decrements) \$000	Depreciation \$000	Impairment \$000	Reclassification \$000	Total at 30 June 2021 \$000
Heritage assets									
Gross carrying amount									
Land	4,710	-	-	-	1,340	-	-	-	6,050
Buildings	7,723	68	-	-	5,690	-	-	964	14,445
Collections	66,933	221	-	-	-	-	-	(47)	67,107
Monuments	10,150	196	-	-	(6,374)	-	-	579	4,551
Total	89,516	485	-	-	656	-	-	1,496	92,153
Accumulated depreciation amortisation and impairment									
Land	-	-	-	-	-	-	-	-	-
Buildings	(692)	-	-	-	1,212	(406)	-	(114)	-
Collections	(495)	-	-	-	-	-	-	-	(495)
Monuments	(422)	-	-	-	695	(234)	-	(39)	-
Total	(1,609)	-	-	-	1,907	(640)	-	(153)	(495)
Net book value									
Land	4,710	-	-	-	1,340	-	-	-	6,050
Buildings	7,031	68	-	-	6,902	(406)	-	850	14,445
Collections	66,438	221	-	-	-	-	-	(47)	66,612
Monuments	9,728	196	-	-	(5,679)	(234)	-	540	4,551
Total net book value	87,907	485	-	-	2,563	(640)	-	1,343	91,658
Capital work in progress									
Water and waste systems	18,234	4,464	-	-	-	-	-	-	22,698
Land and buildings	6,692	3,111	-	-	-	-	-	-	9,803
Other assets	3,384	333	-	-	-	-	-	-	3,717
Total capital work in progress	28,310	7,908	-	-	-	-	-	-	36,218
Council total net book value	2,964,496	110,054	7,957	(105)	371,841	(73,258)	-	(3,000)	3,377,985

Current year

	Balance as at 1 July 2020	Additions (assets constructed or purchased)	Vested assets (assets transferred)	Disposals	Net revaluation/ (decrements)	Depreciation	Impairment	Reclassification	Total at 30 June 2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Subsidiaries assets									
Gross carrying amount									
Land	10,620	-	-	(6)	-	-	-	204	10,818
Forest land	65,506	3,846	-	(335)	6,745	-	-	-	75,762
Buildings and structures	26,295	55	-	(87)	-	-	(134)	17	26,146
Fixed plant and equipment	23,051	1,194	-	(2,888)	-	-	(380)	1,556	22,533
Roadways and bridges	8,767	439	-	-	-	-	-	-	9,206
Stadium	223,614	55	-	-	-	-	-	-	223,669
Networks	626,185	536	-	(1,416)	-	-	-	84,460	709,765
Vehicle, mobile plant	28,543	1,726	-	(1,491)	-	-	-	7	28,785
Rolling stock and rail track	193	-	-	-	-	-	-	-	193
Construction	56,519	76,725	-	-	-	-	-	(93,421)	39,823
Office equipment	1,823	58	-	(3)	-	-	(228)	80	1,730
Total	1,071,116	84,634	-	(6,226)	6,745	-	(742)	(7,097)	1,148,430
Accumulated depreciation/ amortisation and impairment									
Land	-	-	-	-	-	-	-	-	-
Forest land	(2,378)	-	-	-	-	-	803	-	(1,575)
Buildings and structures	(4,712)	-	-	96	-	(515)	134	-	(4,997)
Fixed plant and equipment	(15,761)	-	-	2,720	-	(1,881)	380	3	(14,539)
Roadways and bridges	(4,647)	-	-	-	-	(218)	-	-	(4,865)
Stadium	(65,718)	-	-	-	-	(6,146)	-	-	(71,864)
Networks	(185,027)	-	-	623	-	(18,029)	-	-	(202,433)
Vehicle, mobile plant	(18,035)	-	-	1,408	-	(2,358)	-	(3)	(18,988)
Rolling stock and rail track	(1)	-	-	-	-	(14)	-	-	(15)
Construction	-	-	-	-	-	-	-	-	-
Office equipment	(905)	-	-	6	-	(145)	228	-	(816)
Total	(297,184)	-	-	4,853	-	(29,306)	1,545	-	(320,092)
Net book value									
Land	10,620	-	-	(6)	-	-	-	204	10,818
Forest land	63,128	3,846	-	(335)	6,745	-	803	-	74,187
Buildings and structures	21,583	55	-	9	-	(515)	-	17	21,149
Fixed plant and equipment	7,290	1,194	-	(168)	-	(1,881)	-	1,559	7,994
Roadways and bridges	4,120	439	-	-	-	(218)	-	-	4,341
Stadium	157,896	55	-	-	-	(6,146)	-	-	151,805
Networks	441,158	536	-	(793)	-	(18,029)	-	84,460	507,332
Vehicle, mobile plant	10,508	1,726	-	(83)	-	(2,358)	-	4	9,797
Rolling stock and rail track	192	-	-	-	-	(14)	-	-	178
Construction	56,519	76,725	-	-	-	-	-	(93,421)	39,823
Office equipment	918	58	-	3	-	(145)	-	80	914
Total net book value	773,932	84,634	-	(1,373)	6,745	(29,306)	803	(7,097)	828,338
Group total net book value	3,738,428	194,688	7,957	(1,478)	378,586	(102,564)	803	(10,097)	4,206,323

Last year

	Balance as at 1 July 2019 \$000	Additions (assets constructed or purchased) \$000	Vested assets (assets transferred) \$000	Disposals \$000	Net revaluation/ (decrements) \$000	Depreciation \$000	Impairment \$000	Reclassification \$000	Total at 30 June 2020 \$000
Operational assets									
Gross carrying amount									
Land	107,317	387	-	-	-	-	-	-	107,704
Buildings and structures	219,417	6,959	-	-	-	-	-	-	226,376
Fixed plant and equipment	17,277	1,077	-	(83)	-	-	-	-	18,271
Vehicle, mobile plant	4,294	167	-	(306)	-	-	-	-	4,155
Office equipment	30,298	837	-	(6)	-	-	-	-	31,129
Library collection	11,229	876	-	-	-	-	-	-	12,105
Total	389,832	10,303	-	(395)	-	-	-	-	399,740
Accumulated depreciation/ amortisation and impairment									
Land	-	-	-	-	-	-	-	-	-
Buildings and structures	(10,051)	-	-	-	-	(10,447)	-	-	(20,498)
Fixed plant and equipment	(12,297)	-	-	43	-	(928)	-	-	(13,182)
Vehicle, mobile plant	(2,989)	-	-	251	-	(307)	-	-	(3,045)
Office equipment	(26,354)	-	-	4	-	(1,344)	-	-	(27,694)
Library collection	(9,031)	-	-	-	-	(877)	-	-	(9,908)
Total	(60,722)	-	-	298	-	(13,903)	-	-	(74,327)
Net book value									
Land	107,317	387	-	-	-	-	-	-	107,704
Buildings and structures	209,366	6,959	-	-	-	(10,447)	-	-	205,878
Fixed plant and equipment	4,980	1,077	-	(40)	-	(928)	-	-	5,089
Vehicle, mobile plant	1,305	167	-	(55)	-	(307)	-	-	1,110
Office equipment	3,944	837	-	(2)	-	(1,344)	-	-	3,435
Library collection	2,198	876	-	-	-	(877)	-	-	2,197
Total net book value	329,110	10,303	-	(97)	-	(13,903)	-	-	325,413

Last year

	Balance as at 1 July 2019 \$000	Additions (assets constructed or purchased) \$000	Vested assets (assets transferred) \$000	Disposals \$000	Net revaluation/ (decrements) \$000	Depreciation \$000	Impairment \$000	Reclassification \$000	Total at 30 June 2020 \$000
Infrastructural assets									
Gross carrying amount									
Land	25,858	-	-	-	-	-	-	-	25,858
Landfill provision capitalised	2,763	-	-	-	-	-	-	-	2,763
Roadways and bridges	1,067,637	47,368	2,014	-	(59,961)	-	-	-	1,057,058
Water reticulation	324,389	8,832	947	-	(427)	-	-	-	333,741
Water plant and facilities	77,574	3,651	-	-	(1,960)	-	-	-	79,265
Wastewater reticulation	335,961	7,877	401	-	6,688	-	-	-	350,927
Wastewater plant and facilities	96,737	2,878	-	-	(2,116)	-	-	-	97,499
Stormwater reticulation	161,807	1,099	907	-	2,902	-	-	-	166,715
Stormwater plant and facilities	1,159	-	-	-	130	-	-	-	1,289
Landfill plant and facilities	6,760	787	-	-	(157)	-	-	-	7,390
Total	2,100,645	72,492	4,269	-	(54,901)	-	-	-	2,122,505
Accumulated depreciation/ amortisation and impairment									
Land fill provision capitalised	(2,111)	-	-	-	-	(162)	-	-	(2,273)
Roadways and bridges	-	-	-	-	23,093	(23,093)	-	-	-
Water reticulation	(9,707)	-	-	-	9,708	(10,158)	-	-	(10,157)
Water plant and facilities	(3,323)	-	-	-	3,277	(3,407)	-	-	(3,453)
Wastewater reticulation	(7,245)	-	-	-	7,204	(7,633)	-	-	(7,674)
Wastewater plant and facilities	(4,636)	-	-	-	4,569	(4,869)	-	-	(4,936)
Stormwater reticulation	(4,308)	-	-	-	4,304	(4,505)	-	-	(4,509)
Stormwater plant and facilities	(134)	-	-	-	134	(137)	-	-	(137)
Landfill plant and facilities	(328)	-	-	-	311	(365)	-	-	(382)
Total	(31,792)	-	-	-	52,600	(54,329)	-	-	(33,521)
Net book value									
Land	25,858	-	-	-	-	-	-	-	25,858
Landfill provision capitalised	652	-	-	-	-	(162)	-	-	490
Roadways and bridges	1,067,637	47,368	2,014	-	(36,868)	(23,093)	-	-	1,057,058
Water reticulation	314,682	8,832	947	-	9,281	(10,158)	-	-	323,584
Water plant and facilities	74,251	3,651	-	-	1,317	(3,407)	-	-	75,812
Wastewater reticulation	328,716	7,877	401	-	13,892	(7,633)	-	-	343,253
Wastewater plant and facilities	92,101	2,878	-	-	2,453	(4,869)	-	-	92,563
Stormwater reticulation	157,499	1,099	907	-	7,206	(4,505)	-	-	162,206
Stormwater plant and facilities	1,025	-	-	-	264	(137)	-	-	1,152
Landfill plant and facilities	6,432	787	-	-	154	(365)	-	-	7,008
Total net book value	2,068,853	72,492	4,269	-	(2,301)	(54,329)	-	-	2,088,984

Last year

	Balance as at 1 July 2019 \$000	Additions (assets constructed or purchased) \$000	Vested assets (assets transferred) \$000	Disposals \$000	Net revaluation/ (decrements) \$000	Depreciation \$000	Impairment \$000	Reclassification \$000	Total at 30 June 2020 \$000
Restricted assets									
Gross carrying amount									
Land	169,515	136	116	(4)	-	-	-	-	169,763
Buildings and structures	46,391	675	-	-	-	-	-	-	47,066
Road reserve	192,908	213	482	-	-	-	-	-	193,603
Hard surfaces and reticulation systems	16,507	460	-	-	-	-	-	3,267	20,234
Fixed plant and equipment	3,252	5	-	-	-	-	-	-	3,257
Playground and soft-fall areas	10,862	1,047	-	-	-	-	-	(3,267)	8,642
Total	439,435	2,536	598	(4)	-	-	-	-	442,565
Accumulated depreciation/ amortisation and impairment									
Land	-	-	-	-	-	-	-	-	-
Buildings and structures	(1,515)	-	-	-	-	(1,556)	-	-	(3,071)
Road reserve	-	-	-	-	-	-	-	-	-
Hard surfaces and reticulation systems	(1,417)	-	-	-	-	(1,081)	-	(82)	(2,580)
Fixed plant and equipment	(824)	-	-	-	-	(99)	-	-	(923)
Playground and soft-fall areas	(1,532)	-	-	-	-	(659)	-	82	(2,109)
Total	(5,288)	-	-	-	-	(3,395)	-	-	(8,683)
Net book value									
Land	169,515	136	116	(4)	-	-	-	-	169,763
Buildings and structures	44,876	675	-	-	-	(1,556)	-	-	43,995
Road reserve	192,908	213	482	-	-	-	-	-	193,603
Hard surfaces and reticulation systems	15,090	460	-	-	-	(1,081)	-	3,185	17,654
Fixed plant and equipment	2,428	5	-	-	-	(99)	-	-	2,334
Playground and soft-fall areas	9,330	1,047	-	-	-	(659)	-	(3,185)	6,533
Total net book value	434,147	2,536	598	(4)	-	(3,395)	-	-	433,882

Last year

	Balance as at 1 July 2019 \$000	Additions (assets constructed or purchased) \$000	Vested assets (assets transferred) \$000	Disposals \$000	Net revaluation/ (decrements) \$000	Depreciation \$000	Impairment \$000	Reclassification \$000	Total at 30 June 2020 \$000
Heritage assets									
Gross carrying amount									
Land	4,710	-	-	-	-	-	-	-	4,710
Buildings	7,723	-	-	-	-	-	-	-	7,723
Collections	66,747	186	-	-	-	-	-	-	66,933
Monuments	10,150	-	-	-	-	-	-	-	10,150
Total	89,330	186	-	-	-	-	-	-	89,516
Accumulated depreciation/ amortisation and impairment									
Land	-	-	-	-	-	-	-	-	-
Buildings	(346)	-	-	-	-	(346)	-	-	(692)
Collections	(495)	-	-	-	-	-	-	-	(495)
Monuments	(211)	-	-	-	-	(211)	-	-	(422)
Total	(1,052)	-	-	-	-	(557)	-	-	(1,609)
Net book value									
Land	4,710	-	-	-	-	-	-	-	4,710
Buildings	7,377	-	-	-	-	(346)	-	-	7,031
Collections	66,252	186	-	-	-	-	-	-	66,438
Monuments	9,939	-	-	-	-	(211)	-	-	9,728
Total net book value	88,278	186	-	-	-	(557)	-	-	87,907
Capital work in progress									
Water and waste systems	16,465	1,769	-	-	-	-	-	-	18,234
Land and buildings	5,651	1,041	-	-	-	-	-	-	6,692
Other assets	2,473	911	-	-	-	-	-	-	3,384
Total capital work in progress	24,589	3,721	-	-	-	-	-	-	28,310
Council total net book value	2,944,977	89,238	4,867	(101)	(2,301)	(72,184)	-	-	2,964,496

Last year

	Balance as at 1 July 2019 \$000	Additions (assets constructed or purchased) \$000	Vested assets (assets transferred) \$000	Disposals \$000	Net revaluation/ (decrements) \$000	Depreciation \$000	Impairment \$000	Reclassification \$000	Total at 30 June 2020 \$000
Subsidiaries assets									
Gross carrying amount									
Land	11,087	336	-	(90)	-	-	-	(713)	10,620
Forest land	54,072	8,560	-	-	2,874	-	-	-	65,506
Buildings and structures	27,100	587	-	(426)	-	-	(21)	(945)	26,295
Fixed plant and equipment	22,148	3,039	-	(1,080)	-	-	(1,063)	7	23,051
Roadways and bridges	8,140	627	-	-	-	-	-	-	8,767
Stadium	223,614	-	-	-	-	-	-	-	223,614
Networks	597,603	29,982	-	(1,400)	-	-	-	-	626,185
Vehicle, mobile plant	28,589	1,859	-	(1,732)	-	-	(347)	174	28,543
Rolling stock and rail track	6,218	551	-	(48)	-	-	(6,528)	-	193
Construction	42,875	14,258	-	(289)	-	-	-	(325)	56,519
Office equipment	1,661	237	-	(75)	-	-	-	-	1,823
Total	1,023,107	60,036	-	(5,140)	2,874	-	(7,959)	(1,802)	1,071,116
Accumulated depreciation/ amortisation and impairment									
Land	-	-	-	-	-	-	-	-	-
Forest land	(2,309)	-	-	-	-	(69)	-	-	(2,378)
Buildings and structures	(4,360)	-	-	79	-	(481)	18	32	(4,712)
Fixed plant and equipment	(15,457)	-	-	937	-	(1,958)	717	-	(15,761)
Roadways and bridges	(4,444)	-	-	-	-	(203)	-	-	(4,647)
Stadium	(59,525)	-	-	-	-	(6,193)	-	-	(65,718)
Networks	(168,754)	-	-	479	-	(16,752)	-	-	(185,027)
Vehicle, mobile plant	(17,557)	-	-	1,655	-	(2,392)	259	-	(18,035)
Rolling stock and rail track	(2,624)	-	-	41	-	(303)	2,885	-	(1)
Construction	-	-	-	-	-	-	-	-	-
Office equipment	(800)	-	-	70	-	(175)	-	-	(905)
Total	(275,830)	-	-	3,261	-	(28,526)	3,879	32	(297,184)
Net book value									
Land	11,087	336	-	(90)	-	-	-	(713)	10,620
Forest land	51,763	8,560	-	-	2,874	(69)	-	-	63,128
Buildings and structures	22,740	587	-	(347)	-	(481)	(3)	(913)	21,583
Fixed plant and equipment	6,691	3,039	-	(143)	-	(1,958)	(346)	7	7,290
Roadways and bridges	3,696	627	-	-	-	(203)	-	-	4,120
Stadium	164,089	-	-	-	-	(6,193)	-	-	157,896
Networks	428,849	29,982	-	(921)	-	(16,752)	-	-	441,158
Vehicle, mobile plant	11,032	1,859	-	(77)	-	(2,392)	(88)	174	10,508
Rolling stock and rail track	3,594	551	-	(7)	-	(303)	(3,643)	-	192
Construction	42,875	14,258	-	(289)	-	-	-	(325)	56,519
Office equipment	861	237	-	(5)	-	(175)	-	-	918
Total net book value as at 30 June	747,277	60,036	-	(1,879)	2,874	(28,526)	(4,080)	(1,770)	773,932
Group total net book value	3,692,254	149,274	4,867	(1,980)	573	(100,710)	(4,080)	(1,770)	3,738,428

Relevant significant accounting policies

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

a) CCO property, plant and equipment

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

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.

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.

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.

Assets held under finance leases are depreciated.

The Group has had its forestry land assets independently valued as at 30 June 2021 by Morice & Co using the Fair Value approach. This method is consistent with the previous period and the market values recommended by Morice & Co are incorporated into the financial statements. The land is valued at the component level and the valuation methodology takes into account the key factors impacting land value such as location, productivity, size, ETS status, altitude, contour, local authority zoning and development potential relative to market evidence.

