



**te ripoata-a-tau mō te
kaunihera a-rohe o Ōtepoti
dunedin city council
annual report
2021/22**

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SECTION 1:

He kupu whakataki | Introduction

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He Kupu Whakataki nā te Kahika

Introduction from the Mayor

This Annual Report shows the Dunedin City Council's progress during the 2021/22 year and how we have tracked against our budget as set out in the first year of the 10 year plan 2021-31.

The 10 year plan committed to looking after what we have, including significant investment in renewing the city's aging infrastructure, such as water pipes and roads. It has been a busy year delivering on this commitment, with a capital spend of around \$144 million.

Work included replacing water mains for the Waikouaiti community, and renewing 9km of watermain across the city, 4km of wastewater pipes, and 3km of stormwater pipes.

We also resealed 45.5km of roads during the year, along with 26.5km of footpaths.

The Retail Quarter Upgrade project saw work completed in London Street, Frederick Street and Hanover Street (in part), and work is progressing on George Street and Great King Street.

During the year we also completed the refurbishment of 38 housing units at the Palmyra site. The School Street housing site was completed with 10 new units designed to meet Homestar 8 standards. These are some of the most energy efficient public housing units in the country.

New equipment was installed in 23 different playgrounds across the city, including a new pump track at Marlow Park, upgrading Bathgate Park and Fairfield skatepark, and installing half basketball courts in a number of playgrounds around the city.

Work to refresh our Strategic Framework is underway, alongside the development of a Wellbeing Framework, a Māori Strategic Framework, and a City Portrait of Dunedin.

Emissions reduction and preparing to adapt to climate change have continued to be a key focus.

The DCC and the Otago Regional Council are also working together to develop a South Dunedin Future programme plan. This plan outlines a process for both councils, their partners and stakeholders to develop climate adaptation options for the area over the next few years.

Excellent results have been achieved in economic development, particularly in developing New Zealand's Centre of Digital Excellence. The Centre is a spearhead project for Dunedin using our educational advantages to produce weightless exports. Such initiatives will form an increasingly vital part of our economy in future.

Overall, it has been a busy year of solid progress on upgrades which sees us better placed to seize opportunities and meet the challenges ahead.



Jules Radich
Mayor of Dunedin

Ko tō Koromatua me kā Kaikaunihera

Mayor and Councillors as at 30 June 2022



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

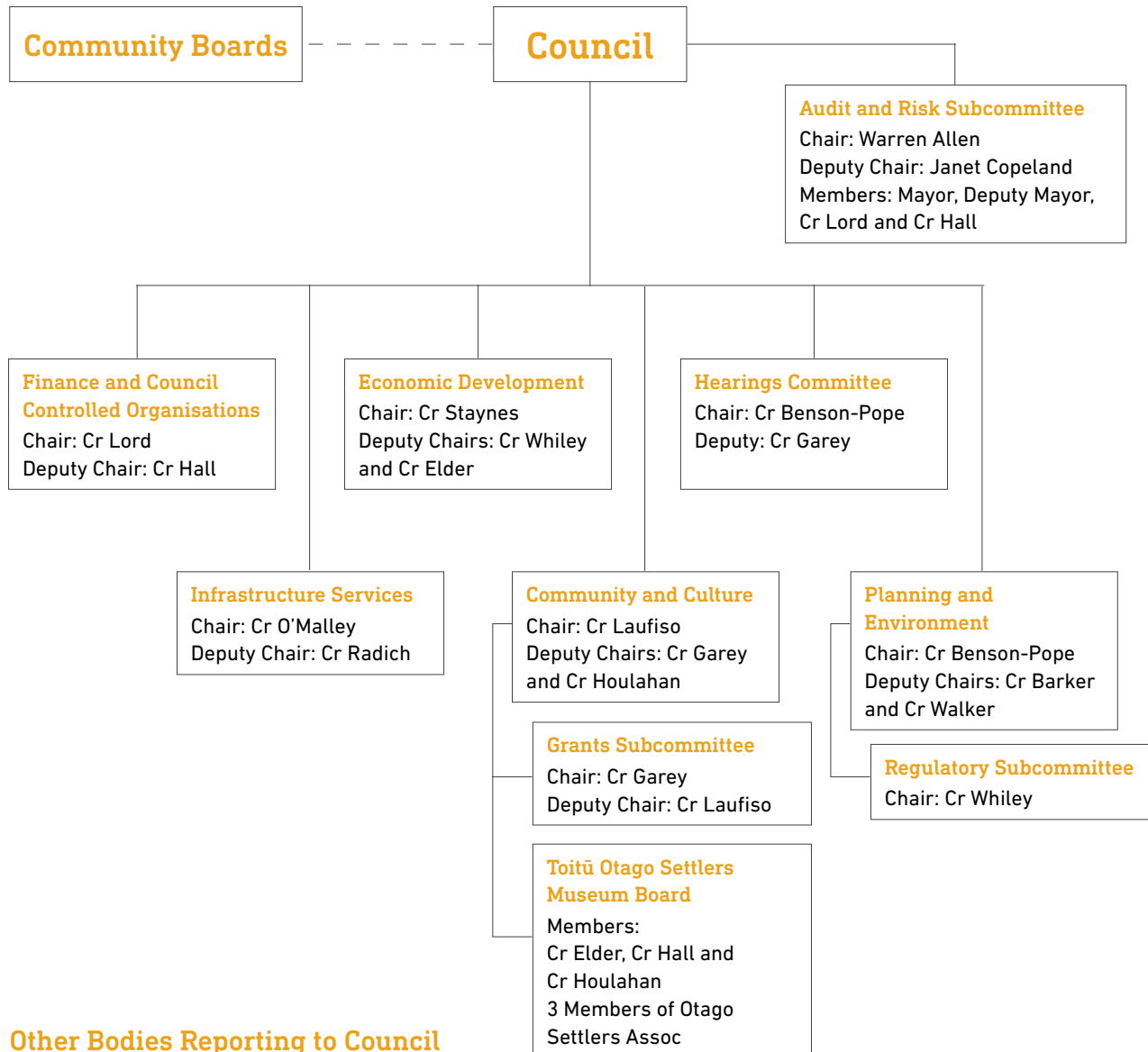
Kā poari hāpori

Community Boards as at 30 June 2022

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)	Kristina Goldsmith (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	Trevor Johnson
Cr Carmen Houlahan	Cr Andrew Whiley	Cr Jules Radich	Cr Mike Lord	Cr Jim O'Malley	Cr Steve Walker

Te aka o Te Kōmiti Kaunihera

Council Committee structure as at 30 June 2022



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

Kā mahi tahua

Finances

This section presents a summary of the financial results for the year ending 30 June 2022.

Council Financial Results

	2022 \$000	2021 \$000	2020 \$000	2019 \$000	2018 \$000	2017 \$000
Rates	179,556	163,492	156,949	149,312	138,306	134,186
Dunedin City Holdings Limited interest	5,902	5,902	5,902	5,902	5,902	5,902
Crown subsidies and grants	29,803	33,536	39,628	42,423	31,907	17,572
Vested assets	6,784	7,957	4,867	4,634	8,128	10,006
Other revenue including unrealised gains and capital receipts	95,499	95,685	71,571	84,138	74,218	70,567
Total revenue	317,544	306,572	278,917	286,409	258,461	238,233
Personnel expenses	68,287	65,970	67,488	62,353	57,429	53,536
Operational expense	139,603	140,821	127,554	123,798	123,793	109,123
Fair value losses	7,415	1,055	548	200	90	88
Interest expense	8,560	8,007	9,822	10,324	11,900	13,705
Depreciation expense	81,349	74,283	73,097	68,597	65,035	61,327
Total expenditure	305,214	290,136	278,509	265,272	258,247	237,779
Surplus (deficit) before taxation	12,330	16,436	408	21,137	214	454
Cash flow position						
Cash flows from operating activities	81,134	75,567	66,379	83,845	54,622	47,635
Cash flows from investing activities including capital	(139,387)	(110,990)	(87,922)	(95,930)	(51,250)	(31,820)
Cash flows from financing activities including debt raising	62,300	28,000	25,000	18,500	(2,342)	(14,023)
Interest						
Interest expense	8,560	8,007	9,822	10,324	11,900	13,705
Capitalised interest	–	–	–	–	–	–
Total interest	8,560	8,007	9,822	10,324	11,900	13,705
Financial position						
Total assets	4,720,644	3,859,662	3,429,429	3,399,012	3,308,233	3,185,464
Term loans	334,273	271,973	243,973	218,973	200,473	202,419
Total equity	4,309,630	3,512,539	3,121,579	3,120,186	3,052,940	2,933,438
Rates as a percentage of total revenue	56.55%	53.33%	56.27%	52.13%	53.51%	56.33%
Interest expense as % of operating revenue	2.70%	2.61%	3.52%	3.60%	4.60%	5.75%
Interest expense as % of rates revenue	4.77%	4.90%	6.26%	6.91%	8.60%	10.21%
Number of times that operating cash flow pays the interest expense	9.5	9.4	6.8	8.1	4.6	3.5
Number of times rates pays the interest expense	21.0	20.4	16.0	14.5	11.6	9.8
Net debt as % of total revenue	105%	89%	87%	76%	78%	85%
Net debt as % of rates	186%	166%	155%	147%	145%	151%

Consolidated Financial Results

	2022 \$000	2021 Restated \$000	2020 Restated \$000	2019 Restated \$000
Total revenue	571,219	580,361	510,984	557,465
Surplus (deficit) before taxation	9,398	55,215	(10,058)	31,470
Total assets	5,785,482	4,816,526	4,318,243	4,285,125
Total equity	4,614,332	3,737,678	3,283,790	3,329,799
Financial expenses *	30,443	23,929	29,241	28,233
Term loans	891,651	819,465	790,609	691,069
Financial expenses as % of operating revenue	5%	4%	6%	5%
Term loans as % of total assets	15%	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	15/12/2021	11/12/2020	12/12/2019	11/12/2018	08/12/2017	15/12/2016
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+

He tirohaka whānui

Strategic overview

The DCC's current strategic framework

The DCC's strategic vision was developed through a city-wide engagement process that started in 2011. Developed over a period of approximately eight years, the first of the eight strategies was adopted in 2010 and the last completed in 2017.

Currently, 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 30 year 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 DCC's work to achieve these strategic goals is underpinned by two overarching principles: 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. The image below is an illustration of the current Strategic Framework.

Achieving great outcomes as a community



The purpose of a strategic approach to decision-making is ultimately to achieve great outcomes for the city. 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

Outcome	Indicators	2021/22 update	Māori stats 2021/22 (if measured)
Vision	Perception that Dunedin is one of the world's great small cities ¹	85% (QoL, 2022)	Not available
Strategic principles (The Treaty of Waitangi, Sustainability)	The DCC's capability to work with Māori is developed through the implementation of a Māori Cultural Capabilities Pathway for DCC staff and Councillors Meaningful partnership arrangements have been established with Māori in Dunedin An increased number of collaboratively developed partnership projects and ventures with mana whenua	Not measured	Not Measured
	Percentage of residents agreeing that 'Dunedin is a sustainable city'	39% (ROS, 2021/22)	39% (ROS, 2021/22)
	Percentage of residents agreeing that 'the DCC is a leader in encouraging the development of a sustainable city'	30% (ROS, 2021/22)	31% (ROS, 2021/22)
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	Not measured	Not Measured
	Residents' sense of community within their local neighbourhood	55% (ROS, 2021/22)	55% (ROS, 2021/22)
3 Waters: A healthy city with reliable and quality water, wastewater and stormwater systems	Satisfaction with the way the DCC manages the city's water related infrastructure	54% (ROS, 2021/22)	52% (ROS, 2021/22)
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	59% (ROS, 2021/22)	50% (ROS, 2021/22)
	Number of residential building consents for new builds issued in the past 12 months	641	Not Measured

¹ The exact wording of the QoL question is "Dunedin is a great place to live".

Outcome	Indicators	2021/22 update	Māori stats 2021/22 (if measured)
Economic Development: A successful city with a diverse, innovative and productive economy	Growth in full-time equivalent jobs	-1.5% in filled jobs (Year to March 2022) Note: Change of data sources means a change in indicator measure (FTE to filled jobs)	- 0.5% decline in filled jobs (Year to March 2022) Note: Change of data sources means a change in indicator measure (FTE to filled jobs)
	Growth in real GDP per capita	4.4% growth (year to March 2022)	N/A
	Ability to cover costs of everyday needs	55% (QoL, 2022)	N/A
Ara Toi: A creative city with a rich and diverse arts and culture scene	Percentage of residents rating Dunedin as creative	66% (ROS, 2021/22)	68% (ROS, 2021/22)
	Percentage of residents visiting one or more cultural facility within the last 12 months	90% (ROS, 2021/22)	84% (ROS, 2021/22)
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	17% (ROS, 2021/22)	8% (ROS, 2021/22)
	Number of fatal and serious injury crashes	33 (46 in 2020/21)	7 (8 in 2020/21)
Te Ao Tūroa: A sustainable city with healthy and treasured natural environments	City greenhouse gas emissions	Next update available for the 2022/23 Annual Report	Not Applicable
	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	AASBV* = 19,947 ha QEII = 979 ha (since 1995) DoC Protected = 33,509 ha (since 1995) Since there is overlap between the different protection types the total area is less than the sum of the above; Total = 37,140 ha	Not Measured
Parks and Recreation: An active city with quality and accessible recreational spaces and opportunities	Percentage of residents who participate in physical activity 5 or more days a week	40% (QoL, 2022)	Not Measured
	Percentage of residents using a park, reserve and/or open space and/or recreation facility at least once a month	72% (ROS, 2021/22)	71% (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 2021/2022 financial year are below:

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

- Community Development staff continued to support community capacity and capability building, providing training and professional development opportunities for social and community organisations.
- Enviroschools facilitators continued to support the sustainability journey of 36 Dunedin primary, intermediate and secondary schools.
- Taskforce Green provided more than 20,000 hours of volunteer support to Council departments and community groups.
- More than \$1.64 million was provided in grants to community groups and organisations through Small Projects, Neighbourhood Matching, Community, City Service, City Project, Rates Relief, Place-based Community and Landfill grants. Funds granted support social well-being outcomes for Dunedin people, whānau, neighbourhoods, and communities.
- The first Matariki public holiday was marked with events at the Otago Museum and with the inaugural Mana Moana at Steamer Basin, with thousands attending both events. Mana Moana was a successful and overwhelmingly positive event that drew an estimated 20,000 people to the city's waterfront. Plans are already being drawn up to cement a regular and iconic Matariki event on the city's calendar. The event delivered an economic boost for the city, employing a large number of locals ranging from food vendors to technical and production crew, who all contributed to the event's success.
- More than \$1.23 million was provided in grants to support Community, Premier and Major events, and the Community Access Fund. The DCC allocated more than \$342,000 in Regional Events Fund grants on behalf of the Ministry for Business Innovation and Employment to support events that attract tourists to the city.

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

- The DCC established a Treaty of Waitangi partner governance role with mana whenua to provide strategic guidance to our System Planning programme. This role is pivotal to identifying and achieving programme outcomes and provides a platform towards Te Mana o te Wai.
- Using Government 3 Waters stimulus, upgrades of the water supply pipes in the Northern Supply network and Sawyers Bay was carried out. This has removed old cast iron and AC pipes from the network and allowed for upgrades to provide reliance on water supply and firefighting capabilities. Also achieved was the removal of 1km of water supply pipe from a local lagoon reducing the risks to the environment.
- The business and institutions replacement programme, a \$7.8 million project, is in progress with a thousand smart water meters already installed. This will help curtail water wastage and enable leaks to be fixed faster.
- An environmental monitoring programme was established. This DCC system planning programme has incorporated the determination of discharges to the environment and has led to the identification and resolution of several wastewater/ stormwater cross-connections.

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

- Variation 2 (Additional Housing Capacity) to the 2GP was notified on 3 February 2021. The Variation is split into two main parts:
 - Part 1 introduced 12 new medium density zones and a range of more flexible rules to encourage development. Decisions on part 1 were released on 31 May 2022 and now have effect. The proposed changes are expected to allow for about 1900 new dwellings to be added across the city over the next 10 years.
 - Hearings on Part 2, which deals with greenfield rezoning proposals, concluded in September 2022.
- Variation 3 (Minor Improvements to the 2GP) was initiated by the Planning and Environment Committee on 2 November 2021. It is expected to be notified in the first half of 2023. It will address a range of minor improvements to the plan. One issue being addressed is the acoustic insulation standards for the central city as part of the Live Music Action Plan. It will also address definitions surrounding health care activities to better enable community health hubs such as Te Kāika.
- The number of new homes consented in the 2021/22 financial year was 641 (a record high).
- The Dunedin Heritage Fund awarded \$765,899 in the 2021/22 financial year, encompassing a variety of projects including seismic strengthening works, traditional re-roofing and adaptive re-use projects

A successful city with a diverse, innovative and productive economy

- The New Zealand Centre of Digital Excellence (CODE) Limited was incorporated on 1 July 2022, with the Board of Directors established by representatives from shareholding organisations.
- Ten new studios and four emerging studios received \$1,307,539 through the New Zealand Centre of Digital Excellence (CODE) grants rounds, with an additional three Scale Up grants awarded totalling \$750,000. 20 studios have been created or supported and 71 jobs were created since the first round of CODE funding was granted in 2020.

- Otago Regional Economic Development (ORED) partners engaged with regional stakeholders, industries and businesses and started conversations with rūnaka about their own aspirations and priorities for Otago's economic development. This work culminated in the identification of four priority action areas for Otago's economic development, intended to inform future projects and engagement with government support.
- Supported by CODE funding, the Otago Polytechnic delivered its curriculum programme for the first semester in Year 1 with local industry teaching staff attracting 47 learners enrolled in the Games Development pathway.
- The city-wide recovery of International Education has been supported by Enterprise Dunedin through Future Focussed workshops with partners from the Secondary and Tertiary education sector. Ongoing work is now focussed on workstreams for Agents, Homestay provision, ESOL (English for speakers of other languages) provision and marketing, with opportunity for shared services and cooperation identified.

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

- The Dunedin Public Art Gallery worked closely with Paemanu, the Ngāi Tahu contemporary art collective to stage the ground breaking exhibition Paemanu: Tauraka Toi. The exhibition and establishment of the ongoing collection of work by Paemanu expands the Gallery's ability to integrate Ngāi Tahu art histories within the institution.
- A combined tender proposal to the Ministry of Education from the Art Gallery, Toitū and Lan Yuan for a three year contract to provide Enriching Local Curriculum learning experiences was successful.
- Olveston Historic Home officially opened Miss Wilson's apartment as part of the tour. This addition highlights all the charities and organisations the Theomin family gave their donation of time, energy and money to.
- Dunedin UNESCO City of Literature partnered with Auckland University Press and Dunedin Public Libraries for the Ōtepoti launch of the first-ever anthology of Asian New Zealand creative writing, A Clear Dawn: New Asian Voices from Aotearoa New Zealand edited by Paula Morris and Alison Wong
- Two plaques were installed in the Dunedin Writers' Walk in February 2022 for poet Peter Olds and short story writer, the late O.E. (Ted) Middleton to acknowledge the writers' significance to Ōtepoti and their legacy.

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

- To improve pedestrian safety, speed management and parking around schools, safety improvements were completed at two schools in the 2021/22 financial year.
- The Dunedin Tunnels Trail project seeks to connect Mosgiel and Dunedin for active modes via two disused tunnels. The preliminary design package was completed. The single stage business case was completed and this is supporting a funding application with Waka Kotahi.
- The Albany Street Connection project will provide a separated cycleway that connects the harbour cycleway with the SH1 cycle lanes, the tertiary area, and the CBD. A preferred option for the Albany St cycleway was developed and publicly consulted on in June/July 2022. Changes to bus stops and route changes, pedestrian improvements and parking changes in the area are also part of the project. Implementation is planned for summer in the 2022/23 financial year.
- The Princes Street Connection project will improve safety, access for active modes and bus journey times along the Princes Street corridor. Public consultation on what issues people currently experience and how they would like to see Princes Street change was undertaken in June/July 2022.
- The Transport Strategy team installed 18 new bike stands in 4 locations around the city.

A sustainable city with healthy and treasured natural environments

- DCC awarded \$83,987.13 in Biodiversity Funding across a range of projects, including native bush and wetland restoration, pest control and community planting schemes.
- The St Clair – St Kilda Coastal Plan was adopted to manage and adapt the effects of coastal hazards and climate change.

An active city with quality and accessible recreational spaces and opportunities

- An updated Play Spaces Plan was adopted by Council in August 2021. This plan guides the transition improvements in play experiences for the whole community. Play spaces will be places where tamariki, rangatahi and the wider community can play freely, safely, explore nature, and share playful experiences with those around them.
- The DCC is updating and drafting new Reserve Management Plans for Signal Hill, Logan Park and Mosgiel Recreation and Community Designation Area (Mosgiel Memorial and Peter Johnstone Park).
- Three Community Rangers were employed to improve compliance with the Camping Control Bylaw and Reserves and Beaches Bylaw. Rangers patrolled beaches and camping hotspots daily, from Waikouaiti to Taieri Mouth.
- Construction of the new Mosgiel Pool is well underway. The concrete has been poured for the pool bases, the steel beams were installed and the roof construction is in progress. The process for procurement of new, fully accessible, hydrosides at Moana Pool is also in progress.

Refreshing the Strategic Framework

The Strategic Refresh is underway. Staff are aligning their work with the development of a Wellbeing Framework, a Māori Strategic Framework and exploring the City Portrait model as a means of defining and measuring sustainable outcomes for Dunedin. Residents will have the opportunity to engage in the work of refreshing the strategic framework and the design of Dunedin's City Portrait in 2023.

The timing of the project takes account of other Council work, such as the development of the 10 Year Plan 2024-34.

The Strategic Refresh project will illustrate the DCC's commitment to improving the well-being of Dunedin's current and future residents. It will also help the DCC to prepare for any changes to local government, such as Three Waters and Resource Management Act reforms and The Future of Local Government review.

A Growing City

The DCC and Otago Regional Council, in partnership with mana whenua, have started work developing the Future Development Strategy for Dunedin. This strategy is required by the National Policy Statement on Urban Development 2020.

The purpose of the Future Development Strategy is to promote long-term strategic planning by setting out how sufficient development capacity and supporting infrastructure will be provided over the coming 30 years to meet the city's anticipated growth needs.

The Future Development Strategy will be notified for public submissions in 2024 and will replace the Dunedin Spatial Plan (2012).

He pūroko mō kā take Māori

Māori participation update

Long term success and enduring partnership with Māori are important to the DCC. We acknowledge our Treaty of Waitangi responsibilities and we are 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.

In recent years the DCC has taken strong steps toward growing our internal capability and progressing relationships with mana whenua and mataawaka. We recognise that this is an ongoing process as we move towards a future where it becomes business as usual for all our staff to view DCC work through a Māori responsiveness lens.

During the year, we continued to develop our relationship with mana whenua through the local Papatipu Rūnaka, Te Rūnanga o Ōtākou and Kāti Huirapa Rūnaka ki Puketeraki. In 2006 the DCC signed a Memorandum of Understanding (MOU). This was in place until 11 November 2022, when an updated relationship agreement was signed between Council and Kāti Tahu mana whenua represented by, Te Rūnanga o Ōtākou and Kāti Huirapa ki Puketeraki Rūnaka. This agreement, named Manatu Whakaaetaka, outlines a relationship framework to ensure that the best outcomes for Ōtepoti Dunedin can be achieved through collaboration. The agreement also establishes Te Pae Māori, the new mana to mana forum to advance the strategic relationship between mana whenua, mataawaka, and the DCC. Te Pae Māori replaces the existing Māori Participation Working Party, that had been in place since 2003.

Highlights for the 2021/22 year:

- Two key roles were established within the DCC, a Manager of Māori Partnerships and a Strategic Engagement Advisor
- Engagement and co-design with mana whenua of major projects included the Mosgiel Pool, George Street upgrade, city urupā, and South Dunedin Library.
- The development and progression of foundational cultural initiatives including a Māori Strategic Framework, Tū Hono (Māori Engagement Framework), Tū Kotahi (Staff Cultural Capability Programme) that will better support and build on our partnership and responsiveness as a Treaty Partner.
- Development of the cultural resource, Ākonga, an internal website that provides DCC staff with resources to empower cultural capability.

He pūroko whakapūmautaka

Sustainability update

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

Background

Alongside 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.

Emissions reduction has been a focus for the organization since June 2019, when the Council declared a climate emergency, adopted a target of achieving city-wide net carbon neutrality (for all gases except biogenic methane) by 2030, and seed-funded development of a work programme focused on climate change mitigation. The 10 Year Plan 2021-31 provided funding to progress the Zero Carbon work programme, including strategic projects to reduce emissions at both the citywide and DCC organisational level. The emissions impact of new developments and of future infrastructure is being considered as part of planning for future growth through the District Plan, and strategic planning for both Transport and 3 Waters networks. The DCC continues its annual corporate emissions measurement and reporting through *Toitū carbonreduce*. 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 focus of DCC's business and planning in 2021/22. South Dunedin is one area where DCC has been planning for future adaptation projects to prepare stormwater and wastewater systems for the more frequent and intense rainfalls that are expected.

Highlights for the 2021/22 year include:

- The DCC's Emissions Reduction and Management Plan (EMRP) and associated organisational emissions reduction targets have been updated and are now being implemented. Software has also been implemented to improve DCC emissions management.
- A set of guiding principles was developed for the Zero Carbon work programme and work towards a Dunedin action plan to reduce emissions continued. Work has included defining the technical parameters of 'Zero Carbon' and beginning modelling to determine how emissions can be reduced.
- The DCC developed and adopted a new Zero Carbon Policy. The Policy aims to ensure that the DCC's activities minimise emissions and contribute to achieving both city-wide and DCC emissions reduction targets.
- Significant progress is being made on major work programmes that will positively impact on city-wide emissions, including Waste Futures and Shaping Future Dunedin Transport.
- DCC and ORC have collaboratively developed a South Dunedin Future programme plan, which outlines a 4-5 year process by which the councils, its partners and stakeholders will develop climate adaptation options for the area. This plan outlines the strategic intent of the programme and the actions to be undertaken, including detailed scientific and technical work, extensive community engagement, as well as coordination with technical agencies, academic institutions, and central government
- As part of the South Dunedin Future programme, collaborative discussions have continued between DCC and ORC, with mana whenua partners, affected communities, and other stakeholders. Topics included the natural hazards affecting South Dunedin, the likely impacts of a changing climate, and the community's views, values and aspirations for the future.

SECTION 2:

He ratoka, he mahi

Services and activities

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He ratoka, he mahi | Services and activities

This section provides information on the activities and services that the DCC provides and describes:

- how the services and activities contribute to our community outcomes,
- how performance is measured, and
- the costs for providing the services and activities.

The services and activities that the DCC provides are grouped into 12 groups of activity. The community outcomes that they mainly contribute to are described within each activity.

The activity group structure is as follows:

Group of Activity	Services and activities	
Community and planning	City development Resource consents	Community development and events
Economic development	Economic development Marketing Dunedin	Dunedin i-SITE Visitor Centre
Ara Toi (Arts and Culture) Galleries, libraries and museums	Dunedin Public Art Gallery Dunedin Public Libraries Lan Yuan Chinese Garden	Olveston Historic Home Toitū Otago Settlers Museum
Governance and support services	Civic and administration Civil defence Customer services agency	
Property	Commercial property Community housing	Operational property
Regulatory services	Building services Compliance solutions	Parking operations Parking services (enforcement)
Reserves and recreational facilities	Aquatic services Botanic Garden	Cemeteries and crematorium Parks and reserves
Roading and footpaths	Transport	
Three Waters – Water supply	Water supply	
Three Waters – Sewerage and sewage	Wastewater	
Three Waters – Stormwater	Stormwater	
Waste management	Waste and environmental solutions	

Residents' Opinion Survey 2021/22

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 2021/22, 1,311 responses were obtained over the course of 12 months, giving a response rate of 32% and a margin of error of +/- 2.7% at a confidence interval of 95%. Post data collection, the sample has been weighted to known population distributions according to the 2018 Census using age, gender, ethnicity and location.

Technical note: Not all survey respondents answered all questions. The 2021/22 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.

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

Te hāpori me te whakamahere kaupapa

Community and planning

Services and activities

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 the Council and residents, and administers the heritage fund.

The community and planning group provides advice and support 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 2021/22	Actual 2021/22	Actual 2020/21	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 the Community Development Team	Annual survey	≥95%	92%	100%	Not achieved 1
Level of service: Council funded events meet the needs of residents					
Percentage of residents satisfied with city festivals and events	ROS	≥70%	55%	56%	Not achieved 2
Level of service: Residents are satisfied with the look and feel of the city					
Percentage of residents satisfied with the overall look and feel of the city	ROS	≥75%	59%	62%	Not achieved 3
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 data	100%	93%	98%	Not Achieved 4

ROS Residents' Opinion Survey

Explanations:

1. The lower satisfaction reflects face to face engagements due to Covid 19 related government mandates. Face to face engagement has now re-started and staff are making themselves widely available to provide advice, support, and information.
2. Since 2020, the events sector has been significantly impacted by Covid 19 and related government restrictions. Overall satisfaction with festivals and events, many cancelled, postponed, or re-designed, was therefore significantly lower than pre pandemic years. As restrictions lift, and there is opportunity to hold regular festivals and events, it is anticipated the satisfaction rate will increase.
3. Staff have recently completed an evaluation of amenity and transportation upgrade requirements for Dunedin's larger centres (outside the CBD) to help Council prioritise where upgrades will take place across the 10 year plan. A report will go to Council later this year with recommendations around priorities and sequencing.
4. Staff processed 915 of 980 (93.3%) applications within statutory timeframes.

Some of our achievements in 2021/2022:

New online register of community facilities and venues for hire: The register went live in July 2022, making it easier to find meeting and rehearsal spaces.

Insulation Funding: DCC, in conjunction with Energy Efficiency and Conservation Authority, ORC, and Otago Community Trust, supported the insulation of 80 homes in the city, via the Cosy Homes Trust.

Consumer Electricity Fund: More than 600 people/whānau were assisted to pay electricity bills and obtain budget advice through the Consumer Electricity Fund, administered by the Dunedin Budget Advisory Service.

ICC Women's World Cup: The City hosted three ICC WWC 2022 matches at the University Oval from 5 – 9 March 2022.

Ford New Zealand Hockey: Dunedin was confirmed as Host City for the Ford New Zealand Hockey Championships 2022.

Resource consent processing: The DCC received and processed 20% more applications than average, making 2021/22 the busiest year of the last ten. The applications related to subdivision certification, HAIL searches, LIMs, and development contribution assessments.

Capital Expenditure

New Capital	Note	2021/22 Actual \$000	2021/22 Budget \$000
City Development – Street Trees and Furniture		95	100
City Development – Warehouse Precinct Upgrades	1	4	250
		99	350
Renewals			
Community Development and Events – Task Force Green		5	5
		5	5
Total Capital		104	355

Explanation of Variance

1. This project will now form part of the Central City Plan.

Dunedin City Council: Funding impact statement for the year ended 30 June 2022 for

Community and planning

	2021 Long-term plan \$000	2022 Long-term plan \$000	2022 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	11,728	12,669	12,669
Targeted rates	–	–	–
Subsidies and grants for operating purposes	149	140	145
Fees and charges	1,315	2,022	2,069
Internal charges and overheads recovered	263	203	285
Local authorities fuel tax, fines, infringement fees, and other receipts	–	–	–
Total operating funding (A)	13,455	15,034	15,168
Application of operating funding			
Payments to staff and suppliers	10,460	13,063	12,782
Finance costs	209	–	–
Internal charges and overheads applied	2,002	1,963	2,013
Other operating funding applications	–	–	–
Total application of operating funding (B)	12,671	15,026	14,795
Surplus (deficit) of operating funding (A-B)	784	8	373
Sources of capital funding			
Subsidies and grants for capital expenditure	–	–	–
Development and financial contributions	–	–	–
Increase (decrease) in debt	–	378	–
Gross proceeds from sale of assets	–	–	–
Lump sum contributions	–	–	–
Other dedicated capital funding	–	–	–
Total sources of capital funding (C)	–	378	–
Application of capital funding			
Capital expenditure			
– to meet additional demand	–	–	–
– to improve the level of service	203	350	99
– to replace existing assets	67	5	5
Increase (decrease) in reserves	–	–	–
Increase (decrease) of investments	514	31	269
Total application of capital funding (D)	784	386	373
Surplus (deficit) of capital funding (C-D)	(784)	(8)	(373)
Funding balance ((A-B)+(C-D))	–	–	–

Te whakatupu ohaoha

Economic development

Services and activities

The economic development group includes activities and services related to:

- Economic development
- Marketing Dunedin
- Visitor Centre (i-SITE)

The DCC supports and encourages business vitality, alliances for innovation, a hub of 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 group works in partnership with other agencies to promote the city, attract visitors and migrants, and encourage 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 2021/22	Actual 2021/22	Actual 2020/21	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%	35%	31%	Not achieved 1
Dunedin's share of national domestic visitor spend	MBIE TECTs	Grow 10% year on year	3.4%	3.3%	Not achieved 2
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%	100%	96%	Achieved

ROS Residents' Opinion Survey

Explanations:

1. Perceptions can be affected by variability in economic outcomes as a result of uncontrollable factors, such as Covid 19 border closures and alert level shifts.
2. Uncontrollable factors, such as Covid 19 border closures and alert level shifts, have had an impact on international, trans-Tasman and domestic visitors to Dunedin

Some of our achievements in 2021/2022:

Enterprise Dunedin business clinics: These were held with 44 businesses to support their development.

