

# Dunedin City Council Summary Annual Report 2023/24



**DUNEDIN** | kaunihera  
CITY COUNCIL | a-rohe o  
Otepoti



# Te rāraki upoko

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## He kupu whakataki nā te Koromatua

### Introduction from the Mayor



**This Annual Report details the Dunedin City Council's progress during the 2023/24 year and this year is presented in a format designed to make the material more interesting, informative and transparent for anyone reading it.**

The past 12 months saw Council deliver a significant range of capital projects totalling \$206 million. This includes \$13 million for the purchase of Forbury park. The purchase of the old racecourse will provide the city with a variety of mitigation and adaptation options as it plans for the future of South Dunedin.

The upgrade of our central city was completed well ahead of schedule replacing aging underground infrastructure that dated back to the 1800s and refreshing the CBD.

Construction is well underway on the South Dunedin Library and Community Complex, which will provide a thriving community hub in the heart of the area when it opens in mid-2025.

A considerable amount of work was completed in preparation for the rollout of the city's new kerbside collection services on 1 July 2024. The addition of two new bins has enabled households to increase the amount of material that we can now recycle or reuse, thereby minimising the amount of waste going to landfill.

We have continued to focus on preparing for and responding to the challenges presented by climate change, and our South Dunedin Future joint climate adaptation project with the Otago Regional Council (ORC) works towards a long-term adaption strategy.

Our new Future Development Strategy (FDS) became the first joint growth strategy developed for Dunedin, created in partnership with the ORC and mana whenua. It considers the city's anticipated growth and infrastructure needs, and the actions required to support our urban environment into the future.

Co-hosting the FIFA Women's World Cup – the world's largest ever women's sporting event – was undoubtedly one of the year's highlights. This injected an estimated \$21 million into the local economy and showcased Dunedin to a large international audience.

In November, I led a civic and business delegation to our sister city Shanghai in China, resulting in two Memoranda of Understanding (MOUs) promoting business trade and art film collaboration. Additionally, some of our businesses established connections that led directly to sales.

Council continued to advocate for the community's best interests in a range of areas. We spearheaded the formation of a citywide stakeholder group to develop a multi-agency approach to homelessness in the city, and we have championed the needs of residents in Dunedin and the lower South Island in challenging any proposed cuts to the new Dunedin Hospital.

As we look ahead to 2024/25 and beyond, we remain firmly focused on investing responsibly to provide the infrastructure and services the city needs to ensure the health and wellbeing of the community.

**Jules Radich**  
Mayor of Dunedin





# 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. The last of the eight current strategies was adopted in 2017. These strategies focus 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.
- Ara Toi Ōtepoti Arts and Culture Strategy creates a roadmap to support Dunedin's creative sector and develop an environment that acknowledges the intrinsic value of the arts.
- The Economic Development Strategy sets out priorities for creating jobs, incomes and opportunities.
- The Integrated Transport Strategy sets priorities to support the safe and efficient movement of people and goods.
- The Parks and Recreation Strategy sets out how we can develop Dunedin's open spaces, recreation facilities and parks to build more connected and active communities.
- The Social Wellbeing Strategy outlines how the DCC will foster inclusive communities and quality lifestyles.
- The Spatial Plan shapes the form of the city.
- Te Ao Tūroa, Dunedin's Environment Strategy delineates Dunedin's climate change impact plan and connects our communities with sustainable ecology and environmental actions.

### Refreshing the strategic framework

The development of a wellbeing framework is underway as part of an overall strategic refresh. This will incorporate Te Taki Haruru – the DCC's Māori Strategic Framework – and a commitment to sustainability to illustrate how the DCC will improve the wellbeing of Dunedin's residents now and into the future.







## Community outcomes

### A supportive city with caring communities and a great quality of life (Social Wellbeing)

Across the DCC, we work hard to build strong caring communities and to make sure everyone can enjoy a great quality of life.

We supported a wide range of groups and networks through the year, providing advice, workshops, funding and regular opportunities to connect with other groups. One of our highlights in the 2023/24 financial year was celebrating the 21st birthday of EnviroSchools with an event at the Edgar Centre.

We also made progress on the systemic approach to homelessness in Ōtepoti. While the city has historically had a small group of homeless people,

the number has grown in recent times, as it has in other parts of the country. The DCC has taken the lead in creating a city-wide stakeholder group that includes government departments, agencies, NGOs and charities. This group is using a universal assessment tool to collect high level data that can be used to identify service gaps and need in the city. Initial stakeholder frontline staff training was done in June, with the database going live in July.





### **A healthy city with reliable and quality water, wastewater and stormwater systems (3 Waters)**

Having reliable, quality water, wastewater and stormwater systems is a crucial part of a healthy city. The completion of the George Street upgrade marked the end of significant work in the central city to replace ageing water, wastewater and stormwater pipes that date back to the 1800s. The project ensures the resilience of underground infrastructure in the heart of the city.

In this financial year, we also upgraded the intake of the Waikouaiti water treatment plant on the Waikouaiti River. We made important health and safety improvements at the city's water and wastewater treatment plants.

A large project undertaken during the year was the renewal of wastewater and stormwater pipes in Sawyers Bay. This project was a finalist in the Otago Civil Contractors Awards.

The completion of new network hydraulic models for stormwater networks in North East Valley and Kaikorai Valley and an investigation of private stormwater infrastructure across the city will contribute to our understanding of the stormwater network and flood risks.







## A compact city with a vibrant CBD and thriving suburban and rural centres (Spatial Plan)

The George Street upgrade was completed in May 2024, six months ahead of schedule. The milestone was acknowledged by a whakawātea led by Edward Ellison (Upoko ki Te Rūnaka o Ōtākou) and attended by Mayor of Dunedin Jules Radich, mana whenua, Councillors and staff from DCC, project partner Aukaha, and the construction team.

The project involved collaboration with mana whenua Kāi Tahu to define the city's identity and convert it into a streetscape, and the project team worked with representatives of the disability community, seniors, youth, students, family groups and accessibility advocates to create a people-friendly and accessible environment. The revamped George Street is vibrant and friendly, with street art, a play area, outdoor seating, and abundant plants and trees to bring nature into the city.

This year, we also completed the Future Development Strategy (FDS) in partnership with the Otago Regional Council (ORC) and mana whenua – the first time a joint growth strategy has been prepared for Dunedin. The strategy sets out how Dunedin will address its long-term housing and business land growth needs and what infrastructure is required for this growth and how to support a well-functioning urban environment.











## A successful city with a diverse, innovative and productive economy (Economic Development)

In November 2023, the Mayor led a civic and business delegation to China, including local education institutions and Business SOUTH. The trip resulted in a renewed Memorandum of Understanding (MOU) with the Shanghai Art Film Federation and facilitation of a new MOU between Business SOUTH and the Shanghai Council for the Promotion of International Trade.