Depreciation rates and methods used by all companies except for City Forests are as follows:

	Rate	Method
Buildings	1% to 17%	SL
Metering equipment	7% to 100%	SL
Electricity network assets	1% to 20%	SL
Plant and equipment	1% to 100%	SL
Motor vehicles	5% to 33%	SL
Railway assets	1% to 50%	SL
Office equipment and fittings	4% to 67%	SL
Construction in progress	no depreciation charged	

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

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.

The carrying amounts of property, plant and equipment are reviewed at each balance date to determine whether there is any indication of impairment. If such impairment exists, the recoverable amount of assets is estimated to determine the extent of any impairment loss. The recoverable amount is the higher of an asset's net selling price and value in use. An impairment loss is recognised whenever the carrying amount of assets exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive revenue and expense.

In assessing the recoverable amount of Aurora Energy's electricity network and fibre assets the directors have relied on the assessment completed by Aurora Energy. The directors of Aurora Energy have reviewed the results of impairment testing undertaken by Aurora Energy's management with assistance from Deloitte as at 30 June 2021. The impairment testing was performed on a "no growth" basis in accordance with NZ IAS 36 Impairment of Assets.

The impairment testing used the discounted cashflow (DCF) methodology to arrive at an estimated valuation range based on Free Cash Flows (FCF) for a 20 year period from 1 July 2021. The key assumptions utilised in the impairment testing were that:

- For the 10 years from 1 July 2021, the network forecasts are derived from the Commerce Commission final CPP decision allowances for the period ended 31 March 2026 and Building Blocks Allowable Revenue (BBAR) forecasts. In calculating the BBAR forecast from 1 April 2026, it is assumed that the Company reverts to a Default Price-Quality Path from the 2026/27 regulatory year and the Company's DPP4 operating expenditure allowance is determined by reference to actual expenditure during the 2024/25 regulatory year.
- Capital expenditure will mirror the Company's operating budget and regulatory expenditure allowances derived from the Commerce Commission's final CPP decision for the period ended 31 March 2026, followed by expenditure forecasts included in the Company's 10 year Asset Management Plan.
- Operating expenditure will mirror the Company's operating budget and regulatory expenditure allowances derived from the Commerce Commission's final CPP decision for the period ending 31 March 2026. It is assumed that Aurora Energy's DPP4 operating expenditure allowance will be determined by reference to actual expenditure in the 2024/25 regulatory year.
- The valuation cash flows beyond the 10 years from 1 July 2031 are assumed to grow at 2% per annum.
- In applying the DCF methodology Aurora Energy considered a range of discount rates from 4.25% to 5.25%. The discount rate is a matter of professional judgement.
- In applying the balance date impairment testing Aurora Energy noted that at a discount rate of 4.9% the present value of future FCF was approximately equal to the carrying value of the network related assets. It follows that a discount rate of higher than 4.9% could have given rise to an impairment in the absence of any other offsetting factors as at balance date.
- In determining the discount rate for year-end impairment testing, the 10 year Government bond rate at valuation date was used as a basis for the risk-free rate. The risk-free rate was used in conjunction with a view of an appropriate post-tax market risk premium.
- The discount rates used in the impairment testing were based on the same level of asset beta and similar level of leverage as set by the Commerce Commission for the 5 year regulatory period from 1 April 2020.

Sensitivity analysis showed a 0.25% decrease/(increase) in the DCF discount rate used for impairment testing would increase/(decrease) the indicative value range by about \$30 million.

On reviewing the DCF analysis the Directors assessed that there was no impairment to the carrying value of the network assets as at 30 June 2021.

The value of the assets is fundamentally linked to Aurora Energy's ability to operate within the future expenditure allowances approved by the Commerce Commission.

In assessing the recoverable amount of Dunedin Railways' assets as at 30 June 2020, the directors of that Company considered that the potential to earn revenue from the assets was minimal, given the Company's transition to hibernation and wider uncertainty in the tourism sector. The directors then considered the asset's net selling price. Dunedin Railways' assets are relatively specialised and, in some instances, unique; therefore, making it difficult to obtain independent evidence of their fair value less costs to sell.

On balance, and with the benefit of industry and commercial knowledge, the directors considered it appropriate to write-down the Dunedin Railways' asset to \$297,000, being the best estimate of the fair value less costs to sell. An associated impairment expense of \$4,486,000 was recorded in the statement of financial performance for the year ended 30 June 2020. As at 30 June 2021, the directors assessed that there had been no change in the recoverable amount of Dunedin Railways' assets from the prior year.

b) The Council property, plant and equipment***Operational assets***

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

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.

The Council owns a number of properties held to provide housing to qualifying residents. The receipt of rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's community housing policy. The properties are therefore accounted for as property, plant and equipment rather than as investment property.

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

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.

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 Green Island Landfill is considered to be the period of time to the expiring of the associated consents in 2023.

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.

Plant and facilities 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. Plant and facilities are valued annually in-house and peer reviewed 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. Reticulation assets are valued annually in-house and peer reviewed by an independent valuer.

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.

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 was last revalued based on fair value at 30 June 2012 by Quotable Value Limited. The Council has since elected to use this value as deemed cost and road reserve will no longer be revalued. Subsequent additions are recorded at cost.

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 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.

Additions are recorded at cost and depreciated.

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.

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.

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.

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

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 acquisition 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.

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.

Derecognition

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.

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 Revenue and Expense. 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:

	Rate	Method
Council operational assets		
Buildings and structures	1% to 20%	SL
Plant and equipment	1% to 33%	SL
Motor vehicles	20%	SL
Office equipment and fittings	2% to 33%	SL
Library collections	20%	SL
Infrastructure assets		
Roadways and bridges		
– Formation	not depreciated	
– Sealed road surfacings	16%	SL
– Sealed base and first coat	3%	SL
– Sealed sub base	1%	SL
– Unsealed top course	26%	SL
– Unsealed base	not depreciated	
– Drainage (inc. SWC)	2% to 3%	SL
– Footpaths, steps and crossings	4% to 17%	SL
– Berms	not depreciated	
– Traffic control	7% to 31%	SL
– Bridges, retaining walls and sea walls	1% to 5%	SL
– Street lighting	9%	SL
– Minor structures	4% to 8%	SL
Water reticulation	1% to 10%	SL
Sewerage reticulation	1% to 5%	SL
Stormwater reticulation	1% to 10%	SL
Water treatment plants and facilities	1% to 13%	SL
Sewerage treatment plants and facilities	2% to 13%	SL
Stormwater treatment plants and facilities	3% to 13%	SL
Landfill provision capitalised	6%	SL
Landfill plant and facilities	2% to 13%	SL
Heritage assets	0% to 6%	SL
Restricted assets		
Buildings and structures	0% to 50%	SL
Plant and equipment	2% to 20%	SL
Hard surfaces	2% to 14%	SL
Playground and soft-fall areas	4% to 12%	SL

29 Investment property

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Opening balance	95,740	93,480	95,740	93,480
Plus additions	192	1,476	192	1,476
	95,932	94,956	95,932	94,956
Less disposals	-	-	-	-
	95,932	94,956	95,932	94,956
Net gains (losses) from fair value adjustments	9,044	784	9,044	784
Closing balance	104,976	95,740	104,976	95,740
Classified:				
Investment Property General	62,856	55,240	62,856	55,240
Investment Property Endowment *	42,120	40,500	42,120	40,500
	104,976	95,740	104,976	95,740

* Endowment Property held pursuant to the Dunedin City Council Endowment Lands Act 1988.

Trend statement for the six years to 30 June 2021 (Core Council)

	Actual 2021 \$000	Actual 2020 \$000	Actual 2019 \$000	Actual 2018 \$000	Actual 2017 \$000	Actual 2016 \$000
Fair market value of investment properties	104,976	95,740	93,480	91,660	90,438	88,288

Investment properties and properties intended for sale

All investment properties were valued by Aon New Zealand. The personnel involved were: Peter Erceg (Director Valuation Services, Registered Valuer), Jonathon Dix (Senior Registered Valuer), Ben Radich (Senior Registered Valuer), Colin Gliddon-Brown (Quantity Surveyor), Andrew Deacon (Senior Registered Valuer) and Chris McCashin (Senior Registered Valuer). Aon New Zealand are experienced valuers with extensive market knowledge in the types and location of investment properties owned by the Council.

The fair value of investment property has been determined using the Direct Comparison and Capitalised Income approaches.

The Direct Comparison approach is where the evidence derived from the analysis of recent sales of similar properties is used to establish the value of the subject property. In this regard, sales evidence has been collected as close to the date of valuation as possible and compared to the applicable subject properties on the basis of quality, age, condition and size of improvements, location, land area and shape.

The Capitalised Income approach to valuation is whereby a yield is applied to the property's income to assess its value. The yield applied to the potential rental return from the property is based on analysed sales and has been calculated by dividing the rental return from the comparable sales against its sale price (known as an initial yield). Where analysis indicates that the passing income from a sale property was not at market levels at the time of the sale, income is adjusted to reflect market returns.

These approaches are based upon assumptions including future rental revenue, anticipated maintenance costs, and appropriate discount rates.

Capitalisation and discount rates range from 5.25% to 11.00%.

The 30 June 2020 investment property valuation was subject to significant uncertainty due to Covid-19. No such significant valuation uncertainty existed for the current year's valuation.

Investment properties: net income and investment return

	CORE COUNCIL	
	Actual 2021 \$000	Actual 2020 \$000
Rental from investment properties	7,871	7,281
Direct operating expenses from investment property generating revenue	(3,450)	(2,915)
Direct operating expenses from investment property not generating revenue	-	-
	4,421	4,366
Plus internal rental for car-park buildings	1,007	1,007
Less internal management fees and salaries	(532)	(560)
	4,896	4,813
Net gains or (losses) from fair value adjustments	9,044	784
Net income including fair value gains and losses	13,940	5,597
Attributable to Investment Property Endowment	3,885	1,169
Investment return including fair value gains and losses but excluding the interest paid on loans borrowed: 13.28% (2020: 5.85%).		
	2021 \$000	2020 \$000
Contractual obligations for capital expenditure	588	60
Contractual obligations for repairs and maintenance expenditure	-	-

Relevant significant accounting policies

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals and/or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value at each reporting date.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

30 Intangible assets

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Opening cost	13,300	11,034	23,362	17,306
Additions	279	2,282	3,108	4,554
Transfers	-	-	-	1,819
Disposals	-	-	(381)	(301)
Carbon credits surrendered	-	(16)	-	(16)
Closing cost	13,579	13,300	26,089	23,362
Accumulated amortisation opening balance	9,739	8,826	15,729	14,147
Impairments	-	-	-	-
Disposals	-	-	-	(300)
Transfers	-	-	(366)	-
Amortisation	1,025	913	2,132	1,882
Accumulated amortisation closing balance	10,764	9,739	17,495	15,729
Work in progress	1,506	1,362	1,506	1,362
Net book value	4,321	4,923	10,100	8,995
Computer intangibles	4,315	4,917	10,094	8,989
Carbon credits	6	6	6	6
	4,321	4,923	10,100	8,995

During 2013, the Dunedin City Council, as an 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.

Relevant significant accounting policies

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 received 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.

31 Forestry assets

	CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000
Forestry assets		
Opening balance	169,150	164,010
Add costs capitalised in establishing forests during year	3,392	2,953
Increase in forest from acquisition	1,915	-
Revaluation	38,164	11,628
Less value of logs harvested	(12,375)	(9,441)
Closing balance	200,246	169,150
 Gains (losses) arising from changes in fair value less point of sale costs:		
Attributable to physical changes	7,440	11,511
Attributable to price changes	30,724	117
	38,164	11,628

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 crop and an independent market value has been used to establish the forest land value. The valuation 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 year to year is reflected in the statement of comprehensive revenue and expense. In regards to the treatment of carbon in the forest valuation, a value has been assigned to the difference between the units claimed to date and the level of safe or liability free carbon that the Group can claim.

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 5.5% (2020: 6.0%).

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 log prices adopted. The discount rate adopted was 5.5%; a +/- 50 basis point movement in the discount rate would change the valuation by +\$12.34 mil / \$11.17 mil. A 10% increase or decrease in assumed log prices would change the valuation by +\$17.95 mil / -\$17.93 mil; (note that these sensitivities shown are independent and different outcomes would result from combined changes in discount and log prices).

At 30 June 2021, the company owned stands of trees on 19,324 hectares of a total land holding (including lease, Joint Venture & Forestry Right) of 23,731 hectares. During the year, the company harvested approx. 388,664 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 34, Derivative 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 the company 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.

Relevant significant accounting policies

The group capitalises the initial costs for the establishment of the forest and all subsequent costs. These costs include site preparation, establishment, releasing, fertilising, and tending.

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 through a graduated current to five year average price curve 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 statement of comprehensive income via surplus or deficit.

32 Intangible assets carbon credits

	CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000
New Zealand carbon credits - non-current	49,443	31,970

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 31 December 1989, under the Act, may opt to join the Emissions Trading Scheme. Post-89 forests will earn carbon credits (NZU's) from 1 January 2008 and these may be traded within New Zealand. 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 1 January 2008. Subsequent to their Post-89 registration, the New Zealand Government has allocated City Forests Limited a total of 2,865,718 Post-89 derived NZU's, being the carbon sequestered by these forests during the 2008 to 2021 calendar years. There have been no carbon credit sales during the financial year (2020: 350,000 units).

The carbon credits are assessed as having an indefinite life as they have no expiry date. As the NZUs are an indefinite life intangible asset they are not amortised but are tested for impairment on an annual basis or when indications of impairment exist.

As at 30 June 2021, 1,187,042 units were unsold (2020: 996,027). Under the accrual principle, the unsold credits have been valued based on the current market prices and recognised in the financial statements. The value has been carried in the financial statements as above.

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.

During the year City Forests Limited finalised modelling work to forecast future annual carbon sequestration and emission transactions in accordance with the rules of the New Zealand Emission Trading Scheme. This modelling established a safe or liability free carbon level being the number of NZU's the Company has available for sale liability free. NZU's held above this safe level effectively have no value as the NZU's are subject to future surrender liabilities following harvest. The recognition of NZU's held in the company's registry account is defined by accounting policy.

Relevant significant accounting policies

Carbon credits (NZU's) are treated as intangible assets.

Purchased carbon units are initially measured at cost.

Carbon units are granted by the Government under the emissions trading scheme for carbon sequestration by post-1989 forests. Although some carbon units earned for forest growth will subsequently be returned to the government when the forest is harvested, a proportion of units will never be returned under expected forest crop rotations. These liability free carbon units are initially recorded at fair value.

Liability free carbon units are marked to market (revalued) annually at 30 June subsequent to initial recognition and biannually thereafter. This fair value is based on current market prices. The difference between initial fair value or previous annual revaluation and revaluation value of the liability free units is recognised in other comprehensive income.

Emissions obligations are recognised for forest harvesting that has occurred up to balance date. Emissions obligations are measured based on the carrying value of carbon units held by the company that will be used to settle the obligation (generally nil value) plus the fair value of any excess carbon units required to be purchased to meet the emissions obligation.

33 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 2021

	Actual 2021 \$000	Actual 2020 \$000
Income	2,510	2,874
Less expenditure	(385)	(522)
Net operating income	2,125	2,352
Plus unrealised gains (loss)	7,203	2,599
Net surplus to equity	9,328	4,951
Less inflation adjustment	(1,416)	(2,433)
Available for distribution to Council	7,912	2,518

Waipori Fund - Statement of movement in equity as at 30 June 2021

	Actual 2021 \$000	Actual 2020 \$000
Equity at the beginning of the year	94,220	92,658
Plus net surplus for the year	9,328	4,951
	103,548	97,609
Less distribution	(3,369)	(3,389)
	100,179	94,220

Waipori Fund - Balance sheet as at 30 June 2021

	Actual 2021 \$000	Actual 2020 \$000
Current assets		
Bank account	4,374	8,477
Accounts receivable	272	273
Prepayments	50	-
Current investments		
– Other	6,975	7,163
– Dunedin City Council	-	-
Total current assets	11,671	15,913
Investments		
Equities	53,608	45,209
Non-current investments		
– Other	35,055	33,207
– Dunedin City Council	-	-
Total investments	88,663	78,416
Total assets	100,334	94,329
Current liabilities		
Accruals	155	109
Total current liabilities	155	109
Equity		
Principal of the fund	56,000	56,000
Inflation adjustment reserve	32,151	30,735
Retained earnings	12,028	7,485
Total equity	100,179	94,220
Total equity and liabilities	100,334	94,329

Waipori Fund - Trend statement for the 6 years to 30 June 2021

	Actual 2021 \$000	Actual 2020 \$000	Actual 2019 \$000	Actual 2018 \$000	Actual 2017 \$000	Actual 2016 \$000
Main income sources						
Interest	1,312	1,548	1,831	1,774	1,819	1,669
Dividend	1,102	1,269	1,409	1,423	1,625	1,869
Rent	-	-	-	-	-	-
Realised gains (loss) on asset sales	(54)	(236)	(332)	76	(222)	(1,028)
Main assets						
Financial assets	46,404	48,847	43,959	45,922	40,812	34,503
Equity	53,608	45,209	44,144	41,009	42,986	47,594
Return on assets before unrealised gains or losses						
Financial assets	2.83%	3.17%	4.17%	3.86%	4.46%	4.84%
Equity	2.06%	2.81%	3.19%	3.47%	3.78%	3.93%
Return on assets after unrealised gains or losses	9.90%	5.34%	9.82%	7.78%	6.94%	6.30%

34 Derivative financial instruments

Dunedin City Treasury Limited provides treasury services and loans to the DCC Group, co-ordinates access to domestic financial markets, and monitors and manages the financial risks relating to the operations of the Group. These risks include market risk, credit risk and liquidity risk.

a) General

The consolidated entity manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

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 policies approved by the Council.

b) Liquidity risk

Liquidity risk is the risk that the DCC Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group aims to maintain flexibility in funding by keeping committed credit lines available.

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 profile and effective interest rates of the Group term borrowings are set out in note 26. The maturity profiles of the Group's financial assets and liabilities, with the exception of equity investments are explained in note h) below.

c) Interest rate risk

Under the Dunedin City Council Treasury Risk Management Policy approved on 27 October 2020, Dunedin City Treasury Limited utilises a portfolio approach to manage interest rate risk for the Group.

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

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

	CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000
Maturing in less than one year	182,500	160,000
Maturing between one and five years	442,500	495,000
Maturing in more than five years	455,000	360,000
	1,080,000	1,015,000

d) Currency market risk

City Forests Limited is the one company within the Group that consistently generates cash flows in foreign currency. NZD is the functional currency of both City Forests Limited and the 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 foreign exchange policy established by directors. This 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 instruments purchased are only against the currency in which the exports are sold.