Film Dunedin: Film Dunedin continued to support film activity in the city and region; in the 12 months to 30 June 2022, 43 film permits were issued compared to 48 in 2020/21. These included permits for short films, a music video and domestic commercials.

i-SITE Visitor Centre: With the ongoing impact of Covid 19 and borders closed, visitor numbers remained low and were mainly domestic visitors. As events were announced as coming back to the city, the Visitor Centre were busy securing accommodation for visitors.

Marketing Campaigns: The continuation of the Plan D campaign included an exhibition at Wellington and Dunedin Airports. Other activity included the Welcome Student and Parent Campaign in partnership with the Otago Polytechnic, University of Otago and Dunedin Airport; TVNZ Big Backyard live cross and pre-recorded segments showcasing the city and its attractions on the Breakfast Show in collaboration with Tourism New Zealand.

Project China: Project China has renewed its Memorandum of Understandings with Shanghai Municipal Government, Yu Garden, Shanghai Library, Shanghai Science and Technology Commission. Work is ongoing to renew relationships with Education and Visitor agents, and support collaboration between various academic, business, science and creative sector partners.

Strategic Tourism Assets Protection Programme: The programme assisted in supporting new projects across the visitor industry including the Dunedin Product Development Review and Dunedin Food and Drink Tourism Review.

Capital Expenditure

	Note	2021/22 Actual \$000	2021/22 Budget \$000
New Capital			
Economic Development – Virtual Production Studio	1	-	250
		-	250
Renewals			
Destination Marketing – Digital Content – Camera & Video Gear		-	15
Economic Development – Office equipment		2	-
		2	15
Total Capital		2	265

Explanation of Variance

1. The proposal for development of film infrastructure is still in development.

Dunedin City Council: Funding impact statement for the year ended 30 June 2022 for

Economic development

	2021 Long-term plan \$000	2022 Long-term plan \$000	2022 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	5,091	4,902	4,902
Targeted rates	548	500	500
Subsidies and grants for operating purposes	–	–	2,750
Fees and charges	1,273	419	133
Internal charges and overheads recovered	2	3	65
Local authorities fuel tax, fines, infringement fees, and other receipts	–	–	–
Total operating funding (A)	6,914	5,824	8,350
Application of operating funding			
Payments to staff and suppliers	5,376	4,685	6,562
Finance costs	–	–	–
Internal charges and overheads applied	1,133	1,115	1,203
Other operating funding applications	–	–	–
Total application of operating funding (B)	6,509	5,800	7,765
Surplus (deficit) of operating funding (A-B)	405	24	585
Sources of capital funding			
Subsidies and grants for capital expenditure	–	–	–
Development and financial contributions	–	–	–
Increase (decrease) in debt	–	270	–
Gross proceeds from sale of assets	–	–	–
Lump sum contributions	–	–	–
Other dedicated capital funding	–	–	–
Total sources of capital funding (C)	–	270	–
Application of capital funding			
Capital expenditure			
– to meet additional demand	–	–	–
– to improve the level of service	–	250	–
– to replace existing assets	–	15	2
Increase (decrease) in reserves	–	–	–
Increase (decrease) of investments	405	29	583
Total application of capital funding (D)	405	294	585
Surplus (deficit) of capital funding (C-D)	(405)	(24)	(585)
Funding balance ((A-B)+(C-D))	–	–	–

Kā wharepukapuka, kā whare taoka

Ara Toi: Galleries, libraries and museums

Services and activities

The Ara Toi group includes activities and services related to:

- Dunedin Public Libraries (including City of Literature)
- Dunedin Public Art Gallery
- Toitū Otago Settlers Museum
- Lan Yuan 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 Historic Home.

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 Ara Toi 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 2021/22	Actual 2021/22	Actual 2020/21	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 in a year	ROS	≥60%	56%	54%	Not Achieved 1
Percentage of residents who visited and were satisfied with Dunedin Public Libraries	ROS	≥90%	90%	91%	Achieved
Total number of visits to Dunedin Public Libraries annually	Internal data	≥1.1 million	866,149	913,462	Not Achieved 2
Number of participants in lifelong learning programmes conducted by the library annually	Monthly Statistics	≥35,000	14,967	30,455	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%	46%	51%	Achieved
Percentage of residents who visited and were satisfied with to their visit to the Dunedin Public Art Gallery	ROS	≥90%	89%	90%	Not achieved 4
Total number of visits to Dunedin Public Art Gallery annually	Internal data	≥195,000	128,277	181,648	Not achieved 5
Level of visitor satisfaction with Dunedin Public Art Gallery	Visitor surveys	≥90%	92%	93%	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)	Internal data	≥40%	57%	60%	Achieved

Measure	Data Source	Target 2021/22	Actual 2021/22	Actual 2020/21	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%	66%	Not achieved 6
Percentage of residents who visited and were satisfied with their visit to Toitū	ROS	≥95%	92%	94%	Not achieved 7
Total number of visits to Toitū annually	Internal data	≥250,000	127,137	237,319	Not achieved 8
Number of special exhibitions, public programs and events staged per year at Toitū and at Lan Yuan Chinese Garden	Annual status analysis	≥100	66	105	Not achieved 9
Level of visitor satisfaction with Toitū	Trip Advisor	≥4.5 out of 5 stars (as at 30 June each year)	4.6	4.8	Achieved
Level of service: Visitors enjoy an authentic Chinese architectural and cultural experience					
Percentage of residents who visit Lan Yuan Chinese Garden at least once a year	ROS	≥15%	25%	21%	Achieved
Percentage of residents who visited and were satisfied with their visit to Lan Yuan Chinese Garden	ROS	≥85%	82%	90%	Not achieved 10
Total number of visits to Lan Yuan Chinese Garden annually	Internal data	≥40,000	15,946	29,938	Not achieved 11
Level of visitor satisfaction with Lan Yuan Chinese Garden	Trip Advisor	≥4.5 out of 5 stars (as at 30 June each year)	4.5	4.6	Achieved
Level of service: Visitors enjoy an authentic experience at Olveston Historic House					
Percentage of residents who visit Olveston at least once a year	ROS	≥10%	13%	9%	Achieved
Percentage of residents who visited and were satisfied with their visit to Olveston	ROS	≥90%	94%	91%	Achieved
Total number of visits to Olveston annually	Ticket sales	≥35,000	6,004	12,097	Not achieved 12
Level of visitor satisfaction with Olveston	Trip Advisor	≥4.5 out of 5 stars (as at 30 June each year)	4.7	4.5	Achieved

ROS Residents' Opinion Survey

Explanations:

1, 2, 3, 11, 12. Library closures and restricted access during Covid 19 lockdowns and Covid 19 Protection Framework settings adversely impacted library/gallery and museum visitation and participation in public programmes and events.

4, 5, 6, 7, 8, 10. The various impacts of Covid 19 are still affecting visitation numbers as well as visitor experience offerings.

9. Chinese New Year was cancelled due to Covid 19 event restrictions. This event draws large numbers of visitors to Lan Yuan.

Some of our achievements in 2021/2022:

Removal of all overdue charges: The library removed all charges along with historical debt from library customer records in October 2021.

Participation in New Zealand Libraries Partnership Programme: This partnership provides service benefits including digitisation of Heritage Collections content, increase eBook and eAudiobook purchases, community IT training and support; public programmes and specialist book groups – Dementia Friendly Book Group and increased engagement with and programmes for teens as well as Māori Pasifika Youth Cadetships.

Prayer and Spiritual Space: Opened in the Dunedin City Library in August 2021

Participation in Communities of Readers partnership programme: With National Library of New Zealand Mission, Ministry of Education and Kāi Tahu, over 10,000 free books were distributed to the South Dunedin community.

Special Collection of the personal library of Ralph Hotere: The library received and processed over 500 items to comprise a new Special Collection of the personal library of renown New Zealand artist Ralph Hotere.

Toitū was awarded Lotteries Environment and Heritage funding: This is to support its textile collection cataloguing and storage project which is due for completion in 2024.

Completed filming of Furthest Frontiers film series: Toitū completed its second Furthest Frontiers film series exploring the stories of exploration and European Māori contact at Rakituma and Taiari – Preservation and Chalky Inlet. This docu-series will launch on various social channels in late 2022.

Joanna Margaret Paul: Imagined in the context of a room: Dunedin Public Art Gallery staged the major survey exhibition Joanna Margaret Paul: Imagined in the context of a room which toured nationally. The exhibition catalogue, written and designed in-house, was longlisted for New Zealand Book Awards.

Global Online Festival: Dunedin UNESCO City of Literature collaborated with European online festival 'Versopolis Brave New Literature' (February 2022), where its film of ten Ōtepoti poets reading their work was live-streamed and showcased afterwards on the Versopolis website.

Dunedin Youth Writers' Association: Dunedin UNESCO City of Literature is supporting a new student-led group of writers from across Ōtepoti's secondary schools and providing free workshops led by established local writers.

Capital Expenditure

	Note	2021/22 Actual \$000	2021/22 Budget \$000
New Capital			
Dunedin Public Art Gallery – Art in Public Places		63	-
Dunedin Public Art Gallery – Art in Public Places		55	40
Dunedin Public Art Gallery – Acquisitions – DPAG Society Funded		35	30
Dunedin Public Art Gallery – Acquisitions – Rates Funded		91	90
Dunedin Public Art Gallery – Acquisitions – Donation Funded		-	35
Dunedin Public Art Gallery – Collection Store Painting Racks		26	50
Dunedin Public Libraries – Heritage Collection Purchases – Rates Funded		44	56
Dunedin Public Libraries – Heritage Collection Purchases – Trust Funded		1	10
Toitu Otago Settlers Museum – Minor Capital Works		87	40
Toitu Otago Settlers Museum – Acquisitions – Rates Funded		9	50
		411	401
Renewals			
Dunedin Public Art Gallery – Exhibition Lighting		10	25
Dunedin Public Art Gallery – Heating and Ventilation System		-	30
Dunedin Public Libraries – Minor Capital Equipment		51	55
Dunedin Public Libraries – Acquisitions – Operational Collection		952	915
Dunedin Public Libraries – RFID Replacement	1	223	717
Olveston House – Minor Capital Works		32	70
Toitu Otago Settlers Museum – Plant Renewal		63	150
Toitu Otago Settlers Museum – Heating and Ventilation System		15	-
Toitu Otago Settlers Museum – Minor Equipment Renewals		2	-
		1,348	1,962
Total Capital		1,759	2,363

Explanation of variance

1. The RFID replacement project will be completed in the 2022/23 year.

Dunedin City Council: Funding impact statement for the year ended 30 June 2022 for

Ara Toi: Galleries, libraries and museums

	2021 Long-term plan \$000	2022 Long-term plan \$000	2022 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	27,113	24,672	24,672
Targeted rates	–	–	–
Subsidies and grants for operating purposes	266	317	232
Fees and charges	1,900	1,137	1,302
Internal charges and overheads recovered	18	21	25
Local authorities fuel tax, fines, infringement fees, and other receipts	95	–	2
Total operating funding (A)	29,392	26,147	26,233
Application of operating funding			
Payments to staff and suppliers	18,646	18,197	18,407
Finance costs	939	373	373
Internal charges and overheads applied	6,651	6,512	6,511
Other operating funding applications	–	–	–
Total application of operating funding (B)	26,236	25,082	25,291
Surplus (deficit) of operating funding (A-B)	3,156	1,065	942
Sources of capital funding			
Subsidies and grants for capital expenditure	31	30	30
Development and financial contributions	–	–	–
Increase (decrease) in debt	–	1,370	–
Gross proceeds from sale of assets	–	–	–
Lump sum contributions	–	–	–
Other dedicated capital funding	–	–	–
Total sources of capital funding (C)	31	1,400	30
Application of capital funding			
Capital expenditure			
– to meet additional demand	–	–	–
– to improve the level of service	455	859	883
– to replace existing assets	2,176	1,505	876
Increase (decrease) in reserves	–	–	–
Increase (decrease) of investments	556	101	(787)
Total application of capital funding (D)	3,187	2,465	972
Surplus (deficit) of capital funding (C-D)	(3,156)	(1,065)	(942)
Funding balance ((A-B)+(C-D))	–	–	–

Ratoka whakahaere, ratoka tautoko

Governance and support services

Services and activities

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

- Civic and administration
- Customer services agency
- Council Communications and marketing
- 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 2021/22	Actual 2021/22	Actual 2020/21	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 data	100%	100%	100%	Achieved
Percentage of LGOIMA official information requests that are responded to within 20 working days	Internal data	100%	73%	70%	Not achieved 1
Percentage of residents satisfied with the amount of public consultation undertaken	ROS	≥50%	31%	30%	Not achieved 2
Level of service: The information residents require is appropriately available					
Percentage of residents satisfied with the Council's website	ROS	≥65%	57%	56%	Not achieved 3
Level of service: Staff communicate with residents appropriately					
Percentage of residents satisfied with how staff communicate	ROS	≥80%	76%	69%	Not achieved 4

ROS Residents' Opinion Survey

Explanations:

1. A total of 234 LGOIMA's were received and 171 were processed within the statutory time frames.
2. Consultations undertaken during the year included "the future of us", an update on our 10 year plan, consultation on the Representation Review for Council, which is undertaken every six years, and consultation on the 2GP.
3. Since 1 August 2021, over 400 responses have been received from a newly implemented online feedback system on the DCC website. The feedback from these responses is monitored and is being used to make some improvements to the website.
4. The DCC customer services team has responded to 260,300 customer requests during 2021/22. Work to improve response times continued throughout the year and is reflected in the improved satisfaction rates.

Some of our achievements in 2021/2022:

Strategic Framework Refresh: work commenced on refreshing the DCC's Strategic Framework, along with the development of a new Māori Strategic Framework. This work also includes developing a City Portrait to define and measure sustainable outcomes for Dunedin.

South Dunedin Future: DCC and ORC continued to work together on the development of a South Dunedin Future programme plan, which outlines a 4-5 year process for councils, their mana whenua partners, affected communities and other stakeholders to develop climate adaptation options for the area. A jointly funded South Dunedin Future Programme Manager position is leading this work across both organisations.

Capital Expenditure

	Note	2021/22 Actual \$000	2021/22 Budget \$000
New Capital			
Business Information Services – Internal Services Workstream		74	300
Business Information Services – Value Added External Services Workstream	1	44	750
Fleet Operations – EV Charging Infrastructure		-	50
		118	1,100
Renewals			
Business Information Services – Internal Services Workstream	2	925	1,700
Business Information Services – Internal Legacy Corrections		959	1,100
Council Communications and Marketing – Replacement of Webcams		-	2
Fleet Operations – Fleet Replacement	3	993	450
Fleet Operations – Heavy Vehicle Replacement		-	100
Fleet Operations – Mobile Library Replacement		306	200
		3,183	3,552
Total Capital		3,301	4,652

Explanation of variance

1. The underspend was primarily driven by lower than expected expenditure on IT related projects.
2. The main variance relates to asset management software. The current software is now being upgraded and will be fit for purpose.
3. Accelerated replacement of fleet vehicles.

Dunedin City Council: Funding impact statement for the year ended 30 June 2022 for

Governance and support services

	2021 Long-term plan \$000	2022 Long-term plan \$000	2022 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	636	6,980	7,620
Targeted rates	643	513	513
Subsidies and grants for operating purposes	–	–	–
Fees and charges	12,424	9,684	9,774
Internal charges and overheads recovered	26,004	25,635	25,533
Local authorities fuel tax, fines, infringement fees, and other receipts	–	–	–
Total operating funding (A)	39,707	42,812	43,440
Application of operating funding			
Payments to staff and suppliers	30,172	33,792	30,864
Finance costs	851	1,230	(151)
Internal charges and overheads applied	6,888	6,770	6,724
Other operating funding applications	–	–	–
Total application of operating funding (B)	37,911	41,792	37,437
Surplus (deficit) of operating funding (A-B)	1,796	1,020	6,003
Sources of capital funding			
Subsidies and grants for capital expenditure	–	–	–
Development and financial contributions	–	–	–
Increase (decrease) in debt	33,903	1,440	(2,551)
Gross proceeds from sale of assets	60	165	110
Lump sum contributions	–	–	–
Other dedicated capital funding	–	–	–
Total sources of capital funding (C)	33,963	1,605	(2,441)
Application of capital funding			
Capital expenditure			
– to meet additional demand	–	–	–
– to improve the level of service	507	1,100	118
– to replace existing assets	2,869	3,552	3,183
Increase (decrease) in reserves	–	–	–
Increase (decrease) of investments	32,383	(2,027)	261
Total application of capital funding (D)	35,759	2,625	3,562
Surplus (deficit) of capital funding (C-D)	(1,796)	(1,020)	(6,003)
Funding balance ((A-B)+(C-D))	–	–	–

Kā wāhi whenua | Property

Services and activities

The property group includes activities and services related to:

- Community housing
- Property management (Investment Property, Operational Property and Community Property)
- Land and lease management

The DCC manages property to maintain core services, provide community housing, and provide non-rates revenue.

The property portfolio includes the management of community housing units for qualifying residents; arts and culture facilities like the Regent Theatre; sports facilities like Edgar Centre and the Ice Sports Stadium; and non-rates revenue from the management of investment properties.

Property management is essential to the Council's influence in economic development, arts and culture, community 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 2021/22	Actual 2021/22	Actual 2020/21	Achievement
Level of service: The housing provided by the Council meets the needs of tenants and rental values will not exceed operating expenses.					
Percentage occupancy of Council provided rental housing	Internal data	≥94%	96%	97%	Achieved
Percentage of tenants satisfied with Council provided rental housing	Tenant survey	≥95%	100%	99%	Achieved
Level of service: Council investment properties are appropriately managed					
Percentage overall occupancy of Council investment properties	Internal data	≥95%	97%	93%	Achieved
Level of service: Council operational properties are appropriately managed					
Percentage of service request response times met	Internal data	≥75%	85%	85%	Achieved

Some of our achievements in 2021/2022:

Community Housing:

Review of DCC's Community Housing policy: A revised DCC Community Housing Policy was adopted by Council and will be implemented from July 2022.

Refurbishment of 38 public housing units at the Palmyra site is complete: Two fully accessible units were added to the site during the refurbishment.

Construction at the School Street housing site is complete: Nine units in very poor condition, were demolished in early 2020. They have been replaced with ten new units designed to meet Homestar 8 standards and are some of the most energy efficient public housing units in the country.

240sqm of land adjacent to a current DCC housing site was purchased: The purchase enables additional units to be built on the site during a planned future refurbishment.

Investment Property:

The Investment portfolio was valued at \$117.67 million, up 11.6% on 2021. The portfolio's Weighted Average Lease Term (WALT) rose to 4.9 years, up from 2.89 years in 2021.

Dunedin Railway Station: Stage One of the refurbishment of the Station is complete. This 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. Work has commenced on stage two and repairs on the clock tower. The project is scheduled due for completion late 2023.

Operational Property:

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. Window replacement is now complete for levels 5, 6 and 7.

Capital Expenditure

	Note	2021/22 Actual \$000	2021/22 Budget \$000
New Capital			
Community – Public Toilets	1	10	250
Housing – Housing Growth	2	6	2,000
Operational – South Dunedin Library and Community Complex	3	210	2,000
Operational – District Energy Scheme	4	28	1,000
Commercial – Commercial Property Purchases		131	-
		385	5,250
Renewals			
Community – Asset Renewals	5	377	780
Community – Railway Station Exterior and Lift	6	2,423	1,020
Community – Public Toilet Renewals		4	100
Community – Community Hall Renewals		269	500
Community – Edgar Centre Refurbishment	7	-	600
Community – Tar pits		21	-
Housing – Asset Renewals		2,010	2,000
Housing – Palmyra Refurbishment	8	2,583	2,000
Housing – Healthy Homes Upgrades	9	500	1,000
Operational – Asset Renewals	10	1,485	3,220
Operational – Civic Centre – Exterior, Roof, and Windows	11	2,529	3,000
Operational – Town Hall/Municipal Chamber Exterior and Lift		347	300
Operational – Dunedin Public Art Gallery Refurbishment		22	30
Investment – Asset Renewals		1,707	646
Investment – Lift Replacements		-	354
Commercial – Asset Renewals		-	1,000
		14,277	16,550
Total Capital		14,662	21,800

Explanation of variance

1. Project delayed with planned change space facility now to be constructed in 22/23 financial year.
2. Project yet to progress beyond feasibility stage.
3. Project yet to progress beyond feasibility stage.
4. Project in the process of being rescope with a focus on boiler conversion at Moana Pool.
5. DPAG roof was delayed due to covid levels and the additional work required for Asbestos and roof framing remediation.
6. Most project expenditure was capital in nature. Minimal operational project expenditure to date despite being budgeted for.
7. This project is still at the feasibility stage.
8. Final stage of the project now completed in the current financial year.
9. Healthy Homes programme delayed while assessment work completed but is now progressing.
10. DPAG roof was delayed due to covid levels and the additional work required for asbestos and roof framing remediation.
11. This project is behind budget due to programme adjustments required to manage the risk associated with asbestos.

Dunedin City Council: Funding impact statement for the year ended 30 June 2022 for

Property

	2021 Long-term plan \$000	2022 Long-term plan \$000	2022 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	4,547	9,155	9,155
Targeted rates	–	–	–
Subsidies and grants for operating purposes	–	60	21
Fees and charges	18,497	17,091	16,758
Internal charges and overheads recovered	8,524	7,659	7,664
Local authorities fuel tax, fines, infringement fees, and other receipts	–	–	–
Total operating funding (A)	31,568	33,965	33,598
Application of operating funding			
Payments to staff and suppliers	18,243	19,703	19,081
Finance costs	3,266	1,332	1,332
Internal charges and overheads applied	3,050	2,559	2,553
Other operating funding applications	–	–	–
Total application of operating funding (B)	24,559	23,594	22,966
Surplus (deficit) of operating funding (A-B)	7,009	10,371	10,632
Sources of capital funding			
Subsidies and grants for capital expenditure	–	–	–
Development and financial contributions	–	200	21
Increase (decrease) in debt	–	12,137	3,386
Gross proceeds from sale of assets	–	3,000	3,623
Lump sum contributions	–	–	–
Other dedicated capital funding	–	–	–
Total sources of capital funding (C)	–	15,337	7,030
Application of capital funding			
Capital expenditure			
– to meet additional demand	–	339	18
– to improve the level of service	2,438	5,726	635
– to replace existing assets	6,312	15,735	14,009
Increase (decrease) in reserves	–	–	–
Increase (decrease) of investments	(1,741)	3,908	3,000
Total application of capital funding (D)	7,009	25,708	17,662
Surplus (deficit) of capital funding (C-D)	(7,009)	(10,371)	(10,632)
Funding balance ((A-B)+(C-D))	–	–	–

Ratoka waeture | Regulatory services

Our Regulatory Services group includes:

- Animal services
- Building services
- Environmental health and alcohol licensing
- Parking operations
- Parking services (enforcement)

Regulatory Services plays an important role in protecting the safety and well-being of Ōtepoti Dunedin's residents. Many of the staff are the first point of contact for our community. Work ensures that Council fulfils its role as the authority for a range of regulatory frameworks which help to make Dunedin a great place to live.

This group 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. It also provides services to reduce alcohol-related harm by monitoring and enforcing standards within licensed premises.

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 2021/22	Actual 2021/22	Actual 2020/21	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%	62%	61%	Achieved
Percentage of "A" graded food premises	Internal data	≥70%	94%	91%	Achieved
Percentage of residents satisfied with the control of noise	ROS	≥60%	55%	56%	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 data	100%	81.8%	99.3%	Not achieved 2
Percentage of code compliance certificates issued in accordance with statutory timeframes	Internal data	100%	98.9%	99.4%	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 statutory timeframes	Internal data	100%	81%	100%	Not achieved 4
Number of alcohol licensing monitoring visits completed each quarter	Internal data	≥50 compliance visits per quarter	4	25	Not achieved 5
Level of service: Car parking is available, meets the needs of users and parking regulations are enforced					
Percentage of residents satisfied with availability of metered on-street parking in the central city	ROS	≥40%	18%	19%	Not achieved 6

ROS Residents' Opinion Survey

Explanations:

1. Work on a Live Music Action Plan is progressing with representatives from the community.
2. A total of 2,243 of 2,741 building consents were processed within statutory timeframes. A record numbers of building consents were received along with increasing build complexity.
During October / November 2021, International Accreditation New Zealand (IANZ) conducted an audit of Building services. It was noted that we were incorrectly calculating the number of days a building consent takes to process. This is due to all applications being accepted on date of receipt, instead of only accepting applications that were complete (based on a non-technical review). This has resulted in us likely overstating the number of days a building consent takes to process, meaning the percentage compliance reported is understated. Subsequent to 8 December 2021, we have implemented a revised process to ensure reporting from that date complies with the relevant building regulations.
3. A total of 1,943 of 1,965 code compliance certificates were issued within statutory timeframes.
4. This reduction in inspections was impacted by Covid 19 with some businesses closing temporarily for staffing reasons.
5. This reduction in monitoring was impacted by Covid 19 with a significant drop in the number of events during the pandemic.
6. Parking strategies are being developed as part of the Central City Parking management project, the purpose of this project is to develop a parking management policy to guide the supply and management of parking to ensure it meets the community's needs.

Some of our achievements in 2021/2022 were:

High number of dwellings consented: The highest number of consented dwellings in 30 years was recorded (641).

IANZ audit of Building Services: The Building Consent Authority retained its accreditation and was noted as low risk following the IANZ (Internal Accreditation New Zealand) biennial audit.

Animal Services: Customer response times have improved due to providing online access for officers in the field.

Record dog registration numbers: There was a record number of dog registrations with a total of 18,609 received this year.

Keeping of Animals Bylaw: A new bylaw responding to rooster related noise complaints by banning them in residential zone areas unless owners have permission was approved in February and will take effect on 1 July 2022

Capital Expenditure

	Note	2021/22 Actual \$000	2021/22 Budget \$000
New Capital			
Compliance Solutions -Minor Equipment		3	-
Parking Services -Body worn cameras		-	-
		3	-
Renewals			
Parking Operations -Parking Meter Renewals		103	300
Parking Operations – Car Park Buildings Equipment		10	-
		113	300
Total Capital		116	300

Dunedin City Council: Funding impact statement for the year ended 30 June 2022 for

Regulatory services

	2021 Long-term plan \$000	2022 Long-term plan \$000	2022 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	14,026	15,994	15,466
Internal charges and overheads recovered	96	102	102
Local authorities fuel tax, fines, infringement fees, and other receipts	2,274	2,127	1,743
Total operating funding (A)	16,396	18,223	17,311
Application of operating funding			
Payments to staff and suppliers	10,144	11,119	10,890
Finance costs	72	–	–
Internal charges and overheads applied	5,788	5,704	5,665
Other operating funding applications	–	–	–
Total application of operating funding (B)	16,004	16,823	16,555
Surplus (deficit) of operating funding (A-B)	392	1,400	756
Sources of capital funding			
Subsidies and grants for capital expenditure	–	–	–
Development and financial contributions	–	–	–
Increase (decrease) in debt	–	22	–
Gross proceeds from sale of assets	–	–	–
Lump sum contributions	–	–	–
Other dedicated capital funding	–	–	–
Total sources of capital funding (C)	–	22	–
Application of capital funding			
Capital expenditure			
– to meet additional demand	–	–	–
– to improve the level of service	–	–	3
– to replace existing assets	225	300	113
Increase (decrease) in reserves	–	–	–
Increase (decrease) of investments	167	1,122	640
Total application of capital funding (D)	392	1,422	756
Surplus (deficit) of capital funding (C-D)	(392)	(1,400)	(756)
Funding balance ((A-B)+(C-D))	–	–	–

Taunaha whenua, papa rēhia

Reserves and recreational facilities

Services and activities

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

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

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

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 2021/22	Actual 2021/22	Actual 2020/21	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%	48%	49%	Not Achieved 1
Number of annual attendances at DCC swimming pools	Moana Pool	Internal data	≥600,000	445,943	595,949	Not Achieved 2
	St Clair Hot Salt Water Pool		≥36,000	32,137	46,080	Not Achieved 3
	Mosgiel Pool (now closed)		≥35,000	0	23,826	Not Achieved 4
	Port Chalmers Pool		≥14,500	6,123	14,371	Not Achieved 5
Level of service: Aquatic facilities are well maintained and meet the needs of users						
Percentage of users satisfied with Moana Pool		ROS	≥85%	75%	76%	Not Achieved 6
Percentage of users satisfied with community swimming pools (St Clair Salt Water Pool, Mosgiel Pool and Port Chalmers Pool)		ROS	≥85%	68%	76%	Not Achieved 7
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%	76%	77%	Achieved
Percentage of users satisfied with the Botanic Garden		ROS	≥90%	93%	92%	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%	67%	72%	Not Achieved 8

Measure	Data Source	Target 2021/22	Actual 2021/22	Actual 2020/21	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%	56%	67%	Not Achieved 9
Percentage of users satisfied with DCC sportsfields	ROS	≥80%	75%	71%	Not Achieved 10
Percentage of users satisfied with DCC tracks	ROS	≥80%	82%	79%	Achieved
Percentage of users satisfied with DCC scenic, bush and coastal reserves	ROS	≥80%	83%	83%	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%	72%	75%	Not Achieved 11

ROS Residents' Opinion Survey

Explanations:

- 1,2,3 & 5. Covid 19 restrictions have affected the amount of people attending the facility.
4. Mosgiel Pool is currently closed due to new pool being constructed.
6. Refurbishments are due to start as the building is now close to 60 years old and some parts remain original.
7. Covid 19 restrictions have affected the amount of people attending the facility and Mosgiel Pool has been closed during construction of the new pool.
8. Staff continue to respond to requests for better access.
9. Play spaces review is underway and engagement will commence on destination playgrounds.
10. Sports field renovations continue to gain consistency and higher quality surfaces for user groups.
11. The new booking system is still bedding in and we are continually reviewing to find improvements.

Some of our achievements in 2021/2022:

Parks:

Te Rauone Reserve: The redevelopment of Te Rauone Reserve is underway. This includes the installation of four new pieces of playground equipment, a new basketball half court, an entrance sculpture; a new carpark, a gas BBQ and pergola structure and extensive reserve amenity plantings.

Ross Creek Signage: 40 new signs were installed around the Ross Creek Reservoir to help visitors navigate the numerous tracks and locate some of the reserve's natural and historical features.

Truby King Reserve: The Truby King Reserve Management Plan was adopted by Council in November 2021.

University Oval grandstand: Changing facilities received a major renovation in preparation for the 2022 ICC Women's Cricket World Cup.

Playgrounds:

Basketball hoops: Basketball hoops were installed in four new playgrounds and basketball hoops were replaced in another three playgrounds.

Pump Tracks and Skateparks: A new pump track at Marlow Park was installed and Bathgate Park and Fairfield skatepark were renovated.

Playgrounds: New playground equipment was installed in 23 different playgrounds across the city.

Botanic Garden:

Boardwalk: Construction of a raised boardwalk through native bush was completed. This connects to the Mediterranean and Cedars of Lebanon Gardens.

Gardens vehicles: The Botanic Garden vehicle fleet is now partially electric, two battery powered ATV vehicles were purchased.

Tannock House: The historic Tannock House has been reroofed and painted.