A highlight of the year was co-hosting the FIFA™ Women's World Cup Australia & New Zealand 2023, the largest women's sporting event in history. Six matches were played in Dunedin, attracting 82,600 spectators. The tournament attracted 17,128 visitors to the city, and the economic impact of the event is estimated at \$21 million.

Nearly 14,000 visitors attended the free FIFA™ Fan Festival at the Dunedin Town Hall, which hosted a strong line-up of national wāhine music artists, football games, live match screenings, an exhibition on the history of women's sport in Aotearoa, cultural performances, and live music. Around 1,000 secondary students attended a free symposium on empowerment, inclusion and equality for girls. The backbone of the tournament was provided by 307 passionate volunteers, who collectively put in 14,044 hours of mahi.

The city also hosted Wānaka Whare Karioi ā-Whenua 2024 of the International Indigenous Game Summit in June 2024.







## A creative city with a rich and diverse arts and culture scene (Ara Toi)

The refurbishment of the transport and technology exhibition at Toitū was a highlight of the 2023/24 financial year. Toitū had a record 49,000 visitors in December, driven by Christmas programming and the refurbishment of this very popular display.

The Dunedin Public Art Gallery (DPAG) partnered with members of the hapori from Ōtākou and Puketeraki Rūnaka to develop *Huikaau – where currents meet*. This innovative and inclusive exhibition celebrates the rich history of the Gallery art collection and its many connections to the community.

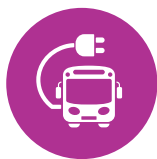
We launched a retrospective exhibition of Marilyn Webb's work (*Marilyn Webb – Folded in the hills*) and accompanying hardcover book in late 2023 – the book was a finalist in the 2024 Ockham New Zealand Book Awards.

The Council adopted the Ōtepoti Live Music Action Plan (ŌLMAP) in September 2023. Under the ŌLMAP umbrella, we ran Music Pathways, a workshop to identify career pathways and provide practical advice for early and mid-career musicians. We finalised the extended version of the GIGS 101 information booklet, available online, and carried out research into successful music mentoring programmes around the country and the requirements of the diverse music communities in Ōtepoti.

Project development and community engagement on the South Dunedin Library and Community Complex continued over the financial year, focusing on developing an accessible, welcoming and usable community facility.







### **A connected city with a safe, accessible and low-carbon transport system (Integrated Transport)**

This year saw the completion of the Portobello to Port Chalmers length of Te Aka Ōtākou (The Otago Vine). This project, which started in 2014/15, has involved widening and raising the road, building new rock seawalls and creating a shared path for pedestrians and cyclists. The route features seating and rest areas, boardwalks and stairways to the harbour, and areas of native planting.

This year, we also completed the Union Street bus super stop, with new bus stops, pedestrian crossings and footpath extensions. Five school road safety improvement projects were completed, improving pedestrian safety, speed management and parking at Ōpoho School, Elmgrove School, Taieri College, Silverstream School and Outram School.







## A sustainable city with healthy and treasured natural environments (Te Ao Tūroa)

Preparing the roll-out of the new kerbside collection system is a key step in our progress towards becoming a more sustainable city. The new system will provide a green-lidded bin to collect food and garden waste, which will be managed in a new facility at the Green Island landfill. It will also replace plastic rubbish bags with a red-lidded bin for general waste.

The city's birds had some wins this year, with 17 kākā chicks being raised and fledged at the Botanic Garden aviary and tītipounamu successfully nesting in predator-proof boxes at Ross Creek.

Across Dunedin, 30 community groups are restoring habitats and creating better recreational spaces – they plant, weed, control pest animals, maintain tracks, clean up rubbish, and provide educational opportunities for schools. Eight new groups were inducted this year. This financial year has seen more volunteer groups working on litter clean-ups.





## **An active city with quality and accessible recreational spaces and opportunities (Parks and Recreation)**

A highlight of this year has been our work at Te Rauone Reserve. Sculptures were installed in August 2023. The structures incorporate a kōwhaiwhai pattern referencing the importance of tuaki in feeding generations of Te Rauone residents. They were designed by local artists Kirsten Parkinson (Kāi Tahu) and Aroha Novak (Ngāi Te Rangi, Ngāti Kahungunu) and fabricated and installed by local company Zeal Steel. The Harington Point community, Te Rūnaka o Ōtākou, Portobello School and DCC staff planted more than 3,000 plants at the reserve to restore the dunes.

In November 2023, we opened the Tunnel Beach carpark in time for the summer tourism season. This project was a collaboration between the DCC, the Department of Conservation (DOC) and Te Rūnaka o Ōtākou. DOC has since realigned the walking track to make it easier to use. With high visitor numbers over the summer, the carpark reduces congestion along Tunnel Beach Road.

Our gardens achieved national and international recognition this year. Lan Yuan was awarded a six-star rating by the New Zealand Gardens Trust, and the Botanic Garden achieved accreditation as a six-star Garden of International Significance and accreditation from the Zoo and Aquarium Association of Australasia.

In this year, we opened a new basketball court in Waldronville and a new modular pump track at Waikouaiti.









# He pūroko whakapūmautaka

## Our commitment to sustainability

**Sustainability is a principle for the DCC, under which we lead Dunedin in its strategies and work to become a sustainable city.**

We have worked to reduce emissions since June 2019, when the Council declared a climate emergency, adopted Zero Carbon targets for Dunedin (net zero emissions by 2030, with a separate Government-aligned target for biogenic methane), and provided seed-funding to develop a work programme to slow down climate change. The 10 Year Plan 2021-31 then resourced the Zero Carbon work programme, including strategic projects to reduce emissions both across the city and within the DCC.

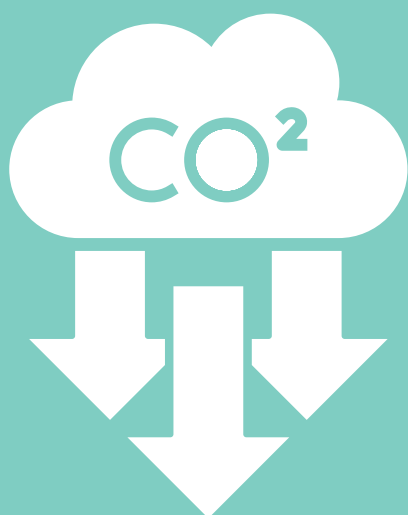
At the same time, we are responding and adapting to the climate disruptions and effects that are felt across our city. The DCC's main focus for adaptation for the past year has been South Dunedin, where 13,000 people live and work on land that will be significantly challenged by rising sea levels and groundwater, and by increases in rainfall, storm intensity and coastal erosion. We are integrating the lessons from our work in South Dunedin into city-wide adaptation planning for all council infrastructure and services.