Other companies within the Group will occasionally purchase forward cover against expected purchases in foreign currency.

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

	CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000
Forward foreign exchange contracts		
– fair value	878	(334)
– nominal value (sale of USD and purchase of NZD)	35,132	22,625
Forward foreign exchange contracts		
– fair value	-	-
– nominal value (sale of NZD and purchase of USD)	-	-

e) 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 hedge instrument and the underlying transaction are matched.

	CONSOLIDATED	
	%	%
Effectiveness	100	100

f) Credit risk

Credit risk is the risk that a third party will default on its obligation to the Group, causing the Group to incur a loss.

The Group has processes in place to review the credit quality of customers prior to the granting of credit where applicable.

In financial transactions, the Group deals only with credit-worthy counterparties that are rated the equivalent of investment grade and above. This information is supplied by credit rating agencies. The Group's exposure and the credit ratings of its counterparties are continually monitored and the aggregate value of transactions undertaken is spread among the approved counterparties.

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 amounts presented in the balance sheet for trade receivables are net of allowances for doubtful debts. Credit terms differ within the Group.

Past due, but not impaired, receivables are as follows:

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Age analysis:				
30-60 days	114	282	4,451	447
60-90 days	89	232	153	507
90 days plus	431	602	956	1,089

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

Financial assets analysis

	CORE COUNCIL			Total
	AA	AA-	No Rating	
2021				
Cash and cash equivalents	-	7,939	-	7,939
Trade and other receivables	-	-	22,285	22,285
Advances due from related parties	112,000	-	-	112,000
Current financial assets	-	6,975	-	6,975
Other financial assets	-	88,663	481	89,144
Loans and advances	-	-	-	-
	112,000	103,577	22,766	238,343

2020				
Cash and cash equivalents	-	15,362	-	15,362
Trade and other receivables	-	-	22,813	22,813
Advances due from related parties	112,000	-	-	112,000
Current financial assets	-	7,163	-	7,163
Other financial assets	-	78,416	481	78,897
Loans and advances	-	-	-	-
	112,000	100,941	23,294	236,235

	CONSOLIDATED			Total
	AA	AA-	No Rating	
2021				
Cash and cash equivalents	-	30,018	-	30,018
Trade and other receivables	-	-	54,536	54,536
Term receivables	-	-	6,021	6,021
Advances due from related parties	-	-	-	-
Current financial assets	-	6,975	1,121	8,096
Other financial assets	-	88,663	506	89,169
Term receivables	-	-	6,021	6,021
Loans and advances	-	-	-	-
	-	125,656	68,205	193,861

	CONSOLIDATED			Total
	AA	AA-	No Rating	
2020				
Cash and cash equivalents	-	65,716	-	65,716
Trade and other receivables	-	-	47,746	47,746
Term receivables	-	-	10,023	10,023
Advances due from related parties	-	-	-	-
Current financial assets	-	7,163	902	8,065
Other financial assets	-	78,416	490	78,906
Term receivables	-	-	10,023	10,023
Loans and advances	-	-	-	-
	-	151,295	69,184	220,479

g) Fair value of financial instruments

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	CORE COUNCIL			Total
	Level 1 NZ \$000	Level 2 NZ \$000	Level 3 NZ \$000	
2021				
Financial assets				
Advances due from related parties	-	-	112,000	112,000
Current financial assets	6,975	-	-	6,975
Other financial assets	88,663	-	481	89,144
Loans and advances	-	-	-	-
	95,638	-	112,481	208,119
Financial liabilities				
Derivative financial liabilities with related parties	-	656	-	656
	-	656	-	656
2020				
Financial assets				
Advances due from related parties	-	-	112,000	112,000
Current financial assets	7,163	-	-	7,163
Other financial assets	78,416	-	481	78,897
Loans and Advances	-	-	-	-
	85,579	-	112,481	198,060
Financial liabilities				
Derivative financial liabilities with related parties	-	2,052	-	2,052
	-	2,052	-	2,052

	CONSOLIDATED			
	Level 1 NZ \$000	Level 2 NZ \$000	Level 3 NZ \$000	Total NZ \$000
2021				
Financial assets				
Advances due from related parties	-	-	-	-
Current financial assets	6,975	-	1,121	8,096
Other financial assets	88,663	-	506	89,169
Derivative financial assets	-	9,647	-	9,647
New Zealand carbon credits	49,443	-	-	49,443
Loans and advances	-	-	-	-
	145,081	9,647	1,627	156,355
Financial liabilities				
Derivative financial liabilities	-	37,717	-	37,717
	-	37,717	-	37,717
2020				
Financial assets				
Advances due from related parties	-	-	-	-
Current financial assets	7,163	-	902	8,065
Other financial assets	78,416	-	490	78,906
Derivative financial assets	-	15,147	-	15,147
New Zealand carbon credits	31,970	-	-	31,970
Loans and advances	-	-	-	-
	117,549	15,147	1,392	134,088
Financial liabilities				
Derivative financial liabilities	-	62,778	-	62,778
	-	62,778	-	62,778

h) Contractual maturity analysis of financial assets and liabilities

The tables below analyse the Group's financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Contractual amounts for the interest expense and balance of the shareholder advance have not been included as the interest is currently payable on a year by year basis and there is no contractual date for the repayment of the outstanding balance.

	CORE COUNCIL						
	Carrying Amount	Contractual Cash Flows	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	No maturity
Financial assets							
2021							
Cash and cash equivalents	7,939	7,939	7,939	-	-	-	-
Advances due from related parties	112,000	112,000	-	-	-	-	112,000
Trade and other receivables	22,285	22,285	22,285	-	-	-	-
Current financial assets	6,975	6,975	6,975	-	-	-	-
Other financial assets	89,144	89,144	-	8,328	20,820	59,515	481
Loans and advances	-	-	-	-	-	-	-
Total	238,343	238,343	37,199	8,328	20,820	59,515	112,481

	CORE COUNCIL						
	Carrying Amount	Contractual Cash Flows	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	No maturity
2020							
Cash and cash equivalents	15,362	15,362	15,362	-	-	-	-
Advances due from related parties	112,000	112,000	-	-	-	-	112,000
Trade and other receivables	22,813	22,813	22,813	-	-	-	-
Current financial assets	7,163	7,163	7,163	-	-	-	-
Other financial assets	78,897	78,897	-	7,134	23,845	47,437	481
Loans and advances	-	-	-	-	-	-	-
Total	236,235	236,235	45,338	7,134	23,845	47,437	112,481
Financial liabilities							
2021							
Trade and other payables	37,668	37,668	37,668	-	-	-	-
Revenue received in advance	14,082	14,082	14,082	-	-	-	-
Term liabilities	271,973	272,631	633	10,025	-	-	261,973
Total	323,723	324,381	52,383	10,025	-	-	261,973
2020							
Trade and other payables	32,234	32,234	32,234	-	-	-	-
Revenue received in advance	8,712	8,712	8,712	-	-	-	-
Term liabilities	243,973	246,368	21,586	777	10,032	-	213,973
Total	284,919	287,314	62,532	777	10,032	-	213,973
	CONSOLIDATED						
	Carrying Amount	Contractual Cash Flows	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	No maturity
Financial assets							
2021							
Cash and cash equivalents	30,018	30,018	30,018	-	-	-	-
Advances due from related parties	-	-	-	-	-	-	-
Trade and other receivables	54,536	54,536	54,536	-	-	-	-
Current financial assets	8,096	8,096	8,096	-	-	-	-
Other financial assets	89,169	89,169	-	8,328	20,820	59,515	506
Loans and advances	-	-	-	-	-	-	-
Total	181,819	181,819	92,650	8,328	20,820	59,515	506
2020							
Cash and cash equivalents	65,716	65,716	65,716	-	-	-	-
Advances due from related parties	-	-	-	-	-	-	-
Trade and other receivables	47,746	47,746	47,746	-	-	-	-
Current financial assets	8,065	8,065	8,065	-	-	-	-
Other financial assets	78,906	78,906	-	7,134	23,845	47,437	490
Loans and advances	-	-	-	-	-	-	-
Total	200,433	200,433	121,527	7,134	23,845	47,437	490

	CONSOLIDATED						
	Carrying Amount	Contractual Cash Flows	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	No maturity
Financial liabilities							
2021							
Short term borrowings	1,482	1,482	1,482	-	-	-	-
Trade and other payables	71,616	71,616	71,616	-	-	-	-
Term liabilities	819,465	833,035	239,778	107,550	255,210	230,024	473
Total	892,563	906,133	312,876	107,550	255,210	230,024	473
2020							
Short term borrowings	1,194	1,194	1,194	-	-	-	-
Trade and other payables	61,466	61,466	61,466	-	-	-	-
Term liabilities	790,609	854,895	363,535	82,936	181,287	226,664	473
Total	853,269	917,555	426,195	82,936	181,287	226,664	473

i) Categories of financial assets and liabilities

The category and carrying amount of financial assets and liabilities in each of the PBE IFRS 9 categories is as follows:

	CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000
Financial assets measured at amortised cost:		
Cash and cash equivalents (note 15)	30,018	65,716
Trade and other receivables (note 16)	54,536	47,746
Other financial assets (note 19)	97,265	86,971
Term receivables (note 16)	6,021	10,023
Financial assets measured at amortised cost	187,840	210,456
Financial assets at fair value through profit and loss:		
Derivative financial instruments assets (note 34)	9,647	15,147
Financial liabilities measured at amortised cost:		
Trade and other payables (note 24)	71,616	61,466
Short term borrowings (note 23)	1,482	1,194
Term loans (note 26)	819,465	790,609
Total financial liabilities measure at amortised cost	892,563	853,269
Financial liabilities at fair value through profit and loss:		
Derivative financial instrument liabilities (note 34)	37,717	62,778

Relevant significant accounting policies

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.

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.

Under PBE IFRS 9, all the financial assets and liabilities are measured at amortised cost, fair value through profit or loss, or fair value through other comprehensive income on the basis of the Group's business model for managing the financial instrument and the contractual cash flow characteristics of the financial instrument.

The Group enters into derivative financial instruments to manage its exposure to interest rate risks. There was no change of classification in relation to derivatives, these continue to be measured at fair value through profit or loss.

The Group's other financial assets and liabilities including cash and cash equivalents, trade and other receivables, term receivables, trade and other payables, accrued expenditure, short term borrowings, and term loans are measured at amortised cost as they meet the conditions under PBE IFRS 9.

Under PBE IFRS 9, the impairment model requires the recognition of impairment provisions based on expected credit losses. It applies to financial assets classified at amortised cost. The introduction of the impairment model has had no impact on the Group's financial assets classified at amortised cost. For trade and other receivables, the Group applies a simplified model of recognising lifetime expected credit losses as these items do not have a significant financing component.

35 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 0.6992. A parallel shift of +1%/-1% in the NZD market interest rate from the year end of 0.35% (2020: 0.30%).

Should these movements occur, the effect on consolidated profit and loss and equity for each category of financial instrument held at balance date is presented below. The movements are illustrative only.

	Carrying Amount \$000	Profit	Interest Rate -100bp Equity	Profit	+100bp Equity	FX -10% Profit	10% Profit
2021							
Financial assets							
Derivatives - designated as cash flow hedges (interest rate swaps)	2,594	-	(2,179)	-	3,680	-	-
Derivatives – designated as cash flow hedges (forward currency deals)	878	-	-	-	-	(3,774)	3,088
Other financial assets	149,062	(103)	-	105	-	-	-
	152,534	(103)	(2,179)	105	3,680	(3,774)	3,088
Financial liabilities							
Derivatives – designated as cash flow hedges (interest rate swaps)	35,388	-	(24,287)	-	19,945	-	-
Derivatives – designated as cash flow hedges (forward currency deals)	-	-	-	-	-	-	-
Other financial liabilities	849,968	(14,385)	-	13,541	-	-	-
	885,356	(14,385)	(24,287)	13,541	19,945	-	-
Total increase (decrease)		(14,488)	(26,466)	13,646	23,625	(3,774)	3,088
2020							
Financial assets							
Derivatives - designated as cash flow hedges (interest rate swaps and forward currency deals separately disclosed)	15,147	-	-	-	-	(2,878)	1,747
Other financial assets	132,169	(132)	-	132	-	-	-
	147,316	(132)	-	132	-	(2,878)	1,747
Financial liabilities							
Derivatives - designated as cash flow hedges (interest rate swaps and forward currency deals separately disclosed)	62,778	-	(91,075)	-	(40,926)	-	-
Other financial liabilities	816,658	(8,593)	-	8,593	-	-	-
	879,436	(8,593)	(91,075)	8,593	(40,926)	-	-
Total increase (decrease)		(8,725)	(91,075)	8,725	(40,926)	(2,878)	1,747

1. Cash and cash equivalents include deposits at call which are at floating interest rates. Sensitivity to a 1% movement in rates 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. Changes to interest rates charged caused by any change to the credit standing of the Group cannot be hedged.
3. Borrowings within each of the companies of the Group are subject to the Treasury Risk Management Policy. Sensitivity to any movement in the interest rate in the statement of comprehensive revenue and expense is limited to the effect on the amount of floating rate debt that exceeds the amount of the fixed rate hedge.

36 Commitments, contingencies, guarantees and insurance

Capital commitments

The contractual commitments at balance date for the acquisition of property, plant, equipment and intangible assets are:

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Roading	96,331	122,330	96,331	122,330
Water and waste	27,819	6,499	27,819	6,499
Other property, plant, equipment and intangible assets	30,663	3,348	42,663	15,753
	154,813	132,177	166,813	144,582

Operating leases as lessee

The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Not later than one year	88	93	3,220	2,869
Later than one year and not later than 5 years	139	227	6,405	4,752
Later than five years	-	-	2,398	950
	227	320	12,023	8,571

Operating leases as lessor

Investment property, and other land and buildings, are leased under operating leases. The leases have non-cancellable terms ranging from 3 months to 33 years. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	CORE COUNCIL		CONSOLIDATED	
	Actual 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Not later than one year	6,392	6,036	6,392	6,036
Later than one year and not later than 5 years	11,940	11,218	11,940	11,218
Later than five years	2,296	3,162	2,296	3,162
	20,628	20,416	20,628	20,416

No contingent rents have been recognised during the year.

Contingencies and guarantees

The Council has guarantees of \$194,476 (2020: \$268,940). 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 20, the Council has uncalled capital of 975,000,000 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 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Golden Block Investments Limited	-	1,325	-	1,325
Performance bonds	-	-	717	898
	-	1,325	717	2,223

The borrowings of Golden Block Investments were 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 was the lesser from each of the shareholders of which DCC is one. The shareholder's guarantees were removed in March 2021.

The performance bonds issued are principally in favour of South Island Local Authorities for contract work by Delta Utility Services Limited. There is no indication that any of these contingent liabilities will crystallise in the foreseeable future.

In January 2021, the Labour Inspectorate office opened an investigation into Delta Utility Services Limited's leave processes and payments. This investigation is still ongoing and at reporting date, the financial consequences of this matter (if any) were not known.

Network reliability standards are contained in the Commerce Commission's Default Price-Quality Path for Electricity Distribution Businesses. Aurora Energy Limited breached its regulated quality limits for the 2020 disclosure year. At reporting date, the financial consequences (if any) of this matter was not known.

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. As at 30 June 2021, the value of the potential liability in future years is unknown due to the variations in the harvesting schedule, carbon reporting periods and the value of carbon to surrender. The Directors of City Forests Limited have requested future work be done in this area so potential liabilities can be ascertained (2020: \$nil).

Insurance of assets

The total value of property plant and equipment of the Council covered by insurance contracts for the 2021/22 year is \$1,874,256,000 (2020/21: \$1,765,888,502).

The maximum amount to which assets are insured for non-natural disaster under the Council insurance policies is \$250,000,000 (2020: \$250,000,000).

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

An insurance reserve fund of \$318,000 (2020: \$314,000) exists to meet the cost of claims that fall below deductible limits under the Council insurance policies.

37 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/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.

38 Explanations of major variances against budget

Explanations for major variances from the Council's budget figures in its 2020/21 annual plan are as follows:

The Council resolved that it was financially prudent to have an unbalanced budget for 2020/2021 due to the impact of COVID-19 including anticipated shortfalls in operating revenue and the cost of putting Dunedin Railways into hibernation. These items were to be funded by debt to avoid a significant one-off impact on current ratepayers.

Statement of comprehensive revenue and expense

Total operating revenue for the year was \$306.572 million or \$27.930 million greater than budgeted. This additional income was due to:

- unbudgeted government project funding for economic development, 3 waters, property and parks activities,
- better than expected revenue from the Green Island Landfill, aquatic facilities, galleries and museums, and building services. In a number of instances the anticipated impact of COVID-19 was not as great as expected,

- improved returns from the Waipori Fund due to a higher than expected increase in the market values of equities held by the fund,
- overall net increase in the fair value related to the investment property portfolio,
- higher than expected non-cash vesting of infrastructure assets associated with development across the city.

Noting that the last three items are non-cash adjustments to the value of assets owned by the DCC – \$24.2 million actual vs \$4.7 million budget.

These favourable variances were partially offset by lower grants funding in Transport due to a lower level of subsidised capital expenditure and a shortfall in renewals funding from Waka Kotahi NZ Transport Agency. Parking revenue was also impacted due to the temporary closure of the St Andrew Street and Dowling Street car parks while onsite works were completed.

Total operating expenses for the year were \$290.136 million or \$7.660 million greater than budgeted. This variance was due to:

- higher ETS and variable contract costs at the Green Island Landfill as a result of increased activity,
- development/scoping costs in Transport related to the major projects programme. Roading maintenance was also ahead of budget due in part to increased expenditure for road marking and street cleaning activities,
- unbudgeted non-cash increase in the provision for landfill after-care costs,
- unbudgeted expenditure related to the government project funding discussed above, and
- unbudgeted costs associated with the second-generation district plan.

These unfavourable variances were partially offset by:

- financial expenses were lower than budget, due to a lower level of debt and favourable floating interest rate,
- personnel expenses were less than budget reflecting vacancies during the year across the organisation.

Statement of financial position

The term loan balance as at 30 June 2021 was \$272.0 million or \$36.9 million less than budget. This difference was driven by lower than expected capital expenditure for the year, along with the receipt of unbudgeted government project funding discussed above under revenue.

Statement of cashflows

Net cash inflow from operations was greater than budget driven by the revenue and expense variances discussed above.

Net cash outflow from investing activities was less than budget, due to lower than expected capital expenditure for the year. It should however be noted that spending in the final quarter exceeded initial forecasts with the predominant activity in renewals for 3 Waters and Transport.