Capital Expenditure

	Note	2021/22 Actual \$000	2021/22 Budget \$000
New Capital			
Aquatic Services – Mosgiel Pool	1	6,996	10,605
Aquatic Services – Mosgiel Pool Consequential		-	1,720
Aquatic Services – Moana Pool Improvements	2	18	873
Botanic Garden – Botanic Garden Improvements		65	60
Cemeteries and Crematorium – City Wide Beam Expansion		49	40
Parks and Recreation – Track Network Development		35	50
Parks and Recreation – Playground Improvements		594	500
Parks and Recreation – Recreation Facilities Improvements	3	272	1,520
St Clair – St Kilda Coastal Plan – St Kilda Transition Plan		-	2
		8,029	15,370
Renewals			
Aquatic Services – Moana Pool Renewals	4	1,014	1,532
Aquatic Services – Port Chalmers Pool Renewals		58	50
Aquatic Services – Hydroslide Renewal	5	60	3,790
Aquatic Services – St Clair Pool Renewals	6	139	540
Botanic Garden – Botanic Garden Renewals		166	302
Cemeteries and Crematorium – Structures Renewals		23	84
Parks and Recreation – Greenspace Renewals		567	386
Parks and Recreation – Playground Renewals	7	700	1,359
Parks and Recreation – Recreation Facilities Renewals	8	1,728	2,108
St Clair – St Kilda Coastal Plan – St Clair Beach Transition Plan		-	50
St Clair – St Kilda Coastal Plan – Kettle Park Transition Plan		76	158
		4,531	10,359
Total Capital		12,560	25,729

Explanation of variance

1. Construction work on this project is well underway and is on track for the new pool to open in May 2023.
2. This renewal is rescheduled during the 2022-24 years.
3. Delay in consent process for the Tunnel Beach toilet and car park project, expected to be completed in 2022-23.
4. This renewal has been rescheduled to occur in the 2022-24 years.
5. This renewal has been rescheduled to occur in the 2022-24 years.
6. This renewal has been rescheduled to occur in winter 2024 during the pools off season.
7. Expenditure on playground renewals will occur during the 2022-23 year.
8. Expenditure on recreation facilities will occur during the 2022-23 year.

Dunedin City Council: Funding impact statement for the year ended 30 June 2022 for

Reserves and recreational facilities

	2021 Long-term plan \$000	2022 Long-term plan \$000	2022 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	* 28,818	26,762	26,762
Targeted rates	* 4,937	5,070	5,070
Subsidies and grants for operating purposes	654	285	277
Fees and charges	5,724	5,264	4,326
Internal charges and overheads recovered	9	–	1
Local authorities fuel tax, fines, infringement fees, and other receipts	–	30	(5)
Total operating funding (A)	40,142	37,411	36,431
Application of operating funding			
Payments to staff and suppliers	30,210	28,494	27,461
Finance costs	729	934	934
Internal charges and overheads applied	3,307	3,026	3,001
Other operating funding applications	–	–	–
Total application of operating funding (B)	34,246	32,454	31,396
Surplus (deficit) of operating funding (A-B)	5,896	4,957	5,035
Sources of capital funding			
Subsidies and grants for capital expenditure	–	4,559	3,275
Development and financial contributions	126	175	179
Increase (decrease) in debt	–	18,335	4,062
Gross proceeds from sale of assets	–	–	9
Lump sum contributions	–	–	–
Other dedicated capital funding	–	–	–
Total sources of capital funding (C)	126	23,069	7,525
Application of capital funding			
Capital expenditure			
– to meet additional demand	3	1,257	717
– to improve the level of service	3,680	14,340	7,617
– to replace existing assets	5,954	10,132	4,226
Increase (decrease) in reserves	–	–	–
Increase (decrease) of investments	(3,615)	2,297	–
Total application of capital funding (D)	6,022	28,026	12,560
Surplus (deficit) of capital funding (C-D)	(5,896)	(4,957)	(5,035)
Funding balance ((A-B)+(C-D))	–	–	–

* The 2021 Long-term plan comparatives differ to the amended 10 year plan 2018-28 due to a reclassification of rates revenue from targeted rates to general rates. The total amount of rates revenue has not changed.

Kā huanui me kā ara hīkoi

Roading and footpaths

Services and activities

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 2021/22	Actual 2021/22	Actual 2020/21	Achievement
Level of service: The transport network facilitates efficient travel						
Percentage of residents satisfied with overall roading and maintenance		ROS	≥60%	26%	29%	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 mins	10.51 mins	13.08 mins	Achieved
	Route 2-Normanby to Octagon		<15 mins	11.12 mins	11.28 mins	Achieved
	Route 3-Mosgiel to Octagon		<22 mins	18.00 mins	18.25 mins	Achieved
	Route 4-Brockville to Octagon		<15 mins	8.23 mins	8.55 mins	Achieved
	Route 5-Waverley to Octagon		<15 mins	11.14 mins	12.23 mins	Achieved
Average travel time by bus on key urban routes at peak time	Route 1-St Clair to bus hub	Measured by ORC	29 mins	19 mins	New Measure for 2021/22	Achieved
	Route 2-Normanby to bus hub		27 mins	22.8 mins		Achieved
	Route 3-Mosgiel to bus hub (via Fairfield and Green Island)		37 mins	38.3 mins		Not Achieved 2
	Route 4-Brockville to bus hub		20 mins	15 mins		Achieved
	Route 5-Waverley to bus hub		28 mins	21.3 mins		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%	33%	32%	Achieved
Percentage of residents satisfied with condition of footpaths throughout the city		ROS	≥60%	36%	38%	Not achieved 3
Percentage of residents satisfied with the ease of pedestrian access throughout the city		ROS	≥65%	62%	63%	Not achieved 4
Percentage of residents satisfied with condition of the streetlights throughout the city		ROS	≥75%	62%	61%	Not achieved 5

Measure		Data Source	Target 2021/22	Actual 2021/22	Actual 2020/21	Achievement
Average cycle count movements in the city where cycle counters are available		Cycle counters	Grow year on year	171 average daily movements per counter	New Measure for 2021/22	New Measure
Level of service: The transport network facilitates accessibility						
Percentage of residents satisfied with parking availability in the central city		ROS	≥45%	15%	14%	Not achieved 6
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 number (DIA measure)		Waka Kotahi NZTA Dunedin City Road Safety Report	Reducing	12 fewer crashes with fatalities or injuries from previous financial year	1 fewer crashes with fatalities or injuries from previous financial year	Achieved
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, Waka Kotahi NZTA	Smooth travel exposure ≥80%	76.7%	76.5%	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	4.6% of the network	4.7% of the network	Not achieved 8
Percentage of footpaths within the level of service standard adopted by the Council Asset Management Plan (DIA measure)		RAMM	<15% of network is rated poor or very poor	8.1%	16%	Achieved
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	≥90%	84%	58%	Not achieved 9
Level of service: The use of electric vehicles (EV's) is supported						
The number of publicly available fast charging stations for EVs in Dunedin is increasing		Waka Kotahi NZTA	Increase on June 2020 baseline	6 EV charging stations	Not available for 2020/21	N/A
The number of electric vehicles (plug in hybrids and pure EVs including heavy vehicles) registered in Dunedin is increasing		Ministry of Transport/ Te Manatū Waka	Increase on June 2020 baseline	552	463	Achieved
Annual sales volumes of petrol and diesel in Dunedin city	Petrol	Annual Dunedin Energy Study/ Dunedin Green-house Gas Inventory	Decrease year on year	59.6 million litres	55.7 million litres	Not achieved 10
	Diesel			95.4 million litres	97.3 million litres	Achieved

Measure	Data Source	Target 2021/22	Actual 2021/22	Actual 2020/21	Achievement
Level of service: Minimising transport disruption during and after the construction of the new Dunedin Hospital rebuild will be supported through the Shaping Future Dunedin Project					
Provide an alternative route (harbour arterial route) that bypasses the central city	Internal data	By 30 June 2027	In progress	New Measure	Note 11
Provide a Parking Wayfinding System to direct drivers to selected off street parking facilities	Internal data	By 30 June 2027	In progress	New Measure	Note 12
Provide bus priority at the intersections where bus delays are currently experienced in the Princes Street (Kensington to Moray Place) and Andersons Bay Road (Caversham Motorway to Princes Street) areas	Internal data	By 30 June 2024	In progress	New Measure	Note 13
Provide a safe route for cyclists and pedestrians from the Anzac Avenue and Thomas Burns shared path to the Hospital and central city, and from the Harbour walkway / cycleway to the city centre and tertiary areas	Internal data	By 30 June 2026	In progress	New Measure	Note 14
Provide Park and Ride sites at Mosgiel and Burnside	Internal data	By 30 June 2024	In progress	New Measure	Note 15
Provide bike hub facilities for secure storage in North Dunedin, the central city and South Dunedin/ the Oval	Internal data	By 30 June 2026	In progress	New Measure	Note 16

ROS Residents' Opinion Survey

Explanations:

1. The 10 year plan 2021-31 provides for an increase in the maintenance and renewals budget for roading and footpaths. 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.
2. Construction on the Green Island roundabout has resulted in buses being diverted onto alternative routes through Green Island.
3. Investment in footpath renewals is doubling from 2021/22 levels going forwards, was approved to address poor footpath condition across the network.
4. The Central City George Street upgrade project aims to provide safe and accessible access for pedestrians in the retail quarter.
5. The increase of satisfaction from the 2020/21 year demonstrates the community adjusting to the installation of LEDs throughout the network.
6. Parking strategies are being developed as part of the Central City Parking management project. This project will develop a parking management policy to guide the supply and management of parking to ensure it meets the community's requirements.
7. We are striving to meet the reseal targets year on year.
8. 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. In 2021/22 a large proportion of the programme was asphalt, asphalt is significantly more expensive than chip-seal which impacts achievement against average targets.
9. Process has been improved throughout the year to reduce contractor response times, potential safety issues are prioritised which can lead to lower risk requests having a delayed response in times of high request volumes.
10. The Annual Dunedin Energy study measures the estimated consumption of petrol and diesel in Dunedin. Changes in Covid 19 restrictions have seen an increase of petrol sales due to no lockdown restrictions in 2021/22.

Notes

11. The Harbour Arterial (Stage 1) is to be completed by the end of August 2022. A business case is being progressed for Stages 2 – 4. The Kitchener Street intersection signal installation is underway and on track to be completed by the end of August 2022.
12. Parking wayfinding technology is currently being investigated.
13. A business case is currently being progressed for this project.
14. A safe route for cyclists from the Thomas Burns shared path will be realised once the City to Waterfront bridge is completed.

15. The Mosgiel Park and Ride project will increase mode choice and access for people living in Mosgiel and on the Taieri. A single stage business case is underway for a Park and Ride facility in Mosgiel and public consultation on what issues commuters currently experience travelling to Dunedin. Land has been purchased in Burnside to accommodate the facility.
16. The Bike Hubs project will provide high quality end of trip facilities that will support and encourage more people to travel to and from the Dunedin CBD by bike. A single stage business case is underway and public consultation has been carried out to identify issues commuters currently experience and facilities required.

Some of our achievements in 2021/22:

Retail Quarter (George Street) Central City Upgrade: Work is progressing on George Street Farmers Block and the Enabling Works sections in Great King Street, with work completed in London Street, Frederick Street and Hanover Street (in part).

The Peninsula Connection Safety Improvement Project: Enabling Works for Section 9 (from Landreth Street to Allans Beach Road), which included reclamation of a portion of Latham Bay, has been completed. Designs for Section 9B (Allans Beach Road to Lamash Bay) and Section 13 (Inland portion between Tidewater Drive and Ellison Road) were completed during the year. Road widening and construction works at Section 5 (from Sandpiper Street to Frances Street) and Section 9 began in June 2022 with an estimated completion date of June 2023.

Workplace Travel Planning: The Dunedin City Council, Te Whatu Ora South and the University of Otago jointly employed a Workplace Travel Planner, to progress initiatives that will increase the number of staff from the three organisations using sustainable modes of travel.

Retaining Walls: 336 m² of retaining walls constructed in the 2021/22 financial year. Retaining walls are renewed at end of life resulting in an achievement variance year on year.

Reseals: A total of 45.5km of carriageway was resealed during the year. 68% was chip seal and 32% asphalt. Asphalt treatments cost around 4 times as much as chip seal therefore achievement falls below 6% in years with a high-volume asphalt programme.

Footpaths: A total of 26.5 km of footpaths were resurfaced during the year. This is an increase of 3.2 km² on the 2020/21 financial year.

Pavement Rehabs: A total of 1,230m of pavement across 3 sites was rehabilitated during the year. This is an increase of 1,030m on the 2020/21 financial year. Treatment costs vary depending on the road pavement and underlying ground conditions.

Kerb and Channel: A total of 7.5km of kerb and channel was renewed during the year. Kerb and channel will improve sealed road drainage protecting the road pavement condition.

Intersection Safety Improvements: To improve safety at high-risk intersections, a new roundabout is being constructed for Main South Road/Church Street intersection at Green Island and is expected to be completed in October 2022. Under the Harbour Arterial (Stage 1) project the improvements at the intersections on Wharf Street/Birch Street and Wharf Street/Robertson Street have been completed. The intersection on Wharf Street and Kitchener Street is programmed to be completed August 2022.

Capital Expenditure

	Note	2021/22 Actual \$000	2021/22 Budget \$000
New Capital			
Shaping Future Dunedin – Harbour Arterial Efficiency Improvements		1,720	1,650
Shaping Future Dunedin – Princes St Bus Priority and Corridor Safety Plan	1	-	450
Shaping Future Dunedin – Central City Parking Management	2	-	700
Shaping Future Dunedin – Mosgiel and Burnside Park and Ride	3	1,627	2,750
Shaping Future Dunedin – Central City Bike Hubs – Parking and Facilities		-	200
Shaping Future Dunedin – Central City Cycle and Pedestrian Improvements		138	300
Transport – Central City Upgrade	4	6,074	1,000
Transport – Dunedin Urban Cycleways	5	2,170	1,000
Transport – Mosgiel East Plan Change Areas	6	4	608
Transport – Peninsula Connection	7	2,396	9,728
Transport – Low Cost, Low Risk Improvements	8	2,469	2,000
Transport – LED Street Lights	9	583	-
Transport – Other Unsubsidised New Capital		48	-
Transport – City to Waterfront Connection		(1)	-
Transport – Tertiary Precinct Upgrade		1	-
Transport – Mosgiel West Plan Change Areas		1,983	-
Transport – St Clair Seawall Steps and Ramp	10	78	-
		19,290	20,386
Renewals*			
Transport – Footpath Renewals		2,824	2,000
Transport – Gravel Road Re-Metaling		885	1,250
Transport – Major Drainage Control		3,944	3,714
Transport – Pavement Rehabilitations		931	1,500
Transport – Pavement Renewals		9,369	7,400
Transport – Structure Component Replacement		2,078	1,930
Transport – Traffic Services Renewal		1,242	1,820
		21,273	19,614
Total Capital		40,563	40,000

Explanation of variance

1. Project budget reprofiled in the 2022/23 Annual Plan.
2. Project budget reprofiled in the 2022/23 Annual Plan.
3. Project budget reprofiled in the 2022/23 Annual Plan.
4. The Central City Upgrade was ahead of budget.
5. Cycleways budget reprofiled and increased in the 2022/23 Annual Plan.
6. Project delivered in 2020/21.
7. The next portion of the Peninsula widening project was awarded during the year and is now underway.
8. Increased delivery of high profile safety projects due to additional Waka Kotahi NZTA funding being available.
9. This expenditure completes the LED street light installation project.
10. Delayed delivery from the 2020/21 year.

*Renewals spend focussed on pavement renewals which were prioritised to meet network needs.

Dunedin City Council: Funding impact statement for the year ended 30 June 2022 for

Roading and footpaths

	2021 Long-term plan \$000	2022 Long-term plan \$000	2022 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	15,271	17,875	17,875
Targeted rates	32	30	29
Subsidies and grants for operating purposes	9,056	10,158	10,255
Fees and charges	853	1,126	2,259
Internal charges and overheads recovered	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	878	846	857
Total operating funding (A)	26,090	30,035	31,275
Application of operating funding			
Payments to staff and suppliers	20,845	23,923	26,419
Finance costs	1,191	2,530	2,530
Internal charges and overheads applied	1,866	1,826	1,824
Other operating funding applications	–	–	–
Total application of operating funding (B)	23,902	28,279	30,773
Surplus (deficit) of operating funding (A-B)	2,188	1,756	502
Sources of capital funding			
Subsidies and grants for capital expenditure	22,653	16,856	15,575
Development and financial contributions	224	721	1,431
Increase (decrease) in debt	–	8,852	23,055
Gross proceeds from sale of assets	–	–	–
Lump sum contributions	–	–	–
Other dedicated capital funding	–	–	–
Total sources of capital funding (C)	22,877	26,429	40,061
Application of capital funding			
Capital expenditure			
– to meet additional demand	3,805	1,376	1,210
– to improve the level of service	19,975	17,194	12,928
– to replace existing assets	32,910	21,431	26,425
Increase (decrease) in reserves	–	–	–
Increase (decrease) of investments	(31,625)	(11,816)	–
Total application of capital funding (D)	25,065	28,185	40,563
Surplus (deficit) of capital funding (C-D)	(2,188)	(1,756)	(502)
Funding balance ((A-B)+(C-D))	–	–	–

He putaka wai | Water supply

Services and activities

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. It is supplied through a reticulated water system of pipelines that distribute water from treated water reservoirs to property boundaries. Some residents use bore-water, surface water or other sources of water to meet their water 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.

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 2021/22	Actual 2021/22	Actual 2020/21	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%	65%	67%	Not achieved 1
Level of service: The water is safe to drink						
The extent to which the drinking water supply complies with:	a) part 4 of the drinking-water standards (bacteria compliance criteria)	Internal data	100%	50.4%	96%	Not achieved 2
	(b) part 5 of drinking-water standards (protozoal compliance criteria)		100%	99.6%	98%	Not achieved 3
Level of service: Service calls are responded to promptly						
Where the DCC 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 notification is received, to the time that the service personnel reach the site	Internal data	<60 minutes	51 minutes	40 minutes	Achieved
	b) Resolution of urgent call outs: from the time that notification is received to the time that service personnel confirm resolution of the fault or interruption		<240 minutes	112 minutes	104 minutes	Achieved
	c) Attendance for non-urgent callouts: from the time that notification is received, to the time that the service personnel reach the site		<1 day (1,440 minutes)	0.93 days (1,340 minutes)	0.89 days (1,276 minutes)	Achieved

Measure		Data Source	Target 2021/22	Actual 2021/22	Actual 2020/21	Achievement
	d) Resolution of non-urgent callouts: from the time that notification is received to the time that service personnel confirm resolution of the fault or interruption	Internal data	<1.67 days (2,400 minutes)	1.88 days (2,707 minutes)	1.40 days (2,014 minutes)	Not achieved 4
The total number of complaints received about any of the following:	Level of service: The water tastes and looks pleasant					
	Drinking water clarity	Internal data	Not applicable	58 complaints	41 complaints	Not applicable
	Drinking water taste		Not applicable	5 complaints	11 complaints	Not applicable
	Drinking water odour		Not applicable	3 complaints	1 complaint	Not applicable
	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 data	Not applicable	129 complaints	150 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 data	Not applicable	378 complaints	403 complaints	Not applicable
	Level of service: The Council is responsive to customer concerns					
	Response to any of these issues per 1,000 connections to the networked reticulation system	Internal data	Not applicable	0.34 per 1,000 connections	0.32 per 1,000 connections	Not applicable
	Total complaints expressed per 1,000 connections to networked reticulation system		<15 per 1,000 connections	12.81 per 1,000 connections	13.70 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 DCC district.		Internal data	<240 litres	237 litres per day	239 litres per day	Achieved
The percentage of real water loss from the 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			≤20%	22%	22%	Not achieved 5

ROS Residents' Opinion Survey

Total number of rated properties for water as at 30 June 2022: 44,725

Explanations:

1. There was a slight decrease in satisfaction for the 2021/22 year. This is being addressed through a comprehensive capital renewals programme.
2. The West Taieri distribution zone (population 450) was non-compliant with bacteriological compliance criterion 6A because the minimum number of samples and sampling frequency requirements for E. coli were not met due to one missed sample.
The Wingatui distribution zone (population 1124) was non-compliant with bacteriological compliance criterion 6A because the minimum number of samples and sampling frequency requirements for E. coli were not achieved due to some compliance samples being taken from an incorrect sampling location (supplied by a different Water Treatment Plant). This has now been addressed.
The Waikouaiti distribution (population 1642) zone was non-compliant with bacteriological compliance criterion 6A because the minimum number of samples and sampling frequency requirements for E. coli were not achieved due to some compliance samples being taken from an incorrect sampling location (supplied by a different Water Treatment Plant). This has now been addressed.
The Māori Hill distribution zone (population 13785) was non-compliant with bacteriological compliance criterion 6A due to the 'maximum interval between samples (days)' of 8 days being exceeded between the dates 4 January 2022 and 13 January 2022 (resulting in an interval between samples of 9 days).
The Lower Levels Peninsula distribution zone (population 37726) was non-compliant with bacteriological compliance criterion 6A due to the 'maximum interval between samples (days)' of 5 days being exceeded between the dates 6 April 2022 and 12 April 2022 (resulting in an interval between samples of 6 days).
The Port Chalmers Water Treatment Plant (population 2469) was unable to demonstrate compliance with bacteriological compliance criterion 2A for 4 days in March 2022 due to a faulty pH analyser. The fault was corrected.
The Waikouaiti Water Treatment Plant was unable to demonstrate compliance with bacteriological compliance criterion 2A in April due to a burst main downstream of the WTP resulted in disruption to the compliance analyser used in calculating free available chlorine efficacy.
3. The West Taieri Water Treatment Plant was non-compliant with protozoal standards due to the inability to carry out pressure decay tests on membranes at West Taieri Water Treatment Plant (UV treatment was added on 28 June 2022 to remedy this).
4. Issues were experienced in Quarter 3 of 2021/22. Target measure results improved throughout Quarter 4 of the reporting period.
5. The percentage of real water loss from the networked reticulation system is calculated mathematically based on a small number of water meters across the reticulated network. The extrapolation is prone to numerical error and therefore there is a lower level of confidence in the target number stated.

Some of our achievements in 2021/22

Dam Safety Improvements: A number of safety improvements to the raw water supply dams were undertaken.

West Taieri Water Treatment Plant upgrades: A new disinfection system was installed and commissioned at the West Taieri water treatment plant.

Waikouaiti Watermains upgrade: Replacement of watermains has occurred across the Waikouaiti community network.

3 Waters Pipeline Renewal: 9km of watermains were successfully renewed. This will ensure a continued high level of service to our customers is achieved.

Capital Expenditure

	Note	2021/22 Actual \$000	2021/22 Budget \$000
New Capital			
Water Supply – Water New Capital Other		568	517
Water Supply – New Capital Supporting Growth		405	241
Water Supply – Water Supply Resilience	1	1,537	2,986
		2,510	3,744
Renewals			
Water Supply – Careys Bay Renewals		398	546
Water Supply – Central City Renewals	2	2,938	581
Water Supply – Other Water Renewals	3	24,373	9,677
Water Supply – Water Supply Resilience	4	767	3,680
Water Supply – Dam Safety Action Plan	5	45	2,063
Water Supply – Tertiary Precinct Renewals		(60)	-
Water Supply – Renewals Supporting Growth		-	259
		28,461	16,806
Total Capital		30,971	20,550

Explanation of variance

1. Still in project design phase.
2. The Central City Upgrade was ahead of budget.
3. Renewal's expenditure was ahead of budget for the year. Some of this work has been funded from the government provided stimulus funding.
4. Waikouaiti water treatment plant upgrade work delayed to ensure fit for purpose design.
5. Expenditure for the year has been planning and maintenance rather than capital.

Dunedin City Council: Funding impact statement for the year ended 30 June 2022 for

Water supply

	2021 Long-term plan \$000	2022 Long-term plan \$000	2022 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	–	–	–
Targeted rates	22,113	24,915	24,915
Subsidies and grants for operating purposes	–	–	2,643
Fees and charges	6,260	5,915	5,419
Internal charges and overheads recovered	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	–	–	–
Total operating funding (A)	28,373	30,830	32,977
Application of operating funding			
Payments to staff and suppliers	13,810	13,477	16,568
Finance costs	1,575	813	813
Internal charges and overheads applied	1,473	1,516	1,514
Other operating funding applications	–	–	–
Total application of operating funding (B)	16,858	15,806	18,895
Surplus (deficit) of operating funding (A-B)	11,515	15,024	14,082
Sources of capital funding			
Subsidies and grants for capital expenditure	–	–	4,323
Development and financial contributions	117	610	1,019
Increase (decrease) in debt	–	6,459	12,223
Gross proceeds from sale of assets	–	–	6
Lump sum contributions	–	–	–
Other dedicated capital funding	–	–	–
Total sources of capital funding (C)	117	7,069	17,571
Application of capital funding			
Capital expenditure			
– to meet additional demand	419	1,532	2,655
– to improve the level of service	2,077	9,230	13,345
– to replace existing assets	3,227	9,788	14,971
Increase (decrease) in reserves	–	–	–
Increase (decrease) of investments	5,909	1,543	682
Total application of capital funding (D)	11,632	22,093	31,653
Surplus (deficit) of capital funding (C-D)	(11,515)	(15,024)	(14,082)
Funding balance ((A-B)+(C-D))	–	–	–

Pūnaha parakaika me te parawai

Sewerage and sewage

Services and activities

The sewerage and sewage group includes activities and services related to waste water.

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 waste water 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.

Community outcomes

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

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

Measuring Performance

Measure		Data Source	Target 2021/22	Actual 2021/22	Actual 2020/21	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 sewerage system, expressed per 1000 sewerage connections to that sewerage system. (DIA measure)		Internal data	0	2 overflows per 1,000 connections	2 overflows per 1,000 connections	Not achieved 1
Compliance with DCC resource consents for discharge from its sewerage system measured by the number of abatement notices, infringement notices, enforcement orders and convictions. (DIA measure).			0	3	0	Not achieved 2
Level of service: Service calls are responded to promptly						
Where the DCC attends to sewerage overflows resulting from a blockage or other fault in the sewerage system, the following median response times are measured:	a) Attendance time: from the time notification is received to the time that service personnel reach the site	Internal data	<60 minutes	35 minutes	34 minutes	Achieved
	b) Resolution time: from the time notification is received to the time that service personnel confirm resolution of the blockage or other fault.		<240 minutes	134 minutes	125 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%	62%	66%	Not achieved 3

Measure		Data Source	Target 2021/22	Actual 2021/22	Actual 2020/21	Achievement
The total number of complaints received* about any of the following: (DIA measure)	Sewage odour	Internal data	**Not applicable	17	31	Not applicable
	Sewerage system faults		**Not applicable	130	110	Not applicable
	Sewerage system blockages		**Not applicable	121	127	Not applicable
	Response to issues with the sewage system expressed per 1,000 connections to the sewerage system.		**Not applicable	0.18 per 1,000 connections	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	5.58 per 1,000 connections	5.28 per 1,000 connections	Not achieved 4

ROS Residents' Opinion Survey

* 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 therefore do not have a target

Total number of rated properties for wastewater as at 20 June 2022: 49,672

Explanations:

- The following dry weather overflow events were experienced:
 - a dry weather overflow at the consented overflow site at Kaikorai Valley.
 - a dry weather overflow at the Mosgiel Wastewater Treatment Plant due to a mechanical issue which has been attended to.
 - other dry weather overflows occurred on private property.
- Three abatement notices were issued by Otago Regional Council on 30 June 2022, in relation to non-compliances with wastewater discharge consent conditions during the period 1 July 2020 to 30 April 2022 in relation to:
 - EN.RMA.22.0040 – for non-compliance with the Total Nitrogen discharge limits in resource consent 2006.861.V2 (discharge from Warrington wastewater treatment plant).
 - EN.RMA.22.0041 – for non-compliance with the Ammoniacal Nitrogen and Total Suspended Solids discharge limits in resource consent RM12.190.02 (discharge from Waikouaiti wastewater treatment plant).
 - EN.RMA.22.0042- for non-compliance with the Oil and Grease, Cyanide, and Zinc discharge limits in resource consent 2002.623 (discharge from Tahuna wastewater treatment plant).
- There has been a slight decrease in satisfaction for the 2021/22 year. This is being addressed through our comprehensive capital renewals programme.
- A large number of customer complaints received related 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 2021/22:

New resource consents: Otago Regional Council has issued consents for discharges of treated wastewater from the Middlemarch and Seacliff wastewater treatment plants.

In pipe flow monitoring: This has improved the accuracy of our wastewater hydraulic modelling for planning and operational purposes.

Upgrading critical assets: Two wastewater pumping stations were renewed and a further three are in progress.

3 Waters Pipeline Renewals: 4km of watermain were successfully renewed. This will ensure a continued high level of service to our customers is achieved.

Odour control improvements at wastewater treatment plants: The media in all biofilters at Tahuna, Green Island and Musselburgh wastewater treatment plants has been replaced, improving odour treatment and ensuring compliance with consent.

Capital Expenditure

	Note	2021/22 Actual \$000	2021/22 Budget \$000
New Capital			
Wastewater – Wastewater New Capital Other	1	2,199	650
Wastewater – Metro Wastewater Treatment Plant Resilience	2	969	1,550
Wastewater – New Capital Supporting Growth		-	546
		3,088	2,746
Renewals			
Wastewater – Central City Renewals	3	2,666	728
Wastewater – Other Wastewater Renewals	4	12,220	4,788
Wastewater – Wastewater Pumpstation Renewals	5	1,560	555
Wastewater – Metro Wastewater Treatment Plant Resilience	6	4,005	3,450
Wastewater – Rural Wastewater Schemes	7	282	1,200
Wastewater – Tertiary Precinct Renewals		(119)	-
Wastewater – Renewals Supporting Growth		-	454
Wastewater – Biofilter Media Replacement	8	2,158	-
		22,772	11,175
Total Capital		25,860	13,921

Explanation of variance

1. Health and safety improvements were ahead of budget. Some of this work has been funded from the government provided stimulus funding.
2. Still in project design phase.
3. The Central City Upgrade was ahead of budget.
4. Renewal's expenditure was ahead of budget for the year. Some of this work has been funded from the government provided stimulus funding.
5. Renewal's expenditure was ahead of budget for the year. Some of this work has been funded from the government provided stimulus funding.
6. Renewal's expenditure was ahead of budget for the year. Some of this work has been funded from the government provided stimulus funding.
7. Project delay due to resourcing issues. Planned start now 2022/23.
8. Completion of a project that commenced in September 2020.

Dunedin City Council: Funding impact statement for the year ended 30 June 2022 for

Sewerage and sewage

	2021 Long-term plan \$000	2022 Long-term plan \$000	2022 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	–	–	–
Targeted rates	32,421	32,190	32,190
Subsidies and grants for operating purposes	20	41	836
Fees and charges	375	856	703
Internal charges and overheads recovered	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	–	–	–
Total operating funding (A)	32,816	33,087	33,729
Application of operating funding			
Payments to staff and suppliers	13,682	14,735	16,014
Finance costs	4,613	2,381	2,381
Internal charges and overheads applied	2,317	2,913	2,909
Other operating funding applications	–	–	–
Total application of operating funding (B)	20,612	20,029	21,304
Surplus (deficit) of operating funding (A-B)	12,204	13,058	12,425
Sources of capital funding			
Subsidies and grants for capital expenditure	–	–	2,278
Development and financial contributions	188	1,247	921
Increase (decrease) in debt	–	2,964	10,806
Gross proceeds from sale of assets	–	–	–
Lump sum contributions	–	–	–
Other dedicated capital funding	–	–	–
Total sources of capital funding (C)	188	4,211	14,005
Application of capital funding			
Capital expenditure			
– to meet additional demand	447	1,116	1,137
– to improve the level of service	1,089	2,592	2,987
– to replace existing assets	9,407	10,214	21,736
Increase (decrease) in reserves	–	–	–
Increase (decrease) of investments	1,449	3,347	570
Total application of capital funding (D)	12,392	17,269	26,430
Surplus (deficit) of capital funding (C-D)	(12,204)	(13,058)	(12,425)
Funding balance ((A-B)+(C-D))	–	–	–

Wai marakai | Stormwater

Services and activities

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

Stormwater is rainwater that flows across the 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.

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 2021/22	Actual 2021/22	Actual 2020/21	Achievement
Level of service: Stormwater services perform adequately and reliably						
Percentage of residents satisfied with the stormwater system		ROS	≥50%	47%	52%	Not achieved 1
System and adequacy	The number of flooding events that occur in the DCC district	Internal data	0	0	0	Achieved
	For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the stormwater system)	Internal data	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 data	0	0	0	Achieved
	Infringement notices		0	0	0	Achieved
	Enforcement notices		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 notification is received to the time that service personnel reach the site (DIA measure)		Internal data	<60 minutes	0 minutes	0 minutes	Achieved
The number of complaints received about the performance of the stormwater system, expressed per 1000 properties connected to the stormwater system (DIA measure)		Internal data	<1 per 1,000 connections	0.51 complaints per 1,000 connections	0.58 complaints per 1,000 connections	Achieved

*ROS Residents' Opinion Survey

Total number of rated properties for stormwater at 30 June 2022: 49049

Explanations:

1. The slight decrease in satisfaction for the 2021/22 year is being addressed through Council's comprehensive capital renewals programme.

Some of our achievements in 2021/22

Contribution to DCC Second Generation District Plan (2GP): The plan aims to improve stormwater management associated with new development.

Improving pipeline: The upgrade of pipelines and stormwater assets in Sawyers Bay.