## Highlights from the 2023/24 financial year



### **We developed the Zero Carbon Plan 2030 with input from key stakeholders and community groups.<sup>1</sup>**

The plan sets out the key shifts Dunedin needs to make if it is to achieve its Zero Carbon targets by 2030, and areas in which the DCC can act. The plan was adopted in September 2023 and an implementation plan was developed for 2023/24. Many actions have been progressed or finished. Some are ongoing and will continue into the 2025/26 year. Other actions have been delayed or discontinued for various reasons, including central government policy changes. A report on the implementation plan will be presented to Council in the new financial year.



### **A city-wide footprint of greenhouse gas emissions is completed every three years.**

The last footprint was completed for 2021/22 and showed a total amount of emissions of 1,542,500 tonnes of carbon dioxide equivalents or 11.5 tonnes per person. About a third of these greenhouse gases were taken out of the atmosphere by forests in the Dunedin area.



### **The DCC adopted a new emissions management and reduction plan, providing a tangible pathway of emissions reduction to 2030/31.**

This will be reviewed periodically, with the first review scheduled for October 2025.



### **The DCC measures (and has verified) its emissions as an organisation.**

We are continuing to refine how we measure our emissions. In the 2023/24 financial year, we expanded the number of suppliers reporting their emissions to the DCC and developed wastewater treatment emissions reporting using real-time data to enable a more thorough understanding of emissions from this source.



### **We are continuing to build emissions reduction considerations into DCC activities, which is an important part of implementing DCC's Zero Carbon Policy.**

We now have guidelines for staff in different work areas (including policy/strategy/plan development, events, small projects and infrastructure projects) and a procurement approach that comprehensively considers emissions reduction. Work is progressing on embedding emissions reduction considerations in processes for managing projects and organisational development.



### **Progress was made on Zero Carbon Plan projects, including projects to facilitate establishment of a car share service in the city, and a pilot programme to help local businesses measure and reduce emissions.**





**Major work programmes that will reduce city-wide emissions, such as the Waste Futures programme, are progressing well.**

Zero Carbon Alliance partners (the DCC, Otago Regional Council, the University of Otago, Otago Polytechnic (Dunedin campus) and Health New Zealand have been working together to reduce emissions from waste and staff travel to work.



**Both DCC and ORC approved the first long list of potential adaptation approaches for South Dunedin in December 2023.**

More than 500 community groups and city residents gave feedback on the approaches through an expo in March 2024, stalls at community festivals, surveys and workshops.



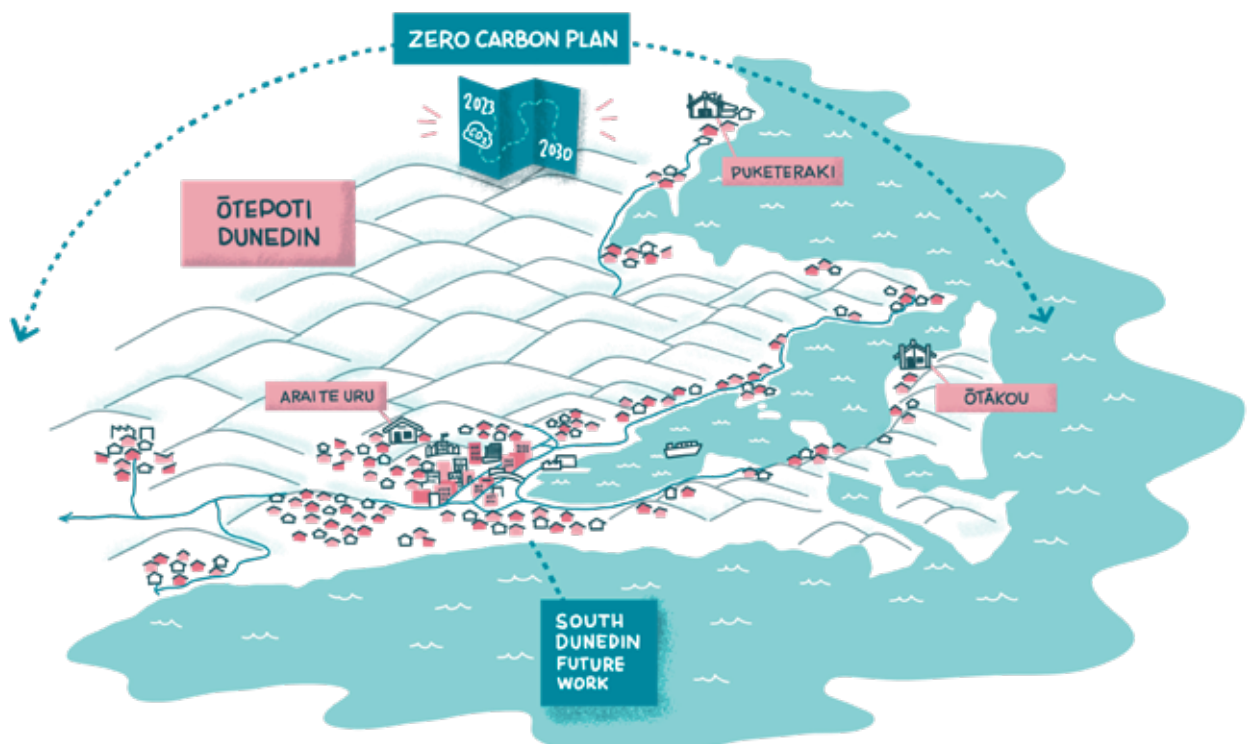
**South Dunedin Future, a joint programme with the Otago Regional Council, is progressing strongly.**

We are at the halfway point in developing a climate adaptation strategy for the area by 2026. The programme team has led a wide range of community engagement, technical and strategic activities. We are advancing this work in partnership with mana whenua and community and government stakeholders. A team of three engineering services firms led by WSP supports the programme's technical work.



**The DCC has played an active role in the development of new national climate adaptation legislation and policy, which is changing rapidly in response to shifts in Government priorities and the continuing impact of major flooding in Auckland and Hawke's Bay in 2023.**

We submitted to the Government's national enquiry into climate adaptation, attended meetings with the Ministry for the Environment and hosted a three-day fact-finding mission from He Pou a Rangī, the Climate Change Commission.