39 Prior period errors

The following prior period errors have been identified during the year. The financial statements have been restated to reflect the correct opening positions.

Summary of errors in 2020 financial statements

Statement of comprehensive revenue and expense

	Previously reported 2020	Error 1 – Profit elimination	Error 2 – Classification 1	Error 3 – Classification 2	Error 4 – Deferred tax	Error 5 – Hedge reserves	2020 Restated
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating revenue	537,232	(26,248)	-	-	-	-	510,984
Other expenses	272,679	(13,283)	-	-	-	-	259,396
Personnel expenses	138,110	(7,422)	-	-	-	-	130,688
Depreciation and amortisation	104,298	(1,706)	-	-	-	-	102,592
Surplus (deficit) before taxation	(6,221)	(3,837)	-	-	-	-	(10,058)
Less taxation	(2,353)	(1,074)	-	-	-	-	(3,427)
Surplus (deficit) after taxation	(3,869)	(2,762)	-	-	-	-	(6,631)

Statement of other comprehensive revenue and expense

	Previously reported 2020	Error 1 - Profit elimination	Error 2 - Classification 1	Error 3 - Classification 2	Error 4 - Deferred tax	Error 5 - Hedge reserves	2020 Restated
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Gain (loss) of cash flow hedges at fair value through other comprehensive revenue and expense	(17,645)	-	-	-	-	228	(17,417)
Income tax on other comprehensive income	(2,444)	-	-	-	5,796	(228)	3,124
Total comprehensive revenue and expense	(12,944)	(2,762)	-	-	5,796	-	(9,910)

Statement of financial position

	Previously reported 2020	Error 1 - Profit elimination	Error 2 - Classification 1	Error 3 - Classification 2	Error 4 - Deferred tax	Error 5 - Hedge reserves	2020 Restated
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Current assets							
Taxation refund receivable	6,565	-	(5,168)	-	-	-	1,397
Non-current assets							
Property, plant and equipment	3,806,691	(68,263)	-	-	-	-	3,738,428
Current liabilities							
Provision for tax	5,168	-	(5,168)	-	-	-	-
Non-current liabilities							
Deferred taxation	115,661	(19,114)	-	-	(16,084)	-	80,463
Equity							
Accumulated funds	1,884,089	(49,149)	-	-	-	3,447	1,838,387
Cash flow hedge reserves	(58,269)	-	-	-	16,084	(3,447)	(45,632)

Statement of cash flows

	Previously reported 2020	Error 1 - Profit elimination	Error 2 - Classification 1	Error 3 - Classification 2	Error 4 - Deferred tax	Error 5 - Hedge reserves	2020 Restated
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash flow from operating activities							
Other revenue	351,994	(26,248)	-	-	-	-	325,746
Suppliers and employees	(402,415)	20,705	-	-	-	-	(381,710)
Cash flow from investing activities							
Increase in investments	7,405	-	-	3,978	-	-	11,383
Capital expenditure	(159,714)	5,543	-	-	-	-	(154,171)
Cash flow from financing activities							
Loans raised (inflow)	96,089	-	-	46,022	-	-	142,111
Loans repaid (outflow)	-	-	-	(50,000)	-	-	(50,000)

Statement of financial position

	Previously reported 2019 \$000	Error 1 - Profit elimination \$000	Error 2 - Classification 1 \$000	Error 3 - Classification 2 \$000	Error 4 - Deferred tax \$000	Error 5 - Hedge reserves \$000	2019 Restated \$000
Current assets							
Taxation refund receivable	6,632	-	(5,678)	-	-	-	954
Non-current assets							
Property, plant and equipment	3,756,679	(64,426)	-	-	-	-	3,692,253
Current liabilities							
Provision for tax	6,934	-	(5,678)	-	-	-	1,256
Non-current liabilities							
Deferred taxation	114,693	(18,039)	-	-	(10,288)	-	86,366
Equity							
Accumulated funds	1,833,776	(46,387)	-	-	-	3,447	1,790,836
Cash flow hedge reserves	(40,342)	-	-	-	10,288	(3,447)	(33,501)

1. Profit elimination error

During the year an error has been identified regarding the elimination of profit between subsidiary entities of DCC. Delta Utility Services Limited ("Delta") provides contracting services to Aurora Energy Limited ("Aurora"), some of these services are performed on network assets that are then capitalised by Aurora. The capitalisation of the costs includes a profit component that is earned by Delta. The subsidiary financial statements of Aurora reflect their correct financial position by including the full cost (which includes the profit component) and Delta correctly recognises the profit in its Statement of financial performance.

The error occurs in the DCC Group when consolidating these result. From a DCC Group perspective the network asset recognised in previous financial statements includes an inter-company profit component. This inclusion has overstated the value of the network asset as the profit should have been eliminated from the network asset value when reported in the DCC financial statements. The revenue and expenses were previously overstated and needed to be eliminated.

This error has occurred since 2006. There has been an adjustment made to opening retained earnings to reflect the profit component capitalised on the network asset value since 2006.

2. Classification error for tax balances

The taxation refund receivable and provision for tax liability were both overstated by \$5.168 million because the balances should have been netted off in the Statement of Financial Position.

3. Classification error for Statement of Cash Flows

Net purchase of investments was overstated by \$3.978 million because the fair value movement of the fair value hedges should have been adjusted for in the net proceeds from borrowings, instead of net purchase of investments.

The proceeds from borrowings and repayment of borrowings were understated by \$50 million because the borrowings (for medium term notes and floating rate notes) that matured during the year had been incorrectly netted off against the borrowings taken out.

4. Recognition of previously unrecognised tax balances

Dunedin City Treasury Limited and Dunedin Stadium Property Limited have tax benefits not recognised in their financial statements, and this treatment has previously been consolidated into the DCC Group. These tax benefits are required to be recognised in the DCC Group financial statements.

5. Error with other comprehensive income and the hedge reserve balance

The gain/ (loss) on interest rate swap hedges have been understated due to an error with intercompany eliminations and the tax effect.

40 Financial statement reclassifications

The Group has made some reclassification adjustments to prior year comparative figures in the note disclosures. This is to better reflect the financial position at year end.

41 COVID-19

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19, a pandemic. Travel restrictions were introduced on 14 March. On 26 March, New Zealand increased its COVID-19 alert to level 4 and a nationwide lockdown commenced. The country moved to level 3 on 27 April, level 2 on 13 May, and eventually returned to level 1 on 8 June 2020.

The pandemic had a varying effect on individual members of the DCC Group but overall the Group was not significantly effected by the pandemic. As discussed in note 6, some entities within the Group met the criteria to receive the COVID-19 wage subsidy.

As an “essential service” provider, the Group’s most largest entity, Aurora Energy Limited, continues to operate during any lockdown restrictions and COVID-19 did not have a material impact on the entity. The Group’s banker, Dunedin City Treasury Limited, also continues to operate as normal during any lockdown restrictions. It has continued to maintain compliance with all Treasury Risk Management Policy requirements, and ensured funding is made available to the Group.

Lockdown restrictions during the prior year, impacted the results of most other Group entities. Key Group entities, City Forests Limited and Delta Utility Services Limited’s financial results were reduced due to not being able to operate at full potential during the last quarter of the 2020 financial year. There was no significant impact during the 2021 financial year; however, most Group entities are experiencing increased costs and lower stock supply. Each Group member has put in place budgets and strategies to manage the ongoing risks of COVID-19.

International travel restrictions significantly affected the performance of the Group’s aviation and tourism related businesses in both the current and prior financial years. Unfortunately, the effect on Dunedin Railways was so significant that the company was put into hibernation from 1 July 2020 to allow time for alternative operating models to be considered. Dunedin City Council plans to publicly consult on future options of the company in early 2022.

42 Events after balance date

On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated “all in” approach. The three waters reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. There are still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities and the control and governance of these entities. Notwithstanding the current uncertainty the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024.

Subsequent to balance date City Forests Limited has contracts in place to purchase additional properties as part of its estate expansion program in total for \$10.75m (2020: \$nil). These properties will settle during the coming financial year.

Delta Utility Services Limited’s term receivable with Infinity Yaldhurst Limited was fully repaid subsequent to balance date. This was well ahead of contractual timeframes.

On Tuesday 17 August 2021, the NZ Government announced that level 4 COVID-19 restrictions would take effect throughout the country immediately, following the identification of COVID-19 cases in the community. On Tuesday 31 August 2021, the area in which the DCC Group operates moved to level 3 COVID-19 restrictions. On Tuesday 7 September 2021, the area in which the DCC Group operates moved to level 2 COVID-19 restrictions. A number of Group entities received the Ministry of Social Development Wage Subsidy which mitigated some of the impact that the lockdown had. On Monday 29 November 2021, the government confirmed that the country would move to a new COVID-19 Protection Framework (“traffic lights”), this would come into effect on Friday 2 December 2021. The area which the DCC Group operates moved into the orange traffic light which reduces restrictions for vaccinated people compared with the previous alert level system.

At the date of signing this Annual Report the area in which the Group operates remains subject to the Orange level of the COVID-19 Protection Framework. At this stage our assessment is that the impact of COVID-19 restrictions will not materially effect the achievement of the DCC Group’s targets for the 2022 financial year. Each entity within the Group has put in place budgets and strategies to mitigate against the risk of COVID-19 and associated supply chain and market price fluctuations.

There were no other significant post balance date events.

SECTION 4:

Other disclosures | He whākika anō

Section contents

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Annual report disclosure statement

Annual report disclosure statement for the year ending 30 June 2021

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.

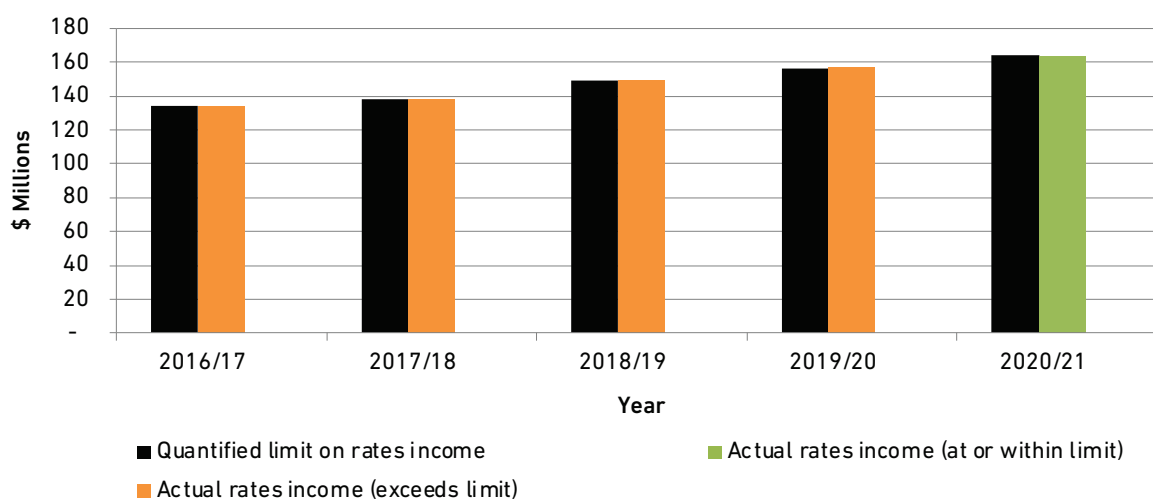
Rates affordability benchmark

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.

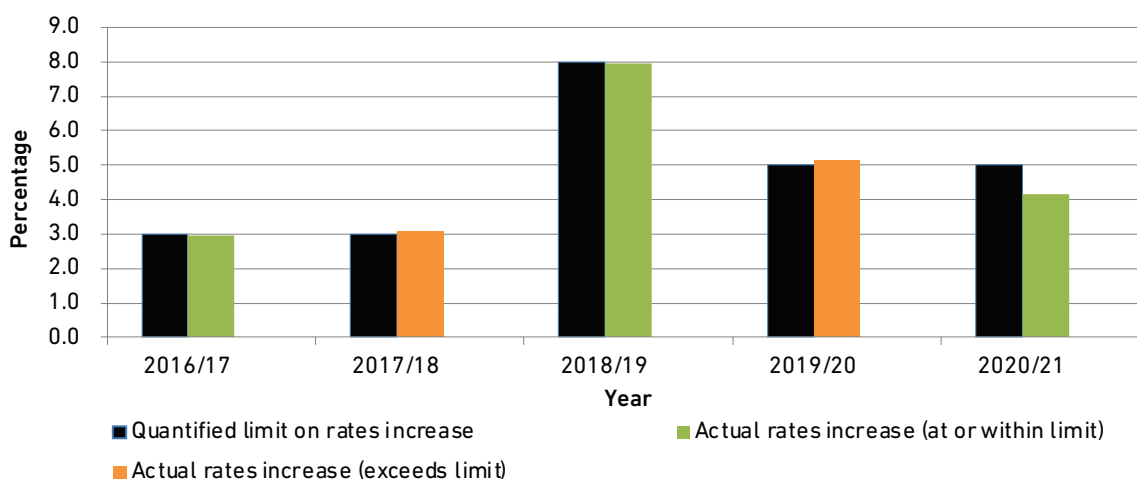
Rates (income) affordability

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 \$164.381 million in 2020/21.



Rates (increases) affordability

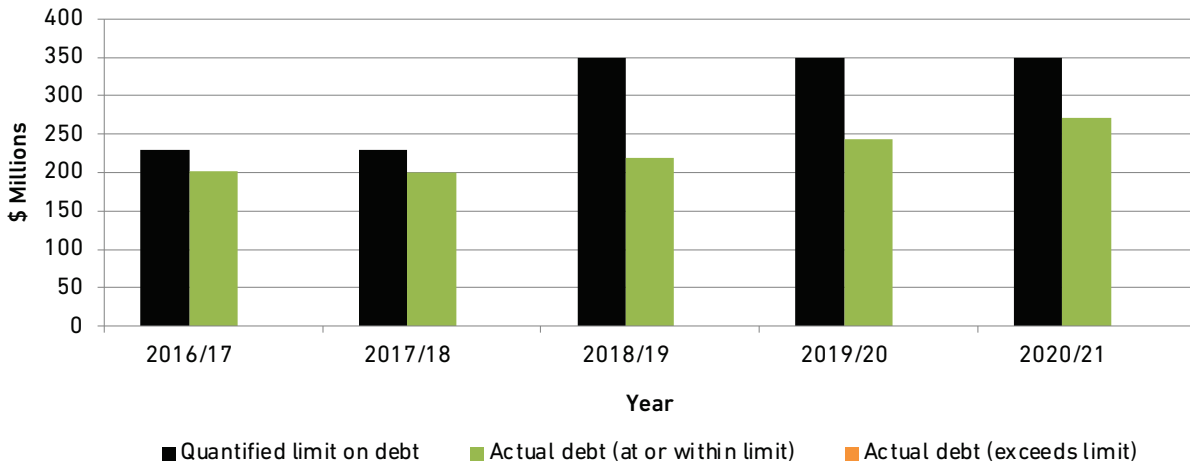
The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long-term plan. The quantified limit is 5% in 2020/21.



Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

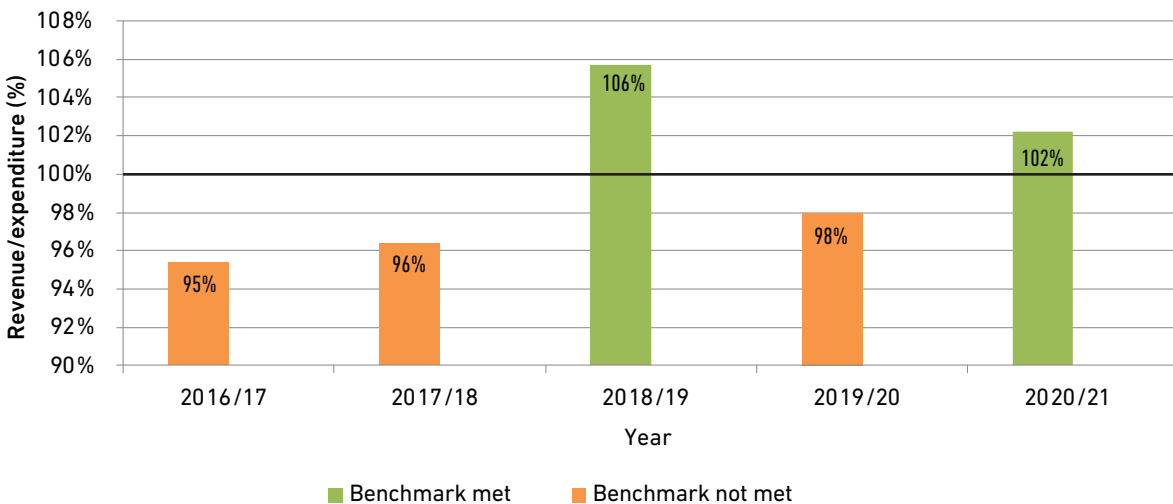
The following graph compares the Council's actual borrowing with a quantified limit on borrowing statement in the financial strategy included in the Council's long-term plan. The quantified limit is \$350 million in 2020/21.



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).

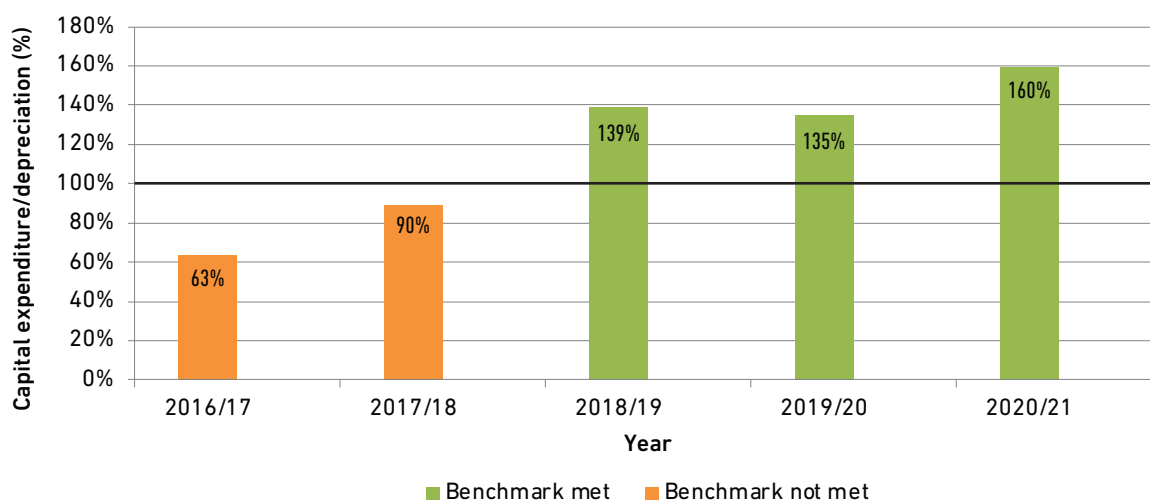
The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services.