3 Waters Pipeline Renewals: 3km of watermains were successfully renewed.

Coastal Hazards Screening project: A joint project with Otago Regional Council to identify and prioritise areas of Dunedin's coastline requiring future coastal plans.

Capital Expenditure

	Note	2021/22 Actual \$000	2021/22 Budget \$000
New Capital			
Stormwater – South Dunedin Flood Alleviation	1	40	500
Stormwater – Stormwater New Capital Other	2	2,399	1,000
Stormwater – New Capital Supporting Growth		-	502
Stormwater – New Resource Consents	3	-	250
		2,439	2,252
Renewals			
Stormwater – Central City Renewals	4	3,166	731
Stormwater – Mosgiel Stormwater Pumpstations and Network	5	99	1,000
Stormwater – South Dunedin Flood Alleviation	6	-	500
Stormwater – Stormwater Pumpstation Renewal		1	75
Stormwater – Stormwater System Planning	7	-	300
Stormwater – Tertiary Precinct Renewals		(168)	-
Stormwater – Other Stormwater Renewals		4,163	1,464
Stormwater – Renewals Supporting Growth	8	-	998
		7,261	5,068
Total Capital		9,700	7,320

Explanation of Variance

1. Project delays. Budget ear-marked for hydraulic model.
2. Watercourse projects ahead of budget for the year.
3. This project will now be completed in the 2022-2023 year.
4. The Central City upgrade was ahead of budget.
5. Project on hold to ensure alignment with integrated catchment work.
6. Project delays. Budget ear-marked for hydraulic model.
7. Delay in project.
8. Renewal's expenditure was ahead of budget for the year. Some of this work has been funded from the government provided stimulus funding.

Dunedin City Council: Funding impact statement for the year ended 30 June 2022 for

Stormwater

	2021 Long-term plan \$000	2022 Long-term plan \$000	2022 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	–	–	–
Targeted rates	6,225	9,092	9,092
Subsidies and grants for operating purposes	–	–	214
Fees and charges	94	122	41
Internal charges and overheads recovered	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	–	–	–
Total operating funding (A)	6,319	9,214	9,347
Application of operating funding			
Payments to staff and suppliers	3,403	3,986	4,333
Finance costs	79	41	41
Internal charges and overheads applied	514	495	494
Other operating funding applications	–	–	–
Total application of operating funding (B)	3,996	4,522	4,868
Surplus (deficit) of operating funding (A-B)	2,323	4,692	4,479
Sources of capital funding			
Subsidies and grants for capital expenditure	–	–	310
Development and financial contributions	17	515	115
Increase (decrease) in debt	–	3,129	5,010
Gross proceeds from sale of assets	–	–	–
Lump sum contributions	–	–	–
Other dedicated capital funding	–	–	–
Total sources of capital funding (C)	17	3,644	5,435
Application of capital funding			
Capital expenditure			
– to meet additional demand	143	1,093	1,103
– to improve the level of service	1,857	2,178	2,221
– to replace existing assets	3,066	4,049	6,376
Increase (decrease) in reserves	–	–	–
Increase (decrease) of investments	(2,726)	1,016	214
Total application of capital funding (D)	2,340	8,336	9,914
Surplus (deficit) of capital funding (C-D)	(2,323)	(4,692)	(4,479)
Funding balance ((A-B)+(C-D))	–	–	–

Rautaki para | Waste management

Services and activities

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

The DCC provides a collection, resource recovery and residual disposal service for domestic and some commercial residents in Dunedin in a way that promotes public health and minimises impacts on the environment. It includes diverse facilities from large waste management facilities like the Green Island landfill to small facilities like the inner-city recycling hub on Vogel Street. It also provides education on waste minimisation and public education on the Council's sustainability practices. The waste management group also provides advice and support to community projects and administers a range of community grants supporting waste minimisation.

The DCC currently manages the kerbside collection of waste and recycling for most urban and city residents and businesses, disposal facilities, recovery stores, and recycling stations. This provides effective waste and recycling collection services in a way that protects public health, minimises impacts on the environment and promotes waste minimisation.

Community outcomes

The waste management group contributes to the following community outcomes:

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

How do we measure performance?

Measure	Data Source	Target 2021/22	Actual 2021/22	Actual 2020/21	Achievement
Level of service: Refuse collection and kerbside recycling meet customer expectations					
Overall satisfaction with rubbish disposal services	ROS	≥70%	54%	52%	Not achieved 1
Level of service: Waste minimisation targets are met					
The amount of municipal solid waste per person	Internal data	Reduce by ≥15% by 2030 compared to 2015 baseline to less than 638kg per person per annum.	411	431	Achieved
The amount of municipal solid waste disposed to landfill and incineration	Internal data	Reduce by ≥50% by 2030 compared to 2015 baseline to less than 47,264 tonnes per annum.	55,109	57,258	Not achieved 2
Increase in the amount of diversion of recyclable or reusable materials	Internal data	Increase to 70% by 2030.	15%	14%	Not achieved 3

ROS Residents' Opinion Survey

Explanations:

1. The primary causes of dissatisfaction is 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 10 year plan, with the 'Four bins plus one' option subsequently adopted for implementation in 2022/23. The new service will replace pre-paid plastic rubbish bags with general waste wheelie bins and introduce a collection service for food and garden organics.
2. The amount of municipal solid waste disposed to landfill is decreasing. It is expected that the target will be achieved once kerbside collection services for food and garden organics are introduced in 2022/23.
3. The diversion of recyclable or reusable material has increased to 15% as new initiatives have been introduced but is still significantly below the target of 70%. It is expected that the introduction of food and garden organics collections plus a construction and demolition sorting facility in 2022/23, alongside the NZ Government introducing additional initiatives such as Container Return Schemes in 2025/26, will significantly increase the diversion of materials away from landfill.

Some of our achievements in 2021/2022:

Waste minimisation grants: \$110,257 of contestable funding was awarded to community groups/schools and organisations for waste minimisation initiatives.

Waikouaiti Landfill Capping: The capping and final closure of Waikouaiti Landfill was completed in December. Fencing and landscape planting were completed in Autumn 2022. This is the culmination of a four-year work programme to re-consent and formally close the landfill, plus developing an area which allows the One Coast community group to establish and operate community driven diversion and recycling activities.

Green Island Landfill – Capping, Gas System, and Leachate drainage: Contract works commenced in early 2022 to cap approximately 3ha of the landfill that had been completed to consented height. The contract works also included installing permanent landfill gas infrastructure within the capped areas to maximise the collection and destruction of landfill gas and minimise Carbon Emissions. Works were completed in 2021 to install new leachate drainage within the landfill. This drainage will assist in minimising leachate build-up within the landfill, improving the stability of the waste landform, and increase the volume of waste that landfill gas can be extracted from in the future.

Plasterboard recycling: Collection of household offcut plasterboard for recycling has been introduced at the Green Island resource recovery site. The gypsum in the plasterboard is extracted and reused in the horticultural and agricultural industries as a soil conditioner and in compost.

Kerbside recycling audits: Kerbside recycling inspections continued to be conducted to provide education and feedback to residents on the content of their yellow lidded recycling bins. A total of 4,000 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; phase two focused on the economic, financial, commercial, and management business cases; and phase three focused on the resource consent applications for the designated landfill site located at Smooth Hill. 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	2021/22 Actual \$000	2021/22 Budget \$000
New Capital			
Waste and Environmental Solutions – Green Island Landfill Aftercare	1	1,357	455
Waste and Environmental Solutions – Green Island Landfill Leachate System		515	500
Waste and Environmental Solutions – Green Island Landfill Educational Facility		-	50
Waste and Environmental Solutions – Green Island Landfill Land Purchase		158	-
Waste and Environmental Solutions – Green Island Landfill Gas Collection System		29	-
Waste and Environmental Solutions – Community Recycling Hubs		4	90
Waste and Environmental Solutions – Middlemarch Transfer Station Entrance Booth		-	50
Waste and Environmental Solutions – Waikouaiti Transfer Station	2	442	-
Waste and Environmental Solutions – North Taieri Closed Landfill		5	-
Waste Futures – New Collection System (Waste, Recycling, Organics & Glass)	3	-	3,620
Waste Futures – Organics Facility	4	-	1,000
Waste Futures – Construction and Demolition Facility	5	-	451
Waste Futures – 2nd Rummage Store	6	-	500
Waste Futures – Material Recovery Facility	7	-	1,257
Waste Futures – Smooth Hill Landfill	8	1,848	-
		4,358	7,973
Renewals			
Waste and Environmental Solutions – Green Island Landfill and Transfer Station		222	150
Waste and Environmental Solutions – Kerbside Bin Replacements		(7)	75
Waste and Environmental Solutions – Green Island Leachate System Pump and Pumpstation		-	15
Waste and Environmental Solutions – Public Place Recycling and Rubbish Bins		-	60
Waste and Environmental Solutions – North Taieri Closed Landfill		5	-
		220	300
Total Capital		4,578	8,273

Explanation of Variance

1. Final capping of recently completed area of GI landfill, as well as additional work to reprofile and improve capping, drainage and gas collection on old areas of capped landfill.
2. Additional work required to satisfy closure consent for Waikouaiti landfill including final capping, drainage, landscaping, and fencing.
3. This expenditure will now be incurred in the 2022-2023 year.
4. The timing of these projects has been updated in the 2022-23 Annual Plan.
5. The timing of these projects has been updated in the 2022-23 Annual Plan.
6. The timing of these projects has been updated in the 2022-23 Annual Plan.
7. The timing of these projects has been updated in the 2022-23 Annual Plan .
8. This expenditure, previously categorised and budgeted as operating expenditure, relates to the consenting process.

Dunedin City Council: Funding impact statement for the year ended 30 June 2022 for

Waste management

	2021 Long-term plan \$000	2022 Long-term plan \$000	2022 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	631	–	–
Targeted rates	3,115	4,650	4,650
Subsidies and grants for operating purposes	–	–	–
Fees and charges	12,909	11,390	10,429
Internal charges and overheads recovered	1,024	1,674	1,590
Local authorities fuel tax, fines, infringement fees, and other receipts	–	–	–
Total operating funding (A)	17,679	17,714	16,669
Application of operating funding			
Payments to staff and suppliers	13,562	14,636	18,135
Finance costs	179	309	309
Internal charges and overheads applied	952	898	851
Other operating funding applications	–	–	–
Total application of operating funding (B)	14,693	15,843	19,295
Surplus (deficit) of operating funding (A-B)	2,986	1,871	(2,626)
Sources of capital funding			
Subsidies and grants for capital expenditure	–	–	–
Development and financial contributions	–	–	–
Increase (decrease) in debt	–	8,618	6,309
Gross proceeds from sale of assets	–	–	–
Lump sum contributions	–	–	–
Other dedicated capital funding	–	–	–
Total sources of capital funding (C)	–	8,618	6,309
Application of capital funding			
Capital expenditure			
– to meet additional demand	–	–	–
– to improve the level of service	404	7,973	4,358
– to replace existing assets	509	300	220
Increase (decrease) in reserves	–	–	–
Increase (decrease) of investments	2,073	2,216	(895)
Total application of capital funding (D)	2,986	10,489	3,683
Surplus (deficit) of capital funding (C-D)	(2,986)	(1,871)	2,626
Funding balance ((A-B)+(C-D))	–	–	–

SECTION 3:

Tahua | Finances

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He pūroko tahua | Financial statements

Dunedin City Council

Statement of comprehensive revenue and expense for the year ended 30 June 2022

			CORE COUNCIL		CONSOLIDATED	
	Note	Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 Restated \$000
Revenue continuing operations						
Rates revenue	2	179,556	179,124	163,492	179,556	163,492
Development and financial contributions	3	3,687	3,467	2,153	3,687	2,153
Subsidies and grants	4	44,020	33,292	39,806	44,020	39,806
Financial revenue	5	9,179	9,645	16,798	4,827	12,607
Other revenue	6	81,102	68,408	84,323	339,129	362,303
Total operating revenue		317,544	293,936	306,572	571,219	580,361
Expenses						
Other expenses	7	139,377	129,599	140,354	284,093	270,271
Personnel expenses	12	68,287	69,965	65,970	133,499	126,550
Audit fees	8	226	243	317	789	742
Financial expenses	9	15,975	9,943	9,212	30,443	23,929
Depreciation and amortisation	10	81,349	76,519	74,283	113,229	104,696
Total operating expenses		305,214	286,269	290,136	562,053	526,188
Operating surplus (deficit) from operations		12,330	7,667	16,436	9,166	54,173
Share of associate surplus (deficit)		–	–	–	232	1,042
Surplus (deficit) before taxation		12,330	7,667	16,436	9,398	55,215
Less taxation	13	(1,169)	(450)	(734)	(481)	11,525
Surplus (deficit) after taxation		13,499	8,117	17,170	9,879	43,690
<i>Surplus (deficit) attributable to:</i>						
Dunedin City Council and Group		13,499	8,117	17,170	9,879	43,690

Explanations of major variances against budget are provided in Note 39.

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 2022

		CORE COUNCIL		CONSOLIDATED	
	Note	Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000	Actual 2022 \$000 Restated 2021 \$000
Other comprehensive revenue and expense					
Gain (loss) on property, plant and equipment revaluations		782,956	63,000	372,394	782,956 372,394
Gain (loss) on forestry land revaluations		–	–	–	10,156 6,524
Gain (loss) of comprehensive revenue in associates		–	–	–	5,401 91
Gain (loss) of cash flow hedges at fair value through other comprehensive revenue and expense		636	480	1,396	54,376 30,735
Gain (loss) on carbon credit revaluation		–	–	–	40,166 12,279
Income tax on other comprehensive income		–	–	–	(26,280) (11,573)
Total other comprehensive revenue and expense		783,592	63,480	373,790	866,775 410,450
Surplus (deficit) after taxation		13,499	8,117	17,170	9,879 43,690
Total comprehensive revenue and expense		797,091	71,597	390,960	876,654 454,140
<i>Total comprehensive revenue and expense attributable to:</i>					
Dunedin City Council and Group		797,091	71,597	390,960	876,654 454,140

Statement of changes in equity for the year ended 30 June 2022

		CORE COUNCIL		CONSOLIDATED	
	Note	Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000	Actual 2022 \$000 Restated 2021 \$000
Movements in equity					
Opening equity		3,512,539	3,211,117	3,121,579	3,737,678 3,283,538
Total comprehensive revenue and expense		797,091	71,597	390,960	876,654 454,140
Closing equity		4,309,630	3,282,714	3,512,539	4,614,332 3,737,678

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 2022

		CORE COUNCIL			CONSOLIDATED	
	Note	Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 Restated \$000
Current assets						
Cash and cash equivalents	15	11,986	6,071	7,939	26,354	30,018
Other current financial assets	19	7,999	5,928	6,975	8,274	8,096
Derivative financial instruments	35	–	–	–	626	2,059
Trade and other receivables	16	23,049	12,289	22,285	51,623	54,536
Taxation refund receivable		799	450	592	799	592
Inventories	17	322	392	294	7,216	5,743
Non-current assets held for sale	18	–	–	3,694	–	3,694
Prepayments		1,371	500	768	3,986	2,955
Total current assets		45,526	25,630	42,547	98,878	107,693
Non-current assets						
Term receivables	16	–	–	–	–	6,021
Other non-current financial assets	19	192,908	205,503	201,144	80,929	89,169
Shares in subsidiary companies	20	131,239	131,239	128,689	–	–
Derivative financial instruments	35	–	–	–	25,999	7,588
Investments accounted for using the equity method	21	–	–	–	41,026	35,706
Intangible assets	31	4,388	4,923	4,321	11,084	9,361
Intangible assets – carbon credits	33	–	–	–	78,809	49,443
Investment property	30	118,375	95,740	104,976	118,375	104,976
Forestry assets	32	–	–	–	201,362	200,246
Property, plant and equipment	29	4,228,208	3,212,052	3,377,985	5,129,020	4,206,323
Total non-current assets		4,675,118	3,649,457	3,817,115	5,686,604	4,708,833
Total assets		4,720,644	3,675,087	3,859,662	5,785,482	4,816,526
Current liabilities						
Short term borrowings	23	–	–	–	1,497	1,482
Trade and other payables	24	42,988	28,753	37,668	73,953	71,616
Revenue received in advance	24	8,624	5,394	14,082	8,624	14,082
Employee entitlements	25	9,585	9,495	8,461	17,092	15,449
Derivative financial instruments	35	20	–	–	2,342	1,228
Provision for tax		–	–	–	2,978	657
Current portion of term loans	26	–	–	–	–	–
Total current liabilities		61,217	43,642	60,211	106,486	104,514
Non-current liabilities						
Term loans	26	334,273	335,948	271,973	891,651	819,465
Employee entitlements	25	1,166	1,314	1,279	1,891	2,141
Provisions	28	14,038	11,169	12,684	14,038	12,684
Derivative financial instruments	35	–	–	656	29,618	36,489
Other non-current liabilities		320	300	320	679	373
Deferred taxation	13	–	–	–	126,787	103,182
Total non-current liabilities		349,797	348,731	286,912	1,064,664	974,334

Dunedin City Council

Statement of financial position as at 30 June 2022 (continued)

		CORE COUNCIL			CONSOLIDATED	
	Note	Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 Restated \$000
Equity						
Accumulated funds		1,723,214	1,703,242	1,709,845	1,899,727	1,881,963
Revaluation reserves	14	2,576,165	1,568,815	1,793,209	2,600,469	1,812,113
Restricted reserves	14	10,271	10,657	10,141	10,271	10,141
Cash flow hedge reserves	14	(20)	–	(656)	16,244	(23,084)
Carbon credit reserve	14	–	–	–	37,781	16,862
Forest land revaluation reserve	14	–	–	–	49,840	39,683
Total equity		4,309,630	3,282,714	3,512,539	4,614,332	3,737,678
Total liabilities and equity		4,720,644	3,675,087	3,859,662	5,785,482	4,816,526

Explanations of major variances against budget are provided in Note 39.

Dunedin City Council

Statement of cash flows for the year ended 30 June 2022

	CORE COUNCIL			CONSOLIDATED	
	Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 Restated \$000
Cash flow from operating activities					
<i>Cash was provided from operating activities</i>					
Rates received	178,869	178,929	163,196	178,869	163,196
Other revenue	105,227	105,295	115,389	354,179	352,218
Interest received	7,258	7,389	7,240	1,699	1,541
Dividend received	1,344	1,229	1,205	1,352	1,205
Taxation refund received	1,013	864	1,011	–	–
	293,711	293,706	288,041	536,099	518,160
<i>Cash was applied to:</i>					
Suppliers and employees	(205,100)	(204,190)	(203,792)	(390,586)	(382,487)
Interest paid	(7,477)	(9,943)	(8,682)	(23,180)	(24,131)
Taxation paid	–	–	–	(29)	(17)
	(212,577)	(214,133)	(212,474)	(413,795)	(406,635)
Net cash inflow (outflow) from operating activities	81,134	79,573	75,567	122,304	111,525
Cash flow from investing activities					
<i>Cash was provided from investing activities</i>					
Sale of assets	3,748	3,120	140	9,137	1,960
Insurance recoveries	345	–	–	345	–
Reduction in loans and advances	–	–	–	–	–
Carbon credits sold	–	–	–	11,131	(125)
Decrease in investments	362	–	–	3,818	4,698
	4,455	3,120	140	24,431	6,533
<i>Cash was applied to:</i>					
Increase in investments	(2,550)	(2,550)	(5,480)	(15,415)	(2,930)
Capital expenditure	(141,292)	(145,528)	(105,650)	(239,154)	(191,096)
	(143,842)	(148,078)	(111,130)	(254,569)	(194,026)
Net cash inflow (outflow) from investing activities	(139,387)	(144,958)	(110,990)	(230,138)	(187,493)
Cash flow from financing activities					
<i>Cash was provided from financing activities</i>					
Loans raised	72,300	63,975	28,000	174,170	240,270
	72,300	63,975	28,000	174,170	240,270
<i>Cash was applied to:</i>					
Loans repaid	(10,000)	–	–	(70,000)	(200,000)
	(10,000)	–	–	(70,000)	(200,000)
Net cash inflow (outflow) from financing activities	62,300	63,975	28,000	104,170	40,270
Net increase (decrease) in cash held	4,047	(1,410)	(7,423)	(3,664)	(35,698)
Opening cash and cash equivalents balance	7,939	7,481	15,362	30,018	65,716
Closing cash and cash equivalents balance	11,986	6,071	7,939	26,354	30,018

Explanations of major variances against budget are provided in Note 39.

Dunedin City Council

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

	CORE COUNCIL			CONSOLIDATED	
	Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 Restated \$000
Surplus (deficit) after taxation	13,499	8,117	17,170	9,879	43,690
Share of retained surplus in associated companies	–	–	–	(232)	(1,042)
Add (less) non-cash items					
Depreciation and amortisation	81,349	76,519	74,283	113,229	104,696
Depletion of forest	–	–	–	13,408	12,375
Forestry revaluation	–	–	–	(9,475)	(38,164)
Asset impairment	279	–	–	(453)	(741)
After-care provision adjustment	1,354	–	2,165	1,354	2,165
Investment property fair value loss (gain)	(11,440)	–	(9,044)	(11,440)	(9,044)
Unrealised loss (gain) on investments	7,351	–	(7,203)	7,351	(7,203)
New Zealand carbon credits	–	–	–	–	(5,069)
Vested assets	(6,784)	(3,000)	(7,957)	(6,784)	(7,957)
Add (less) non-cash adjustments	(453)	(1,026)	440	13,055	(9,456)
Total non-cash items	71,656	72,493	52,684	120,245	41,602
Add (less) movements in working capital items					
(Increase) decrease in trade and other receivables	(764)	5,519	528	2,913	(6,790)
(Increase) decrease in term receivables	–	–	–	6,021	4,002
(Increase) decrease in inventories	(28)	–	58	(1,473)	3,258
(Increase) decrease in prepayments	(603)	–	(92)	(1,031)	(1,339)
(Increase) decrease tax refund receivable	(207)	414	276	(207)	805
Increase (decrease) in trade and other payables	5,320	(5,256)	5,434	2,337	10,150
Movement in capital creditors in accounts payable	(2,801)	–	(5,579)	(2,801)	(6,168)
Increase (decrease) in other current liabilities	(4,334)	(1,714)	5,193	(3,815)	5,515
Increase (decrease) in other provisions	(113)	–	(143)	(250)	(319)
Increase (decrease) provision for tax	–	–	–	2,321	657
Increase (decrease) deferred tax	–	–	–	23,605	22,719
Net movement in working capital items	(3,530)	(1,037)	5,675	27,620	32,490
Add (less) items classified as investing or financing activities					
Profit on sale of investments	(514)	–	(96)	(514)	(96)
Loss on sale of investments	–	–	150	–	150
Profit on sale of property, plant and equipment	(69)	–	(42)	(5,104)	(597)
Loss on sale of property, plant and equipment	92	–	26	2,379	26
Investment in financial instrument	–	–	–	(31,969)	(4,698)
Total items classified as investing or financing activities	(491)	–	38	(35,208)	(5,215)
Net cash flow from operating activities	81,134	79,573	75,567	122,304	111,525

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 2022 (whole of Council)

		CORE COUNCIL		
	2021 Annual Plan	2021 Actual	2022 Long-Term Plan	2022 Actual
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	93,883	94,969	103,014	103,654
Targeted rates	69,585	69,578	76,960	76,960
Subsidies and grants for operating purposes	11,329	12,392	11,001	17,372
Fees and charges	56,895	64,548	62,402	60,079
Interest and dividends from investments	9,816	8,444	8,619	8,601
Local authorities fuel tax, fines, infringement fees, and other receipts	3,113	2,629	3,003	2,597
Total operating funding (A)	244,621	252,560	264,999	269,263
Applications of operating funding				
Payments to staff and suppliers	197,136	206,616	199,810	207,515
Finance costs	12,051	8,007	9,943	8,561
Other operating funding applications	–	–	–	–
Total applications of operating funding (B)	209,187	214,623	209,753	216,076
Surplus (deficit) of operating funding (A-B)	35,434	37,937	55,246	53,187
Sources of capital funding				
Subsidies and grants for capital expenditure	28,439	26,504	21,445	25,791
Development and financial contributions	832	2,153	3,468	3,687
Increase (decrease) in debt	64,900	28,000	63,975	62,300
Gross proceeds from sale of assets	120	140	3,165	3,748
Lump sum contributions	–	–	–	–
Other dedicated capital funding	–	–	–	–
Total sources of capital funding (C)	94,291	56,797	92,053	95,526
Application of capital funding				
Capital expenditure				
– to meet additional demand	6,873	3,537	6,712	6,840
– to improve the level of service	29,241	15,953	61,791	45,194
– to replace existing assets	89,841	91,330	77,024	92,142
Increase (decrease) in reserves	–	–	–	–
Increase (decrease) of investments	3,770	(16,086)	1,772	4,537
Total applications of capital funding (D)	129,725	94,734	147,299	148,713
Surplus (deficit) of capital funding (C-D)	(35,434)	(37,937)	(55,246)	(53,187)
Funding balance ((A-B)+(C-D))	–	–	–	–

Dunedin City Council

Statement of financial involvement in Council controlled organisations as at 30 June 2022

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 2022 \$000	Interest 2022 \$000	Total 2022 \$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 Dunedin Railways operated a tourist and excursion train on the Taieri Gorge railway line and on the Seaside line north of Dunedin. Covid-19 had a severe impact on the company and it transitioned to hibernation from 1 July 2020. The company's current focus is on maintaining key assets pending further decisions from Dunedin City Council.
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.

He whakamārama mō te pūroko tahua

Notes to the financial statements

Dunedin City Council

Notes to the financial statements for the year ended 30 June 2022

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 2022. The financial statements were authorised for issue by the Council on 6th April 2023.

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

There were no standards issued and not yet effective that have been early adopted.

New amendment applied

An amendment to PBE IPSAS 2 Cash Flow Statements 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. The new information required by this amendment has been disclosed in note 27 Reconciliation of movements in liabilities arising from financing activities.

Changes in accounting policies

Software-as-a-Service (SaaS) arrangements

In April 2021, the International Financial Reporting Interpretations Committee (IFRIC), a committee supporting profit-oriented reporting, published an agenda decision clarifying how configuration and customisation costs incurred in implementing SaaS should be accounted for.

The IFRIC concluded that SaaS arrangements are service contracts providing the customer with the right to access the SaaS provider's application software over the contract period. Costs incurred to configure or customise software in a cloud computing arrangement, can be recognised as intangible assets only if the activities create an intangible asset that the entity controls, and the intangible asset meets the recognition criteria.

Some of the costs incurred by the Company are for the development of software code that enhances or modifies, or creates additional capability to the system and meet the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

Costs that do not result in intangible assets are expensed as incurred unless they represent payment for future services to be received. In which case, a prepayment is initially recognised and then expensed as those subsequent services are received.

The New Zealand Accounting Standards Board has not issued similar guidance, management however considers the IFRIC decision relevant to the accounting for similar types of arrangements of the Group. The Group changed its accounting policy from 1 July 2021 to be consistent with the IFRIC agenda decision and applied this change retrospectively and has restated comparative balances accordingly.

The impact of the change in accounting policy is that some intangible assets that were previously capitalised no longer meet the criteria for capitalisation and have therefore been expensed or taken to prepayments.

The change to the comparative years financial statements, as a result of the two adjustments, is summarised as follows:

	Previously reported 2021 \$000	SaaS adjustment \$000	Restated 2021 \$000
Statement of financial performance			
Other expenses	270,154	117	270,271
Surplus (deficit) before taxation	55,332	(117)	55,215
Taxation expense	11,558	(33)	11,525
Surplus (deficit) after taxation	43,774	(84)	43,690
Statement of Other Comprehensive Income			
Surplus (deficit) after taxation	43,774	(84)	43,690
Total comprehensive revenue and expense	454,224	(84)	454,140
Statement of Financial Position			
Prepayments	2,333	622	2,955
Intangible assets	10,100	(739)	9,361
Deferred tax liability	103,215	(33)	103,182
Accumulated funds	1,882,047	(84)	1,881,963
Total equity	3,737,762	(84)	3,737,678
Statement of Cash Flows			
Payments to suppliers and employees	(383,226)	739	(382,487)
Capital expenditure	(190,357)	(739)	(191,096)

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.

PBE IPSAS 41 Financial Instruments (transitioning from PBE IFRS 9)

PBE IPSAS 41 replaces PBE IFRS 9 Financial Instruments and is effective for the year ending 30 June 2023, with earlier adoption permitted. The Council's initial assessment is there will be little change as a result of adopting the new standard as the requirements are similar to those contained in PBE IFRS 9.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with earlier adoption permitted. The Council has determined the main impact of the new standard is that additional information will need to be disclosed on those judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information.

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 land and buildings 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 28);
- valuation of forestry assets (note 32);
- valuation of property, plant and equipment (note 29);
- valuation of derivative financial instruments (note 35);
- carrying value of the deferred tax liability (note 13).
- investment properties (note 30).

2 Rates revenue

	CORE COUNCIL		CONSOLIDATED	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
General rates	102,596	93,914	102,596	93,914
Community services rate	5,070	4,936	5,070	4,936
Kerbside recycling rate	4,650	2,899	4,650	2,899
Citywide water rate	24,915	22,079	24,915	22,079
Citywide drainage rate	41,262	38,471	41,262	38,471
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	513	643	513	643
	179,556	163,492	179,556	163,492

The total amount of rates charged on Council owned properties that have not been eliminated from revenue and expenditure is \$11.27m (2021: \$10.44m). For the Group, rates of \$12.57m have not been eliminated (2021: \$11.65m).

Rating base information

	2022	2021	2020
The number of rating units	56,561	56,230	55,936
The total capital value of the rating units	\$34.188 billion	\$33.798 billion	\$25.625 billion
The total land value of the rating units	\$15.193 billion	\$15.140 billion	\$10.130 billion

Under the Council's Rate Remission Policies, which provide for rates to be remitted in cases of Extreme Financial Hardship, there were no remissions allowed by Council during the year (2021: \$1,275).

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	Actual	Actual	Actual
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Development and financial contributions	3,687	2,153	3,687	2,153
	3,687	2,153	3,687	2,153

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	Actual	Actual	Actual
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Waka Kotahi NZ Transport Agency roading subsidies	25,715	31,630	25,715	31,630
Government and government agency grants	4,088	1,906	4,088	1,906
Other grants	14,217	6,270	14,217	6,270
	44,020	39,806	44,020	39,806

Relevant significant accounting policies

The Council receives funding assistance from 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	Actual	Actual	Actual
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Profit on sale of investments	514	96	514	96
Gain on fair value of investments	64	8,258	64	8,258
Gain on foreign currency transactions	–	–	1,095	342
Dividend received – Dunedin City Holdings Limited	–	–	–	–
Other dividends received	1,344	1,196	1,352	1,196
Interest received – Dunedin City Holdings Limited	5,902	5,902	–	–
Other interest received	1,355	1,346	1,802	2,715
	9,179	16,798	4,827	12,607

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.

6 Other revenue

		CORE COUNCIL		CONSOLIDATED	
		Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 Restated \$000
Rental from investment properties		8,058	7,871	8,026	7,871
Rental from community housing properties		6,404	6,239	6,404	6,239
Commercial and domestic waste disposal charges		8,034	8,157	8,034	8,157
Parking fees		5,644	6,797	5,644	6,797
Regulatory services rendered		5,377	5,334	5,377	5,334
Gain on fair value of investment property	Note 30	11,440	9,044	11,440	9,044
Forest revaluation		–	–	9,475	38,164
Vested assets		6,784	7,957	6,784	7,957
Profit on sale of property, plant and equipment		69	42	5,104	597
Line charges		–	–	78,532	69,584
Pass-through and recoverable cost revenue		–	–	34,594	32,660
Customer contributions		–	–	11,301	11,007
Electrical services		–	–	19,009	16,569
Greenspace services		–	–	22,612	19,040
Forestry sales revenue		–	–	64,095	63,662
New Zealand carbon credits	Note 33	–	–	–	5,069
Other fees and charges		29,292	32,882	42,698	54,552
		81,102	84,323	339,129	362,303

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 32 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 Commerce Commission's Customised Price-Quality Path Determination for Aurora Energy Limited included a 10% limit on the annual increase in line charge revenue in order to reduce the price impact on consumers. Combined with the impact of volume driven revenue variances the total deferred revenue at 31 March 2022 is \$13.417 million. This deferred revenue will be recovered from consumers in future financial years commencing from around 2027.

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 livened. 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 stand-alone 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 DCC Group considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations. The Group 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.