1. See [www.dunedin.govt.nz/council/policies,-plans-and-strategies/plans/zero-carbon-plan-2030](http://www.dunedin.govt.nz/council/policies,-plans-and-strategies/plans/zero-carbon-plan-2030)

# Te ārahi me te whakarite i kā hua pai ake mā te Māori | Leading and developing better outcomes for Māori

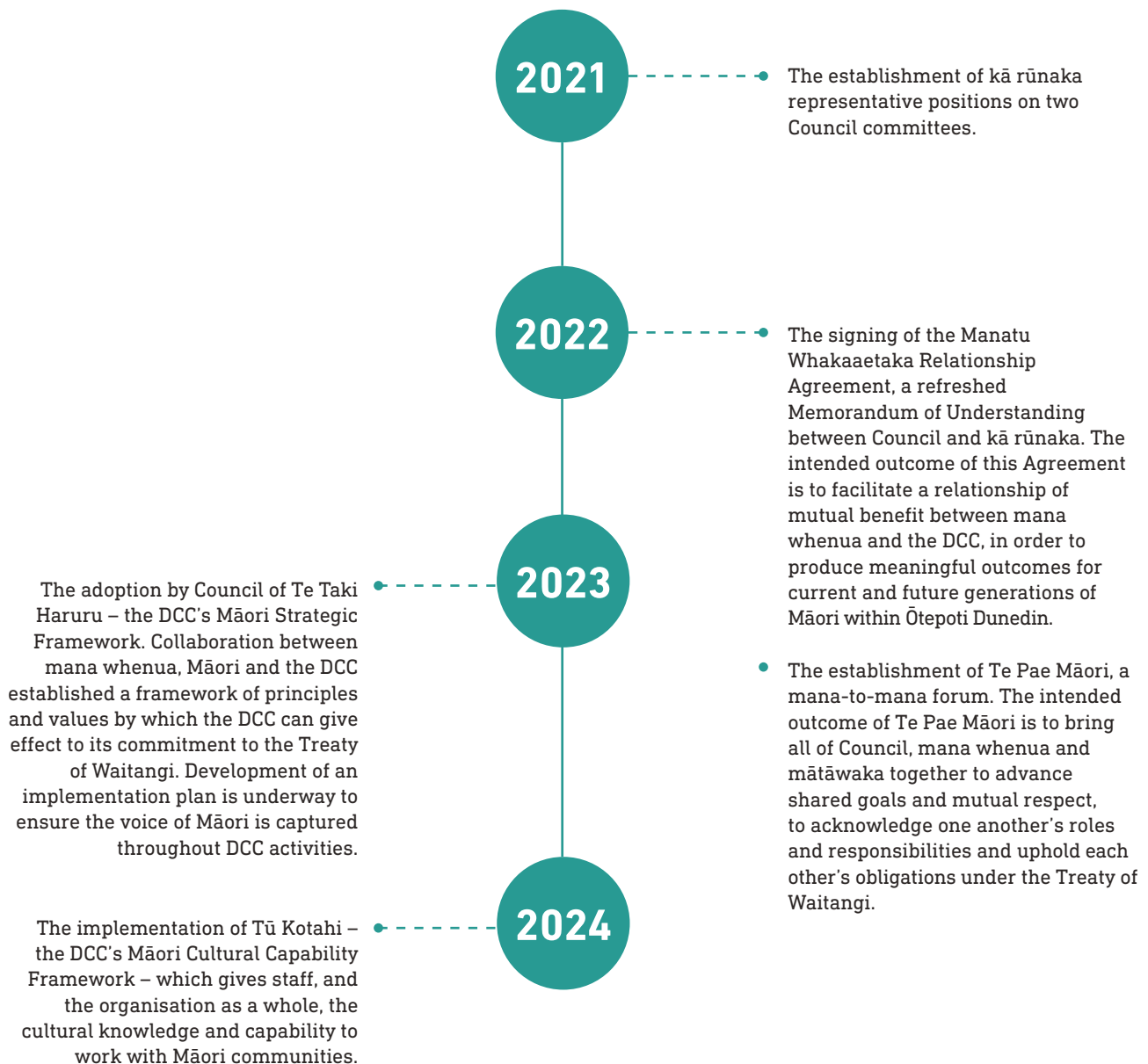
For many years, the DCC, mana whenua and Māori have been on a long journey towards a more meaningful partnership.

At a governance level, the DCC's partnership has been expressed through a 2003 relationship protocol agreed between Kāi Tahu ki Otago (now Aukaha Ltd) and the DCC; a 2006 Memorandum of Understanding agreed between Council, Te Rūnaka o Ōtākou, Kāti Huirapa Rūnaka ki Puketeraki and Āraiteuru Marae; and the 2006 establishment of the Māori Participation Working Party as a forum for Council and Māori to discuss strategic opportunities.

Key roles in the DCC over recent years have been instrumental in leading and developing the Māori work programme, which has laid the foundations for the DCC to

progress its commitment to the Treaty of Waitangi. These key roles include the executive-level role of Manahautū Māori (established in 2020) alongside two further key senior roles – Manager of Māori Partnerships (established in 2021) and Pou Arahi/Manager of Māori Capability (established in 2023).

Significant developments in recent years are progressing the DCC's Treaty of Waitangi commitments across our governance arrangements. These include:





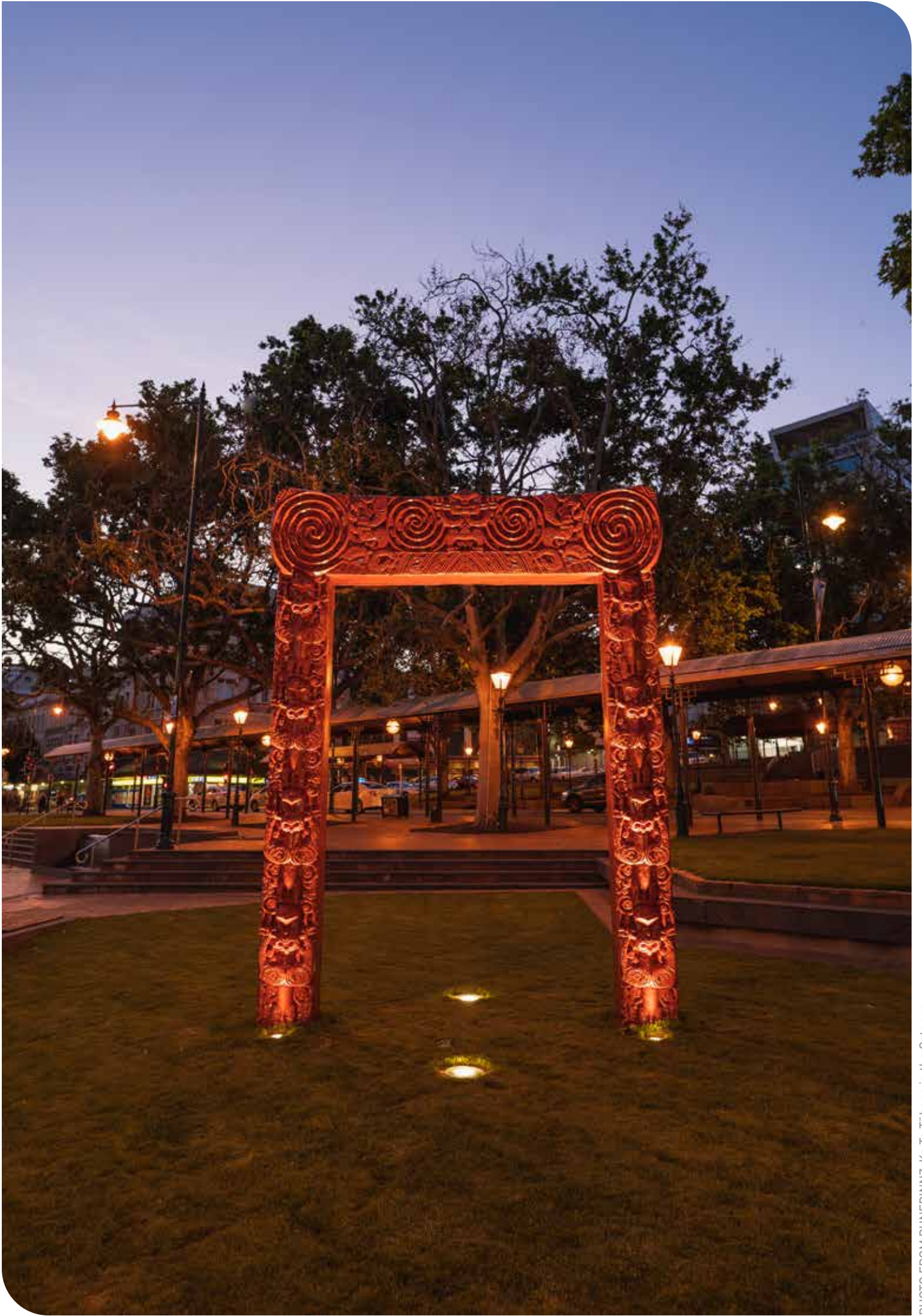


PHOTO FROM DUNEDINNZ: Ko Te Tūhono in the Octagon

# I pēhea tā mātou mahi

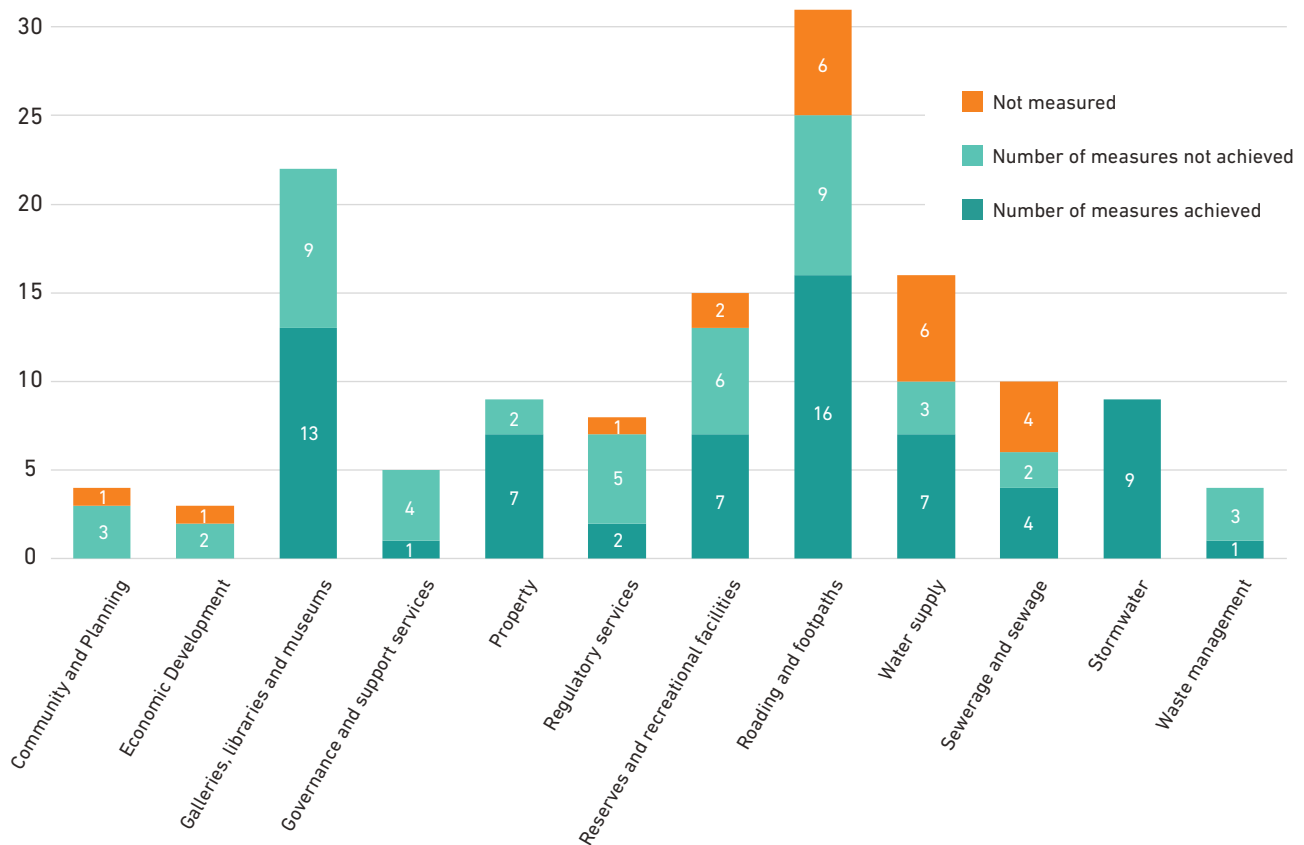
## How we did

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

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

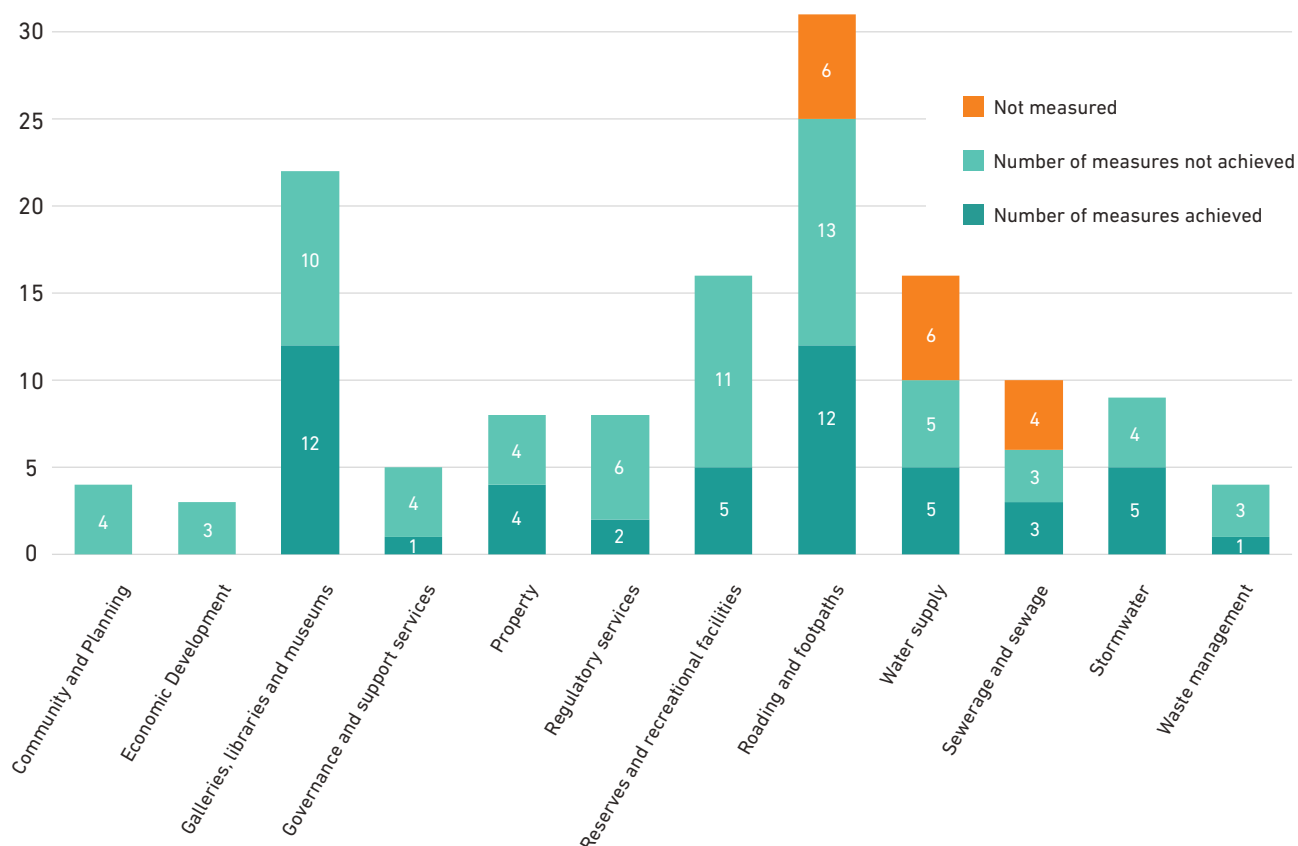
The following graph is a summary of the non-financial performance achievement of each activity group:

### Summary of Performance 2023/24





## Summary of Performance 2022/23



A significant amount of services are also delivered through the 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.

**Aurora Energy Limited** owns the electricity network assets of poles, lines, cables and substations in Dunedin, Central Otago and Queenstown Lakes. Its function is to transfer electricity from the national grid to the end consumer.

**City Forests Limited's** principal activities are the growing, harvesting and marketing of forest products from plantations it owns. The products are sold both in the domestic and export markets.

**Delta Utility Services Limited** is an infrastructure specialist providing a range of contracting services to local authority and private sector customers. It constructs, manages and maintains essential energy and environmental infrastructure across the South Island.

**Dunedin City Treasury Limited** provides treasury and funds management services to Dunedin City Council, Dunedin City Holdings Limited, and its subsidiary companies.

**Dunedin International Airport Limited** operates the Dunedin Airport. It also farms adjacent land in partnership with sharemilkers and owns a small residential housing estate on land adjoining the airfield to the north, as well as Momona Garage. It is owned 50% by DCHL and 50% by the Crown.











**Dunedin Stadium Property Limited's** principal activity is the ownership of Forsyth Barr Stadium. In particular, it oversees that the stadium is maintained to a standard that enables it to operate effectively.

**Dunedin Venues Management Limited** is Dunedin's premier venue and event services company. It manages the Forsyth Barr Stadium, Dunedin Centre and Town Hall Complex.

**Dunedin Railways Limited**, until March 2020, 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.

Full details of DCC Group performance, including explanation of results can be found in the full Annual Report at [www.dunedin.govt.nz](http://www.dunedin.govt.nz) or via correspondence to Dunedin City Council, Dunedin 9054.

# Where our money went

Activities and services	Capital costs		Operating costs		Where your rates went (every \$100)