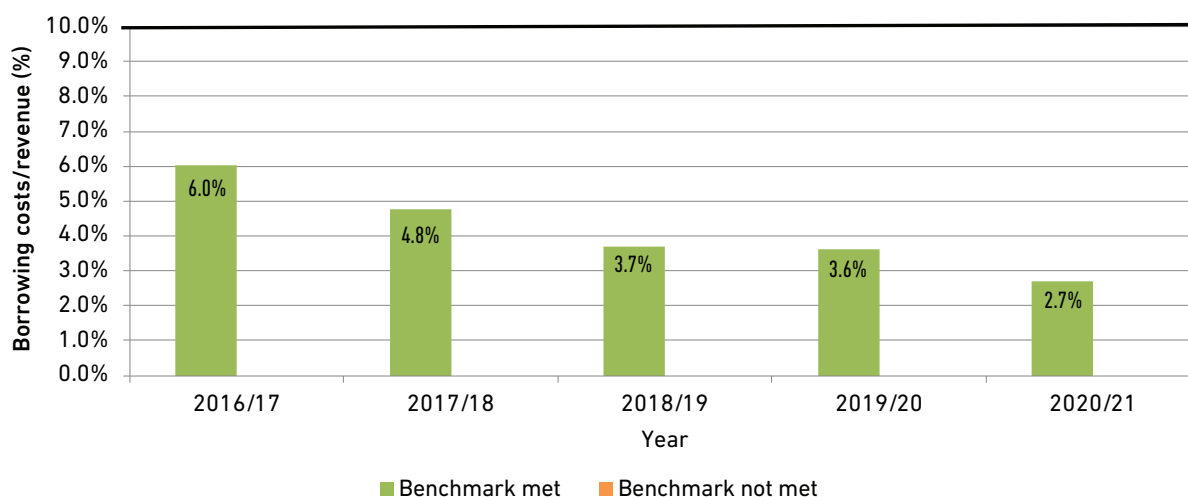
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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).

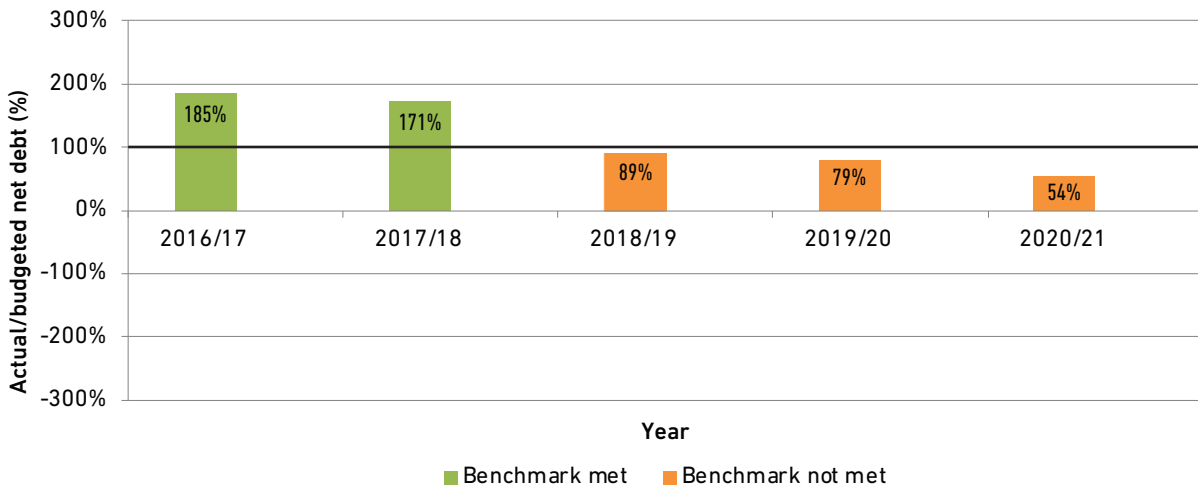
Because Statistics New Zealand projects the Council's population will grow below the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



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).

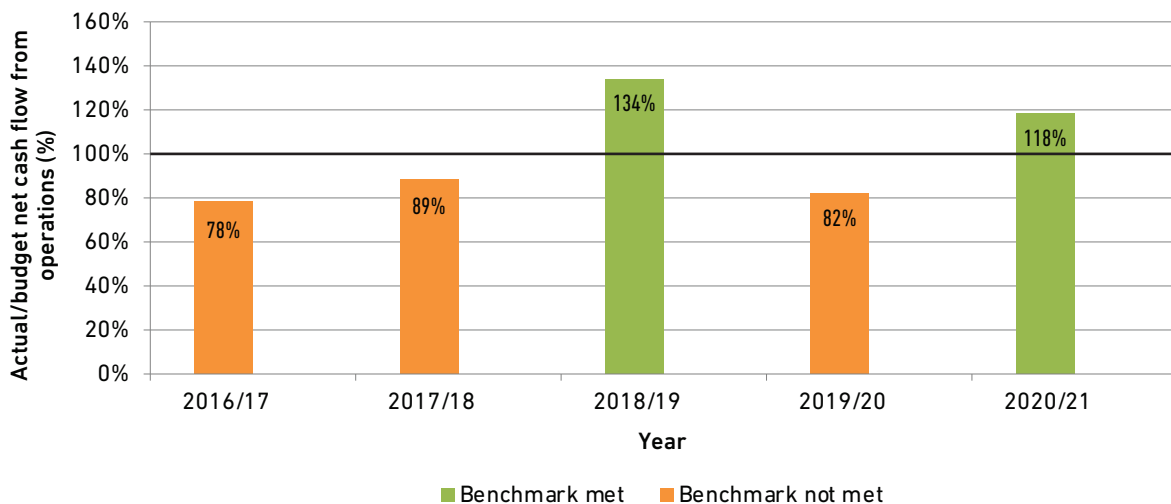
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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: Rate projections are 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: Debt control benchmark. The Council planned to have net assets from 2015/16 – 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.

Council controlled organisations | He ohu nā te Kaunihera

Dunedin City Holdings Limited is Dunedin City Council's wholly owned investment company. Its purpose is to monitor and provide leadership to subsidiary and associate companies, and to deliver financial returns to the Dunedin City Council.

Dunedin City Holdings Limited

Statement of service performance for the year ended 30 June 2021

The performance targets established in the 2020/21 Statement of Intent (SOI) for Dunedin City Holdings Limited and the results achieved for the year ended 30 June 2021 are as follows.

Performance Targets	Outcome Achieved
Business Objectives	
DCHL Board perform a monthly review of DCHL Group companies' operating activities, including financial performance against budget (DIAL quarterly).	Each month the DCHL Board reviewed each of the DCHL Group companies' operating activities, including financial performance against budget, with DIAL reviewed on a quarterly basis.
DCHL Board monitor DCHL Group companies' progress against their SOI targets quarterly.	Each month the DCHL Board monitored each of the DCHL Group companies' progress against their SOI targets on an exception basis.
Synergies have been made across the DCHL Group.	Throughout the year DCHL has continued to support group-wide projects or initiatives, and initiated them where it made sense. The most notable project this year was assessing and measuring our Greenhouse Gas (GHG) emissions.
DCHL Board perform a monthly review of the consolidated DCHL Group financial performance against budget.	Each month the DCHL Board reviewed the consolidated DCHL Group financial performance against budget.
DCHL Board to perform a quarterly review of DCHL Group companies' rates of return.	On a quarterly basis, the DCHL Board reviewed each of the DCHL Group companies' rates of return.
DCHL Board provide a quarterly update to Council on the DCHL Group's performance (financial and other).	On a quarterly basis, the DCHL Chair updated the Council on the DCHL Group's performance. Comprehensive information is provided on the Group's performance for the previous quarter.
DCHL Board annually review the ownership and capital structures of the DCHL Group companies.	The ownership and capital structures of the DCHL Group companies are an ongoing consideration of the DCHL Board, and are specifically considered quarterly.
Consider capital expenditure proposals and business cases in accordance with company constitutions and SOIs.	Capital expenditure proposals and business cases have been considered in accordance with individual company constitutions and SOIs.
DCHL Board engage with each DCHL Group company at least once annually on strategy.	At least once annually each DCHL Group company has presented their strategy to the DCHL Board.
DCHL Board meet with full group of Chairs twice annually.	Twice a year the full group of DCHL Group Chairs met with the DCHL Board.
Review draft SOIs by 1 March 2021.	The DCHL Board reviewed each of the DCHL Group companies draft SOIs on 4 February 2021.
Approve SOIs by 30 June 2021.	The DCHL Board reviewed and approved each of the DCHL Group companies final SOIs on 24 June 2021.
Send Letters of Expectation to subsidiary and associate companies by 20 December 2020.	The DCHL Board sent each of the DCHL Group companies a Letter of Expectation on 11 December 2020.

Performance Targets		Outcome Achieved	
Co-ordinate support for DCHL Group companies (including DCHL) to have systems in place to measure and report carbon emissions from 1 July 2021.		Co-ordinated and supported all DCHL Group companies to establish systems for measuring and reporting their carbon emissions. All DCHL Group companies have reported their Greenhouse Gas (GHG) emissions for the year ended 30 June 2021 in their Annual Reports.	
Appointments and re-appointments are all completed on time, and in compliance with DCHL and Council policy.		All appointments and re-appointments made during the 2021 financial year were completed on time, and in compliance with DCHL and Council policy.	
Ensure DCHL Group companies have appropriate policies and procedures in place.		Confirmed that all group companies have appropriate policies and procedures in place and they are reviewed on a regular basis.	
DCHL Board perform an annual review of subsidiary and associate companies' activities to reduce their carbon footprint.		All DCHL Group companies have measured and reported their Greenhouse Gas (GHG) emissions for the year ended 30 June 2021. This has formed a baseline and each of the companies are now developing plans to reduce their carbon footprint.	
Report the proportion of the Company's workforce receiving the living wage (as calculated by the New Zealand Family Centre Social Policy Unit).		The Company does not employ any staff directly. Employees of Dunedin City Council involved in the operation of the Company under a Service Level Agreement, are paid the living wage.	
Strategic or operational matters which could compromise the Council's community outcomes, are escalated to the shareholder in a timely manner.		All strategic or operational matters which could compromise the Council's community outcomes, were reported to the shareholder in a timely manner.	
Any substantive matter, including any matter likely to generate media coverage, are reported to the shareholder within 24 hours.		All substantive matters were reported to the shareholder within 24 hours of the DCHL Board becoming aware of them.	
Financial Forecasts		Financial Achievement	
	\$,000		\$,000
Shareholder's funds to total assets	19%	Shareholder's funds to total assets	24%
Interest paid to shareholder	5,902	Interest paid to shareholder	5,902
Dividend distributions	-	Dividend distributions	-
Net profit after tax	(8,557)	Net profit after tax	26,138
Cash flow from operations	18,862	Cash flow from operations	41,290
Capital expenditure	89,865	Capital expenditure	84,707
Contributions of equity	2,550	Contributions of equity	2,550
Term loans		Term loans	
parent	25,281	parent	21,740
group	920,626	group	818,992

Aurora Energy Limited

Statement of service performance for the year ended 30 June 2021

The performance targets established in the 2020/21 Statement of Intent (SOI) for Aurora Energy Limited and the results achieved for the year ended 30 June 2021 are as follows.

Performance Targets	Outcome Achieved
Health and Safety	
Zero serious harm events involving members of the public.	Achieved. There were no serious harm events involving members of the public.
To ensure contractor and staff safety. ≤4.00 total recordable injury frequency rate (TRIFR) per 200,000 hours worked.	Not Achieved. Aurora Energy and its largest contractors recorded a TRIFR of 5.7 per 200,000 hours worked.
Customer Orientation	
Maintain community support through sponsorships and community initiatives including the street art programme on Aurora Energy assets. \$20,000 of sponsorship per annum. Streamline the process for customers wanting to connect to the Aurora Energy network. Establish & embed new customer connection processes including: <ul style="list-style-type: none"> Simple connection process improvements in place by July 2020 Standard connection process improvements in place by 31 December 2020 Strategic connection process improvements in place by 31 December 2020. Distributed Generation connection process improvements in place by 31 December 2020 	<p>Achieved. \$35,000 was spent in support of community initiatives during the year. Aurora Energy's primary community sponsorships were the Southern Lakes Festival of Colour and the Otago Science & Technology Fair.</p> <p>Achieved. Simple connection process improvements delivered by July 2020.</p> <p>Partially Achieved. Customers can initiate application enquiries via website, however automated process is yet to be fully deployed.</p> <p>Partially Achieved. Customers can initiate application enquiries via website, however automated process is yet to be fully deployed.</p> <p>Partially Achieved. Distributed Generation connection process improvements implemented in April 2021.</p> <p>Note: Achievement of the above partially achieved targets is now expected within the FY22 financial year.</p>
Our Team	
To develop a high performing team. Support development opportunities for each team member. Learning & development plans in place for >75% of team members by year-end. To create a motivated & satisfied team. Understand opportunities for improvement within our team environment. >75% staff satisfaction result on annual employee survey. To create an environment that supports overall individual & team wellness. Develop opportunities across the business that support the overall wellness of our team. A Board-approved Wellbeing Programme is in place.	<p>Achieved. 88.2% of staff had a performance and development plan in place at year-end.</p> <p>Achieved. May 2021 81.5% were 'very satisfied' or 'satisfied' in working for Aurora Energy.</p> <p>Achieved. Wellbeing programme in place and was presented to the Board in July 2020.</p>

Performance Targets	Outcome Achieved
Sustainability	
<p>Promote uptake of electric vehicles.</p> <p>At least 5 public charging facilities connected to Aurora network.</p> <p>Contribute to Council's Strategic Framework and Climate Change and Carbon Neutrality initiatives.</p> <p>Establish systems for measuring and publicly reporting carbon emissions by end of FY2021, in a cost-effective manner, with a view to then identifying and setting emissions reductions targets.</p>	<p>Achieved. There are at least ten public fast chargers connected to the network.</p> <p>Achieved. Annual monitoring framework of carbon emissions established and reported. We are currently working with an external provider to establish emissions reduction targets for 2022.</p>
Asset Management Maturity	
<p>Implement process and capability improvements identified as necessary to enhance asset management practice.</p> <p>A detailed roadmap for the implementation of an asset management system is in place and implementation is underway by 30 June 2021.</p> <p>Effective long-term planning for Aurora Energy's asset portfolio is in place.</p> <p>Annual and compliant Asset Management Plan is published as per regulatory requirements.</p>	<p>Achieved. The asset management system implementation is on track. Testing of asset migration to date has been successful.</p> <p>Achieved. On 31st March 2021 we published a short form Asset Management Plan (AMP) update including all compliance related schedules. Given that a full AMP was submitted in June 2020, the Commerce Commission provided an exemption from a full AMP in 2021 with the condition that a full AMP will be published on 31st March 2022.</p>
Operational Performance	
<p>Improve Aurora Energy's work programme scheduling to ensure forward-looking work programmes are in place.</p> <p>Work programmes are delivered to Contractors on a rolling quarterly basis in accordance with Field Service contract terms.</p> <p>Enhance Aurora Energy's work planning & delivery performance and embed mature approaches for planning & delivering the annual work plan.</p> <p>New Portfolio Project Management solution is implemented and utilised to manage the annual work plan.</p> <p>Aurora Energy Risk Register is regularly reviewed & updated and the risk profile is managed in accordance with Board approved risk tolerance levels.</p> <p>Risk Management Framework embedded as evidenced by:</p> <ul style="list-style-type: none"> • Risk registers reviewed regularly and up to date • No. of outstanding risk treatment plans reviewed regularly and up to date • Regular reporting to Board and Audit & Risk Committee 	<p>Achieved. Annual Works Plan and Project Work Plans are being delivered in accordance with Field Service contract terms.</p> <p>Achieved. New Portfolio Project Management solution (Sentient) was implemented in November 2019. This has been used to deliver the annual work plans.</p> <p>Achieved. Risk update reports are provided to the Board and Audit & Risk Committee on a regular basis.</p>
<p>Aurora Energy is prepared and able to respond appropriately to emergencies.</p> <p>Annual test of Aurora Energy's emergency response is completed and actions for improvements are documented.</p>	<p>Partially Achieved. An independent review of the Company's Covid-19 response was undertaken in August 2020. The report was positive and found Covid-19 had not impacted significantly on key controls considered by the review. Improvement opportunities have since been documented.</p>

Performance Targets	Outcome Achieved		
Maintain full compliance with the Resource Management Act No breaches.	Not Achieved. A 25 year air discharge permit lapsed in May 2021, giving rise to a technical breach of the RMA in respect of our continued use of emergency generation equipment as a lifeline utility. A renewal of the permit has since been obtained.		
Network Reliability (Statement of Intent Targets – period ended 31 March 2020)			
SAIDI (System Average Interruption Duration Index) - Class B interruptions planned ≤ 195.96 minutes - Class C interruptions unplanned ≤ 146.29 minutes SAIFI (System Average Interruption Frequency Index) - Class B interruptions planned ≤ 1.11 - Class C interruptions unplanned ≤ 2.51	Achieved. 102.73 minutes Achieved. 85.39* minutes Achieved. 0.68 interruptions Achieved. 1.46* interruptions * Class C SAIDI and SAIFI are expressed as normalised figures. Regulatory reporting allows for the effect of extreme events to be removed, resulting in normalised figures that are compared against target. The raw results for Class C SAIDI and SAIFI were 113.8 minutes and 1.54 interruptions respectively.		
Shareholder Objectives			
Engage with the Shareholder annually on opportunities for the Company to contribute, or assist where possible, with Council’s community outcomes (as listed in the Annual Plan). Consult with the Shareholder on matters to be included in the Company’s Statement of Intent. Shareholder approval of the Company’s Statement of Intent. 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 and seek Shareholder’s view on these. No unnotified potential conflicts. Keep the Shareholder informed of all substantive matters. All substantive matters reported within 24 hours.	Achieved. 2020-2021 Statement of Intent was submitted and approved. Achieved. There were no issues of potential strategic or operational conflict to be notified to the Shareholder. Achieved. All substantive matters were reported to the Shareholder within 24 hours.		
As at 30 June 2021, 100% of the Company’s permanent employees were paid at or above the Living Wage (as calculated by the Living Wage Movement Aotearoa New Zealand).			
Financial Objectives			
Target	\$,000	Result	\$’000
EBITDA1	≥ 23,314	Achieved	35,659
Net surplus after tax	≥ (9,131)	Achieved	681
Shareholder’s funds	≥ 163,538	Achieved	178,139
Shareholder’s funds to total assets	≥ 24%	Achieved	27%
Cash flow from operations	≥ 8,241	Achieved	28,860
Capital expenditure	≥ 75,917	Achieved	76,640
Term debt	≤ 412,050	Achieved	389,740
EBITDA target and outcome calculations exclude asset disposals.			