Other fees, charges and revenue

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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 Restated \$000
General grants	7,092	6,134	6,874	6,024
Otago Museum levy	4,531	4,452	4,531	4,452
Directors' remuneration	–	–	1,201	1,200
Elected members' remuneration and expenses	1,881	1,744	1,881	1,744
Bad debts	–	1	81	(385)
Increase (decrease) in after-care provision	1,354	2,165	1,354	2,165
Increase (decrease) in doubtful debt provision	284	(206)	175	(318)
Impairment of property, plant and equipment	279	–	279	–
Investment property operating expenses	3,508	3,450	3,508	3,450
Inventories expensed	124	85	124	85
Loss on disposal of property, plant and equipment	92	26	2,379	26
Operating lease expense	1,127	75	6,140	3,622
Research expenditure	–	–	4	–
Transmission costs on the energy network	–	–	31,068	30,310
Maintenance costs on the energy network	–	–	20,240	19,610
Cost of bush applied	–	–	13,408	12,375
Shipping costs	–	–	28,138	17,704
Other expenditure	119,105	122,428	162,708	168,207
	139,377	140,354	284,093	270,271

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 of property, plant and equipment

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

The 2021 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. This Term Receivable was repaid in full during the 2022 financial year.

8 Audit fees

	CORE COUNCIL		CONSOLIDATED	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
<i>Fees paid to Audit New Zealand for:</i>				
Audit fees for the audit of financial statements 2022	205	–	654	–
Audit fees for the audit of financial statements 2021	21	191	21	545
Long-term plan audit	–	126	–	126
Regulatory (information disclosure) reporting	–	–	46	43
Price and quality thresholds and other regulatory reporting	–	–	68	28
Customised price-quality path application	–	–	–	–
	226	317	789	742

9 Financial expenses

	CORE COUNCIL		CONSOLIDATED	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Overdraft interest	7	2	7	2
Loss on sale of investments	–	150	–	150
Loss on sale of foreign currency transactions	–	–	–	–
Fair value loss on investments	7,415	1,055	7,415	1,055
Interest paid to subsidiaries	8,553	8,005	–	–
Term interest	–	–	23,021	22,722
	15,975	9,212	30,443	23,929

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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Operational	15,855	13,928	46,683	43,234
Infrastructural	59,310	55,402	59,310	55,402
Restricted and heritage	5,167	3,928	5,167	3,928
As per note 29 Property, plant and equipment	80,332	73,258	111,160	102,564
Intangible	1,017	1,025	2,069	2,132
	81,349	74,283	113,229	104,696

Depreciation and amortisation expense by group of activity

	CORE COUNCIL	
	Actual 2022 \$000	Actual 2021 \$000
Roading and footpaths	24,603	23,644
Water supply	15,253	13,833
Sewerage and sewage	13,516	12,671
Stormwater	5,247	4,714
Reserves and recreational facilities	5,181	4,696
Property	13,144	10,402
Galleries, libraries and museums	1,279	1,325
Regulatory services	257	375
Waste management	758	621
Community and planning	31	30
Economic development	24	48
Governance and support services	2,056	1,924
	81,349	74,283

11 Total group expenditure

	CORE COUNCIL		
	Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000
Roading and footpaths	55,377	53,234	53,413
Water supply	34,147	30,830	32,177
Sewerage and sewage	34,820	33,087	34,469
Stormwater	10,115	9,215	9,142
Reserves and recreational facilities	36,856	37,410	36,421
Property	36,184	33,965	34,978
Galleries, libraries and museums	26,570	26,177	26,830
Regulatory services	16,823	17,104	17,115
Waste management	20,053	16,424	18,651
Community and planning	14,826	15,034	14,371
Economic development	7,789	5,824	7,469
Governance and support services	46,918	43,262	40,895
Total expenditure per activity	340,478	321,566	325,931
Less: Internal expenditure	(35,264)	(35,297)	(35,795)
Total expenditure per financial statements	305,214	286,269	290,136

12 Remuneration and staffing

Personnel expenses

	CORE COUNCIL		CONSOLIDATED	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Salaries and wages	64,560	62,285	126,064	118,687
Defined contribution plan employer contributions	2,281	2,218	5,121	4,837
Other personnel costs	1,446	1,467	2,315	3,026
	68,287	65,970	133,499	126,550

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 2 severance payments made during the year: \$37,410, \$6,701. (2021: \$68,886, \$13,000, \$7,000, \$6,855, \$5,163.)

b) Chief Executive remuneration

Sandy Graham; 1 July 2021 to 30 June 2022 \$418,080.

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.

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 2022 626.26 (2021: 606.38)

The number of full-time equivalent other employees as at 30 June 2022 137.63 (2021: 153.10)

(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 pro rata basis where part-time hours apply.)

d) The number of employees as at 30 June 2022 receiving;		The number of employees as at 30 June 2021 receiving;	
Less than \$60,000	424	Less than \$60,000	441
\$60,000 to \$79,999	214	\$60,000 to \$79,999	197
\$80,000 to \$99,999	173	\$80,000 to \$99,999	184
\$100,000 to \$119,999	110	\$100,000 to \$119,999	93
\$120,000 to \$139,999	29	\$120,000 to \$139,999	21
\$140,000 to \$159,999	17	\$140,000 to \$159,999	12
\$160,000 to \$179,999	10	\$160,000 to \$179,999	9
\$180,000 to \$239,999	7	\$180,000 to \$259,999	7
\$240,000 to \$419,999	6	\$260,000 to \$419,999	3

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 2022 and 2021 exceed a \$20,000 movement. The less than 5 criterion does not apply to the top band.

The salary bands as at 30 June 2021 have been restated due to a change in methodology to more accurately reflect the number of employees in the pay bands.

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 2022 \$000	Actual 2021 \$000
Mayor and Councillors		
Remuneration	1,315	1,305
Executive Leadership Team		
Remuneration	2,107	2,323
Total key management personnel remuneration	3,422	3,628

Key management personnel comprises: 15 full-time equivalent elected members and 8 full-time equivalent executive leaders (2021: 15 full-time equivalent elected members and 7 full-time equivalent executive leaders).

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	72,914	
Benson-Pope D H	1	100,257	
Elder R A		71,834	
Garey C P	1	95,130	Deputy Mayor
Hall D W		71,834	
Houlahan C		71,834	
Laufiso M E		86,202	
Lord M L	1	88,862	
O'Malley J P	1, 2	92,442	
Radich J		71,834	
Staynes C J		86,202	
Vandervis L		71,834	
Walker S A	1, 2	80,975	
Whiley A P		86,202	
		1,314,856	

1. Includes Consent Hearing fees

2. Includes Second Generation Variation 2 Plan Hearing 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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 Restated \$000
Surplus (deficit) before taxation	12,330	16,436	9,398	55,215
(Gain) loss on fair value of investment property	(11,440)	(9,044)	(11,440)	(9,044)
Vested assets	(6,784)	(7,957)	(6,784)	(7,957)
Net non-taxable other income/non-deductible expenditure	3,042	(1,727)	5,718	954
Income subject to taxation	(2,852)	(2,292)	(3,108)	39,168
Prima facie taxation at 28%	(799)	(642)	(870)	10,967
Plus other adjustments	–	–	613	336
Imputation credits	–	–	–	–
Less tax effect of subvention payments	–	–	–	1,901
Group recognition of deferred tax in current year	–	–	–	(1,657)
Under (over) provisions prior years	(370)	(92)	(224)	(22)
Taxation charge	(1,169)	(734)	(481)	11,525
The taxation charge is represented by:				
– Current taxation	(799)	(642)	2,176	(76)
– Deferred taxation	–	–	(2,434)	11,623
– Under (over) tax provision in prior years	(370)	(92)	20	427
– Under (over) deferred tax in prior years	–	–	(243)	(449)
	(1,169)	(734)	(481)	11,525

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 2022 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 2022 and earlier years which will be available for use in subsequent reporting periods totalling \$17,605,890 (2021: \$17,563,017). This is after taking into account imputation credits attached to accrued dividends and known income tax payments/refunds.

Deferred taxation

	Group 2022 \$000	Group 2022 \$000	Group 2022 \$000	Group 2022 \$000	Group 2022 \$000	Group 2022 \$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	46,755	–	3,178	(1,367)	51,300	49,933
Provisions	5,592	–	464	(3,321)	9,377	6,056
Tax losses	(4,754)	–	(3,161)	(7,912)	–	(7,912)
Forest	40,414	–	(544)	–	39,870	39,870
Forest costs capitalised	10,638	–	422	–	11,060	11,060
Carbon credits	13,350	11,233	(3,127)	(426)	21,882	21,456
Hedge reserve – foreign exchange contracts	246	(1,248)	–	(1,002)	–	(1,002)
Hedge reserve – interest rate swaps	(9,059)	16,295	91	–	7,326	7,326
Balance at the end of the year	103,182	26,280	(2,677)	(14,028)	140,815	126,787

	Group 2021 Restated \$000	Group 2021 Restated \$000	Group 2021 Restated \$000	Group 2021 Restated \$000	Group 2021 Restated \$000	Group 2021 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	44,811	(78)	2,022	(1,468)	48,223	46,755
Provisions	3,551	–	2,041	(2,390)	7,982	5,592
Tax losses	(2,204)	–	(2,550)	(4,754)	–	(4,754)
Forest	32,859	–	7,555	–	40,414	40,414
Forest costs capitalised	10,156	–	482	–	10,638	10,638
Carbon credits	8,798	4,855	(303)	(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)
Balance at the end of the year	80,942	12,993	9,247	(18,061)	121,243	103,182

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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 Restated \$000
Opening balance	1,709,845	1,692,509	1,881,963	1,838,265
Surplus (deficit)	13,499	17,170	9,879	43,690
Adjustments	–	–		(158)
Transfers to:				
– Gains (losses) on interest rate swaps and foreign exchange transactions	–	–		–
– Carbon credit reserve	–	–	8,015	–
– Restricted reserves	(776)	(551)	(776)	(551)
Transfers from:				
– Restricted reserves	646	717	646	717
Closing balance	1,723,214	1,709,845	1,899,727	1,881,963

b) Revaluation reserves

	CORE COUNCIL		CONSOLIDATED	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Opening balance	1,793,209	1,420,815	1,812,113	1,439,628
Gain (loss) recognised on assets of associates	–	–	5,400	91
Property, plant and equipment revaluations	782,956	372,394	782,956	372,394
Closing balance	2,576,165	1,793,209	2,600,469	1,812,113

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 2022 \$000	Transfers Inwards 2022 \$000	Transfers Outwards 2022 \$000	Closing Balance 2022 \$000
A. H. Reed Capital Account to extend the Reed library collections	256	3	–	259
R. J. Trust Capital Account to extend library collections	310	3	–	313
G. McKay Housebound Capital Account to extend library collections	11	–	–	11
Clive R. B. Lister Capital Account to maintain the Clive Lister garden	247	3	–	250
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	48	–	–	48
DCC Recreation Loans Reserve to fund small loans to recreation clubs	262	3	–	265
Self Funded Insurance Reserve	318	3	–	321
Library Dunningham Bequest	13	–	–	13
Air Development Capital Reserve to develop the Taieri aerodrome	383	4	–	387
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	131	1	–	132
Library General operations Fund Reserve	96	1	–	97
Sportsground Upgrade Logan Park Reserve of development contributions	(192)	–	2	(194)
Sportsground Upgrade Bathgate Park Reserve of development contributions	21	–	–	21
Sportsground Upgrade Hancock Park Reserve of development contributions	32	–	–	32
Playground Upgrade Reserve of development contributions	9	–	–	9
Mosgiel East Reserve of development contributions	249	3	–	252
Mere Mere Over View Subsidiary Reserve	75	1	–	76
Aviary Bird Fund Operations Reserve	28	–	–	28
Mediterranean Garden Development Reserve	15	–	–	15
Craigie Burn Operations Reserve	366	4	–	370
Ocean View Sand Sausage Reserve	156	2	–	158
Waikouaiti Forest Replanting Reserve	274	3	144	133
Walton Park Reserve works	60	1	–	61
Cemetery Service Fund Maintenance Reserve	2,187	–	–	2,187
Art Gallery Funded Operations Reserve	427	4	–	431
Sale of Reserve Land Reserve	17	–	–	17
Hillary Commission General Subsidies Reserve	34	–	–	34
Bateman Bequest to extend Art Gallery collection	543	6	–	549
Harding Bequest Art Gallery Operations Reserve	32	–	–	32
Wastewater Mosgiel East	45	–	–	45
Waste Minimisation Reserve	385	698	500	583
EPH Renewal Fund Reserve community housing	2,124	22	–	2,146
Endowment Property Investment Reserve	1,108	11	–	1,119
Totals	10,141	776	646	10,271

Last Year

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

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	Actual	Actual	Actual
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Opening balance	(656)	(2,052)	(23,084)	(45,632)
Gains (losses) on interest rate swaps and foreign exchange transactions	636	1,396	39,328	22,548
Closing balance	(20)	(656)	16,244	(23,084)

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	Actual
	2022	2021
	\$000	Restated \$000
Opening balance	16,862	8,019
Transfer to retained earnings	(8,015)	–
Gain in carbon credits above initial recognition value	28,934	8,843
Closing balance	37,781	16,862

f) Forest land revaluation reserve

	CONSOLIDATED	
	Actual	Actual
	2022	2021
	\$000	\$000
Opening balance	39,683	33,081
Net revaluation of forest land	10,157	6,602
Closing balance	49,840	39,683

15 Cash and cash equivalents

	CORE COUNCIL		CONSOLIDATED	
	Actual	Actual	Actual	Actual
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Cash in bank and on hand	11,986	7,939	26,354	30,018
	11,986	7,939	26,354	30,018

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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Trade debtors	18,072	18,560	46,736	50,617
Rate accounts issued and owing	5,029	4,429	5,029	4,429
Other debtor accounts issued and owing	2,789	1,853	3,265	2,739
Less: provision for uncollectability	(2,841)	(2,557)	(3,407)	(3,249)
	23,049	22,285	51,623	54,536

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	20,521	19,601	49,093	51,923
Receivables from exchange transactions – this includes outstanding amounts for fees and charges that have not been subsidised by rates including commercial sales	2,528	2,684	2,530	2,613

Provision for uncollectability of receivables movements

Opening balance provision for uncollectability	(2,557)	(2,764)	(3,249)	(3,613)
Additional provisions made during the year	(836)	(482)	(887)	(521)
Provisions reversed during the year	548	688	640	762
Receivables written-off during the year	4	1	89	123
Closing balance provision for uncollectability	(2,841)	(2,557)	(3,407)	(3,249)

Provision for uncollectability of receivables analysis

Impaired credit loss	(2,015)	(1,918)	(2,015)	(1,918)
Expected credit loss	(826)	(639)	(1,392)	(1,331)
	(2,841)	(2,557)	(3,407)	(3,249)

Term receivables

	CORE COUNCIL		CONSOLIDATED	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Term receivables	–	–	–	6,021
	–	–	–	6,021

The term receivable was held at amortised cost and arose from Delta Utility Services Limited's supply of infrastructure services on a Christchurch development property. It was secured by a second mortgage over that development property and interest was payable on the balance. It was repaid in full in September 2021.

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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Raw materials in store (at cost)	322	294	7,216	5,736
Work in progress (at cost)	–	–	–	–
Finished goods (at cost)	–	–	–	7
	322	294	7,216	5,743

The Council inventories are not pledged as security for liabilities (2021: \$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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Land and buildings	–	3,694	–	3,694
Other assets	–	–	–	–
	–	3,694	–	3,694

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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Waipori Fund interest bearing securities	7,999	6,975	7,999	6,975
Other financial assets	–	–	275	1,121
	7,999	6,975	8,274	8,096

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 3.56% and 4.76% (2021: 1.105% and 5.00%).

Other non-current financial assets

	CORE COUNCIL		CONSOLIDATED	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Waipori Fund interest bearing securities	31,614	35,055	31,614	35,055
Waipori Fund equity investments	48,813	53,608	48,813	53,608
Other shares	481	481	502	506
Advances to subsidiaries	112,000	112,000	–	–
	192,908	201,144	80,929	89,169

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

The advance from the Dunedin City Council to the Group is subordinated and unsecured. The terms of the advance agreement between the Dunedin City Council and the Group are such that there is no obligation on Dunedin City Holdings Limited to transfer economic benefit at any specific time. In 2022, the interest rate on the advance was 5.27% (2021: 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	
	2022 \$000	2021 \$000
Shares Dunedin City Holdings Limited	131,239	128,689

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 2022 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
– June 2022	2,550,000
Total number of shares	1,106,239,000
– 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)
– June 2022 call	(2,550,000)
Total number of uncalled shares	975,000,000

21 Investment in associates

	CORE COUNCIL		CONSOLIDATED	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Interest and advances in associate company	–	–	41,026	35,706
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 2022 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.

There were no contingent liabilities arising from the DCC Group's involvement in the associate companies as at 30 June 2022.

Summarised balance sheet

	Other Associates		Dunedin International Airport Limited	
	As at 30 June		As at 30 June	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Current assets				
Cash and cash equivalents	287	433	1,685	1,781
Other current assets	41	(1)	1,594	1,432
Total current assets	328	432	3,279	3,213
Non-current assets	2,322	2,343	110,774	99,403
Total assets	2,650	2,775	114,053	102,616
Current liabilities	246	103	2,103	3,049
Non-current liabilities				
Financial liabilities	2,200	2,400	13,250	14,750
Other financial liabilities	–	–	16,603	13,360
Total non-current liabilities	2,200	2,400	29,853	28,110
Total liabilities	2,446	2,503	31,956	31,159
Net assets	204	272	82,097	71,457
Less impairment		–		–
Other adjustments	(204)	(272)	(46)	(46)
Net assets after impairment and other adjustments	–	–	82,051	71,411
Carrying value of associates	–	–	41,026	35,706
	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	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Total revenue	648	635	13,222	14,603
Less expenses				
Other expenses	204	179	8,101	7,210
Interest expense	90	83	482	497
Depreciation and amortisation	16	16	3,891	3,908
Total expenses	310	278	12,474	11,615
Operating surplus (deficit) before tax	338	357	748	2,988
Less income tax	92	98	284	905
Operating surplus (deficit) after tax	246	259	464	2,083
Other comprehensive income	–	–	10,800	181
Total comprehensive income (deficit)	246	259	11,264	2,264
Dividend received from associate	82	94	312	–

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 (2022: \$4.531m; 2021: \$4.452m). 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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Short term borrowings	–	–	1,497	1,482
	–	–	1,497	1,482

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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Trade and other payables				
Trade payables and accrued expenses	40,385	35,747	58,241	60,775
Contract retentions	1,537	964	1,537	964
Other payables	1,066	957	14,175	9,877
	42,988	37,668	73,953	71,616
Total trade and other payables comprise:				
Payables from exchange transactions	42,490	37,462	73,457	71,481
Payables from non-exchange transactions	498	206	496	135
Revenue received in advance				
Rates in advance	1,303	1,159	1,303	1,159
Other revenue in advance	7,321	12,923	7,321	12,923
	8,624	14,082	8,624	14,082

Relevant significant accounting policies

Trade and other payables are stated at cost.

25 Employee entitlements

	CORE COUNCIL		CONSOLIDATED	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Current portion				
Accrued leave	6,286	5,612	12,650	11,483
Accrued long service leave	490	428	934	811
Sick leave over and above annual average	147	147	275	268
Accrued pay	2,410	2,002	2,652	2,296
Retirement gratuities	252	272	581	591
	9,585	8,461	17,092	15,449
Non-current portion				
Accrued long service leave	597	597	1,192	1,246
Retirement gratuities	569	682	699	895
	1,166	1,279	1,891	2,141

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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Total loan balance	334,273	271,973	891,651	819,465
Less current portion	–	–	–	–
Non-current portion	334,273	271,973	891,651	819,465
Non-current portion				
Promissory notes issued	–	–	174,013	149,858
Bonds issued	–	–	717,165	669,134
Related parties	333,800	271,500	–	–
Suspensory loan	473	473	473	473
	334,273	271,973	891,651	819,465

Accrued interest of \$2.204m on the loan balance of \$333.8m 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.

As at 30 June 2022, the Group had a \$975 million multi option instrument issuance facility (subsequently increased to \$1,200 million effective 15 August 2022) which is secured against certain assets and undertakings of the Dunedin City Council Group. Group debt is raised by Dunedin City Treasury Limited, 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 (2021: \$200 million).

The amount of unamortised premium or (discount) on bonds on issue at 30 June 2022 is nil (2021: 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.

While the contractual maturities of the Group's debt are not all long-term, the Group expects and has the discretion to refinance debt under the multi option instrument issuance facility. As per the face of the accounts, the Group has therefore determined that all debt is non-current.

Analysis term loans non-current	Interest Rate	Group 2022 \$'000	Group 2021 \$'000
Promissory notes		174,013	149,858
Medium term notes 25/11/21	Coupon rate 4.88%	–	70,000
Floating rate notes 15/10/22	56bp over BKBM	50,000	50,000
Medium term notes 15/11/22	Coupon rate 1.51%	45,000	45,000
Medium term notes 16/10/23	Coupon rate 0.36%	50,000	50,000
Floating rate notes 15/02/24	65bp over BKBM	25,000	25,000
Medium term notes 16/10/24	Coupon rate 3.79%	35,000	35,000
Floating rate notes 01/04/25	30bp over BKBM	50,000	–
Medium term notes 17/7/25	Coupon rate 3.61%	50,000	50,000
Medium term notes 15/4/26	Coupon rate 3.98%	65,000	65,000
Medium term notes 15/3/26	Coupon rate 2.90%	50,000	50,000
Medium term notes 15/11/26	Coupon rate 2.09%	55,000	55,000
Medium term notes 16/11/26	Coupon rate 0.676%	60,000	60,000
Medium term notes 18/04/28	Coupon rate 1.93%	110,000	110,000
Medium term notes 27/11/28	Coupon rate 3.22%	100,000	–
Fair value impact on bonds		(27,835)	4,134
Housing NZ loan		473	473
		891,651	819,465

The fair value of the debt and maturity profile is disclosed in note 35.

Contractual maturity analysis of term loans

The following is a maturity analysis of the term loans

	CORE COUNCIL		CONSOLIDATED	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Repayable less than one year	–	–	268,667	220,994
Repayable between one to five years	473	473	434,906	374,689
Repayable later than five years	333,800	271,500	188,078	223,782
	334,273	271,973	891,651	819,465

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 PBE IPSAS 1.

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 Reconciliation of movements in liabilities arising from financing activities

The tables below provide a reconciliation between the opening and closing balance of liabilities with cash flows that were, or future cash flows that will be, classified as a financing activity in the statement of cash flows

	CORE COUNCIL		Total liabilities from financing activities
	Short term borrowings	Long term borrowings	
	2022 \$000	2022 \$000	2022 \$000
Opening balance	–	271,973	271,973
Net cash flows	–	62,300	62,300
Non-cash changes	–	–	–
Closing balance	–	334,273	334,273

	CONSOLIDATED		
	Short term borrowings	Long term borrowings	Total liabilities from financing activities
	2022 \$000	2022 \$000	2022 \$000
Opening balance	1,482	819,465	820,947
Net cash flows	15	104,155	104,170
Non-cash changes	–	(31,969)	(31,969)
Closing balance	1,497	891,651	893,148

28 Provisions

Landfill aftercare provision

	CORE COUNCIL		CONSOLIDATED	
	Actual	Actual	Actual	Actual
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Opening balance	12,684	10,519	12,684	10,519
Amounts used	(1,890)	(673)	(1,890)	(673)
Unused amounts reversed	–	(340)	–	(340)
Additional provisions	4,947	4,046	4,947	4,046
Adjustment due to change in discount rate	(1,703)	(868)	(1,703)	(868)
Closing balance	14,038	12,684	14,038	12,684

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 2047.

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 \$16.779m (2021: \$13.723m)

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 1.84% (2021: 1.94%)
- discount rates ranging from 3.34% to 4.25% per Treasury Guidelines (2021: 0.38% to 3.00%)

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.

29 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, \$2,016,691,418; water treatment plant and facilities, \$175,515,767; water other assets, \$1,909,337,409; sewerage treatment plant and facilities \$214,698,958; sewerage other assets, \$1,272,192,827; stormwater assets; \$740,496,455.

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 2022.

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

Rates from the 2021 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 2021 to March 2022.

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

The most recent valuation of infrastructural assets comprising water reticulation, water plant and facilities, wastewater reticulation, wastewater plant and facilities, stormwater reticulation and stormwater plant and facilities was performed by Peter Erceg and Roger Khoo of Aon Valuation Services. The valuation is effective as at 30 June 2022.

Three waters assets are stated at valuation being depreciable replacement cost. Optimisation has not been applied in determining depreciated replacement cost. DCC staff continue to investigate opportunities for optimisation, however, no opportunities for optimisation were identified through this valuation.

The valuation updated gross replacement cost (GRC), depreciable replacement cost (DRC) and annual depreciation as at 30 June 2022.

The key assumptions used are:

Unit replacement costs (URC) for reticulation assets were based on a theoretical rate developed by the valuer, taking account of recent contract costs, the total cost of replacement of the asset, contract size and rates used by other comparable local authorities. The GRC for reticulation assets was derived by applying a depth factor, terrain factor and on-cost percentage to the theoretical rate. Significant judgement is required in developing and applying the unit rate, depth and terrain factors. Changes in these have the potential to cause a material adjustment to the carrying value of reticulation assets.

The replacement costs assume the incremental or "Brownfields" approach for replacement. This reflects a 'reality-based' replacement program and recognises the constraints with regards the existing layout/network.

The valuations prior to 30 June 2022 calculated optimised depreciable replacement costs and residual values using historical costs updated annually using price movement indices published by Statistics New Zealand.

Where an asset's age has exceeded its expected life and is still providing an acceptable level of services, the Council has assigned a default minimum useful life of 3 years.

The DCC had used this valuation methodology for its 3 water infrastructure assets for many years. Annual valuations had been independently reviewed by third-party experts. This treatment was accepted by Audit New Zealand.

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 Keith Campbell of WSP. The valuation is effective as at 30 June 2022.

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 2021 \$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 2022 \$000
Operational assets									
Gross carrying amount									
Land	159,567	3	–	–	–	–	–	–	159,570
Buildings and structures	269,707	12,507	–	–	(354)	–	–	175	282,035
Fixed plant and equipment	18,082	613	–	(59)	–	–	–	(175)	18,461
Vehicle, mobile plant	4,573	1,049	–	(309)	–	–	–	–	5,313
Office equipment	32,421	1,309	–	(4)	–	–	–	–	33,726
Library collection	13,136	932	–	–	–	–	–	–	14,068
Total	497,486	16,413	–	(372)	(354)	–	–	–	513,173
Accumulated depreciation/ amortisation and impairment									
Land	–	–	–	–	–	–	–	–	–
Buildings and structures	–	–	–	–	–	(12,712)	(279)	(68)	(13,059)
Fixed plant and equipment	(12,968)	–	–	45	–	(852)	–	68	(13,707)
Vehicle, mobile plant	(3,057)	–	–	269	–	(354)	–	–	(3,142)
Office equipment	(28,626)	–	–	3	–	(1,049)	–	–	(29,672)
Library collection	(10,800)	–	–	–	–	(888)	–	–	(11,688)
Total	(55,451)	–	–	317	–	(15,855)	(279)	–	(71,268)
Net book value									
Land	159,567	3	–	–	–	–	–	–	159,570
Buildings and structures	269,707	12,507	–	–	(354)	(12,712)	(279)	107	268,976
Fixed plant and equipment	5,114	613	–	(14)	–	(852)	–	(107)	4,754
Vehicle, mobile plant	1,516	1,049	–	(40)	–	(354)	–	–	2,171
Office equipment	3,795	1,309	–	(1)	–	(1,049)	–	–	4,054
Library collection	2,336	932	–	–	–	(888)	–	–	2,380
Total net book value	442,035	16,413	–	(55)	(354)	(15,855)	(279)	–	441,905

Current year

	Balance as at 1 July 2021	Additions (assets constructed or purchased)	Vested assets (assets transferred)	Disposals	Net revaluation/ (decrements)	Depreciation	Impairment	Reclassification	Total at 30 June 2022
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Infrastructural assets									
Gross carrying amount									
Land	36,463	2,088	–	–	–	–	–	–	38,551
Landfill provision capitalised	2,763	–	–	–	–	–	–	–	2,763
Roadways and bridges	1,090,678	33,995	1,130	–	151,747	–	–	–	1,277,550
Water reticulation	370,893	27,147	1,618	–	398,766	–	–	–	798,424
Water plant and facilities	74,563	2,139	–	–	(623)	–	–	–	76,079
Wastewater reticulation	372,990	11,801	1,683	–	106,642	–	–	–	493,116
Wastewater plant and facilities	100,153	7,939	–	–	1,364	–	–	–	109,456
Stormwater reticulation	181,837	8,438	1,899	–	64,695	–	–	–	256,869
Stormwater plant and facilities	2,009	1,501	–	–	(2)	–	–	–	3,508
Landfill plant and facilities	9,307	3,566	–	–	–	–	–	–	12,873
Total	2,241,656	98,614	6,330	–	722,589	–	–	–	3,069,189
Accumulated depreciation/ amortisation and impairment									
Land fill provision capitalised	(2,435)	–	–	–	–	(162)	–	–	(2,597)
Roadways and bridges	–	–	–	–	24,565	(24,578)	–	–	(13)
Water reticulation	(104)	–	–	–	11,210	(11,596)	–	–	(490)
Water plant and facilities	(108)	–	–	–	3,529	(3,615)	–	–	(194)
Wastewater reticulation	(114)	–	–	–	8,282	(8,241)	–	–	(73)
Wastewater plant and facilities	(390)	–	–	–	5,017	(5,275)	–	–	(648)
Stormwater reticulation	(75)	–	–	–	5,025	(5,069)	–	–	(119)
Stormwater plant and facilities	(19)	–	–	–	149	(178)	–	–	(48)
Landfill plant and facilities	(211)	–	–	–	–	(596)	–	–	(807)
Total	(3,456)	–	–	–	57,777	(59,310)	–	–	(4,989)
Net book value									
Land	36,463	2,088	–	–	–	–	–	–	38,551
Land fill provision capitalised	328	–	–	–	–	(162)	–	–	166
Roadways and bridges	1,090,678	33,995	1,130	–	176,312	(24,578)	–	–	1,277,537
Water reticulation	370,789	27,147	1,618	–	409,976	(11,596)	–	–	797,934
Water plant and facilities	74,455	2,139	–	–	2,906	(3,615)	–	–	75,885
Wastewater reticulation	372,876	11,801	1,683	–	114,924	(8,241)	–	–	493,043
Wastewater plant and facilities	99,763	7,939	–	–	6,381	(5,275)	–	–	108,808
Stormwater reticulation	181,762	8,438	1,899	–	69,720	(5,069)	–	–	256,750
Stormwater plant and facilities	1,990	1,501	–	–	147	(178)	–	–	3,460
Landfill plant and facilities	9,096	3,566	–	–	–	(596)	–	–	12,066
Total net book value	2,238,200	98,614	6,330	–	780,366	(59,310)	–	–	3,064,200

Current year

	Balance as at 1 July 2021 \$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 2022 \$000
Restricted assets									
Gross carrying amount									
Land	298,981	–	–	–	–	–	–	–	298,981
Buildings and structures	43,139	1,628	–	–	–	–	–	–	44,767
Road reserve	194,132	14	454	–	–	–	–	–	194,600
Hard surfaces and reticulation systems	22,477	727	–	–	849	–	–	–	24,053
Fixed plant and equipment	7,965	219	–	–	–	–	–	–	8,184
Playground and soft-fall areas	5,172	601	–	–	–	–	–	–	5,773
Total	571,866	3,189	454	–	849	–	–	–	576,358
Accumulated depreciation/ amortisation and impairment									
Land	–	–	–	–	–	–	–	–	–
Buildings and structures	(10)	–	–	–	–	(1,891)	–	–	(1,901)
Road reserve	–	–	–	–	–	–	–	–	–
Hard surfaces and reticulation systems	(1,023)	–	–	–	2,095	(1,093)	–	–	(21)
Fixed plant and equipment	(295)	–	–	–	–	(676)	–	–	(971)
Playground and soft-fall areas	(664)	–	–	–	–	(471)	–	–	(1,135)
Total	(1,992)	–	–	–	2,095	(4,131)	–	–	(4,028)
Net book value									
Land	298,981	–	–	–	–	–	–	–	298,981
Buildings and structures	43,129	1,628	–	–	–	(1,891)	–	–	42,866
Road reserve	194,132	14	454	–	–	–	–	–	194,600
Hard surfaces and reticulation systems	21,454	727	–	–	2,944	(1,093)	–	–	24,032
Fixed plant and equipment	7,670	219	–	–	–	(676)	–	–	7,213
Playground and soft-fall areas	4,508	601	–	–	–	(471)	–	–	4,638
Total net book value	569,874	3,189	454	–	2,944	(4,131)	–	–	572,330