	Actual \$207m	Budget \$214m	Actual \$391m	Budget \$369m	
 Community and planning	\$0m	\$1m	\$16m	\$15m	\$7
 Economic development	\$1m	\$1m	\$5m	\$5m	\$3
 Galleries, libraries and museums	\$2m	\$3m	\$22m	\$22m	\$13
 Governance and support services	\$2m	\$4m	\$45m	\$42m	\$0
 Property	\$37m	\$27m	\$46m	\$40m	\$8
 Regulatory services	\$0m	\$1m	\$13m	\$13m	\$0
 Reserves and recreational facilities	\$9m	\$20m	\$41m	\$41m	\$18
 Rozading and footpaths	\$61m	\$50m	\$63m	\$59m	\$12
 3 Waters	\$80m	\$95m	\$114m	\$113m	\$36
 Waste management	\$15m	\$12m	\$26m	\$19m	\$3

Operating costs include depreciation



# He pūroko tahua | Financial statements

## Dunedin City Council

### Summary statement of comprehensive revenue and expense for the year ended 30 June 2024

	CORE COUNCIL			CONSOLIDATED	
	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Total operating revenue	355,452	339,613	334,035	640,060	616,756
Operating expenditure	365,564	342,313	355,159	627,215	609,185
Financial expenses	25,644	26,281	16,038	57,011	40,068
Total operating expenditure	391,208	368,594	371,197	684,226	649,253
Operating surplus (deficit) from operations	(35,756)	(28,981)	(37,162)	(44,166)	(32,497)
Share of associate surplus (deficit)	-	-	-	(212)	2,158
Surplus (deficit) before taxation	(35,756)	(28,981)	(37,162)	(44,378)	(30,339)
Less taxation	(545)	(370)	(781)	9,612	3,144
<b>Surplus (deficit) after taxation</b>	<b>(35,211)</b>	<b>(28,611)</b>	<b>(36,381)</b>	<b>(53,990)</b>	<b>(33,483)</b>
<b>Other comprehensive revenue and expense</b>					
Gain (loss) on property, plant and equipment revaluations	29,003	120,000	81,709	29,003	81,709
Gain (loss) on forestry land revaluations	-	-	-	2,830	(1,949)
Gain (loss) of comprehensive revenue in associates	-	-	-	3,089	21
Gain (loss) of cash flow hedges at fair value through other comprehensive revenue and expense	-	-	20	(4,949)	11,632
Gain (loss) on carbon credit revaluation	-	-	-	26,012	(43,458)
Gain (loss) on recognition of Dunedin Heritage Fund CCO	-	-	-	188	-
Income tax on other comprehensive income	-	-	-	(150)	7,523
<b>Total other comprehensive revenue and expense</b>	<b>29,003</b>	<b>120,000</b>	<b>81,729</b>	<b>56,023</b>	<b>55,478</b>
<b>Total comprehensive revenue and expense</b>	<b>(6,208)</b>	<b>91,389</b>	<b>45,348</b>	<b>2,033</b>	<b>21,995</b>
<b>Surplus (deficit) attributable to:</b>					
Dunedin City Council and Group	(35,211)	(28,611)	(36,381)	(53,990)	(33,483)
<b>Total comprehensive revenue and expense attributable to:</b>					
Dunedin City Council and Group	(6,208)	91,389	45,348	2,033	21,995