City Forests Limited

Statement of service performance for the year ended 30 June 2021

The performance targets established in the 2020/21 Statement of Intent for City Forests Limited, and the results achieved for the year ended 30 June 2021 are as follows.

Performance Targets	Outcome Achieved
General	
<p>The Company will achieve a 6% post-tax (or greater) return on shareholders' funds measured on a 3 year rolling average basis</p> <p>A review of the Company's long term strategic plan will have been completed which meets the objective of a 6% post-tax return on shareholders' funds measured on a 3 year rolling average basis.</p> <p>Opportunities for expanding the Company's scale will have been investigated including joint ventures. The company will report annually on the hectares of land acquired / divested including joint ventures.</p> <p>No single customer will have received more than 30% of the Company's annual harvest by volume.</p> <p>The Company's sales agency will diversify export sales by geographic market destination and by customer which will be reported annually.</p> <p>The Company will participate in the New Zealand Emissions Trading Scheme (ETS) and may realise financial opportunities from the sale of carbon stored in the Company forests, in compliance with carbon policy.</p> <p>The Company will balance its exposure to domestic and export revenues taking into account market risk and product margin. The percentage annual supply to the domestic market by volume will be tracked.</p> <p>The Company will incorporate Carbon accounting in the strategic plan in accordance with the New Zealand Emissions Trading Scheme (ETS).</p> <p>The Company will meet its annual supply commitments to domestic customers taking into account agreed variations.</p> <p>The Company will meet its volume and log quality commitments to export shipping and export customer contracts.</p> <p>The annual harvest as detailed in the strategic plan will be within +/- 20% of the long-term sustainable yield.</p>	<p>Three year rolling average return on shareholders' funds is 11.6%.</p> <p>Strategy day held on 12th February 2021. The Company's long term strategic plan was reviewed and adopted by the shareholder during the annual budget and statement of intent process. The plan incorporates a return on shareholders' funds of 6.3% for the first three years measured on a forecast three year rolling average basis.</p> <p>The strategic plan incorporates a forest estate expansion program. Four new property purchases totalling 563ha occurred during the year. The Company also purchased the joint venture partners tree crop share of the McCrostie Forestry Right. The historic Ferny Hill 175.9ha divestment occurred as contracted since 1996.</p> <p>Our largest customer Daiken Southland received 11.96% of the Company's annual harvest volume.</p> <p>Export volume was shipped to:</p> <p>South Korea: 45%, 21 customers.</p> <p>China: 55%, 7 customers.</p> <p>Vietnam <1%, 2 customers.</p> <p>The Company continues to participate in the ETS and has regularly monitored Carbon sales price during the period and considered its Carbon Sales policy at board level. No NZU sales occurred during the period.</p> <p>Domestic log production was 30.7% by volume. (33.7% last year). Export log sales were 69.3% by volume.</p> <p>The Company's 10-year strategy plan incorporates Carbon. Future Carbon sequestration and surrender obligations are forecast in accordance with the Company's ETS obligations.</p> <p>On an annualised basis all customers received their contracted volumes within plus or minus 10%. A number of domestic supply commitments were varied during the year at the request of the customer.</p> <p>All export commitments were met however purchase wood volumes were needed to supplement Company production for some shipments.</p> <p>The annual harvest from the Company forest estate during the year was 388,664m³ including billet wood. This is 111.4% of the sustainable yield of 349,000m³. Forecast harvest levels in the long-term strategic plan for the next three years are; 360,351m³, 359,558m³ and 349,424m³. All are within +/- 20% of the sustainable yield.</p>

Performance Targets	Outcome Achieved																
The Company will carry out annual forest inventory to measure and verify forest yield. The number of inventory plots measured will be reported.	The Company completed 696 inventory plots during the period.																
A forest surveillance program will be in place as part of the National Surveillance program to assess the forest estate for pests and diseases.	The forest industry wide biosecurity surveillance program was operational during the year. No new incursions were reported in the Company estate.																
The annual fire plan will be updated and operational by 1 October each year.	Fire plan update was completed in September 2020 prior to the start of the fire season.																
The Company will actively participate in regional land use and environmental planning processes.	The Company actively participated with the Otago Regional Council's implementation of the National Environmental Standard for Plantation Forestry.																
The Company will have reviewed the best tree species, tree genetic selection and silvicultural management plan to apply to the annual operational areas. The Company will report annually on the percentage of species and pruned area by forest.	A comprehensive review of Company pruning strategy was conducted during the year. Percentage pruned by forest is: <table> <tr> <td>Silverpeaks</td><td>56%</td></tr> <tr> <td>Flagstaff</td><td>85%</td></tr> <tr> <td>Waipori</td><td>23%</td></tr> <tr> <td>Tokoiti</td><td>68%</td></tr> <tr> <td>Total</td><td>59%</td></tr> </table>	Silverpeaks	56%	Flagstaff	85%	Waipori	23%	Tokoiti	68%	Total	59%						
Silverpeaks	56%																
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Tokoiti	68%																
Total	59%																
The Company will participate in Industry Research Consortia (via the Forest Levy) to ensure research objectives are in line with Company Strategy and to gain financial leverage to receive research objectives.	The Company has paid the Forest Growers Levy. Two staff are members of committees (through the Forest Owners Association) which are part of the process of allocating levy research funds. The Company Forest Levy contribution is pooled with industry and Government funds achieving considerable financial leverage enabling significant research to be undertaken.																
The implementation of research outcomes into operational management plans will be tracked.	Management plans are updated to reflect current management practices which are informed by research outcomes, i.e. target tree stocking rates per hectare to optimise site carrying capacity.																
The Company will maintain supply arrangements with Otago and Southland wood processors provided customers match (or better) alternative supply options.	Otago and Southland wood processors receive supply volumes in accordance with the annual plan. Pricing is negotiated each quarter. Customers have been given the option to decline or reduce supply if they are unable to match returns from alternative supply options (log export) and this occurred by agreement with some customers for periods during the year.																
Annual supply volumes to major wood processors (Pan Pac, Craigpine, Niagara & Daiken) will be tracked and reported.	Otago & Southland wood processors were supplied the following volumes during the period: <table> <tr> <td>Pan Pac:</td><td>13,367m³</td></tr> <tr> <td>Craigpine:</td><td>6,878m³</td></tr> <tr> <td>Niagara:</td><td>64m³</td></tr> <tr> <td>Hollows:</td><td>9,901m³</td></tr> <tr> <td>Gorton's:</td><td>18,868m³</td></tr> <tr> <td>Otago Lumber:</td><td>7,303m³</td></tr> <tr> <td>Daiken:</td><td>46,471m³</td></tr> <tr> <td>Bioenergy:</td><td>15,718m³</td></tr> </table>	Pan Pac:	13,367m ³	Craigpine:	6,878m ³	Niagara:	64m ³	Hollows:	9,901m ³	Gorton's:	18,868m ³	Otago Lumber:	7,303m ³	Daiken:	46,471m ³	Bioenergy:	15,718m ³
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Otago Lumber:	7,303m ³																
Daiken:	46,471m ³																
Bioenergy:	15,718m ³																
The volume of wood supplied for Bioenergy uses will be tracked and reported.																	
Lost time accident rates for staff and forest contractors will be minimised and not more than 15 lost time accidents per 1,000,000 hours worked.	12 month rolling lost time accident rate for staff and forest contractors was 11.5 lost time injuries per 1,000,000 hours.																

Performance Targets	Outcome Achieved
The Company will undertake drug and alcohol testing of staff and the contract workforce. The number of random tests and percentage of positive tests will be reported.	99 tests were conducted during the period. Three positive random tests were recorded, being 3%.
Forest Stewardship Council Certification of the Forest Estate will be maintained.	Forest Stewardship Council Certification was maintained following audit in 2020.
A current forest management plan will be in place (as required by FSC standards) which identifies social and environmental, as well as economic outputs.	The Company has a set of comprehensive forest management plans that have been externally audited as part of the Company maintaining FSC certification.
The Company will work with partners (DOC, University of Otago etc) to maintain and enhance threatened and endangered (RT&E) species on and around the Company estate. Sponsorship amounts for these activities will be reported annually.	Sponsorship of \$15,000 was awarded to Predator Free Dunedin, \$10,000 to the Yellow Eyed Penguin Trust and \$5,000 to Dunedin Wildlife Hospital to contribute towards conservation of rare threatened and endangered (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. Results of water sampling and reserve area environmental assessments will be publicly available on the Company's website.	An environmental management system is in place with on-going monitoring of environmental values. This is available on the Company's website and includes water, soil disturbance and reserve biodiversity monitoring.
Company and Contract employees will have a training plan in place. The company will report on the number of National Certificates achieved by its workforce each year.	Company Staff, Contractors and their employees achieved 15 National Certificates during the year.
The Company will engage with its contractors to participate in Modern Apprenticeship programs. The number of apprentices working in Company operations will be reported each year.	At 30 June 2021 one modern apprentice was employed in Company operations.
There will be "nil" instances of non-compliance with the Company's EEO policy.	There were no instances of non-compliance with the Company's EEO policy.
The Company's forest management plans will have a section allocated to recreation and educational use of the forests.	The Company's forest management plans have sections allocated to recreation and education.
The Company will maintain a forest access permit system, track and report on recreational use statistics.	Recreation use is monitored through forest access permit issuance. 360 forest access permits were issued during the year.
The Company will track and report on the distance of public walking and mountain bike tracks in the Company's forests.	The Company has 32.3km of walking tracks and 24.7km of mountain bike tracks in its forests.
A continued and measured expansion of the forest estate will be part of Company Strategy, actioned and tracked annually.	Company has purchased 563ha of land during the period.
Consult with the shareholder in a timely manner on DCHL Group strategic or operational matters which could compromise the Council's community outcomes.	No significant issues arose that would compromise Council community outcomes, however communication channels were maintained with the shareholder such that the shareholder is well informed of Company activities.
Report to the shareholder within 24 hours of the Board becoming aware of any substantive matter, including any matter likely to generate media coverage.	A small number of media interactions occurred throughout the period and the shareholder and board were communicated to within 24 hours informing them of the matter.
Living wage: The Company will disclose in its Annual Report the proportion of its workforce receiving the living wage (as calculated by the New Zealand Family Centre Social Policy Unit).	All employee remuneration is greater than the living wage unless under training.

Performance Targets		Outcome Achieved	
Contribute to the Councils Carbon Neutrality Initiatives. Establish systems for measuring and publicly reporting carbon emissions by end of FY 2021, in a cost effective manner, with a view to then identifying and setting emissions reductions targets.		Carbon reporting has been completed for 2021 and reported in this annual report in accordance with DCHL group standards.	
Financial			
Target	\$'000	Result	\$'000
Profit before income tax	16,053	Profit before income tax	50,862
Profit after income tax	11,552	Profit after income tax	36,871
Shareholders' funds to total assets	74.0%	Shareholders' funds to total assets	73.1%
Dividend distribution	4,200	Dividend distribution	8,200
Operating cashflow	9,469	Operating cashflow	16,344
Capex	3,200	Capex	9,765
Term debt	18,000	Term debt	16,000

Delta Utility Services Limited

Statement of service performance for the year ended 30 June 2021

The performance targets established in the 2020/21 Statement of Intent for Delta Utility Services Limited, and the results achieved for the year ended 30 June 2021 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. Several iterations of the Statement of Intent are provided to Dunedin City Holdings for review and feedback. The final Statement of Intent for the 2021 financial year was submitted to and accepted by DCHL prior to 30 June 2020.
Shareholder approval of the Company's Statement of Intent.	
Consult with the Shareholder at the earliest possible time on matters where conflict may or could result.	
No unnotified potential conflicts.	
Keep the Shareholder informed of all substantive matters.	
Report all substantive matters to the Shareholder within 24 hours.	Achieved. Monthly KPI reports and financial information was provided to DCHL in line with the agreed timetable.
Community	
Maintain community support through local sponsorship/ donations.	Achieved. Over \$32,000 in sponsorship / donations was provided to community groups during the year.
\$25,000 of sponsorship/ donations per annum.	
Support community recreation and visitor experience in Dunedin.	Achieved. Target KPIs were maintained or exceeded on average throughout the year.
Achieve KPIs on service contracts.	
Maintain essential infrastructure to support Dunedin City Council's strategy to be one of the world's great small cities.	Achieved. Delta generally met or exceeded its KPI's on maintenance contracts held with Aurora Energy and the Dunedin City Council throughout the year.
Deliver maintenance services per contractual arrangements.	
People	
Reduce harm to employees and contractors:	Not achieved. TRIFR for the year was 4.34 per 200,000 hours worked.
≤ 3.50 total recordable injury frequency rate (TRIFR) per 200,000 hours worked.	
≤ 1.00 total lost time injury frequency rate (LTIFR) per 200,000 hours worked.	Not achieved. LTIFR for the year was 1.40 per 200,000 hours worked.
Maintain the health and wellbeing of staff:	
Lower than 2.5% sick leave based on hours.	Achieved. Staff sick leave was 2.3% of total hours during the year.
Implement/maintain an employee wellbeing programme.	
Develop skill sets and succession planning through Delta's apprenticeship scheme:	Achieved. An employee wellbeing programme was launched and maintained during the year.
Average number of apprentices in the scheme of 20 or more per annum.	
Maintain a positive and satisfying working environment with low levels of voluntary staff turnover.	Achieved. The average apprentices in the scheme was over 29 during the period.
Below 14.0% staff turnover.	
During the 2021 financial year, 86% (2020: 89%) of the staff employed by the Company received above the living wage (as calculated by the New Zealand Family Centre Social Policy Unit).	

Performance Targets		Outcome Achieved	
Environment			
Ensure a well-recognised environmental accreditation is maintained.		Achieved. All depots maintained their Enviro-mark gold accreditation and a stage 1 nominal assessment for ISO 14001 was undertaken.	
Maintain Enviro-mark Gold accreditation for all Delta depots. Complete a Stage 1 nominal assessment for ISO 14001.			
Maintain full compliance with the Resource Management Act (RMA).		Achieved. There were no breaches of the RMA during the 2020/21 year.	
0 – number of breaches.			
Maintain or lower fuel efficiency in the Company's light commercial / passenger fleet.		Not achieved. Fuel efficiency across the Delta light commercial /passenger fleet was calculated at 9.55 litres per 100 kilometres.	
≤ 9.50 litres fuel used per 100 kilometres.			
Contribute to the Dunedin City Council's Carbon Neutrality initiatives.		Achieved. The company is now able to measure its carbon footprint and has established baseline levels for FY21.	
Establish systems for measuring and publicly reporting carbon emissions by the end of FY2021 in a cost-effective manner.			
Financial			
Target	\$'000	Result	\$'000
EBITDA	≥ 11,508	Achieved	13,087
Net profit after income tax	≥ 3,373	Achieved	4,624
Shareholder's equity	≥ 23,984	Achieved	25,918
Return on Shareholder's funds	≥ 15%	Achieved	19%
Cash flow from operations	≥ 8,399	Achieved	10,406
Capital expenditure	≤ 6,008	Achieved	5,149
Term debt	≤ 22,800	Achieved	16,500
Dividends	≥ 1,750	Achieved	1,750
Shareholder's equity to total assets	≥ 37%	Achieved	40%

Dunedin City Treasury Limited

Statement of service performance for the year ended 30 June 2021

The performance targets established in the 2020/21 Statement of Intent for Dunedin City Treasury Limited, and the results achieved for the year ended 30 June 2021 are as follows.

Performance Targets		Outcome Achieved	
Economic			
Zero breaches of DCC Treasury Risk Management Policy's borrowing maturity profile.		Achieved. There were no breaches of DCC Treasury Risk Management Policy's borrowing maturity profile.	
Zero breaches of DCC Treasury Risk Management Policy's interest rate risk policy.		Achieved. There were no breaches of DCC Treasury Risk Management Policy's interest rate risk policy.	
Zero breaches of DCC Treasury Risk Management Policy's investment management policy.		Achieved. There were no breaches of DCC Treasury Risk Management Policy's investment management policy.	
Successfully fill any issues brought to the market during the year.		Achieved. Funding lines with ANZ, BNZ and Westpac have been maintained during the year.	
Maintain funding lines with ANZ, BNZ and Westpac.		Achieved. Funding lines with ANZ, BNZ and Westpac have been maintained during the year.	
Regular reporting of the Company's achievement against defined benchmarks.		Achieved. Reporting achievements against defined benchmarks are provided to the Board monthly and quarterly.	
Manage the Waipori fund and meet the investment objectives set by Council in the Statement of Investment Policy and Objectives.		Achieved. There were no breaches of the Statement of Investment Policy and Objectives. The 'Waipori Fund' recorded a return for the year of \$9,327,748 which is a return of 9.9%.	
Quarterly review by the Board, of the DCTL Risk Register Dashboard.		Achieved. The DCTL Risk Register Dashboard was reviewed by the Board quarterly.	
Regular reporting to the shareholder of DCTL's top five current risks.		Achieved. DCTL's top five current risks were reported to the shareholder quarterly.	
No breaches of policy. Where breaches have occurred, there are no breaches that have not been reported to the GM Finance and Commercial within one business day and as per requirements of the policy.		Achieved. There were no breaches of policy that were required to be reported to the shareholder.	
Escalate DCTL strategic or operational matters which could compromise the Council's community outcomes, to the shareholder in a timely manner.		Achieved. There were no matters requiring escalation to the shareholder.	
To report matters of substance to the shareholder within 24 hours of the board becoming aware.		Achieved. There were no matters of substance to report to the shareholder.	
Establish systems for measuring and publicly reporting carbon emissions by end of FY2021, with a view to then identifying and setting emissions reductions targets.		Achieved. Established systems for measuring and publicly reporting carbon emissions.	
Obtain a credit rating equal to that of Dunedin City Council.		Achieved. Obtained a credit rating of AA; equal to that of Dunedin City Council.	
Financial			
Financial forecasts	\$'000	Achievement	\$'000
Net profit after tax	7	Net profit after tax	7
Cash flow from operations	(1,488)	Cash flow from operations	136
Capital expenditure	-	Capital expenditure	-
Term loans	920,626	Term loans	818,992
Shareholder's funds to total assets	-6.1%	Shareholder's funds to total assets	-3.7%

Dunedin International Airport Limited

Statement of service performance for the year ended 30 June 2021

The performance targets established in the 2020/21 Statement of Intent for Dunedin International Airport Limited, and the results achieved for the year ended 30 June 2021 are as follows.