Current year

	Balance as at 1 July 2021	Additions (assets constructed or purchased)	Vested assets (assets transferred)	Disposals	Net revaluation/ (decrements)	Depreciation	Impairment	Reclassification	Total at 30 June 2022
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Heritage assets									
Gross carrying amount									
Land	6,050	–	–	–	–	–	–	–	6,050
Buildings	14,445	2,893	–	–	–	–	–	–	17,338
Collections	67,107	169	–	–	–	–	–	–	67,276
Monuments	4,551	98	–	–	–	–	–	–	4,649
Total	92,153	3,160	–	–	–	–	–	–	95,313
Accumulated depreciation amortisation and impairment									
Land	–	–	–	–	–	–	–	–	–
Buildings	–	–	–	–	–	(786)	–	–	(786)
Collections	(495)	–	–	–	–	–	–	–	(495)
Monuments	–	–	–	–	–	(250)	–	–	(250)
Total	(495)	–	–	–	–	(1,036)	–	–	(1,531)
Net book value									
Land	6,050	–	–	–	–	–	–	–	6,050
Buildings	14,445	2,893	–	–	–	(786)	–	–	16,552
Collections	66,612	169	–	–	–	–	–	–	66,781
Monuments	4,551	98	–	–	–	(250)	–	–	4,399
Total net book value	91,658	3,160	–	–	–	(1,036)	–	–	93,782
Capital work in progress									
Water and waste systems	22,698	8,325	–	–	–	–	–	–	31,023
Land and buildings	9,803	5,851	–	–	–	–	–	–	15,654
Other assets	3,717	5,597	–	–	–	–	–	–	9,314
Total capital work in progress	36,218	19,773	–	–	–	–	–	–	55,991
Council total net book value	3,377,985	141,149	6,784	(55)	782,956	(80,332)	(279)	–	4,228,208

Current year

	Balance as at 1 July 2021 \$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 2022 \$000
Subsidiaries assets									
Gross carrying amount									
Land	10,818	–	–	(708)	–	–	–	92	10,202
Forest land	75,762	8,893	–	–	10,156	–	–	–	94,811
Buildings and structures	26,146	1,138	–	–	–	–	–	4	27,288
Fixed plant and equipment	22,533	2,274	–	(1,547)	–	–	(891)	323	22,692
Roadways and bridges	9,206	680	–	–	–	–	–	–	9,886
Stadium	223,669	–	–	(14)	–	–	–	–	223,655
Networks	709,765	593	–	(2,565)	–	–	–	78,710	786,503
Vehicle, mobile plant	28,785	2,260	–	(786)	–	–	–	661	30,920
Rolling stock and rail track	193	–	–	–	–	–	–	–	193
Construction	39,823	88,467	–	(14)	–	–	–	(88,740)	39,536
Office equipment	1,730	91	–	–	–	–	(39)	293	2,075
Total	1,148,430	104,396	–	(5,634)	10,156	–	(930)	(8,657)	1,247,761
Accumulated depreciation/ amortisation and impairment									
Land	–	–	–	–	–	–	–	–	–
Forest land	(1,575)	–	–	–	–	–	453	–	(1,122)
Buildings and structures	(4,997)	–	–	–	–	(548)	–	(3)	(5,548)
Fixed plant and equipment	(14,539)	–	–	1,432	–	(2,063)	888	141	(14,141)
Roadways and bridges	(4,865)	–	–	–	–	(236)	–	–	(5,101)
Stadium	(71,864)	–	–	14	–	(6,087)	–	–	(77,937)
Networks	(202,433)	–	–	257	–	(19,277)	–	–	(221,453)
Vehicle, mobile plant	(18,988)	–	–	753	–	(2,441)	–	(2)	(20,678)
Rolling stock and rail track	(15)	–	–	–	–	(14)	–	–	(29)
Construction	–	–	–	–	–	–	–	–	–
Office equipment	(816)	–	–	–	–	(162)	–	38	(940)
Total	(320,092)	–	–	2,456	–	(30,828)	1,341	174	(346,949)
Net book value									
Land	10,818	–	–	(708)	–	–	–	92	10,202
Forest land	74,187	8,893	–	–	10,156	–	453	–	93,689
Buildings and structures	21,149	1,138	–	–	–	(548)	–	1	21,740
Fixed plant and equipment	7,994	2,274	–	(115)	–	(2,063)	(3)	464	8,551
Roadways and bridges	4,341	680	–	–	–	(236)	–	–	4,785
Stadium	151,805	–	–	–	–	(6,087)	–	–	145,718
Networks	507,332	593	–	(2,308)	–	(19,277)	–	78,710	565,050
Vehicle, mobile plant	9,797	2,260	–	(33)	–	(2,441)	–	659	10,242
Rolling stock and rail track	178	–	–	–	–	(14)	–	–	164
Construction	39,823	88,467	–	(14)	–	–	–	(88,740)	39,536
Office equipment	914	91	–	–	–	(162)	(39)	331	1,135
Total net book value	828,338	104,396	–	(3,178)	10,156	(30,828)	411	(8,483)	900,812
Group total net book value	4,206,323	245,545	6,784	(3,233)	793,112	(111,160)	132	(8,483)	5,129,020

Last 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
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

Last 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
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
Landfill 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

Last 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
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

Last 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
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

Last 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 as at 30 June	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

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 statement of financial position 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 accumulated funds.

Assets held under finance leases are depreciated.

The Group has had its land assets independently valued at 30 June 2022 by Morice Limited using the Fair Value approach. This is the valuation company used by various other forestry owners. The real estate market has been impacted by COVID-19 and results in material market and valuation uncertainty. The valuation is based on market data and falls within Level 1 of the fair value hierarchy. This method is consistent with the previous period and the market values recommended by Morice Limited 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. The revaluation movement in the land for the year ended 30 June 2022 was \$10,156k (2021: \$6,745k).

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 2022. The impairment testing was performed on a "no growth" basis in accordance with PBE IPSAS 26 Impairment of Cash-Generating 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 2022. The key assumptions utilised in the impairment testing were that:

- For the 10 years from 1 July 2022, 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.
- In applying the DCF methodology Aurora Energy considered a range of discount rates from 5.20% to 6.20%. The discount rate is a matter of professional judgement.
- 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 \$17 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 2022.

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. At balance date each year since, the directors assessed that there had been no change in the recoverable amount of Dunedin Railways' assets from the 2020 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 previous years they were valued in-house and peer reviewed by an independent valuer. In the current year they were valued by an independent valuer.

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 previous years they were valued in-house and peer reviewed by an independent valuer. In the current year they were valued 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.

Monuments 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.

Impairment

An impairment loss of \$633,231 has been recorded for the old Mosgiel pool. Of this, \$354,231 has been recognised in the statement of other comprehensive revenue and expense as a revaluation decrease. The remaining impairment loss of \$279,000 has been recognised in the statement of comprehensive revenue and expense in the line item 'Other expenses'. The pool is due to be demolished in August 2022 to make way for an enlarged carpark for the new Mosgiel pool facility. The old facility has no residual value.

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 26%	SL
Plant and equipment	1% to 50%	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	2% to 25%	SL
– Sealed base and first coat	1% to 3%	SL
– Sealed sub base	1% to 3%	SL
– Unsealed top course	13% to 20%	SL
– Unsealed base	not depreciated	
– Drainage (inc. SWC)	1% to 8%	SL
– Footpaths, steps and crossings	1% to 10%	SL
– Berms	not depreciated	
– Traffic control	2% to 25%	SL
– Bridges, retaining walls and sea walls	1% to 5%	SL
– Street lighting	3% to 10%	SL
– Minor structures	1% to 10%	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 20%	SL
Sewerage treatment plants and facilities	1% to 13%	SL
Stormwater treatment plants and facilities	3% to 13%	SL
Landfill provision capitalised	6%	SL
Landfill plant and facilities	3% to 20%	SL
Heritage assets	0% to 7%	SL
Restricted assets		
Buildings and structures	0% to 50%	SL
Plant and equipment	2% to 25%	SL
Hard surfaces	2% to 33%	SL
Playground and soft-fall areas	3% to 12%	SL

30 Investment property

	CORE COUNCIL		CONSOLIDATED	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Opening balance	104,976	95,740	104,976	95,740
Plus additions	1,104	192	1,104	192
	106,080	95,932	106,080	95,932
Less disposals	–	–	–	–
	106,080	95,932	106,080	95,932
Net gains (losses) from fair value adjustments	11,440	9,044	11,440	9,044
	117,520	104,976	117,520	104,976
Work in progress	855	–	855	–
Closing balance	118,375	104,976	118,375	104,976
Classified:				
Investment Property General	76,620	62,856	76,620	62,856
Investment Property Endowment *	41,755	42,120	41,755	42,120
	118,375	104,976	118,375	104,976

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

Trend statement for the six years to 30 June 2022 (Core Council)

	Actual 2022 \$000	Actual 2021 \$000	Actual 2020 \$000	Actual 2019 \$000	Actual 2018 \$000	Actual 2017 \$000
Fair market value of investment properties	118,375	104,976	95,740	93,480	91,660	90,438

Investment properties and properties intended for sale

All investment properties were valued by JLL New Zealand. The personnel involved were: Dale Winfield (Executive Director, Registered Valuer), Wouter Roberts (Senior Director, Registered Valuer), Graeme McDonald (Director, Registered Valuer), Liam Rooney (Director, Registered Valuer), Michael Tohill (Associate Director, Registered Valuer), Brad Chemaly (Associate Director, Registered Valuer), Joseph Bradshaw (Assistant Valuer), Henry Finnis (Assistant Valuer), and Robert Clifford (Assistant Valuer). JLL 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 capitalisation of income, discounted cashflow and market comparison approaches.

The capitalisation approach involves the determination of a sustainable net income from the property, and the application of a capitalisation rate (or market yield) as a measure of expected return from the property. Adjustments are made to the core value for items such as under/over renting, required capital expenditure or current/upcoming vacancy. The market comparison approach is then used as a cross-check to establish the value of the property against recent sales of similar properties.

Discounted cashflow analysis looks to forecast cashflow performance from the property over a future horizon based on understanding and due diligence related to the property and the specific market in which it sits. Adopted forecasts incorporate as at the valuation date reasonably foreseeable key lease events, capital expenditure and likely growth in rental rates, costs and changes in property values over the cashflow term. Discounted cash flow analysis is completed over a ten-year investment horizon to derive a net present value.

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

Capitalisation and discount rates range from 4.125% to 9.25%.

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, although the impacts of COVID-19 on the property market have been assessed.

Investment properties: net income and investment return

	CORE COUNCIL	
	Actual 2022 \$000	Actual 2021 \$000
Rental from investment properties	8,058	7,871
Direct operating expenses from investment property generating revenue	(3,508)	(3,450)
Direct operating expenses from investment property not generating revenue	–	–
	4,550	4,421
Plus internal rental for car-park buildings	1,007	1,007
Less internal management fees and salaries	(528)	(532)
	5,029	4,896
Net gains or (losses) from fair value adjustments	11,440	9,044
Net income including fair value gains and losses	16,469	13,940
Attributable to Investment Property Endowment	903	3,885

Investment return including fair value gains and losses but excluding the interest paid on loans borrowed: 13.91% (2021: 13.28%).

	2022 \$000	2021 \$000
Contractual obligations for capital expenditure	839	588
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.

31 Intangible assets

	CORE COUNCIL		CONSOLIDATED	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 Restated \$000
Opening cost	13,579	13,300	25,350	23,362
Additions	2,463	279	5,172	2,369
Transfers	–	–	–	–
Disposals	–	–	(2,563)	(381)
Carbon credits surrendered	–	–	–	–
Closing cost	16,042	13,579	27,959	25,350
Accumulated amortisation opening balance	10,764	9,739	17,495	15,729
Impairments	–	–	–	–
Disposals	–	–	(2,562)	–
Transfers	–	–	–	(366)
Amortisation	1,017	1,025	2,069	2,132
Accumulated amortisation closing balance	11,781	10,764	17,002	17,495

Work in progress	127	1,506	127	1,506
Net book value	4,388	4,321	11,084	9,361
Computer intangibles	4,382	4,315	11,078	9,355
Carbon credits	6	6	6	6
	4,388	4,321	11,084	9,361

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

32 Forestry assets

	CONSOLIDATED	
	Actual 2022 \$000	Actual 2021 \$000
Forestry assets		
Opening balance	200,246	169,150
Add costs capitalised in establishing forests during year	3,649	3,392
Increase in forest from acquisition	1,400	1,915
Revaluation	9,475	38,164
Less value of logs harvested	(13,408)	(12,375)
Closing balance	201,362	200,246
Gains (losses) arising from changes in fair value less point of sale costs:		
Attributable to physical changes	6,617	7,440
Attributable to price changes	2,858	30,724
	9,475	38,164

The directors of City Forests Limited revalue its forestry assets annually as at 30 June, and the Group 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.

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% (2021: 5.5%).

The forestry valuation is subject to a number of assumptions. The ones with the most significant volatility or impact on the valuation are the discount rate applied and log prices adopted. The discount rate adopted was 5.5%; a +/- 50 basis point movement in the discount rate would change the valuation by +\$12.8 mil / - \$11.7 mil. A 10% increase or decrease in assumed log prices would change the valuation by +\$16.8 mil / - \$16.8 mil; (note that these sensitivities shown are independent and different outcomes would result from combined changes in discount and log prices).

At 30 June 2022, the company owned stands of trees on 19,919 hectares of a total land holding (including lease, Joint Venture & Forestry Right) of 24,914 hectares. During the year, the company harvested approx. 343,326m³ 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 35, 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.

33 Intangible assets – carbon credits

	CONSOLIDATED	
	Actual 2022 \$000	Actual 2021 \$000
New Zealand carbon credits – non-current	78,809	49,443

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 1st 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 our 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 were carbon credit sales during the financial year of 150,000 units (2021: nil).

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 2022, 1,045,944 units were unsold (2021: 1,187,042). 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 prior 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 safe carbon is a management estimate based on the company's current official FMA (Forestry Management Approach) yield tables, and a City Forests' specific harvest schedule of Carbon Accounting Areas (CAAs) when managed in perpetuity. The estimate assumes ETS land eligibility for areas not yet registered. The modelling is independently reviewed by Woodlands Pacific Consulting Ltd.

The recognition of NZU's held in City Forests Limited registry account is defined by accounting policy.

	CONSOLIDATED	
	Actual 2022 \$000	Actual 2021 \$000
NZU's # of units at end of year		
Held at fair value	1,037,641	1,137,414
Held at nil value	8,303	49,628
Total units at end of year	1,045,944	1,187,042
Units – post 1990		
Opening	1,185,662	995,940
Credits issued	–	180,602
Per Emissions Trading Register	1,185,662	1,176,542
Units acquired	8,902	9,120
Units sold	(150,000)	–
Fair value NZUs	1,044,564	1,185,662
Units – pre 1990		
Opening balance	1,380	–
Acquired	–	1,380
Closing balance at end of year	1,380	1,380
Closing balance all units at end of year	1,045,944	1,187,042
Less units at nil value	(8,303)	(49,628)
	1,037,641	1,137,414
	\$000	
Value applied to risk free units @ \$75.95	78,809	

The price of the risk-free units is determined by the NZU spot price on Jarden Commtrade as at 30 June.

The risk-free number of NZUs are determined by forest estate modelling of the company's forest growth and forecast harvest profile. This generates forecast future annual carbon sequestration and harvest liability transactions in accordance with the rules of the New Zealand Emission Trading Scheme.

The time period that a NZU is held at nil value to meet future harvest liabilities is from balance date to the projected low point in the company's carbon modelling.

The calculation of Safe carbon is a management estimate based on the best information available at 30 June. The calculation is dependent on assumptions made in:

- the formation of the future harvest plan,
- an assumption of no change to the current FMA carbon yield tables, and
- an estimation of carbon to be derived from a proportion of the post-89 forest area currently un-registered. This is new land either in the registration process or pending registration following planting.

All of these variables are expected to change over time. The calculation is most sensitive to the harvest plan assumptions and the harvest plan can be expected to be modified over time as the forest harvest program is managed to meet market and supply chain operational constraints.

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.

34 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 2022

	Actual 2022 \$000	Actual 2021 \$000
Income	3,042	2,510
Less expenditure	(259)	(385)
Net operating income	2,783	2,125
Plus unrealised gains (loss)	(7,351)	7,203
Net surplus to equity	(4,568)	9,328
Less inflation adjustment	(6,041)	(1,294)
Available for distribution to Council	(10,609)	8,034

Waipori Fund – Statement of movement in equity as at 30 June 2022

	Actual 2022 \$000	Actual 2021 \$000
Equity at the beginning of the year	100,179	94,220
Plus net surplus for the year	(4,568)	9,328
	95,611	103,548
Additional capital	3,050	–
Less distribution	(3,300)	(3,369)
	95,361	100,179

Waipori Fund – Balance sheet as at 30 June 2022

	Actual 2022 \$000	Actual 2021 \$000
Current assets		
Bank account	6,829	4,374
Accounts receivable	270	272
Prepayments	–	50
Current investments		
– Other	7,999	6,975
– Dunedin City Council	–	–
Total current assets	15,098	11,671
Investments		
Equities	48,813	53,608
Non-current investments		
– Other	31,613	35,055
– Dunedin City Council	–	–
Total investments	80,426	88,663
Total assets	95,524	100,334

Current liabilities

Accruals	163	155
Total current liabilities	163	155
Equity		
Principal of the fund	59,050	56,000
Inflation adjustment reserve	37,588	31,547
Retained earnings	(1,277)	12,632
Total equity	95,361	100,179
Total equity and liabilities	95,524	100,334

Waipori Fund – Trend statement for the 6 years to 30 June 2022

	Actual 2022 \$000	Actual 2021 \$000	Actual 2020 \$000	Actual 2019 \$000	Actual 2018 \$000	Actual 2017 \$000
Main income sources						
Interest	1,266	1,312	1,548	1,831	1,774	1,819
Dividend	1,262	1,102	1,269	1,409	1,423	1,625
Rent	–	–	–	–	–	–
Realised gains (loss) on asset sales	514	(54)	(236)	(332)	76	(222)
Main assets						
Financial assets	46,441	46,404	48,847	43,959	45,922	40,812
Equity	48,813	53,608	45,209	44,144	41,009	42,986
Return on assets before unrealised gains or losses						
Financial assets	2.73%	2.83%	3.17%	4.17%	3.86%	4.46%
Equity	2.59%	2.06%	2.81%	3.19%	3.47%	3.78%
Return on assets after unrealised gains or losses	(4.56%)	9.90%	5.34%	9.82%	7.78%	6.94%

35 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 last approved on 9 March 2021, 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 2022 \$000	Actual 2021 \$000
Maturing in less than one year	315,000	182,500
Maturing between one and five years	412,500	442,500
Maturing in more than five years	640,000	455,000
	1,367,500	1,080,000

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 statement of financial position 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 2022 \$000	Actual 2021 \$000
Forward foreign exchange contracts		
– fair value	3,580	878
– nominal value (sale of USD and purchase of NZD)	41,211	35,132

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.

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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Age analysis:				
30-60 days	243	114	2,885	4,451
60-90 days	172	89	358	153
90 days plus	737	431	1,324	956

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 that are not assessed by Standard & Poor's are classified under No Rating.

Financial assets analysis

	CORE COUNCIL		CONSOLIDATED	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Cash and cash equivalents				
AA-	11,986	7,939	26,354	30,018
Trade and other receivables				
No rating	23,049	22,285	51,623	54,536
Advances due from related parties				
AA	112,000	112,000	–	–
Current financial assets				
AA	–	–	–	–
A+	1,015	–	1,015	–
AA-	3,043	3,071	3,043	3,071
A-	1,608	1,852	1,608	1,852
BBB+	711	2,052	986	2,052
BBB	1,622	–	1,622	–
No rating	–	–	–	1,121
	7,999	6,975	8,274	8,096
Other financial assets				
AAA	1,903	1,780	1,903	1,780
AA	3,728	2,629	3,728	2,629
AA-	11,561	12,949	11,561	12,949
A+	2,175	1,680	2,175	1,680
A	1,007	1,204	1,007	1,204
A-	9,188	11,372	9,188	11,372
BBB+	14,181	16,177	14,181	16,177
BBB	8,572	8,163	8,572	8,163
No rating	28,593	33,190	28,614	33,215
	80,908	89,144	80,929	89,169
Term receivables				
No rating	–	–	–	6,021

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			
	Level 1 NZ \$000	Level 2 NZ \$000	Level 3 NZ \$000	Total NZ \$000
2022				
Financial assets				
Advances due from related parties	–	–	112,000	112,000
Current financial assets	5,977	2,022	–	7,999
Other financial assets	67,560	12,867	481	80,908
Loans and advances	–	–	–	–
	73,537	14,889	112,481	200,907
Financial liabilities				
Derivative financial liabilities with related parties		20		20
	–	20	–	20
2021				
Financial assets				
Advances due from related parties	–	–	112,000	112,000
Current financial assets	3,092	3,883	–	6,975
Other financial assets	76,982	11,681	481	89,144
Loans and Advances	–	–	–	–
	80,074	15,564	112,481	208,119
Financial liabilities				
Derivative financial liabilities with related parties	–	656	–	656
	–	656	–	656

	CONSOLIDATED			
	Level 1 NZ \$000	Level 2 NZ \$000	Level 3 NZ \$000	Total NZ \$000
2022				
Financial assets				
Advances due from related parties	–	–	–	–
Current financial assets	5,977	2,022	275	8,274
Other financial assets	65,560	12,867	502	80,929
Derivative financial assets	–	26,625	–	26,625
New Zealand carbon credits	78,809	–	–	78,809
Loans and advances	–	–	–	–
	152,346	41,514	777	194,637
Financial liabilities				
Derivative financial liabilities	–	31,960	–	31,960
	–	31,960	–	31,960
2021				
Financial assets				
Advances due from related parties	–	–	–	–
Current financial assets	3,092	3,883	1,121	8,096
Other financial assets	76,982	11,681	506	89,169
Derivative financial assets	–	9,647	–	9,647
New Zealand carbon credits	49,443	–	–	49,443
Loans and advances	–	–	–	–
	129,517	25,211	1,627	156,355
Financial liabilities				
Derivative financial liabilities	–	37,717	–	37,717
	–	37,717	–	37,717

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							
2022							
Cash and cash equivalents	11,986	11,986	11,986	–	–	–	–
Advances due from related parties	112,000	112,000	–	–	–	–	112,000
Trade and other receivables	23,049	23,049	23,049	–	–	–	–
Current financial assets	7,999	8,110	8,110	–	–	–	–
Other financial assets	80,908	85,361	859	5,216	26,947	51,858	481
Loans and advances	–	–	–	–	–	–	–
Total	235,942	240,506	44,004	5,216	26,947	51,858	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
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	7,008	7,008	–	–	–	–
Other financial assets	89,144	91,228	1,061	8,843	21,163	59,680	481
Loans and advances	–	–	–	–	–	–	–
Total	238,343	240,460	38,293	8,843	21,163	59,680	112,481
Financial liabilities							
2022							
Trade and other payables	42,988	42,988	42,988	–	–	–	–
Revenue received in advance	8,624	8,624	8,624	–	–	–	–
Term liabilities	334,273	334,289	10,016	–	–	–	324,273
Total	385,885	385,901	61,628	–	–	–	324,273
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
	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							
2022							
Cash and cash equivalents	26,354	26,354	26,354	–	–	–	–
Advances due from related parties	–	–	–	–	–	–	–
Trade and other receivables	51,623	51,623	51,623	–	–	–	–
Current financial assets	8,274	8,385	8,385	–	–	–	–
Other financial assets	80,929	85,382	859	5,216	26,947	51,858	502
Derivative financial instruments	26,625	(35,130)	(3,320)	(5,097)	(12,344)	(14,369)	–
Loans and advances	–	–	–	–	–	–	–
Total	193,805	136,614	83,901	119	14,603	37,489	502
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	8,129	8,129	–	–	–	–
Other financial assets	89,169	91,253	1,061	8,843	21,163	59,680	506
Derivative financial instruments	9,647	7,558	4,004	2,006	3,275	(1,727)	–
Loans and advances	–	–	–	–	–	–	–
Total	191,466	191,494	97,748	10,849	24,438	57,953	506

	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 liabilities							
2022							
Short term borrowings	1,497	1,497	1,497	–	–	–	–
Trade and other payables	73,953	73,953	73,953	–	–	–	–
Derivative financial instruments	31,960	27,582	6,589	6,968	9,646	4,379	–
Term liabilities	891,651	991,715	286,619	90,573	397,097	216,953	473
Total	999,061	1,094,747	368,658	97,541	406,743	221,332	473
2021							
Short term borrowings	1,482	1,482	1,482	–	–	–	–
Trade and other payables	71,616	71,616	71,616	–	–	–	–
Derivative financial instruments	37,717	39,848	9,056	9,891	16,004	4,897	–
Term liabilities	819,465	833,035	239,778	107,550	255,210	230,024	473
Total	930,280	945,981	321,932	117,441	271,214	234,921	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:

	CORE COUNCIL		CONSOLIDATED	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Financial assets measured at amortised cost:				
Cash and cash equivalents (note 15)	11,986	7,939	26,354	30,018
Trade and other receivables (note 16)	23,049	22,285	51,623	54,536
Term receivables (note 16)	–	–	–	6,021
Financial assets measured at amortised cost	35,035	30,224	77,977	90,575
Financial assets at fair value through profit and loss:				
Other financial assets (note 19)	200,907	208,119	89,203	97,265
Derivative financial instruments assets (note 35)	–	–	26,625	9,647
	200,907	208,119	115,828	106,912
Financial liabilities measured at amortised cost:				
Trade and other payables (note 24)	42,988	37,668	73,953	71,616
Short term borrowings (note 23)	–	–	1,497	1,482
Term loans (note 26)	334,273	271,973	891,651	819,465
Total financial liabilities measure at amortised cost	377,261	309,641	967,101	892,563
Financial liabilities at fair value through profit and loss:				
Derivative financial instrument liabilities (note 35)	20	656	31,960	37,717

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.

36 Sensitivity analysis of financial assets and liabilities

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

A parallel shift of +1%/-1% in the NZD market yield curve from the year end of 2.86% (2021: 0.35%)..

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 0.6221.

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	Interest Rate				FX	
		-100bp Profit	Equity	+100bp Profit	Equity	-10% Profit	10% Profit
2022							
Financial assets							
Derivatives – designated as cash flow hedges (interest rate swaps)	26,625	–	(30,595)	–	28,550	–	–
Derivatives – designated as cash flow hedges (forward currency deals)	–	–	–	–	–	–	–
Other financial assets	137,561	828	–	(828)	–	–	–
	164,186	828	(30,595)	(828)	28,550	–	–
Financial liabilities							
Derivatives – designated as cash flow hedges (interest rate swaps)	584	–	(1,299)	–	566	–	–
Derivatives – designated as cash flow hedges (forward currency deals)	3,580	–	–	–	–	4,965	(4,062)
Other financial liabilities	920,955	(8,277)	–	7,934	–	–	–
	925,119	(8,277)	(1,299)	7,934	566	4,965	(4,062)
Total increase (decrease)		(7,449)	(31,894)	7,106	29,116	4,965	(4,062)

	Carrying Amount \$000	Interest Rate				FX	
		-100bp Profit	Equity	+100bp Profit	Equity	-10% Profit	10% Profit
2021							
Financial assets							
Derivatives – designated as cash flow hedges (interest rate swaps and forward currency deals separately disclosed)	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 and forward currency deals separately disclosed)	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

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.

37 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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Roading	77,295	96,331	77,295	96,331
Water and waste	34,762	27,819	34,762	27,819
Other property, plant, equipment and intangible assets	25,335	30,663	57,115	42,663
	137,392	154,813	169,172	166,813

Operating leases as lessee

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

	CORE COUNCIL		CONSOLIDATED	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Not later than one year	583	88	4,033	3,220
Later than one year and not later than 5 years	1,563	139	7,797	6,405
Later than five years	73	–	850	2,398
	2,219	227	12,680	12,023

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 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Not later than one year	7,185	6,392	7,185	6,392
Later than one year and not later than 5 years	15,427	11,940	15,427	11,940
Later than five years	3,909	2,296	3,909	2,296
	26,521	20,628	26,521	20,628

No contingent rents have been recognised during the year.

Other commitments

Undrawn Facilities: Level of committed facilities undrawn was \$200,000,000 (2021: \$200,000,000).

Field Service Agreement Contracts: The Group is party to two field service agreement contracts. The value of total committed expenditure under these contracts is \$13 million for the 31 March 2023 and 31 March 2024 regulatory years.

Contingencies and guarantees

The Council has guarantees of \$130,591 (2021: \$194,476). 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 Council is exposed to various legal claims on an ongoing basis. The maximum financial exposure under those claims is likely to be less than \$1,000,000.

The Group has the following additional contingent liabilities

	CORE COUNCIL		CONSOLIDATED	
	Actual 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Performance bonds	–	–	377	717
	–	–	377	717

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. Subsequent to balance date, a final report was received and accepted from the Labour Inspectorate which identified errors in the company's calculation of holiday pay. The likely outcome will be an enforceable undertaking to review holiday pay calculations and remedy any errors. As at balance date the financial consequences of this matter were not quantifiable.

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 2022 the value of the potential liability in future years is not known with sufficient certainty to be classified as a contingent liability, due to the variations in the harvesting schedule, carbon reporting periods and the value of carbon to surrender (2021: \$nil).

Insurance of assets

The following information relates to the insurance of DCC Group assets as at 30 June:

		2022/23 \$000	2021/22 \$000
Above Ground Material Damage			
Sum insured	DCC	1,590,143	1,604,048
	DCC Group	971,243	761,555
		<u>2,561,386</u>	<u>2,365,603</u>
Loss limit fire		* 130,000	250,000
Loss limit other perils		* 865,500	750,000
Below Ground Infrastructure			
Sum insured		6,899,695	5,807,681
Loss Limit		625,000	625,000
(includes assumption that 60% of the limit will be funded from central government)			
Fine Arts			
Sum insured		155,533	155,313
Civil Engineering Taieri Bridge			
Sum insured		2,523	2,523
Motor vehicle			
Sum insured		4,800	3,867

* DCC Group Limits:

The DCC Group engaged Aon Global Risk Consulting (New Zealand) to complete a maximum foreseeable loss assessment regarding the Above Ground Property Coverage prior to the 2022/2023 renewal. The revised loss limits reflect the mid range level of loss that may occur, as confirmed in this assessment.

Notes:

Loss limits are generally any one loss and all losses in the aggregate for the period of insurance.

All policies include sub-limits for various claims.

All claims will be subject to the agreed excess.

An insurance reserve fund of \$321,000 (2021: \$318,000) exists to meet the cost of claims that fall below deductible limits under the Council insurance policies.

38 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.

39 Explanations of major variances against budget

Explanations for major variances from the Council's budget figures in year one of the 2021/31 10 year plan are as follows:

Statement of comprehensive revenue and expense

Total operating revenue for the year was \$317.5 million or \$23.6 million greater than budgeted. This additional income was due to:

- unbudgeted government project funding for Economic Development, and Three Waters activities,
- a net increase in the fair value related to the investment property portfolio (non-cash \$11.4 million),
- higher than expected non-cash vesting of infrastructure assets associated with development across the city (\$3.8 million),
- better than expected revenue from Building Services and Resource Consents with increased activity.

These favourable variances were partially offset by activities impacted by the unplanned lockdowns during the year and less activity in the city with residents impacted by COVID 19 and/or continuing to work from home. This affected parking operations and Aquatic Services in particular.

Activity from commercial customers through the Green Island landfill was also lower than anticipated.

Total operating expenses for the year was \$305.2 million or \$18.9 million greater than budgeted. This variance was due to:

- an increase in the unit cost of purchasing ETS credits to support the activity through the Green Island Landfill,
- unbudgeted non-cash increase in the provision for landfill after-care costs,
- greater than expected subsidised roading maintenance,
- unbudgeted expenditure on Three Waters stimulus projects funded for the government grants discussed above,
- unbudgeted expenditure in Enterprise Dunedin to deliver the MBIE funded projects including the Centre of Digital Excellence and the Strategic Tourism Asset Protection Programme.
- unbudgeted non-cash write-down (\$7.4 million) of investments held by the Waipori Fund. Equity markets during the year were impacted by world events with most portfolios showing a negative movement in value for the year. There was also a negative revaluation of fixed term investments as wholesale interest rates increased.

These unfavourable variances were partially offset by: lower personnel costs due to position vacancies throughout the year; lower interest costs reflecting a favourable floating interest rate to budget; delayed project costs while scoping work is completed; and lower expenditure reflecting the impact of cancelled city-wide events during the year.

Statement of financial position

The term loan balance as at 30 June 2022 was \$334.3 million or \$1.7 million less than budget. This low variance reflected the level of capital expenditure for the year which was 98.9% of budget.

The value of property, plant and equipment was greater than budget reflecting the revaluation of Three Waters reticulation assets as at 30 June 2022 per note 29.

The value of investment property was also greater than expected reflecting a net positive revaluation across the portfolio.