## Dunedin City Council

## Summary statement of changes in equity for the year ended 30 June 2024

	CORE COUNCIL			CONSOLIDATED	
	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
<b>Movements in equity</b>					
Opening equity	4,354,978	4,399,089	4,309,630	4,636,327	4,614,332
Total comprehensive revenue and expense attributable to Dunedin City Council and Group	(6,208)	91,389	45,348	2,033	21,995
<b>Closing equity</b>	<b>4,348,770</b>	<b>4,490,478</b>	<b>4,354,978</b>	<b>4,638,360</b>	<b>4,636,327</b>
<b>Components of equity</b>					
Accumulated funds	1,651,592	1,669,042	1,686,179	1,812,414	1,865,590
Reserves	2,697,178	2,821,436	2,668,799	2,825,946	2,770,737
<b>Total equity</b>	<b>4,348,770</b>	<b>4,490,478</b>	<b>4,354,978</b>	<b>4,638,360</b>	<b>4,636,327</b>

## Dunedin City Council

## Summary statement of financial position for the year ended 30 June 2024

	CORE COUNCIL			CONSOLIDATED	
	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Current assets	54,729	34,871	42,548	116,198	97,432
Non-current assets	4,970,603	5,117,607	4,853,944	6,100,478	5,905,978
<b>Total assets</b>	<b>5,025,332</b>	<b>5,152,478</b>	<b>4,896,492</b>	<b>6,216,676</b>	<b>6,003,410</b>
Current liabilities	62,306	56,443	62,716	109,847	109,790
Non-current liabilities	614,256	605,557	478,798	1,468,469	1,257,293
<b>Total liabilities</b>	<b>676,562</b>	<b>662,000</b>	<b>541,514</b>	<b>1,578,316</b>	<b>1,367,083</b>
Equity attributable to Dunedin City Council and Group	4,348,770	4,490,478	4,354,978	4,638,360	4,636,327
<b>Total equity</b>	<b>4,348,770</b>	<b>4,490,478</b>	<b>4,354,978</b>	<b>4,638,360</b>	<b>4,636,327</b>
<b>Total liabilities and equity</b>	<b>5,025,332</b>	<b>5,152,478</b>	<b>4,896,492</b>	<b>6,216,676</b>	<b>6,003,410</b>



## Dunedin City Council

# Summary statement of cashflows for the year ended 30 June 2024

	CORE COUNCIL			CONSOLIDATED	
	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
Net cash inflow (outflow) from operating activities	87,356	84,023	79,504	141,737	114,630
Net cash inflow (outflow) from investing activities	(218,086)	(212,156)	(208,405)	(332,373)	(314,004)
Net cash inflow (outflow) from financing activities	130,200	128,700	126,000	195,877	193,550
<b>Net increase (decrease) in cash held</b>	<b>(530)</b>	<b>567</b>	<b>(2,901)</b>	<b>5,241</b>	<b>(5,824)</b>
Opening cash and cash equivalents balance	9,085	11,023	11,986	22,031	26,354
<b>Closing cash and cash equivalents balance</b>	<b>8,555</b>	<b>11,590</b>	<b>9,085</b>	<b>27,272</b>	<b>20,530</b>

## Notes to the summary financial statements

### Overview

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

The summary financial statements of the Council and Group are for the year ended 30 June 2024.

The specific disclosures included in the summary financial statements have been extracted from the full financial statements. The full financial statements were authorised for issue by the Council on 31st October 2024 and have been audited, receiving an unqualified opinion.

### Statement of accounting policies

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

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

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

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

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

Chief Financial Officer, Dunedin City Council, PO Box 5045, Dunedin 9054.

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

Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1) has been issued with an effective date covering financial reporting periods beginning on or after 1 January 2024. Dunedin City Council has not early adopted this accounting standard.

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.

### Capital commitments

The capital commitments of the Council were \$66.183 million (2023: \$101.089 million) and of the Group \$93.264 million (2023: \$133.990 million).

### Contingencies

The Council has uncalled capital of \$1.2 billion (2023: \$1.2 billion) for Dunedin City Holdings Limited. The Group has contingent liabilities relating to performance bonds of \$0.8 million (2023: \$0.4 million).

DCC is investigating an historic landfill under Kettle Park which operated next to Ocean beach until the early 1950s. Storm events over the last 15 years have caused erosion to the dune seaward protection of the landfill. Options and timeframes for erosion mitigation and dune remediation work, as well as the approach across the wider landfill site, will be considered as part of the 9 year plan 2025–34.

Council is waiting for further assessment of the undertaking before costs can be confirmed and budget inclusions or provisions made.

DCC is investigating options to diligently convey wet weather flows from the Musselburgh pump station to the Tahuna wastewater treatment plant. The options being considered are likely to comprise a combination of rehabilitation and replacement of one or all of the three existing pipelines. Analysis and design work is underway and the cost of physical work will be considered as part of the 9 year plan 2025–34. There is a contingent environmental risk until such time as the physical works have been completed.

DCC is working to get a replacement watercourse pipeline in place on Bath Street. The costs of relocating this pipeline will be met within the Three Waters existing budget.

The DCC's Warm Dunedin targeted rates scheme was available to eligible residents to spread out the costs of floor/ceiling insulation and/or clean heating appliances over 10 years via their rates payments. The scheme began in 2013 and was closed to new applicants in 2021. Repayments and interest are still being received from residents who signed up to the scheme. The Commerce Commission is concerned about any breaches of the Credit Contracts and Consumer Finance Act prior to the programme being stopped. The Government has exempted targeted rates such as Warm Dunedin from the Act, however this exemption may not be retrospective. If the exemption is not retrospective and DCC's Warm Dunedin targeted rates scheme was found not to be compliant with the Credit Contracts and Consumer Finance Act, then DCC may be required to repay interest received from members of the scheme.

The DCC is defendant to a claim brought by a ratepayer for negligence by the Council's Building Services team. The maximum financial exposure of the claim is no more than \$1,100,000.

The DCC is exposed to financial risk in relation to the Building Act 2004 as there are known risks associated with natural hazards and the issue of building consents. The magnitude of financial exposure cannot be quantified at this point in time.