Performance Targets	Outcome Achieved
Safety and Our Environment	
To make safety & security our first priority » To work with our staff and stakeholders to maximise safety on site for all staff, passengers, and visitors.	
Due to the resignation of our Safety & Compliance Manager during the COVID outbreak and a downsizing of the airport team by 24%, a number of initiatives in this area were delayed. The search for a replacement manager took longer than expected in a very tight labour market. We filled this permanent position in July 2021.	
Review the Health and Safety Plan and objectives with the Health and Safety Committee each year	A full review of the Health and Safety plan, and associated objectives was undertaken in March 2021. This included the CEO, GM Infrastructure and the new Safety and Compliance manager. The draft was presented to the H&S Committee and has since been approved
Implement annual Health & Safety refresher training for all Dunedin Airport staff.	This was not achieved. This remains under action and will be available through our on-line learning platform in FY21/22.
Promote staff engagement by implementing a reward-based system to celebrate safety and wellbeing success.	Not achieved. No formal process was put in place. A reward based system will be considered with the development and implementation of our Wellbeing Program in FY 21/22.
Hold a minimum of three Board Safety Committee meetings and two Board site audits each year	Board Safety Committee meetings were held in JULY, DECEMBER and APRIL. A fourth that was to be held in June was delayed until July in order to include to include two new Directors who started in July. Two site audits were carried out this year in December 2020 and April 2021. These were carried out at: • Water Treatment Plant • Otokia Road dairy farm.
Report on Health & Safety management and provide statistical data to the company's monthly board meetings and quarterly Board Safety Committee meetings.	This data was provided in all Board Reports. Our new Safety and Compliance Manager reviewed and changed the format of the H&S Dashboard to ensure the data was relevant and in line with industry best practice.
Attend our stakeholder's Health & Safety meetings each year.	We attended 11 stakeholders Health and Safety Meetings this year. The meetings attended were across Air New Zealand, AVSEC and Jetstar.
Ensure recurrent safety training for all members of the Health & Safety Committee is provided.	This was not achieved. All members of the Health and Safety Committee were booked to attend training in the year, but this was delayed and was completed in July 2021
Implement a staff wellbeing programme	This was not achieved. This is planned to be completed in FY 21/22 in collaboration with some of the DCHL organisations.
No Serious Harm incidents at Dunedin Airport for any passenger or airport user	There were no Serious Harm Incidents reported this year to any passenger or airport user (including employees).
Maintain our CAA Part 139 operating certificate.	
Successfully achieve compliance in all CAA safety and security audits with no major findings.	No CAA Safety audits were scheduled or conducted. A CAA Security Audit Completed in June 2021. Four minor findings were issued.
Proactively manage Wildlife Hazards.	
Strike rate of <5 strikes per 10,000 aircraft movements on a 12-month moving average.	Strike rate per 10,000 aircraft movements to the end of June 2021 was 4.7. This meets the <5 target strikes per 10,000 aircraft movements. Dunedin Airport's overall risk rating is low with a downward trend in strike rates.

Performance Targets	Outcome Achieved
To be environmentally responsible » Act as a socially and environmentally responsible corporate citizen.	
Implement public recycling and increase the diversion rate of waste from landfill.	Tenant Recycling sitting at an average of 22% diversion per month for the airport and 52% for Momona Village. The overall % has decreased from the previous year due to the change in our waste provider. The previous waste provider used an industry defined estimate on tonnage. The new provider uses actual weight to determine the diversion rate. The implementation of public recycling implementation did not occur. The system was trialled in certain areas of the terminal and the new system will be in place by September 2021.
Develop and implement a sustainability strategy appropriate for our organisation.	We are working with PROXIMA in the development of a Sustainability Strategy for the airport.
Measure our carbon footprint by end of 2020-2021 financial year.	This was achieved and a CARBON REPORT is included in this year's Annual Report.
In a cost-effective manner, establish systems to measure and publicly report our environmental footprint from our WASTE, ENERGY, FUEL, WATER, and NOISE by the end of 2021-2022 financial year.	Our CARBON REPORT encompasses all our activity from waste, energy and fuel consumption. We have now put in place a detailed water consumption dashboard for the whole airport and residential housing at Momona. We did not measure noise. This was an error in the drafting of our performance measure. That is, we never intended to measure noise. Emissions have been measured for the first time this year, refer to the Greenhouse Gas Emissions Summary in Section 2 of the Annual Report.
Be Carbon Neutral by the end of 2030.	
Maintain our obligations on any current resource consents in place.	
Report as required to the Otago Regional Council each year on bore water consent RM 11.369.01.	Bore Report covering the period 1 July 2019 to 30 June 2020 completed and sent to the ORC in July 2020. Bore Report covering the period 1 July 2020 to 30 June 2021 completed and sent to the ORC in July 2021.
Report as required to the Otago Regional Council on sewage discharge consent 2004.309.	Completed and sent to the ORC in April 2021.
Maintain voluntary annual reporting to the Otago Regional Council on de-icing fluid usage at the airport.	Completed and sent to the ORC in January 2021.
Maintain high quality dairy farming practices.	
No 'Critical' findings raised by any Fonterra dairy farm inspections.	Fonterra inspections completed on Otokia Rd farm in February 2021. No critical findings. Fonterra inspection completed on Centre Rd farm in March 2021. No critical findings.
Develop a strategic plan targeted toward a sustainable farm environment.	Fonterra Sustainable Farm Audit DRAFT report received. Fonterra are required to amend the report as some data is incorrect. The plan will be finalised with the release of the final Fonterra report.

Performance Targets	Outcome Achieved
Financial	
To optimise commercial return to our shareholders » Achieve increased non-aeronautical revenues from activities compared to the previous year.	
Maintain carpark revenue in line with the percentage movement in total passenger numbers on Regular Scheduled Services.	Carpark barrier arm revenue is 36.9% up against budget for the year. This is in the context of an 36.5% increase in passenger numbers against budget.
Maintain the total volume of fuel sold (in litres) at the Momona Garage in line with the percentage movement in total passenger numbers on Regular Scheduled Services.	Fuel sales volume is 42.1% up against budget for the year. This is in the context of an 36.5% increase in passenger numbers against budget.
Increase total Kilograms of Milk Solids (kgMS) produced by our airport owned dairy farms by 5% against the prior year.	The dairy farms produced 272,652 kgMS in the 2021 milking season. This compares to 233,367 kgMS during the 2020 season, an increase of 16.8%.
Develop and implement six-monthly marketing plans for: <ul style="list-style-type: none"> • The meeting room facilities, and • Our retail partners. 	Six-monthly marketing plans for meeting rooms and our retail partners have been developed and implementation commenced.
Comply with financial covenants and policy.	
Fulfil lender borrowing facility financial covenants: <ul style="list-style-type: none"> • Equity Ratio (total shareholders' funds / total assets) > 40% • Earnings Ratio (EBITDA / interest expense) > 1.1 Comply with the company's Dividend Policy.	As at 30 June 2021 the airports Equity Ratio is 69.6%. As at 30 June 2021 the airports Earnings Ratio is 14.9 The airport's dividend policy is to distribute 60% of the operating surplus after income taxation (adjusted for fair value movements in equity investments) to shareholders as a dividend. The Board declared a 2019-20 financial year dividend, which would have been distributed during the 2020-21 financial year, but the shareholders waived their right to receive.
Comply with the company's Treasury Policy.	During certain months of the year the airport operated outside the parameters outlined in the Treasury Policy with regard to the percentage of Monthly Forecast Net Debt together with associated derivatives (e.g. interest rate swaps) that had fixed interest rates. This decision was made in order to decrease interest costs associated with fixed rate interest rate swaps.
Generate a positive Return on Shareholders' Funds adjusted for IFRS fair value movements and asset revaluations.	The Return on Shareholders' Funds (excluding the Hedge and Revaluation Reserves) for the year ended 30 June 2021 is 6.3%.
Generate a positive Return on Shareholders' Capital invested.	The Return on Shareholders' Capital for the year ended 30 June 2020 is 23.7%.
On-going monitoring and refinement of the company's strategic business plan and business risks.	
Annual update to strategic Business Plan.	The 2020-2021 Business plan was finalised in August 2020. Progress with key strategies therein are reported to the Board as part of monthly board reporting. Drafting the 2021-2022 iteration commenced in December 2020. With shareholder agreement, the process was paused as our strategy review was halted following Board member movements.
Six monthly risk analysis undertaken and reported to the Board.	The Risk Analysis Report for the six months ended June 2020 is yet to be completed. December 2020 iteration deferred pending the recruitment of a Safety & Compliance Manager. We filled this permanent position in July 2021.
Risk, Audit and Opportunities Committee to meet three times during the year.	Meetings held in August 2020, November 2020, March 2021 and May 2021.

Performance Targets	Outcome Achieved
Business Development	
Increase passenger numbers on regular scheduled services » Partner with our airline, airport, region and tourism industry.	
Continue to develop and implement Lower South Destination strategy with Dunedin Airport as one of the gateways.	The Lower South proposition was a large component of the Dunedin-Brisbane business case with Air New Zealand. We have continued to engage with the Lower South RTOs during the year. We met with the Lower South RTO group in April to talk to them about the proposed Tasman service.
Invest in a minimum of four domestic promotional campaigns a year jointly with airlines and / or our industry partners.	A minimum of four domestic promotional campaigns were invested in this year. <ul style="list-style-type: none"> • The Air NZ Travel tool has been updated and is an integral part of Air NZ promotion of Dunedin. • Air NZ Grabaseat offered 20% off flights to DUD for the tertiary open day on the 26th of May. • Air NZ Grabaseat offered 20% off flights to DUD as part of the Auckland Beer and Food Festival that Dunedin NZ and Dunedin Airport supported. • Campaign with ED, Air NZ and Universal Music on the launch of new SIX60 film was completed in November.
International Regular Scheduled Services reinstated to the airport.	Nil international passengers YTD. Due to the situation in Australia, currently there is no “bubble” between Australia and New Zealand. We continue discussions with our airline partners on Tasman services.
Achieve 500,000 passengers on Regular Scheduled Services (RSS) for the 2020-2021 financial year.	759,174 domestic passengers travelled on Regular Scheduled Services in the 30 June 2021 financial year. This represents a 4.0% decrease on the prior year.
To develop & strengthen our partnerships » Implement initiatives to improve the performance of our relationships.	
Conduct stakeholder engagement surveys once a year with our strategic partners to review the strength of the relationships.	Stakeholder Engagement survey was completed with 28 responses. The results showed a high level of engagement.
Collate and analyse data from each retail partner and meet monthly to discuss results.	Retail data dashboard is produced every month and shared internally and with our retail partners.
Hold one airport community function each year.	Run the Runway was held at the Airport on the 14th of February.
Our Customers	
To provide the best customer service experience » Provide a high standard of service to our customers.	
Conduct a minimum of two customer insight surveys to better understand our customer.	Only one Customer insight survey was completed which incorporated questions to gain information on passengers, ‘meeters and greeters’, carpark and product offerings.
Produce quarterly reports from our continuous customer satisfaction surveys.	Four customer satisfaction surveys were completed.
Achieve a majority of “good” or better across all surveyed areas of customer service.	All four surveys achieved “good” or better.
Ensure all airside infrastructure maintenance causes no delays to airline operations.	
No delays to regular scheduled passenger operations are incurred as a result of airside infrastructure.	There were no delays due to our infrastructure this year. Pavement work on Gate 3 caused a 24-hour closure of the gate; however, no delays were caused by this closure. One technical fault with our new Gate 3 airbridge caused a revised method of disembarking/embarking passengers; however, this did not delay the flight.

Performance Targets	Outcome Achieved
Ensure the future of the airport is protected.	
Ensure any new development is considered in conjunction with the District Plan and Airport Master Plan.	Development projects this year have taken the District Plan and Airport Master Plan into consideration.
Our People	
To be a great place to work » To recognise and review staff performance.	
Each staff member to have a formal Annual Performance Review and Personal Development Plan.	Annual Performance Reviews, including Personal Development Plans relating to June 2020 year were completed. Planning has commenced for June 2021 year.
Ensure that our staff are engaged with the company's Vision, Purpose and Values.	
Conduct an annual staff engagement survey, acting on any matters that require attention as appropriate.	On advice from our consultant, we undertook COVID Conversations this year. This was to gauge the effect on our teams as we came out of COVID. We will conduct an Engagement Survey in the 2021-2022 year
All staff are offered an exit interview on leaving the company.	All staff who have left the company have been offered Exit Surveys. Completed surveys have been submitted to the Board.
Our Community	
To connect & engage with our place » Provide sponsorship to community events and organisations.	
Invest \$20,000 on sponsorship in line with our sponsorship policy.	Total sponsorship for the year totalled \$20,500 <ul style="list-style-type: none"> • A donation was made to the Momona Play Centre in December – \$500 • A donation was made to the Blood and Leukemia Trust as part of the Sky City Tower challenge that three of our AES team are participating in – \$500. • We have committed to OUSA and ED on joint sponsorship of OUSA Auckland Beer and Food Festival – \$5,000 • We are an official Partner Programme Member of the A20 – \$500. • We have donated money to the YEP Trust – \$5,000. • We have donated money to Dunedin Host – \$5,000. • We have donated money to the University of Otago Putea Tautoko Student Hardship Fund – \$4,000.
Not accept sponsorship or give naming rights to companies involved in activities deemed to be inconsistent with Dunedin City Council's and Dunedin Airport's ethical positions, i.e., tobacco, armaments, fossil fuel extraction, gambling and pornography.	Achieved.
Engage with our community and share information.	
Arrange for Dunedin Airport staff to work within the community each year.	The Airport team spent a day with the Yellow Eyed Penguin team planting grasses at the Okia Reserve on the Otago Peninsula on the 26th May.
Engage with local iwi to incorporate cultural diversity.	CEO and GMBD have started the He Papa Tikanga – Certificate in Tikanga Māori Level 3 course through Te Wananga o Aotearoa.
Initiate opportunities to speak to the community, stakeholders and organisations.	13 presentations by CEO. Two presentations by GMBD.
Utilise airport communication channels to share information with our community, as appropriate.	Regular information continues to be sent out to Airport community via email and newsletters. Monthly meetings are held by the Airport with representatives of the Airport Community. These are called F2G (Fly Together) meetings.

Performance Targets	Outcome Achieved
Shareholders	
To connect & engage with our place » Consult with shareholders on matters to be included in the company's Statement of Intent.	
Prepare annually the company's Statement of Intent having given consideration to shareholders expectations.	The 2021 – 2022 Statement of intent has been finalised and submitted to shareholders.
<i>Consult with shareholders at the earliest possible time on matters where conflict may or could result.</i>	
Report to and consult with shareholders on matters where the company's and shareholders requirements are in conflict.	No such matters in the current year.
<i>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.</i>	
Report to shareholders within 24 hours substantive matters which have the potential to impact negatively on shareholders and the company with a particular focus on matters of interest to the media.	No such matters in the current year.

Dunedin Stadium Property Limited

Statement of service performance for the year ended 30 June 2021

The performance targets established in the 2020/21 Statement of Intent for Dunedin Venues Limited, and the results achieved for the year ended 30 June 2021 are as follows.

Performance Targets		Outcome Achieved	
Economic			
An Asset Management Plan is in place.		Achieved. An Asset Management Plan is in place.	
The Asset Management Plan is internally reviewed annually, and externally reviewed every three years (next in 2021).		Achieved. The Asset Management Plan has been externally reviewed during the 2021 financial year and is currently being finalised.	
Asset maintenance is compliant with the Asset Management Plan schedules and principles, including condition-based assessments.		Achieved. Asset maintenance is compliant with the Asset Management Plan.	
Seek advice on potential impact of climate change (e.g. sea level rise or increased frequency of severe weather events) on Forsyth Barr Stadium.		Achieved. Advice has been sought from external consultants.	
A debt repayment program is in place and is reviewed by the board annually.		Achieved. A debt repayment program is in place and was reviewed during the 2021 financial year. While debt increased this year, it is expected that subvention receipts will resume during the next financial year which will enable debt to reduce again.	
A draft 2021/2022 Statement of Intent will be submitted to the shareholder by 1 March 2021.		Achieved. The draft 2021/2022 Statement of Intent was submitted to the ultimate shareholder on 1 March 2021.	
Establish systems for measuring and publicly reporting carbon emissions by end of FY2021, in a cost effective manner, with a view to then identifying and setting emissions reductions targets.		Achieved. Established systems for measuring and publicly reporting carbon emissions. Baseline data has been established in order to identify and set emission reduction targets.	
Escalate DSPL strategic or operational matters which could compromise the Council's community outcomes, to the shareholder in a timely manner.		Achieved. There were no matters requiring escalation to the shareholder.	
To report matters of substance to the shareholder within 24 hours of the board becoming aware.		Achieved. There were no matters of substance to report to the shareholder.	
Financial			
Financial forecasts	\$'000	Achievement	\$'000
EBITDA	3,006	EBITDA	1,651
Net profit (loss) before tax	(6,458)	Net profit (loss) before tax	(7,469)
Cash flow from operations	(31)	Cash flow from operations	(2,604)
Capital expenditure	1,590	Capital expenditure	55
Term loans	85,495	Term loans	86,340
Shareholder's funds to total assets	44%	Shareholder's funds to total assets	43%
Dividend distributions	nil	Dividend distributions	nil
The financial forecasts in the Statement of Intents were impacted by reduced subventions receipts. The Company continues to work with Dunedin City Holdings Limited and its subsidiary companies on maintaining the cash funding model that has been in place through subvention receipts. The operating loss before tax and subventions for the year of \$7,472,000 is largely consistent with the budgeted operating loss before tax and subventions of \$8,204,000.			

Dunedin Venues Management Limited

Statement of service performance for the year ended 30 June 2021

The performance targets established in the 2020/21 Statement of Intent for Dunedin Venues Management Limited, and the results achieved for the year ended 30 June 2021 are as follows.

The statement of service performance is unaudited at the time of publishing Dunedin City Council's annual report.