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 a lower cash outlay for capital expenditure than expected.

40 Reclassification of comparative year figures

The Group has made some minor reclassification adjustments to prior year comparative figures. 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. New Zealand has been subject to varied COVID-19 restrictions since this time.

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

As an "essential service" provider, the Group's largest entity, Aurora Energy Limited, continued to operate during lockdown restrictions and COVID-19 did not have a material impact on the entity. The Group's banker, Dunedin City Treasury Limited, also continued to operate as normal during 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 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 lockdowns. International travel restrictions have significantly affected the performance of the Group's aviation and tourism related businesses. 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 make a decision on the future of the company next year.

Most Group entities are experiencing lower stock supply, labour shortages, and inflationary pressures all of which have been partially brought about by the pandemic. Each Group member has put in place budgets and strategies to manage the ongoing risks of COVID-19.

42 Events after balance date

In June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received royal assent from the Governor-General on 14 December 2022. The impact of these reforms will mean that the City Council will no longer deliver three waters services or own the assets required to deliver these services. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

The value of interest rate swaps designated as cashflow hedges has increased in value by 65.6% since reporting date, based on valuations as at 28 February 2023.

Dunedin City Treasury Limited continued to work towards adding the New Zealand Local Government Funding Agency as a source of funding, which was completed on 3 November 2022.

DCC has committed in principle to retaining the iconic Taieri Gorge train service as a key part of the city's visitor economy. Future options will be considered in more detail, and staff will provide further updates to Council in time for its 10 year plan 2024-34.

There were no other significant post balance date events.

43 Completion and adoption of annual report

The 2021/22 annual report of Dunedin City Council and Group was not completed by 31 December 2022, as required by section 98(7)(b) of the Local Government Act 2002, due to the additional audit verification required for the Three Waters revaluation and DCC compliance with the drinking water standards.

SECTION 4:

He whākika anō

Other disclosures

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Annual report disclosure statement

Annual report disclosure statement for the year ending 30 June 2022

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.

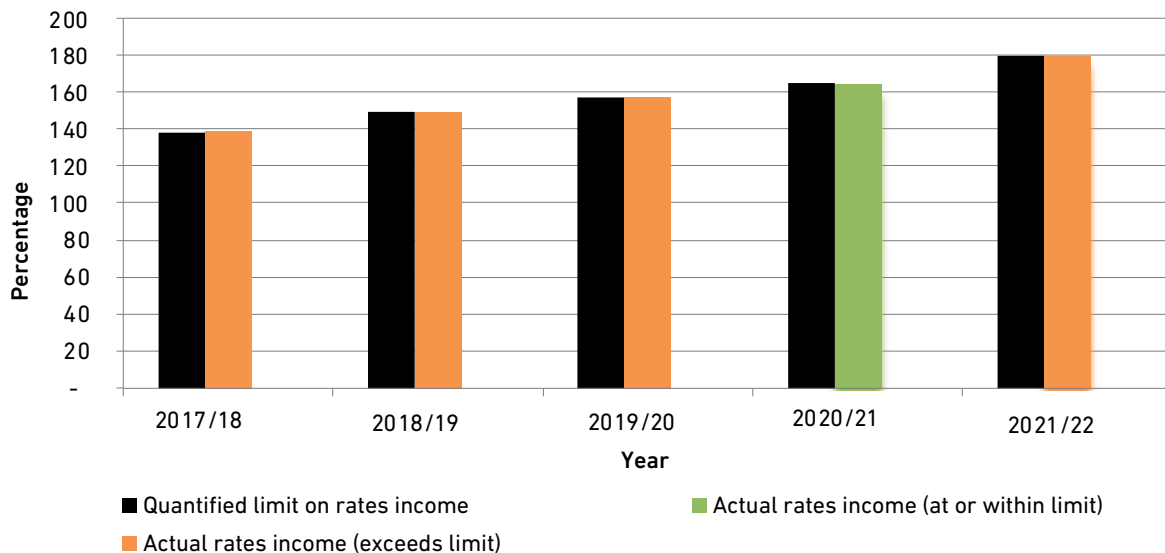
Rates affordability benchmark

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.

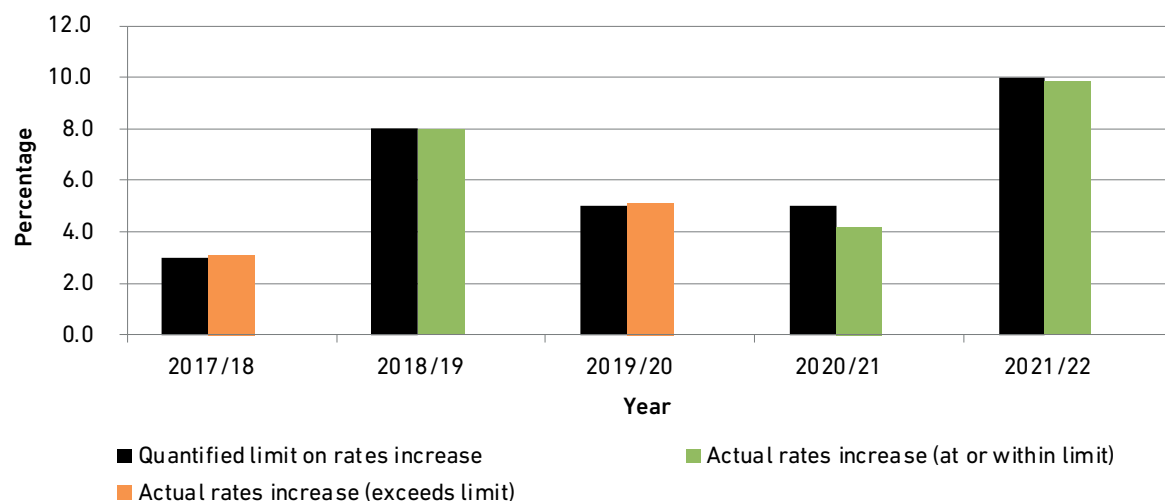
Rates (income) affordability

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 \$179 million in 2021/22.



Rates (increases) affordability

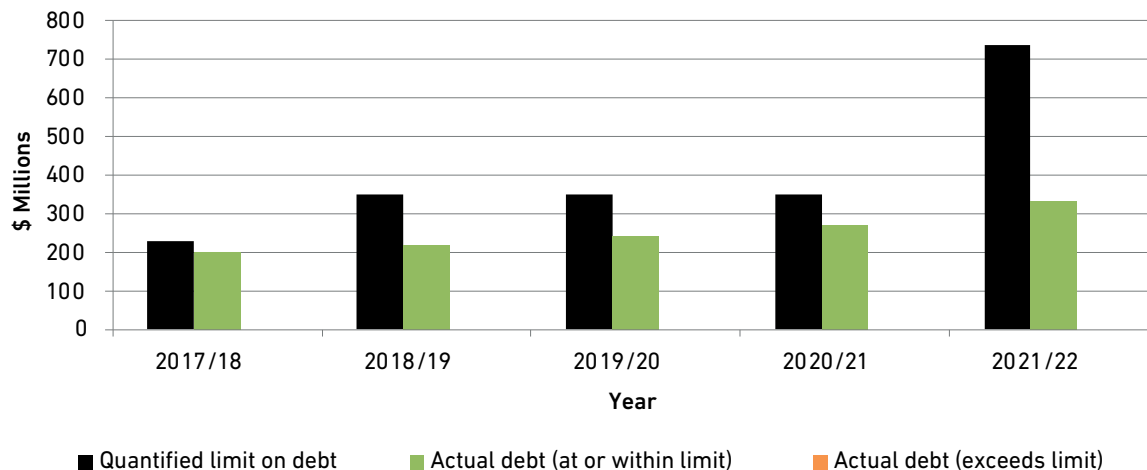
The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long-term plan. The quantified limit is 10% in 2021/22.



Debt affordability benchmark

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

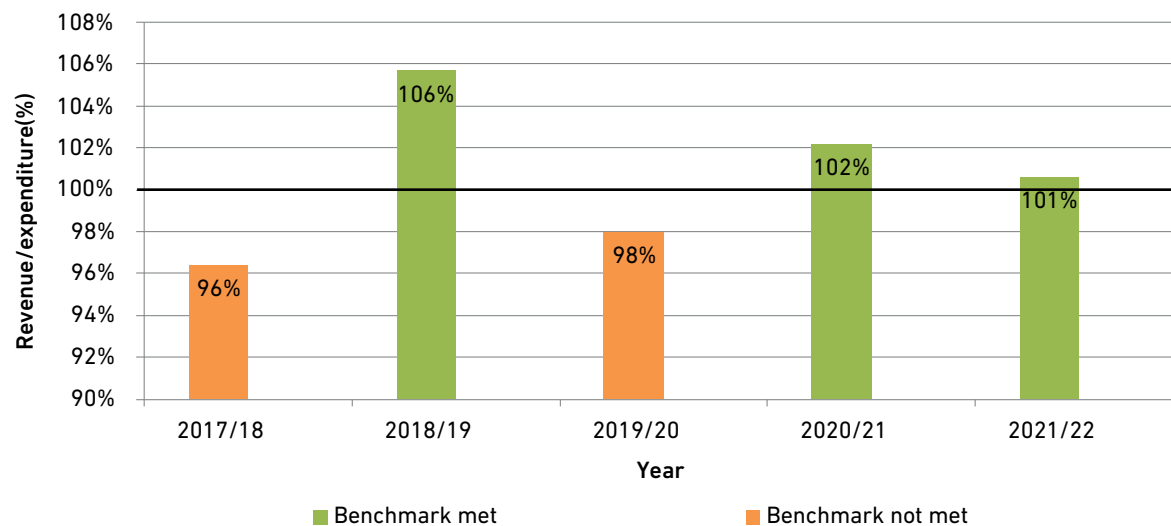
The following graph compares the Council's actual borrowing with a quantified limit on borrowing statement in the financial strategy included in the Council's long-term plan. The quantified limit is \$736 million in 2021/22.



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).

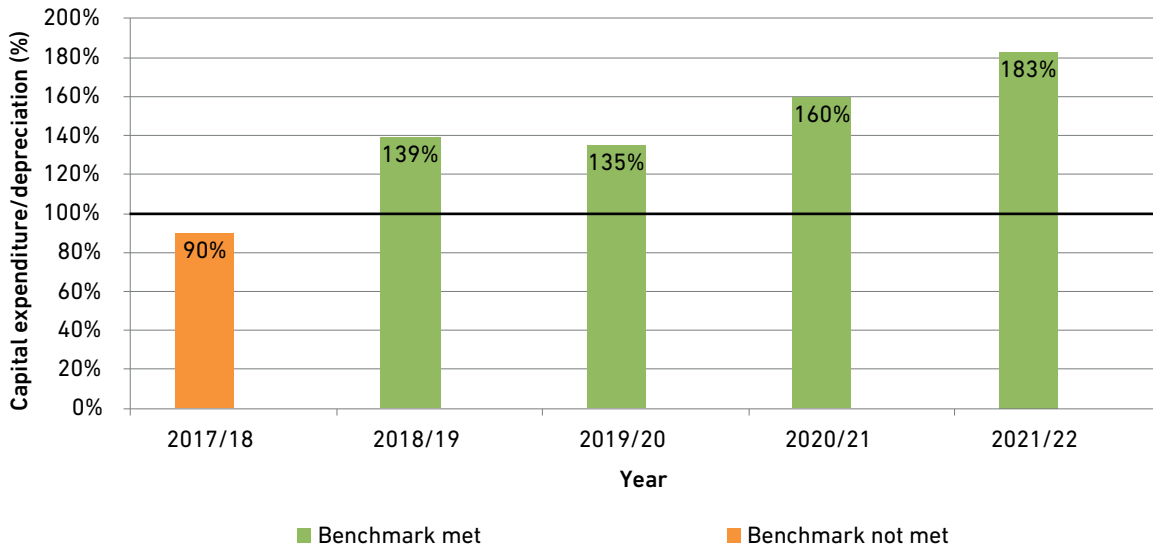
The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

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

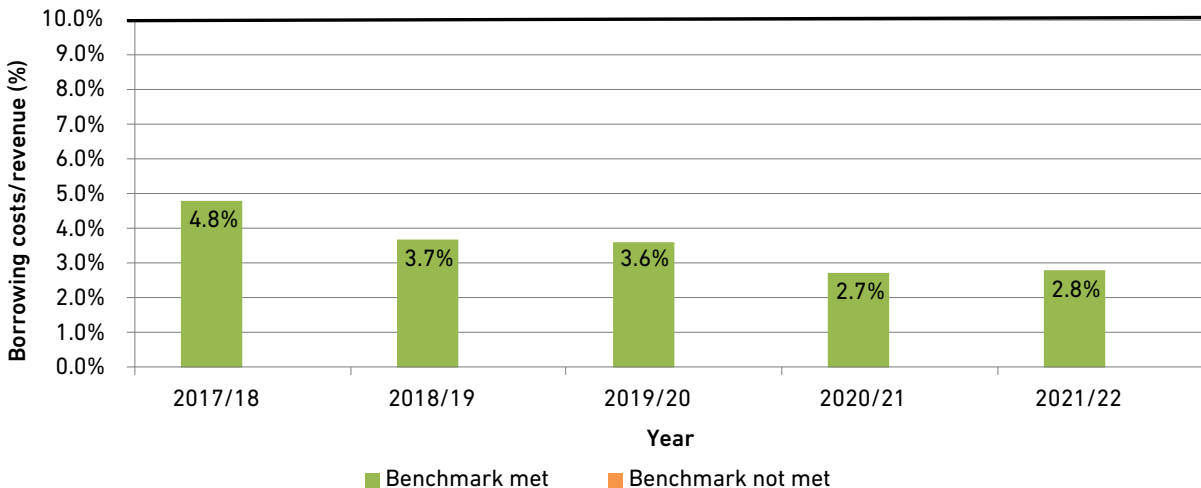
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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).

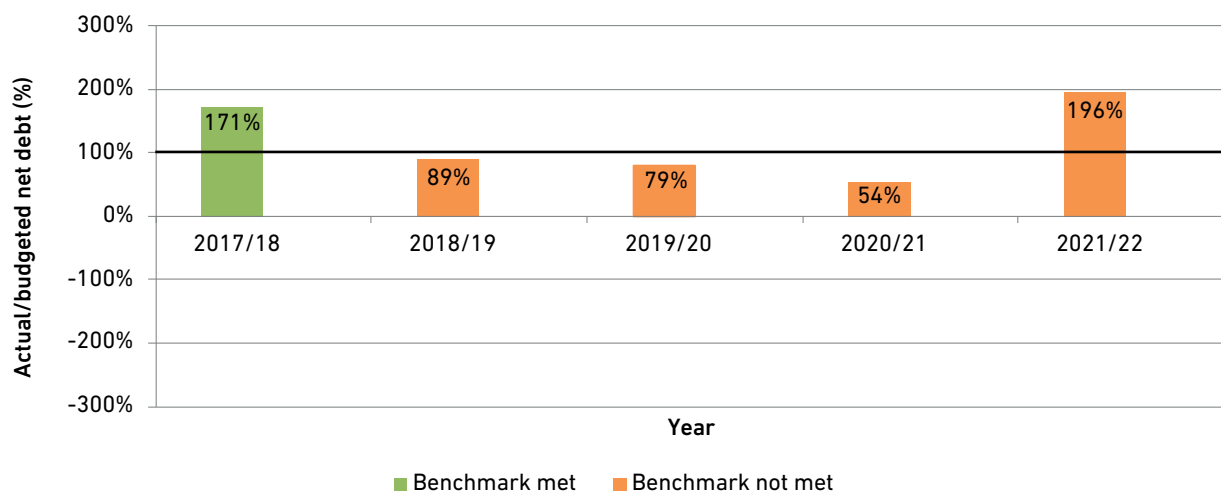
Because Statistics New Zealand projects the Council's population will grow below the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



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).

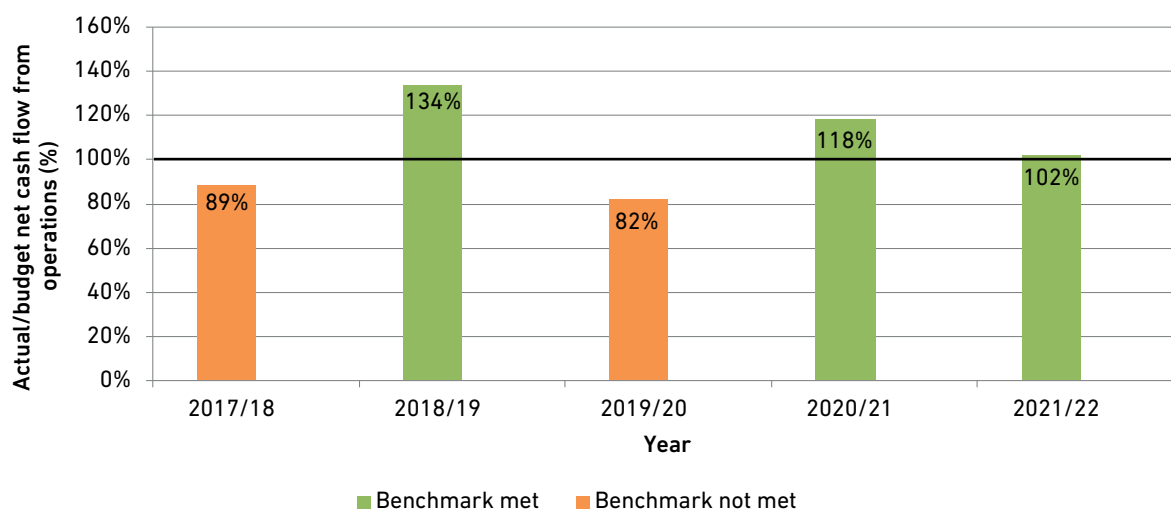
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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 results shown are graphically correct. The Council planned to have net assets for 2017/18 through to 2020/21 – that is, its financial assets (excluding trade and other receivables) were planned to exceed its financial liabilities. 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

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 2022

The performance targets established in the 2021/22 Statement of Intent for Dunedin City Holdings Ltd and the results achieved for the year ended 30 June 2022 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 Sol targets quarterly.	Each month the DCHL Board monitored each of the DCHL Group companies' progress against their Sol 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 developing carbon emissions and waste reductions strategies and targets.
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 updates 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 Sols.	Capital expenditure proposals and business cases have been considered in accordance with individual company constitutions and Sols.
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 meet with the DCHL Board.
Review draft Sols by 1 March 2022.	The DCHL Board reviewed each of the DCHL Group companies draft Sols on 14 February 2022.
Approve Sols by 30 June 2022.	The DCHL Board reviewed and approved each of the DCHL Group companies final Sols on 13 June 2022.
Send Letters of Expectation to subsidiary and associate companies by 20 December 2021.	The DCHL Board sent each of the DCHL Group companies a Letter of Expectation on 16 December 2021.

Performance Targets		Outcome Achieved	
Co-ordinate DCHL Group companies (including DCHL) to disclose their carbon footprint in their Annual Report.		Co-ordinated all DCHL Group companies to continue measuring their carbon emissions. All DCHL Group companies have reported their Greenhouse Gas (GHG) emissions for the year ended 30 June 2022 in their Annual Reports.	
DCHL Board review subsidiary and associate companies' carbon emissions reduction strategies and associated targets, and set a strategy and targets for DCHL.		The DCHL Board reviewed and noted each of the DCHL Group companies carbon emissions reduction strategies and associated targets on 30 June 2022.	
DCHL Board review subsidiary and associate companies' waste reduction strategies and associated targets, and set a strategy and targets for DCHL.		The DCHL Board reviewed and noted each of the DCHL Group companies waste reduction strategies and associated targets on 30 June 2022.	
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 2022 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.	
Co-ordinate with companies on additional ESG disclosures in 2022 Annual Reports, including CEO remuneration and board and senior management gender diversity.		Co-ordinated with all DCHL Group companies to report additional ESG disclosures in their 2022 Annual Reports, including CEO remuneration and board and senior management gender diversity.	
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	23%	Shareholder's funds to total assets	26%
Interest paid to shareholder	5,902	Interest paid to shareholder	5,902
Dividend distributions	-	Dividend distributions	-
Net profit after tax	10,091	Net profit after tax	(3,459)
Cash flow from operations	39,943	Cash flow from operations	43,223
Capital expenditure	94,726	Capital expenditure	97,862
Contributions of equity	2,550	Contributions of equity	2,550
Term loans		Term loans	
parent	22,544	parent	20,250
group	956,180	group	891,178

Aurora Energy Limited

Statement of service performance for the year ended 30 June 2022

The performance targets established in the 2021/22 Statement of Intent (SOI) for Aurora Energy Limited and the results achieved for the year ended 30 June 2022 are as follows.

Performance Targets	Outcome Achieved
Health and Safety	
Zero serious harm events involving members of the public Nil	Achieved – There were no serious harm events involving members of the public.
Reduce levels of recordable harm <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 5.0 per 200,000 hours worked
Customer Orientation	
Maintain community support through approved sponsorships and community initiatives \$10,000 of sponsorship	Achieved – \$13,545 was spent in support of community initiatives during the year. Aurora Energy's primary community sponsorship was the Otago Science & Technology Fair
To provide regular updates and consult with the community on the delivery of our CPP programme Annual delivery reporting and regional community engagements are delivered in accordance with the final CPP decision	Achieved – Aurora Energy distributed community updates to 68,500 households in November 2021 and May 2022 as part of the annual community relations programme. Public consultation on electricity pricing took place in November 2021, and customer engagement events were held across the network in May 2022
Our Team	
Support development opportunities for each team member Learning & development plans in place for >75% of team members by 31 October	Achieved – 79% of staff had a performance and development plan in place
Understand opportunities for improvement within our team environment >75% staff satisfaction result on annual employee survey	Achieved – An average staff satisfaction result of 89.7% was recorded over the three measures of staff satisfaction included in the employee survey that took place in March 2022
Develop opportunities across the business that support the overall wellness of our team A Board-approved Wellbeing Programme is in place. The programme is reviewed and updated annually	Achieved – The health, safety and well-being strategy was approved by the Board and regular updates on wellbeing were presented to the health, safety and well-being sub-committee
Sustainability	
Contribute to Council's Carbon Neutrality initiatives Systems for measuring and publicly reporting carbon emissions are established. The company will develop an emissions reduction strategy and associated targets for inclusion in its 2023 Statement of Intent.	Achieved – Systems are in place to enable an annual monitoring framework of Greenhouse Gas Emissions. A Carbon Reduction Strategy has been developed which sets science based reduction targets including a commitment to achieve net zero by 2030 (excluding line losses)
Minimise waste and the associated negative environmental impacts A waste reduction / diversion strategy is to be in place by 30 June 2022, together with future waste reduction performance targets	Achieved – A waste reduction/diversion strategy has been prepared which seeks to: <ol style="list-style-type: none"> 1. Prioritise the responsible disposal of material through reuse or recycling; 2. Incorporate a principle of waste minimisation; and 3. Ensure materials required to be disposed of at landfills are treated in a manner which reduces impact on the environment

Performance Targets	Outcome Achieved
Identify opportunities to transition light motor fleet to electric vehicles where appropriate and set transition targets Transition targets for electrification of the company's motor fleet to be in place by 30 June 2022	Achieved – Transition targets have now been established as part of our Carbon Reduction Strategy – which requires 75% of our fleet to be converted to electric by 2030
Maintain full compliance with the Resource Management Act Zero breaches	Achieved – Resource consents obtained for all project work in compliance with the Resource Management Act
Asset Management Maturity	
Implement process and capability improvements identified as necessary to enhance asset management practice. New asset management system is successfully implemented and operational by 30 June 2022	Partially Achieved – The new asset management system is a work in progress. The first stage is complete however the project scope has widened to ensure the software solution is appropriately supported by documented and reviewed business processes
Effective long-term planning for Aurora Energy's asset portfolio is in place. Annual and compliant Asset Management Plan is published as per regulatory requirements.	Achieved – A full 10 year Asset Management Plan (AMP) was published on 31st March 2022
Operational Performance	
Ensure forward-looking work programmes are in place Work programmes are delivered to Contractors on a rolling quarterly basis in accordance with Field Service contract terms	Achieved – Annual Works Plan and Project Work Plans are being delivered in accordance with Field Service contract terms
Aurora Energy Risk Register is regularly reviewed & updated and the risk profile is managed in accordance with Board approved risk tolerance levels. Risk Management Framework embedded as evidenced by: Risk registers reviewed regularly and up to date Risk treatment plans reviewed regularly and up to date Regular reporting to Board and Audit & Risk Committee	Achieved/Partially achieved – We reviewed and updated our Risk Management Framework in FY22, which has resulted in a revised view of our critical risks. Risk update reports are provided to the Board and Audit and Risk Committee on a regular basis and our risk register has been reviewed and is up to date. Some detailed risk treatment plans are yet to be fully developed
Regularly test Aurora Energy's emergency response plan Annual test of Aurora Energy's emergency response is completed and actions for improvement are documented	Achieved – A business continuity simulation exercise was undertaken in December 2021. Improvement opportunities were identified and documented
Network Reliability (Statement of Intent Targets – period ended 31 March 2022)	
SAIDI (<i>System Average Interruption Duration Index</i>)	
- Class B interruptions planned ≤ 195.96 minutes	Achieved. 124.50 minutes
- Class C interruptions unplanned ≤ 124.94 minutes	Achieved. 98.45* minutes
SAIFI (<i>System Average Interruption Frequency Index</i>)	
- Class B interruptions planned ≤ 1.11	Achieved. 0.83 interruptions
- Class C interruptions unplanned ≤ 2.07	Achieved. 1.50* 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 123.68 minutes and 1.84 interruptions, respectively.	
Shareholder Objectives	
Consult with the Shareholder at the earliest possible time on matters where conflict may or could result No unnotified potential conflicts.	Achieved – There were no issues of potential strategic or operational conflict to be notified to the Shareholder

Performance Targets		Outcome Achieved	
On a “no surprises” basis, advise the Shareholder promptly of any substantive matter that has the potential to impact negatively on the Shareholder and the Company with a particular focus on the media		Achieved – All substantive matters were reported to the Shareholder within 24 hours	
All substantive matters reported within 24 hours			
Financial Objectives			
Target	\$,000	Result	\$'000
EBITDA ¹	≥ 38,003	Achieved	47,341
Net surplus after tax	≥ 1,175	Achieved	7,763
Shareholder's funds	≥ 176,512	Achieved	186,440
Shareholder's funds to total assets	≥ 24%	Achieved	26%
Cash flow from operations	≥ 24,569	Achieved	36,800
Capital expenditure	≥ 75,049	Achieved	82,990
Term debt	≤ 439,440	Achieved	439,210
¹ EBITDA target and outcome calculations exclude asset disposals.			

City Forests Limited

Statement of service performance for the year ended 30 June 2022

The performance targets established in the 2021/22 Statement of Intent for City Forests Limited, and the results achieved for the year ended 30 June 2022 are as follows.

Performance Targets	Outcome Achieved
General	
The Company will achieve a 6% post-tax (or greater) return on shareholders' funds measured on a 3 year rolling average basis	Three year rolling average return on shareholders' funds is 7.8%.
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.	Strategy day held on 15th February 2022. 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; 4.3% for the first 3 years measured on a forecast 3 year rolling average basis.
No single customer will have received more than 30% of the Company's annual harvest by volume.	Our largest customer Daiken Southland received 11.1% of the Company's annual harvest volume.
The percentage of annual supply to the domestic market by volume will be tracked.	Domestic log production was 28.5% by volume. (30.7% last year).
The Company will participate in the New Zealand ETS and may realise returns from the sales of carbon stored in the Company forests in compliance with its Carbon Policy.	The Company continues to participate in the ETS. 150,000 NZU sales occurred during the period. This is in compliance with Carbon Policy.
The Company will incorporate carbon accounting into the strategic plan in accordance with the requirements of the Emissions Trading Scheme.	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
The Company's annual harvest volumes as detailed in the strategic plan will be within 30% of projected long term sustainable yield.	The annual harvest from the Company Forest estate during the year was 343,326m ³ including billet wood. This is 95% of the sustainable yield of 360,000m ³ . Forecast harvest levels in the long-term strategic plan for the next 3 years are; 360k m ³ , 360k m ³ and 379k m ³ . All are within +/- 30% of the sustainable yield.
The Company will carry out annual forest inventory to measure and verify forest yield. The number of sample plots measured will be reported.	The Company completed 476 sample 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 City Forests, forest health surveillance program was conducted during the 2021 - 2022 year.
The annual fire plan will be updated and operational by 1 October each year..	Fire plan update was completed in September 2021 prior to the start of the fire season.
The Company will actively participate in regional land use and environmental planning processes.	The Company submits on regional planning processes and the National Environmental Standard – Plantation Forestry.
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 achieve 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.

Performance Targets	Outcome Achieved
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).
Annual supply volumes to major wood processors (Pan Pac, Daiken & Niagara) will be tracked and reported.	Major wood processors were supplied the following volumes during the period: Pan Pac: 9,034m ³ Daiken: 38,109m ³ Niagara: 64m ³
The annual volume of wood supplied for bio energy uses will be tracked and reported.	Bio-energy supply: 21,205m ³
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 12.2 lost time injuries per 1,000,000 hours.
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.	62 tests were conducted during the period. No positive random tests were recorded.
Forest Stewardship Council Certification of the Forest Estate will be maintained.	Forest Stewardship Council Certification was maintained following audit in 2020/21.
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.
The Company will work with partners Doc, University of Otago & contractors to maintain and enhance RT&E species on and around the Company estate. Sponsorship amounts for these activities will be reported annually.	Sponsorship of \$60,250 was awarded to Predator Free Dunedin, \$6,522 to Tokomairiro High School, \$10,000 to the Yellow Eyed Penguin Trust and \$10,000 to The Wildlife Hospital, Dunedin to contribute towards conservation of rare threatened and endangered (RT & E) species on and around the Company estate.
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 2022 one modern apprentice was employed in Company operations.
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. 314 forest access permits were issued during the year.
A continued and measured expansion of the forest estate will be part of Company Strategy. The area of acquired land will be reported annually.	Company has purchased 1072.2ha 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. Any such matters were escalated to the shareholder in a timely manner.	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.

Performance Targets		Outcome Achieved	
The Company will report on the proportion of its workforce (staff) receiving the living wage.		All staff remuneration is greater than the living wage.	
Systems for measuring and publicly reporting carbon emissions are established. The company will develop an emissions reduction strategy and associated targets for inclusion in its 2022/2023 Statement of Intent.		An emissions reduction strategy has been developed in draft and incorporated into the 2022/2023 Statement of Intent.	
The company will develop a waste reduction strategy and associated targets for inclusion in the 2022/2023 Statement of Intent.		A waste reduction strategy has been developed and incorporated into the 2022/2023 Statement of Intent.	
Financial			
Target	\$'000	Result	\$'000
EBITDA	27,100	EBITDA	9,413
Profit after income tax	18,808	Profit after income tax	6,160
Shareholders' funds to total assets	73.8%	Shareholders' funds to total assets	72.5%
Dividend distribution	5,500	Dividend distribution	6,800
Operating cashflow	11,500	Operating cashflow	7,258
Capex	11,100	Capex	10,908
Term debt	18,600	Term debt	20,600

Delta Utility Services Limited

Statement of service performance for the year ended 30 June 2022

The performance targets established in the 2021/22 Statement of Intent for Delta Utility Services Limited, and the results achieved for the year ended 30 June 2022 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: Shareholder approval of 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 2023 financial year was submitted to and accepted by DCHL prior to 30 June 2022.
Consult with the Shareholder at the earliest possible time on matters where conflict may or could result: No unnotified potential conflicts.	Achieved – Monthly KPI reports and financial information was provided to DCHL in line with the agreed timetable.
Keep the Shareholder informed of all substantive matters: Report all substantive matters to the Shareholder within 24 hours.	Achieved – Board reports were produced, and meetings were held each month to review the Company's compliance with goals and objectives stated in the SOI and Strategic Plan.
Community	
Maintain community support through local sponsorship/ donations: \$25,000 of sponsorship/ donations per annum.	Achieved – Over \$27,000 in sponsorship / donations was provided to community groups during the year.
Support community recreation and visitor experience in Dunedin: Achieve KPIs on service contracts.	Achieved – Target KPIs were maintained or exceeded on average throughout the year.
Maintain essential infrastructure to support Dunedin City Council's strategy to be one of the world's great small cities: Deliver maintenance services per contractual arrangements.	Achieved – Delta generally met or exceeded its KPI's on maintenance contracts held with Aurora Energy and the Dunedin City Council throughout the year.
People	
Reduce harm to employees and contractors: ≤ 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.	Achieved – TRIFR for the year was 2.83 per 200,000 hours worked. Not achieved – LTIFR for the year was 1.35 per 200,000 hours worked. This metric was impacted by a number of low severity injury incidents, resulting in lost time.
Implement and maintain a certified and well recognised occupational health and safety management system: Implement/maintain ISO 45001 Occupational Health and Safety Management System.	Achieved – The Company achieved ISO 45001 Occupational Health and Safety Management System accreditation in August 2021.
Maintain the health and wellbeing of staff: Lower than 2.5% sick leave based on hours. Implement/maintain an employee wellbeing programme.	Not achieved – Staff sick leave was 2.8% of total hours during the year. The COVID-19 pandemic as well as the increase of sick days to 10 for all employees impacted this metric. Staff who tested positive for COVID-19 were given additional sick leave over and above contractual requirements. Achieved – An employee wellbeing programme was maintained throughout the year.

Performance Targets		Outcome Achieved	
Develop skill sets and succession planning through Delta's apprenticeship scheme: Average number of apprentices in the scheme of 20 or more per annum.		Achieved – The average apprentices in the scheme was over 35 during the period	
Maintain a positive and satisfying working environment with low levels of voluntary staff turnover: Below 13.0% staff turnover		Achieved – Voluntary staff turnover was 12.54% over the 2021/22 year.	
As at 30 June 2022, 100% (2021: 86%) of the staff employed by the Company received at or above the living wage (as calculated by the New Zealand Family Centre Social Policy Unit).			
Environment			
Ensure a well-recognised environmental accreditation is maintained: Maintain Enviro-Mark Gold accreditation for all Delta depots. Transition to the more widely recognised International Organisation for Standardisation (ISO)14001 Environmental Management Systems		Achieved – The Company achieved ISO 14001 Environmental Management accreditation in August 2021. Enviro-Mark Gold accreditation was held up until this time and was not renewed upon expiry in January 2022.	
Maintain full compliance with the Resource Management Act (RMA): 0 – number of breaches		Achieved – There were no breaches of the RMA during the 2021/22 year.	
Maintain or lower fuel efficiency in the Company's light commercial / passenger fleet: ≤ 9.25 litres fuel used per 100 kilometres		Achieved – Fuel efficiency across the Delta light commercial /passenger fleet was calculated at 9.21 litres per 100 kilometres.	
Contribute to the Dunedin City Council's Carbon Neutrality initiatives: Systems for measuring and publicly reporting carbon emissions are established. The company will develop an emissions reduction strategy and associated targets for inclusion in its 2022/2023 Statement of Intent. The company will develop a waste reduction strategy and associated targets for inclusion in the 2022/2023 Statement of Intent.		Achieved – During the year the Company developed a Carbon Emission and Waste reduction Strategy which includes target/focus areas for the FY22/23 year.	
Financial			
Target	\$'000	Result	\$'000
EBITDA	≥ 12,742	Not Achieved	11,384
Net profit after income tax	≥ 3,273	Not Achieved	2,919
Shareholder's equity	≥ 25,641	Achieved	26,153
Return on Shareholder's funds	≥ 13%	Not Achieved	11%
Cash flow from operations	≥ 10,145	Not Achieved	7,227
Capital expenditure	≤ 5,995	Not Achieved	6,342
Term debt	≤ 14,600	Achieved	13,000
Dividends	≥ 2,000	Achieved	2,600
Shareholder's equity to total assets	≥ 41%	Not Achieved	40%

Dunedin City Treasury Limited

Statement of service performance for the year ended 30 June 2022

The performance targets established in the 2021/22 Statement of Intent for Dunedin City Treasury Limited, and the results achieved for the year ended 30 June 2022 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 – Filled all issues brought to the market 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.		Not achieved – The fund did not meet the investment objective to grow the fund's base value, due to current market conditions. The fund recorded a return for the year of -4.5%.	
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 5 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. Develop an emissions reduction strategy and associated targets for inclusion in the 2022/2023 Statement of Intent.		Achieved – Systems for measuring and publicly reporting carbon emissions have been established. An emissions reduction strategy and associated targets were developed during the year.	
Develop a waste reduction strategy and associated targets for inclusion in the 2022/2023 Statement of Intent.		Achieved – A waste reduction strategy and associated targets were developed during the year.	
Obtain a credit rating equal to that of Dunedin City Council.		Achieved – Obtained a credit rating of AA/Stable/A-1+; equal to that of Dunedin City Council.	
Financial			
Financial forecasts	\$'000	Achievement	\$'000
Net profit after tax	11	Net profit after tax	36
Cash flow from operations	(1,984)	Cash flow from operations	(1,997)
Capital expenditure	-	Capital expenditure	-
Term loans	956,180	Term loans	891,178
Shareholder's funds to total assets	-3.0%	Shareholder's funds to total assets	-2.0%

Dunedin International Airport Limited

Statement of service performance for the year ended 30 June 2022

The performance targets established in the 2021/22 Statement of Intent for Dunedin International Airport Limited, and the results achieved for the year ended 30 June 2022 are as follows.

Performance Targets	Outcome Achieved
Safety and Our Environment	
To make safety & security our first priority » <i>To work with our staff and stakeholders to maximise safety on site for all staff, passengers, and visitors.</i>	
No Serious Harm incidents at Dunedin Airport for any passenger or airport user	There have been no Serious Harm Incidents reported this year to any passenger or airport user (including employees).
Ensure all staff members have access to Personal Protective Equipment (PPE) as appropriate during changes in COVID-19 levels.	All staff have access to Personal Protective Equipment (PPE). Stock takes of PPE is conducted every 2-months, or more frequently dependant on Alert Levels.
Review the Health and Safety Plan and objectives with the Health and Safety Committee each year.	The Health and Safety Committee reviewed the Health and Safety Plan and objectives in April 2022.
Implement a staff wellbeing programme	The development and implementation of a staff wellbeing programme was delayed while the results of our Wellbeing Survey and Staff Engagement Surveys were analysed. A wellbeing Kaitiaki group has been established to review the result of the Wellbeing Survey and provide recommendations regarding a wellbeing programme.
Strike rate of <5 strikes per 10,000 aircraft movements on a 12-month moving average.	The 30 June 2022 12-month moving average strike rate per 10,000 movements is 5.5.
To be environmentally responsible » <i>Act as a socially and environmentally responsible corporate citizen.</i>	
Measure and increase the diversion rate of waste from landfill.	<p>Diversion of waste from landfill for the airport for the 2022 financial year is 34%. This is an increase of 12 basis points from the prior year.</p> <p>Diversion of waste from landfill for our residential properties for the 2022 financial year is 58%. This is an increase of 6 basis from the prior year.</p>
Develop a waste measurement and reduction strategy and associated targets for inclusion in the 2022/2023 Statement of Intent.	Emissions & Waste Reduction Strategy was presented to, and approved by the Company Board of Directors in June 2022.
Develop and implement a sustainability strategy appropriate for our organisation.	The Sustainability Framework has now been completed. We will continue forward with dedicated resource to produce a Sustainability Action Plan.
With systems for measuring and publicly reporting carbon emissions established, develop an emissions reduction strategy and associated targets for inclusion in its 2022/2023 Statement of Intent.	Emissions & Waste Reduction Strategy was presented to, and approved by the Company Board of Directors in June 2022.
Be Carbon Neutral by the end of 2030.	We expect to be carbon neutral by 2030.
Maintain our obligations on any current resource consents in place.	<p>We continue to maintain our obligations for resource consents (notwithstanding the Abatement Notice noted below). Reporting for the consents is up to date.</p> <p>We have exceeded PH and Ammoniacal Nitrate levels on the Sewage Treatment Plant test results. An Abatement Notice requires this to be rectified before the end of June 2023. In March 2022 we undertook a trickling filter upgrade which should resolve non-compliances.</p>

Performance Targets	Outcome Achieved
Maintain high quality dairy farming practices.	
Remain compliant with Fonterra dairy farm inspections.	Farms are compliant year-to-date. Two farm audits were completed with no findings.
Implement applicable recommendations from the Fonterra Sustainable Farm Environment Plan.	The Fonterra Farm Environment Plan has been finalised with our farm achieving 11 of the 23 applicable Good Farming Practices (GFPs), however no non-compliances. Our Sharemilker and our Farm Consultant are working through all Fonterra recommendations. As at 30 June 2022, actions have been undertaken to achieve 21 of 23 the GFPs. One of the GFPs has target date 1 Jun 25 (Olsen P levels), and the other relates to stock holding areas. This action is being worked through as part of the development of a Farm Strategy.
Financial	
To optimise commercial return to our shareholders » <i>Comply with financial covenants and policy.</i>	
Fulfil lender borrowing facility financial covenants: Earnings Ratio (EBITDA / interest expense) > 1.75 Equity Ratio (total shareholders' funds / total assets) > 40%	As at 30 June 2022: The Earnings Ratio is 9.3. The Equity Ratio is 72.0%
Comply with the company's Dividend Policy.	On the basis of prudent financial management in the face of the Covid related travel restrictions and uncertainty, the Dividend relating to the 2021 financial year (paid during the 2022 financial year) was 30% of the 2021 financial year's NPAT. Policy requires 60% however shareholders approved this dividend with the view to pay the remaining 30% when specific targets were met and the financial outlook from COVID improved.
Comply with the company's Treasury Policy.	In certain months this financial year there has been a breach in the Company's Treasury Policy where, based on forecast debt, the Company had interest rate derivatives below the minimum policy band, and timing of facility agreement renewal. However, the Board decided the most economic position at that time was to remain unhedged in a low interest rate environment. The Board has now revised its policy and hedging as interest rates rise. The Company is in compliance with Treasury Policy as at 30 June 2022.
Generate a 5.5% Return on Shareholders' Funds adjusted for IFRS fair value movements and asset revaluations.**	As at 30 June 2022 the Return on Shareholders' Funds is 1.4% (YTD).
Generate a 40% Return on Shareholders' Capital invested.**	As at 30 June 2022 the Return on Shareholders' Capital is 5.3%(YTD).
Achieve increased non-aeronautical revenues from activities compared to the previous year.	
Generate operating surpluses from the Momona Garage and Residential Housing profit centres.	For the year ended 30 June 2022 both the Momona Garage and Residential Housing profit centres generated operating surpluses.
Increase total Kilograms of Milk Solids (kg Ms) produced by our airport owned dairy farms to 285,000 kgMs.	272,870 kg MS were produced during the 2022 milking season. This is 12,130 kgMS (4.3%) below our season target of 285,000.
On-going monitoring and refinement of the company's strategic business plan and business risks.	
Annual update to strategic Business Plan incorporating plan for recovery from post COVID-19 environment.	The 2023 Business Plan was developed, approved by the Board, submitted to Shareholders during the 2022 financial year.

Performance Targets	Outcome Achieved
Six monthly risk analysis undertaken and reported to the Board.	No risk analysis was completed for six months ended December 2021 as management undertook a review of the completeness of the identified business risks. A risk review was completed, and presented to the Board for six months ended 30 June 2022.
Audit, Risk and Strategic Opportunities/Investment Committee to meet three times during the year.	The committee (renamed the Audit, Risk and Strategy Committee during the year) held three committee meetings during the financial year (in October 2021, March 2022 and May 2022).
Business Development	
Increase passenger numbers on regular scheduled services » <i>Partner with our airline, airport, region and tourism industry.</i>	
International Regular Scheduled Services reinstated to the airport.	Due to the impacts of Covid-19 on the aviation industry, international Regular Scheduled Services were not reinstated at the airport during the 2022 financial year.
Achieve 820,000 passengers on Regular Scheduled Services for the 2021-2022 financial year.**	Dunedin Airport achieved 626,619 domestic passengers on Regular Scheduled Services during the 2022 financial year. This was below our target of 820,000 due to prolonged Auckland border closure and the Red Covid setting under Delta/Omicron.
To develop & strengthen our partnerships » <i>Implement initiatives to improve the performance of our relationships.</i>	
Ensure vacant business premises are tenanted.	Ground floor cafe premises, and ex Air New Zealand flight kitchen premises are not tenanted. Pop-up poster store open in first floor vacant rental premises.
Conduct stakeholder engagement surveys once a year with our strategic partners to review the strength of the relationships.	Stakeholder Engagement Survey completed in June 2022.
Our Customers	
To provide the best customer service experience » <i>Provide a high standard of service to our customers.</i>	
Conduct a minimum of two customer insight surveys to better understand our customer.	Continuous customer service and insight survey running via the terminal WiFi access login. Tailored customer insight survey also completed in June 2022
Achieve a majority of “good” or better across all surveyed areas of customer service.	“Good” achieved in all surveyed areas in each quarterly survey.
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.	A 30-minute delay to scheduled passenger operation occurred on 16 March 2022 due to the failure of the airfield lighting system. The failure occurred due to an electrical fault with Airways New Zealand infrastructure onsite at Dunedin Airport.
Ensure the future of the airport is protected.	
Ensure any new development is considered in conjunction with the District Plan and Airport Master Plan.	No development was undertaken at the airport during the 2022 financial year that did not take District and Airport Master Plans into consideration. Dunedin Airport has lodged an appeal challenging the proposed Smooth Hill landfill consent.

Performance Targets	Outcome Achieved																		
Our People																			
To be a great place to work » <i>To recognise and review staff performance.</i>																			
Each staff member to have a formal Annual Performance Review and Personal Development Plan.	One staff member had not had their formal Annual Performance Review and Personal Development Plan as at 30 June 2022.																		
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.	The annual staff engagement survey was completed in February 2022. Themes identified from the survey have been considered, in conjunction with our wellbeing survey, and have been implemented as appropriate.																		
Our Community																			
To connect & engage with our place » <i>Provide sponsorship to community events and organisations.</i>																			
Invest 0.25% of prior year operating revenue to sponsorship in line with our sponsorship application criteria.	<p>0.25% of the prior year operating revenue is \$36,500</p> <p>In the 2022 financial year sponsorship was provided to:</p> <table> <tr> <td>Glenfalloch Night Garden</td><td>\$500</td></tr> <tr> <td>Cancer Society Otago/Southland</td><td>\$200</td></tr> <tr> <td>Momona Play Centre</td><td>\$500</td></tr> <tr> <td>Women's Refuge</td><td>\$150</td></tr> <tr> <td>Night Shelter</td><td>\$150</td></tr> <tr> <td>Dunedin Marathon</td><td>\$2,500</td></tr> <tr> <td>Yellow Eyed Penguin Trust</td><td>\$5,000</td></tr> <tr> <td>Otago Sports Awards</td><td>\$5,000</td></tr> <tr> <td>TOTAL</td><td>\$14,000</td></tr> </table> <p>Based on the COVID-19 implications on our financial performance, discretionary expenditure, including sponsorship spend was reduced.</p>	Glenfalloch Night Garden	\$500	Cancer Society Otago/Southland	\$200	Momona Play Centre	\$500	Women's Refuge	\$150	Night Shelter	\$150	Dunedin Marathon	\$2,500	Yellow Eyed Penguin Trust	\$5,000	Otago Sports Awards	\$5,000	TOTAL	\$14,000
Glenfalloch Night Garden	\$500																		
Cancer Society Otago/Southland	\$200																		
Momona Play Centre	\$500																		
Women's Refuge	\$150																		
Night Shelter	\$150																		
Dunedin Marathon	\$2,500																		
Yellow Eyed Penguin Trust	\$5,000																		
Otago Sports Awards	\$5,000																		
TOTAL	\$14,000																		
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.	No Dunedin Airport sponsorship is inconsistent with the Dunedin City Council's or Dunedin Airport's ethical position.																		
Engage with our community and share information.																			
Arrange for Dunedin Airport staff to work within the community each year.	Staff from the Dunedin Airport team spent a day with the Yellow Eyed Penguin team planting grasses at the Okia Reserve on the Otago Peninsula on the 10 June.																		
Identify opportunities to incorporate cultural diversity within the Airport team and public spaces.	<p>Airport CEO and GM Business Development have completed a He Papa Tikanga course.</p> <p>Members of the airports executive team have had a number of meetings with the Manager of Otakou Marae.</p> <p>A mural has gone up outside the terminal which is a collaboration between Dunedin Airport, Tyler Stent and Te Runanga Otakou.</p>																		

Performance Targets	Outcome Achieved
Shareholders	
To connect & engage with our place » <i>Consult with shareholders on matters to be included in the company's Statement of Intent.</i>	
Prepare annually the company's Statement of Intent having given consideration to shareholders expectations.	Both the 2021 - 2022 and 2022 - 2023 Statements of Intent have been finalised and submitted to shareholders. They have both been adopted by 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 2022

The performance targets established in the 2021/22 Statement of Intent for Dunedin Stadium Property, and the results achieved for the year ended 30 June 2022 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 FY24).		Achieved. The Asset Management Plan has been internally reviewed during the 2022 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.	
Incorporate potential impacts of climate change on Forsyth Barr Stadium into Asset Management Plan and/or risk management.		Achieved. Potential impacts of climate change on Forsyth Barr Stadium are incorporated into Asset Management Plan and/or risk management.	
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 2022 financial year. Debt decreased by \$1,610k this year. It is expected that subvention receipts will resume during the next financial year which will enable further reduction of debt.	
A draft 2022/2023 Statement of Intent will be submitted to the shareholder by 1 March 2022.		Achieved. The draft 2021/2022 Statement of Intent was submitted to DCHL and DCC by 1 March 2021.	
Systems for measuring and publicly reporting carbon emissions are established. DSPL will develop an emissions reduction strategy and associated targets for inclusion in its 2022/2023 Statement of Intent.		Achieved. Systems for measuring and publicly reporting carbon emissions are in place. During the year an emissions reduction strategy and associated targets were developed.	
Develop a waste reduction strategy and associated targets for inclusion in the 2022/2023 Statement of Intent.		Achieved. During the year a waste reduction strategy and associated targets were developed.	
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	2,854	EBITDA	1,366
Net profit (loss) before tax	(5,418)	Net profit (loss) before tax	(6,997)
Cash flow from operations	404	Cash flow from operations	(612)
Capital expenditure	1,219	Capital expenditure	–
Term loans	84,810	Term loans	84,730
Shareholder’s funds to total assets	42%	Shareholder’s funds to total assets	41%
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 deficit before tax and subventions for the year of \$6,997,000 is largely consistent with the budgeted operating deficit before tax and subventions of \$6,472,000.			

Dunedin Venues Management Limited

Statement of service performance for the year ended 30 June 2022

The performance targets established in the 2021/22 Statement of Intent for Dunedin Venues Management Limited, and the results achieved for the year ended 30 June 2022 are as follows.

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.	Achieved. The Company has met requirements set out by the Ministry of Health through all levels of the Covid pandemic.
Ensure all staff have access to systems in the event they are not able to work in the office.	Achieved. Staff are able to access systems remotely."
Health and Safety Plan has been reviewed. Corrective actions are prioritised and actioned.	Achieved. 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. Only inducted Contractors gain entry into venues.	Not achieved. There was one instance where an audit found a contractor working on site and had not been inducted.
An Incident Frequency Rate Events of less than 0.05% of the total number of people attending events at the venues.	Achieved. The Incident Frequency Rate was 0.015% of the total number of people attending events and the venues.
Total Incident Rate of less than six incidents per 200,000 hours worked.	Achieved. Total Incident Rate was zero incidents per 200,000 hours worked.
Total Recordable Incidents rate of less than three.	Achieved. Total Recordable Incidents was zero for the reporting period.
Lost Time Incident rate of less than two.	Achieved. 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.	Achieved. The Lost Time Incident Frequency Rate was zero for the reporting period.
Staff training is current and meets current legislative requirements.	Achieved. Training requirements have been met throughout the year.
Continuously show improvement to audit achieving a Performing Score or better across all elements of the SafePlus criteria within three years.	Not achieved. An overall score of Developing was achieved against the SafePlus auditing criteria in FY2022. Although still in Developing, there was a significant improvement from the previous audit in all measurable areas.
Meet and maintain all statutory, regulatory and resource consent requirements. No material breaches of legislation.	Achieved. There were no identified breaches of statutory obligations during the year.
No material breaches of KPI's as set out in the approved current Asset Management Plan section 4.4.3.	This performance measure is unable to be reported on. The Stadium Facilities and Infrastructure are maintained as fit for purpose, as can be verified by a current Building Warrant of Fitness and the ability to hold events throughout the entirety of the stadium facility. However, DVML have been unable to provide sufficient audit evidence to prove the performance measure set in the Statement of Intent has been met.
Report on facilities indicators and provide statistical data in the monthly board reports. Reports are provided within deadlines and data is acted upon.	Achieved. Agreed KPI's reported against at each Dunedin Stadium Property Limited Board meeting.

Performance Targets	Outcome Achieved												
Safety and Compliance (Social and Wellbeing)													
Positive community feedback and increased satisfaction levels through the Residents Opinion Survey. Achieve 85% ratepayer satisfaction with Forsyth Barr Stadium in the Dunedin City Council's Residents' Opinion Survey." 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.	Achieved. The latest Dunedin City Council's Residents Opinion Survey (2021) had a satisfaction rating of 87% for residents who attended Forsyth Barr Stadium. Achieved. Two reports were provided to the Dunedin City Council on the application of the Service Level Agreement for Community Event Funding covering the 2021/22 financial year.												
Senior management conduct a minimum of five speaking engagements.	Achieved. Senior management conducted five speaking engagements for the year.												
Marketing and Business Objectives													
Achieve a 80% retention rate of Commercial Partner renewals. Produce a Venue Hirer document that encompasses all venues and shows the diversity of space. Members receive quality engaging communication and content through a regular newsletter. Survey Members for satisfaction level - minimum 80% satisfaction to be achieved. Achieve a 75% retention rate of member renewals.	Achieved. The retention rate of Commercial Partners up for renewal was 90%. Not achieved. Proposals have been developed and presented to clients with the focus on increased utilisation of spaces. Bookings have been secured with new and existing venue hirers." Achieved. Members are sent a monthly newsletter which includes updates from the CEO and various aspects of their membership, along with event specific announcements and presale communications. Not achieved. A member survey was not completed, due to restrictions on crowd numbers and access to events. This meant there was limited content and experiences for Members to provide feedback on. Achieved. The retention rate of Members up for renewal was 83%.												
Marketing and Business Objectives (Economic Development Strategy)													
Visitor Marginal Direct Spend target is achieved, determined through a post event patron survey assessed by an independent economist. Achieve minimum 80% satisfaction rating through surveys of all major events (>10,000 pax). 60% of attendees of all major events (>10,000 pax) to come from outside of Dunedin City. In conjunction with the DCC, submit bids of a high quality that will drive economic benefit and civic pride for the city. Keep DVML board of directors updated with potential opportunities.	Achieved. The Visitor Marginal Direct Spend for major events in the year to 30 June 2022 as determined by an independent economist were as follows: <table><tr><th>Event</th><th>Visitor Marginal Direct Spend (\$,000)</th></tr><tr><td>All Blacks v Fiji</td><td>5,230</td></tr><tr><td>Total</td><td>\$5,230</td></tr></table> The following satisfaction and attendance numbers were achieved in the year to 30 June 2022: <table><tr><th>Event</th><th>Satisfaction</th><th>% Attendance outside of Dunedin</th></tr><tr><td>All Blacks v Fiji</td><td>88%</td><td>58%</td></tr></table> Achieved. A submission was made to New Zealand Rugby to host All Blacks matches at Forsyth Barr Stadium. The bid was successful with the All Blacks v Ireland Test match hosted 9 July 2022. Achieved. The board of directors have been kept informed of potential opportunities.	Event	Visitor Marginal Direct Spend (\$,000)	All Blacks v Fiji	5,230	Total	\$5,230	Event	Satisfaction	% Attendance outside of Dunedin	All Blacks v Fiji	88%	58%
Event	Visitor Marginal Direct Spend (\$,000)												
All Blacks v Fiji	5,230												
Total	\$5,230												
Event	Satisfaction	% Attendance outside of Dunedin											
All Blacks v Fiji	88%	58%											
Environment & Sustainability													
Prioritise cost effective carbon emission reducing projects.	Achieved: Completed projects include Improved Air Handling Units and LED Lighting upgrades.												

Performance Targets		Outcome Achieved					
Systems for measuring and publicly reporting carbon emissions are established.		Achieved. Systems for measuring and publicly reporting carbon emissions are in place. During the year an emissions reduction strategy and associated targets were developed.					
The Company will develop an emissions reduction strategy and associated targets for inclusion in its 2022/2023 Statement of Intent."							
The Company will develop a waste reduction strategy and associated targets for inclusion in the 2022/2023 Statement of Intent.		Achieved. The Company has developed a waste reduction strategy and have included associated targets in the FY2023 Statement of Intent.					
The Company will investigate solutions to reduce cups to landfill with associated targets for inclusion in the 2022/2023 Statement of Intent.		Achieved. Various solutions have been investigated, cups will be substituted with aluminium cans until there is the ability to process BioCups in the region. Targets have been included in the FY2023 Statement of Intent.					
Building Management System (BMS) has been reviewed annually to ensure maximum efficiency from Heating, Ventilation and Air-Conditioning (HVAC system).		Achieved. The functionality of the BMS has been reviewed by an independent party.					
Human Resources							
Staff numbers are at a level and skill base whereby all business activity can be undertaken safely and effectively.		Achieved. Staff numbers and skill base are constantly reviewed against the event calendar to ensure business activity can be undertaken safely and successfully.					
Ensure all the Company's employees are paid at least the Living Wage.		Achieved. All employees are paid the living wage, or more.					
Performance Reviews are conducted with all staff at least every six months, implement and training, improvements and recommendations as appropriate.		Achieved. Staff Performance Reviews were completed in December 2021 and June 2022.					
Financial							
Achievement against forecasted Statement of Intent results are as follows:							
Target	\$'000	Actual	\$'000				
EBITDA	2,843	EBITDA	1,024				
Net profit after tax	239	Net profit after tax	(902)				
Operating cash flow	976	Cash flow from operations	884				
Capital expenditure	2,658	Capital expenditure	429				
Shareholder funds to total assets	0.13:1	Shareholder funds to total assets	0.06:1				
Dividend	–	Dividend	–				
Achieve a 15:1 return on investment (ROI) of the Event Attraction Fund (EAF). ROI is achieved and calculated by Visitor Marginal Direct Spend against the level of EAF investment for the major event.		Achieved. The Event Attraction Fund for 2021/22 was partially applied to major events in the 2022 financial year, the unused balance of the fund is held as Income in Advance on the Balance Sheet to be utilised in 2022/23. The overall return on investment of the Event Attraction Fund for 2021/2022 was: <table><tr><td>Event</td><td>Return</td></tr><tr><td>All Blacks v Fiji</td><td>17 : 1</td></tr></table>		Event	Return	All Blacks v Fiji	17 : 1
Event	Return						
All Blacks v Fiji	17 : 1						
Shareholder							
Matters which may or could conflict have been escalated to the Shareholder.		Achieved. 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.		Achieved. 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.					

Dunedin Railways Limited

Statement of service performance for the year ended 30 June 2022

The performance targets established in the 2020/22 Statement of Intent for Dunedin Railways Limited, and the results achieved for the year ended 30 June 2022 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.		Achieved – Compliance to the hibernation plan was reported on at each Dunedin Railways Ltd Board meeting.	
Target zero lost time injuries (LTI).		Not Achieved – There was one LTI during the reporting period.	
A draft 2022/23 Statement of Intent will be submitted to the Shareholder by 1 March 2022.		Achieved – The draft Statement of Intent was submitted to the Shareholder by 1 March 2022.	
Systems for measuring and publicly reporting carbon emissions are established. DRL will develop an emissions reduction strategy and associated targets for inclusion in its 2022/23 Statement of Intent.		Achieved – Systems for measuring and reporting emissions are established. Emissions reduction strategy and targets developed; achievement of them is a performance measure in 2022/2023 Statement of Intent.	
DRL will develop a waste reduction strategy and associated targets for inclusion in its 2022/2023 Statement of Intent.		Achieved – Waste reduction strategy and targets developed; achievement of them is a performance measure in 2022/2023 Statement of Intent.	
Consult with the shareholders in a timely manner on DRL strategic or operational matters which could compromise Council’s community outcomes.		Achieved – 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.		Achieved – 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.	
Financial			
Target	\$’000	Result	\$’000
Shareholders’ Funds to Total Assets	66%	Shareholders' Funds to Total Assets	67%
Dividend/Subvention Distributions	0	Dividend/Subvention Distributions	0
EBITDA	(1,855)	EBITDA	(1,592)
Net Profit after Tax	(1,869)	Net Profit after Tax	(1,608)
Cash Flow from Operations	164	Cash Flow from Operations	(1,631)
Capital Expenditure	0	Capital Expenditure	66
Term Loans	0	Term Loans	0

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 2022 fairly reflects the financial position and operations of the Dunedin City Council.



Jules Radich, 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 2022

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 6 April 2023. 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 137:
 - present fairly, in all material respects:
 - the City Council and Group's financial position as at 30 June 2022; 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 19 to 64:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2022, 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 funding impact statements and statement about capital expenditure

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 long-term plan;
- the statement about capital expenditure for each group of activities on pages 20, 23, 27, 30, 33, 37, 41, 47, 52, 56, 59 and 63, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's long-term plan; and
- the funding impact statement for each group of activities on pages 21, 24, 28, 31, 35, 38, 42, 48, 53, 57, 60 and 64, 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 139 to 142, which represent a complete list of required disclosures and accurately reflects the information drawn from the City Council and Group's audited information and, where applicable, the City Council's long-term plan and annual plans.

Basis for our opinion

Financial statements: *Our work was limited in relation to the comparative year carrying value of the City Council and Group's revalued three waters infrastructure assets and the asset revaluation movement in the current year*

In the prior year, we concluded that there was evidence that the methodology applied by the City Council and Group in the revaluation of its water supply, wastewater and stormwater infrastructure assets (three waters infrastructure assets) at 30 June 2021, may have resulted in the valuation being based on replacement costs that were significantly lower than recent contract rates incurred by the City Council and Group for renewal of its three waters infrastructure.

As a result, our audit report on the 30 June 2021 financial statements was qualified because we were unable to obtain sufficient appropriate audit evidence to determine if the carrying values of the three waters infrastructure assets as at 30 June 2021 were materially correctly stated.

As disclosed in note 29 to the financial statements, the City Council and Group revalued its three waters infrastructure assets as at 30 June 2022, resulting in a revaluation movement of \$604 million recognised in the statement of comprehensive revenue and expense for the year ended 30 June 2022. We have obtained sufficient appropriate evidence over this valuation, however any misstatement of the three waters infrastructure assets' carrying value as at 30 June 2021 would consequently affect the revaluation movement recognised in the statement of comprehensive revenue and expense for the year ended 30 June 2022.

As a result of the matter described above, we are unable to obtain sufficient audit evidence to support:

- the carrying value of three waters infrastructure assets in the statement of financial position as at 30 June 2021; and
- the asset revaluation movement for the year ended 30 June 2022, that has been recognised in the other comprehensive revenue and expense section of the statement of comprehensive revenue and expense, and the statement of changes in equity.

Services and activities section: *Our work was limited with respect to the performance measures on 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 in relation to its wastewater system, drinking water supply, and 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 2021. Furthermore, complete records for all complaints made to the City Council were not available.

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.

Services and activities section: *Our work was limited with respect to the performance measure on compliance with the statutory timeframes for processing building consent applications*

An important part of the City Council's service performance is the percentage of building consent applications processed in accordance with statutory timeframes. The Ministry of Business, Innovation and Employment (MBIE) has issued guidance to assist local authorities in applying Regulation 7 of the Building (Accreditation of Building Consent Authorities) Regulations 2006, including on how to count the number of days for processing.

As disclosed on page 37, International Accreditation New Zealand (IANZ) conducted an audit of the City Council's Building Services during the year and identified that the City Council has not been counting the number of days taken to process building consents in accordance with the MBIE guidance. Our audit testing also identified issues with the dates recorded for processing building consents. As the City Council has not recalculated the timeliness of consent processing in compliance with the MBIE guidance, we were unable to determine whether the City Council's reported result for this performance measure is materially correct.

As a result, our work was limited and there were no practical audit procedures we could apply to obtain assurance over the reported result for the percentage of building consent applications processed in accordance with statutory timeframes for the year ended 30 June 2022.

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 137, which outlines that the Water Services Entities Act 2022 received royal assent on 14 December 2022. The Act establishes four publicly owned water services entities to take over responsibilities for three waters service delivery and infrastructure from local authorities from 1 July 2024, or earlier by Order in Council. In December 2022, the Government introduced two additional water services Bills, one of which will enable the transfer of three waters related assets and liabilities to the water services entities. Until the Bills receive royal assent, the financial impact of the transfer on the City Council and Group remains uncertain.

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 long-term 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 auditor’s 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 audited information of entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

Our responsibilities arise from the Public Audit Act 2001.

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 13, 15 to 18, 65, 73, 138 and 143 to 163, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

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.

For the year ended 30 June 2022 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 the audit and our report on the disclosure requirements, 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 its subsidiaries and controlled entities.



Rudie Tomlinson
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand



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