Performance Targets	Outcome Achieved		
Safety and Compliance			
Meet Ministry of Health and Government requirements as set out in New Zealand’s Alert Level system which specifies measures to be implemented against COVID-19 at each level.	DVML has met requirements set out by the Ministry of Health through all levels of the Covid pandemic.		
Health and Safety Plan has been reviewed.	The current Safety and Wellness Strategic Plan has been reviewed by the Health and Safety Committee during the year.		
Site, Contractor and Event Audits show no breaches of agreed procedures.	There were zero breaches of agreed procedures for the reporting period.		
An Incident Frequency Rate Events of less than 0.05% of the total number of people attending events and the venues.	The Incident Frequency Rate was 0.014% of the total number of people attending events and the venues.		
Total Incident Rate of less than six incidents per 200,000 hours worked.	Total Incident Rate was zero incidents per 200,000 hours worked.		
Total Recordable Incidents rate of less than three.	Total Recordable Incidents was zero for the reporting period.		
Lost Time Incident rate of less than two.	The Lost Time Incident rate was zero for the reporting period.		
Lost Time Incident Frequency Rate of less than 17 per 1,000,000 hours worked.	The Lost Time Incident Frequency Rate was zero for the reporting period.		
Achieve a performing score or better across all elements of the SafePlus criteria.	An overall score of Developing was achieved against the SafePlus auditing criteria in FY2020. The next external audit is due FY2022. DVML has been working on improvement actions from the previous audit.		
Meet and maintain all statutory, regulatory and resource consent requirements.	There were no identified breaches of statutory obligations during the year.		
Facilities and infrastructure are maintained as fit for purpose and in accordance with the approved current Asset Management Plan (AMP).	No breaches of KPI’s as set out in the approved current Asset Management Plan.		
Report on facilities indicators and provide statistical data in the monthly board reports.	Agreed KPI’s reported against at each Dunedin Stadium Property Limited Board meeting.		
Financial			
Achieve budget results.	Achievement against forecasted SOI results are as follows:		
Targets	\$’000	Achievements	\$’000
EBITDA	2,058	EBITDA	70
Net profit after tax	(316)	Net Profit After Tax	(372)
Operating cash flow	2,550	Operating Cash Flow	(1,250)
Capital expenditure	31	Capital Expenditure	10
Shareholder funds to total assets	0.08 : 1	Shareholder funds to total assets	0.07 : 1
Dividend	-	Dividend	-

Performance Targets	Outcome Achieved												
Achieve a 15:1 return on investment of the Event Attraction Fund.	<p>The Event Attraction Fund for 2020/21 was not applied to any major events in the 2021 financial year, the fund is held as Income in Advance on the Balance Sheet to be carried into 2021/22.</p> <p>A breakdown of the return on investment for the previous financial year was as follows:</p> <table> <tr> <th>Event</th><th>Return</th></tr> <tr> <td>Fleetwood Mac</td><td>67:1</td></tr> <tr> <td>Elton John</td><td>143:1</td></tr> <tr> <td>Queen + Adam Lambert</td><td>91:1</td></tr> <tr> <td>Six60</td><td>78:1</td></tr> <tr> <td>Total</td><td>90:1</td></tr> </table>	Event	Return	Fleetwood Mac	67:1	Elton John	143:1	Queen + Adam Lambert	91:1	Six60	78:1	Total	90:1
Event	Return												
Fleetwood Mac	67:1												
Elton John	143:1												
Queen + Adam Lambert	91:1												
Six60	78:1												
Total	90:1												
Marketing and Business Objectives													
Produce a Venue Hirer document that encompasses all venues and shows the diversity of space.	Proposals have been developed and presented to clients with the focus on increased utilisation of spaces.												
New business opportunities are created through non-event business activity.	The Village of Learning was created in collaboration with University of Otago, the Otago Polytechnic and Enterprise Dunedin.												
Stadium Members receive quality engaging communication and content through a regular newsletter.	Members are sent a monthly newsletter with an update from the CEO and of various aspects of their membership.												
Survey Members for satisfaction level – minimum 80% satisfaction to be achieved.	A Membership Survey was conducted in March / April 2021. Due to the unusual nature of 2020 with Covid-19 lockdowns, Membership satisfaction was not measured. The survey was used as a health check of Members. 76% of respondents at the time of the survey indicated they were likely to renew their Membership.												
Achieve a 75% retention rate of Member renewals.	The retention rate of Members up for renewal was 72%.												
Achieve 45 new Memberships.	A total of 33 Memberships were sold during the year (2020: 30).												
Introduce at least one new Member initiative each year.	In seat service was introduced during the 2021 Highlanders season to the Members that sit in Aisle 306 Member section. A click and collect service was also introduced to Members on Level 4. Both initiatives are designed for greater service and convenience to members.												
Survey Commercial Partners for satisfaction level – minimum 80% satisfaction to be achieved.	One on One meetings have been conducted with all sponsors. The renewal process indicates a very high level of satisfaction. All major sponsors and commercial partners have renewed.												
Human Resources													
Staff numbers are at a level and skill base whereby all business activity can be undertaken safely and successfully.	Staff numbers and skill base are constantly reviewed against the event calendar to ensure business activity can be undertaken safely and successfully.												
Performance Reviews are conducted with all staff at least every six months.	Staff Performance Reviews were completed in December 2020 and June 2021.												
The proportion of workforce receiving the living wage (as calculated by the New Zealand Family Centre Social Policy Unit).	All employees are paid the living wage, or more.												
Staff participate in at least one community activity.	DVML ran events during the year for the benefit of the community in addition to the events funded by the Community Access Grant.												
To ensure the staff training plan is fully executed.	Training requirements have been met throughout the year.												

Performance Targets	Outcome Achieved														
Shareholder															
Submit annually the Company's Statement of Intent having given consideration to Dunedin City Holding Ltd's expectations.	The Company's Statement of Intent was submitted within Dunedin City Holdings Limited timeframes after taking into consideration the requirements of Dunedin City Holdings Limited.														
Matters which may or could conflict have been escalated to the Shareholder.	There were no matters, where there may be conflict between the Dunedin City Holdings Limited outcomes, that required escalation to the Shareholder.														
Report to Dunedin City Holdings Limited within 24 hours of the Board becoming aware of substantive matters which have the potential to negatively impact on the Shareholder and the Company with a particular focus on matters of interest to the media.	There were no matters, which had the potential to negatively impact on the Shareholder and the Company, that were required to be reported to Dunedin City Holdings Limited.														
Social and Wellbeing															
Positive community feedback and increased satisfaction levels through the Residents Opinion Survey.	The latest DCC's Residents Opinion Survey resulted in an increased satisfaction rating from 86% to 89% for the Forsyth Barr Stadium. The satisfaction rating for the Dunedin Centre also increased from 80% to 85%.														
Report to the Dunedin City Council 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 2020/21. These reports were issued on 20 January 2021 which covered the community events between July – December 2020 and a further report issued on 20 July 2021 which covered a full reconciliation report of community events over the entire period July 2020 – June 2021.														
Senior management conduct a minimum of five speaking engagements.	Senior management conducted six 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.	There were no major events held in the 2021 financial year. The Economic Impact for major events for the previous year was as follows: <table><tr><th>Event</th><th>Economic Benefit</th></tr><tr><td></td><td>\$'000</td></tr><tr><td>Fleetwood Mac</td><td>13,500</td></tr><tr><td>Elton John</td><td>14,300</td></tr><tr><td>Queen + Adam Lambert</td><td>9,100</td></tr><tr><td>Six60</td><td>4,600</td></tr><tr><td>Total</td><td>41,500</td></tr></table>	Event	Economic Benefit		\$'000	Fleetwood Mac	13,500	Elton John	14,300	Queen + Adam Lambert	9,100	Six60	4,600	Total	41,500
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Fleetwood Mac	13,500														
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Queen + Adam Lambert	9,100														
Six60	4,600														
Total	41,500														
Achieve minimum 80% satisfaction rating through surveys of all major events (>10,000 pax).	There were no major events held in the 2021 financial year.														
60% of attendees of all major events (>10,000 pax) to come from outside of Dunedin City.															

Performance Targets	Outcome Achieved															
<p>In conjunction with the DCC, submit bids of a high quality that will drive economic benefit and civic pride for the city.</p>	<p>The following satisfaction and attendance numbers were achieved in the previous year.</p> <table><tr><th>Event</th><th>Satisfaction</th><th>% Attend outside of Dunedin</th></tr><tr><td>Fleetwood Mac</td><td>78%</td><td>73%</td></tr><tr><td>Elton John</td><td>90%</td><td>73%</td></tr><tr><td>Queen + Adam Lambert</td><td>81%</td><td>56%</td></tr><tr><td>Six60</td><td>94%</td><td>50%</td></tr></table> <p>A submission was made to FIFA to host matches at Forsyth Barr Stadium for the FIFA Women’s World Cup 2023 in which Venues across Australia and NZ were all competing for. The bid was successful.</p>	Event	Satisfaction	% Attend outside of Dunedin	Fleetwood Mac	78%	73%	Elton John	90%	73%	Queen + Adam Lambert	81%	56%	Six60	94%	50%
Event	Satisfaction	% Attend outside of Dunedin														
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Environment Strategy																
<p>Identification of Hazardous Substances and New Organisms (HSNO) across the Company’s facilities ensuring the HSNO database is current.</p> <p>Establish systems for measuring and publicly reporting carbon emissions.</p>	<p>The HSNO database has been reviewed and updated during the reporting period.</p> <p>During the year DVML have, for the first time, assessed and measured its Greenhouse Gas (GHG) emissions.</p> <p>This process was completed with the assistance of Lumen and Opportune Consulting and in accordance with the requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and ISO 14064-1:2006 Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals.</p> <p>At this stage DVML have focused on measuring its Scope 1 and 2 emissions and an agreed selection of Scope 3 (indirect, or value chain) emissions.</p> <table><tr><td>Scope</td><td>tCO2-e</td><td>% of total</td></tr><tr><td>Scope 1</td><td>276</td><td>43%</td></tr><tr><td>Scope 2</td><td>259</td><td>41%</td></tr><tr><td>Scope 3</td><td>105</td><td>16%</td></tr></table>	Scope	tCO2-e	% of total	Scope 1	276	43%	Scope 2	259	41%	Scope 3	105	16%			
Scope	tCO2-e	% of total														
Scope 1	276	43%														
Scope 2	259	41%														
Scope 3	105	16%														
<p>Building Management System (BMS) has been reviewed to ensure maximum efficiency.</p> <p>Increased communication with attendees at all venues about recycling and waste management.</p> <p>Sustainability Team is formed and develops a Sustainability Plan.</p>	<p>Due to a large portion of the year being run at reduced utilisation there was no opportunity to review the BMS when functioning at maximum availability or capacities.</p> <p>All signage throughout the stadium has been updated, recycling centres added, and sustainability options given to event organisers to enhance their delivery.</p> <p>The measuring of carbon impact for business events is now being offered to hirers as part of DVML’s services.</p> <p>As part of DVML’s overall sustainability strategy, sustainability measures have been added as part of services and equipment tenders and supplier contracts.</p> <p>Always searching for alternative environmentally friendly products, DVML has trialled the use of cans with good results. Continuous review of food service, packaging, cleaning products and turf management chemicals to reduce overall environmental impact are occurring regularly.</p>															

Dunedin Railways Limited

Statement of service performance for the year ended 30 June 2021

The performance targets established in the 2020/21 Statement of Intent for Dunedin Railways Limited, and the results achieved for the year ended 30 June 2021 are as follows.

The statement of service performance is unaudited at the time of publishing Dunedin City Council's annual report.

Performance Targets		Outcome Achieved	
General			
Hibernation plan is prepared and reported on to the Board on a quarterly basis.		Compliance to the hibernation plan was reported on at each DRL Board meeting.	
Target zero lost time injuries.		There were no LTI's during the reporting period.	
A draft 2021/22 Statement of Intent will be submitted to the Shareholder by 1 March 2021.		The Company's Statement of Intent was submitted within Dunedin City Holdings Limited timeframes after taking into consideration the requirements of Dunedin City Holdings Limited.	
Establish systems for measuring and publicly reporting carbon emissions by end of FY2021, in a cost-effective manner, with a view to then identify and set emissions reductions targets.		The Company has put in place systems and processes for measuring carbon emissions.	
Consult with the shareholders in a timely manner on DRL strategic or operational matters which could compromise Council's community outcomes.		There were no matters which could compromise community outcomes that required escalation to the Shareholder.	
Report to the shareholder within 24 hours of the Board becoming aware of any substantive matter, including any matter likely to generate media coverage.		There were no matters, which had the potential to negatively impact on the Shareholder and the Company, that were required to be reported to Dunedin City Holdings Limited.	
Report the proportion of the Company's workforce receiving the living wage (as calculated by the New Zealand Family Centre Social Policy Unit).		All employees were paid the living wage, or more.	
Financial			
Target	\$'000	Result	\$'000
Shareholders' Funds to Total Assets	100%	Shareholders' Funds to Total Assets	53%
Dividend/Subvention Distributions	-	Dividend/Subvention Distributions	-
EBITDA	-	EBITDA	(222)
Net Profit after Tax	-	Net Profit after Tax	(236)
Cash Flow from Operations	-	Cash Flow from Operations	(98)
Capital Expenditure	-	Capital Expenditure	-
Term Loans	-	Term Loans	-

Statement of compliance and responsibility

Compliance

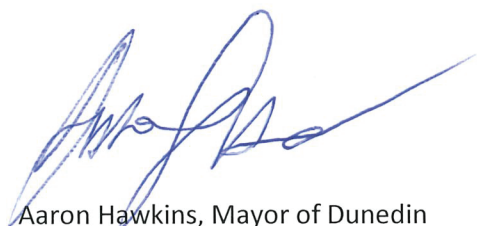
The Council and Management of the Dunedin City Council confirm that all statutory requirements of Schedule 10 Part 3 of the Local Government Act 2002 regarding financial management and borrowing have been complied with.

Responsibility

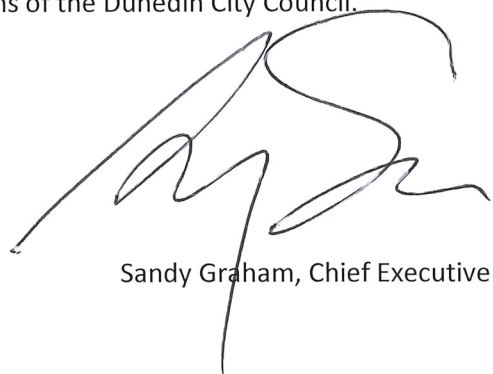
The Council and Management of the Dunedin City Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

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 2021 fairly reflects the financial position and operations of the Dunedin City Council.



Aaron Hawkins, Mayor of Dunedin



Sandy Graham, Chief Executive

Independent Auditor's Report

To the readers of Dunedin City Council's annual report for the year ended 30 June 2021

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, Rudie Tomlinson, 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 has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the City Council's disclosures about its 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 14 December 2021. This is the date on which we give our report.

Opinion on the audited information

Qualified opinion on the financial statements and the services and activities section

In our opinion, except for the possible effects of the matters described in the "Basis for our opinion" section of our report:

- the financial statements on pages 66 to 71 and pages 74 to 135:
 - present fairly, in all material respects:
 - » the City Council and Group's financial position as at 30 June 2021; and
 - » 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 Public Benefit Entity Reporting Standards; and
- the services and activities section on pages 18 to 63:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2021, including:
 - » the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - » 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.

Unmodified opinion on the audited information, excluding the financial statements and the services and activities section

In our opinion:

- the funding impact statement on page 72, 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 about capital expenditure for each group of activities on pages 23, 28, 32, 35, 39, 42, 46, 49, 53, 56, 59 and 62, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's annual plan; and
- the funding impact statement for each group of activities on pages 24, 29, 33, 36, 40, 43, 47, 50, 54, 57, 60 and 63, 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 performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 138 to 141, 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 and annual plans.

Basis for our opinion

Financial statements: Our work was limited with respect to the valuation of the three waters infrastructure assets

As disclosed in Note 28 to the financial statements, the City Council revalued its water supply, wastewater and stormwater infrastructure assets (three waters infrastructure assets) at 30 June 2021 to fair value using optimised depreciated replacement cost.

There is some evidence that the methodology applied by the City Council may have resulted in the valuation being based on replacement costs that are significantly lower than the recent contract rates incurred by the City Council for renewal of three waters infrastructure assets.

The City Council has disclosed on page 101 that it intends to engage experts to review its current valuation methodology to determine whether it is still appropriate and that this may lead to a different approach which may materially alter the carrying values of the City Council's three waters infrastructure assets.

Because this review is yet to be undertaken, the scope of our audit was limited, and we have been unable to obtain sufficient appropriate audit evidence to determine if the carrying values of the three waters infrastructure assets as at 30 June 2021 are materially correctly stated.

Services and activities section: Our work was limited with respect to the verification of the number of complaints for some services

The City Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These mandatory performance measures include the total number of complaints received about the following:

- Drinking water clarity, taste, odour, pressure or flow, continuity of supply, and the City Council's response to any of these issues.
- Sewage odour, sewerage system faults and blockages, and the City Council's response to issues with the sewerage system.
- The performance of the stormwater system.

These measures are important because the number of complaints is indicative of the quality of services received by ratepayers.

The Department of Internal Affairs has issued guidance to assist local authorities in applying the Rules, including on how to count complaints. Our audit testing found that the City Council has not been counting complaints in accordance with this guidance and that the City Council's method of counting was likely to have understated the actual number of complaints received both in the current year and in the comparative year to 30 June 2020. Complete records for all complaints made to the City Council were not available and we were unable to determine whether the City Council's reported results for these performance measures were materially correct.

We also found that the City Council's system for classifying complaints between the above performance measures is deficient and we are unable to determine whether this deficiency results in a material misstatement of the number of complaints reported per performance measure.

As a result, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the number of complaints reported against these performance measures.

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.

Emphasis of matter – The Government's three waters reform programme announcement

Without further modifying our opinion, we draw attention to note 42 on page 135, which outlines that subsequent to year-end, the Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the City Council will no longer deliver three waters services.

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 its 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 services and activities section, 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 17, 73, and 142 to 166 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: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have audited the City Council's 2021 – 2031 long-term plan which is compatible with those independence requirements.

For the year ended 30 June 2021 and subsequently, the independent Chair of the City Council's Audit and Risk Committee, is the Chair of the Auditor-General's Audit and Risk Committee. The Auditor-General's Audit and Risk Committee is regulated by a Charter that specifies that it provides independent advice to the Auditor-General and does not assume any management functions. There are appropriate safeguards in place to reduce any threat to auditor independence, as the Chair of the Auditor-General's Audit and Risk Committee has no involvement in, or influence over, the audit of the City Council.

Other than in our capacity as auditor, and the relationship with the Auditor-General's Audit and Risk Committee, we have no relationship with, or interests, in the City Council or any of subsidiaries and controlled entities.



Rudie Tomlinson

Audit New Zealand

On behalf of the Auditor-General Dunedin, New Zealand

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