In addition to the above, the Council is exposed to various legal claims on an ongoing basis. The maximum financial exposure under those additional claims is likely to be less than \$1,000,000.

### Local Government Funding Agency

The Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a current credit rating from Standard and Poor's of AAA (Stable). The council is one of 71 local authority guarantors of the LGFA. The LGFA's loans to local authorities total \$20.5 billion (2023: \$17.7 billion), of which the Group and Council have borrowed \$290 million (2023: \$125 million). The council is a guarantor of all of the LGFA's borrowings. At 30 June 2024, the LGFA had borrowings totalling \$23 billion (2023: \$17.7 billion).

PBE Accounting Standards require the Council to initially recognise the guarantee liability by applying the 12-month expected credit loss (ECL) model (as fair value could not be reliably measured at initial recognition), and subsequently at the higher of the provision for impairment at balance date determined by the ECL model and the amount initially recognised. The Council has assessed the 12-month ECL of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the Council has not recognised a liability.

The Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- it is not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to raise sufficient funds to meet any debt obligations if further funds were required.

### 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 DCC 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 DCC 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 DCC and the DCC Group would have adopted in dealing with the party at arm's length in the same circumstances.

### Explanations of major variances against budget

Explanations for major variances from the Council's 2023/24 Annual Plan budget figures are as follows:

#### Statement of Comprehensive Revenue and Expense

Total operating revenue for the year was \$356 million or \$16.7 million greater than budgeted. This additional income was due to:

- additional roading funding from NZ Transport Agency Waka Kotahi reflecting higher maintenance and capital delivery,
- additional roading revenue reflecting increases in corridor access requests and recoverable maintenance costs,
- unbudgeted Waste and Environmental revenue relating to additional material received at the Green Island landfill, and additional waste levy revenue received from the Ministry for the Environment,
- an increase in fair value of international and New Zealand equities held by the Waipori Fund, reflecting the recovery in global equity markets over 2023/24.



These favourable variances were partially offset by reduced revenue from parking activities, as well as reduced Building Services revenue as a result of a reduction in work volume.

Total operating expenses for the year was \$391 million or \$22 million more than budgeted. This variance was due to:

- increased costs associated with applying to extend the Green Island landfill consents
- higher level of Green Island landfill waste levy and landfill contract costs due to increased material
- unbudgeted non-cash increase in the provision for landfill after-care costs
- greater than expected Transport drainage and environmental maintenance, being routine drainage maintenance. Additionally, Three Waters maintenance expenditure was unfavourable reflecting increased work on reticulation and plant assets, partly due to legislative changes around water standards
- unbudgeted South Dunedin Futures expenditure
- a net loss on revaluation of investment properties of \$5.1 million.

These unfavourable variances were partially offset by lower ETS and interest costs.

#### Statement of Cashflows

Net cash inflow from operating activities was less than budget driven by the revenue and expense variances discussed above.

Net cash outflow from investing activities was higher than budget due to timing of cash outlay for capital expenditure programme.

### 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.

### Local Water Done Well

In December 2023 the Government outlined their Local Water Done Well (LWDW) reform programme for water services (water supply, wastewater and stormwater networks).

Further detail from the Government was announced in early 2024 and proposed a three-stage process to enabling LWDW.

The first stage included the repeal of the then current legislation relating to water services entities and resulted in the passing of the Water Services Acts Repeal Act 2024 on 16 February 2024.

The second stage was implemented with the Local Government (Water Services Preliminary Arrangements) Act 2024 becoming law on 2 September 2024. Key areas under this legislation included:

- Councils must prepare and submit to the Secretary for Local Government a one-off Water Services Delivery Plan (WSDP) by 3 September 2025.
- Requirements that WSDPs outline future water services delivery arrangements and for councils to commit to an implementation plan.
- Alternative streamlined consultation and decision-making processes for setting up future water services delivery arrangements.

The third stage will establish the enduring settings by introducing the Local Government Water Services Bill. This legislation is anticipated to be introduced in December 2024 (with enactment in mid-2025) and guidance indicates this will include:

- New water services delivery models for councils to choose from, including new water organisations that can be owned by councils and/or consumer trusts.
- Minimum requirements for local government water services providers.
- A new economic regulation regime for local government water services providers, to be implemented by the Commerce Commission.

The Dunedin City Council is currently undertaking technical analysis on content required in the WSDP which includes the anticipated model and financial considerations.

### Events after balance date

On 3 October 2024, the Dunedin region experienced a significant rainfall event with more than 160mm of rain falling in a 48 hour period. The full financial impacts of any resulting damage are yet to be determined.

Subsequent to year end, the Dunedin City Council (the DCC) confirmed its intention to undertake a review of the Dunedin Stadium Property Limited (DSPL) and Dunedin Venues Management Limited (DVML). The aim of the review is to establish a future operating and financial model for the stadium and related venues that is fit for purpose, financially and economically sustainable, and delivers the desired community outcomes. Whilst there is a focus on CCO structure and composition, it is expected that the review will deliver a range of possible future scenarios. Any changes the DCC propose to implement as a result of this review, will be consulted on as part of its 2025–34 nine year plan consultation.

Dunedin City Council and Dunedin City Holdings Limited continue to look for alternative operating models that will keep Dunedin Railways in the city. A decision on the future of the Company is not expected until the next financial year. Dunedin City Council has committed funding for the Company for the 2024/25 financial year. It is expected the future operations of the Company will be subject to consultation as part of the DCC 9 year plan 2025–34 consultation.

During the year, Dunedin City Council consulted on a proposal to sell Aurora Energy Limited, repay its borrowings and to invest the net proceeds in a diversified investment fund. On 25 September 2024, the Council voted to retain ownership.

On 16 September 2024, Dunedin International Airport Limited announced the return of international flights to Dunedin Airport. Jetstar will operate direct flights between Dunedin Airport and Gold Coast Airport from June 2025.

There were no other significant post balance date events.

## **Independent Auditor's Report**

### **To the readers of Dunedin City Council and group's summary of the annual report for the year ended 30 June 2024**

The summary of the annual report was derived from the annual report of the Dunedin City Council (the City Council) and its subsidiaries and controlled entities (the group) for the year ended 30 June 2024.

The summary of the annual report comprises the following information on pages 20, 21 and 23 to 27:

- The summary statement of financial position as at 30 June 2024.
- The summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2024.
- The notes to the summary financial statements that include accounting policies and other explanatory information.
- The summary of the services and activities section (referred to as "How we did" in the summary annual report).

## **Opinion**

In our opinion:

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

## **Summary of the annual report**

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

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



## The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2024 in our auditor's report dated 31 October 2024.

## Council's responsibility for the summary of the annual report

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

## Auditor's responsibility

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

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

For the year ended 30 June 2024 and subsequently, the independent Chair of the City Council's Audit and Risk Committee is also the independent 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 to reduce any threat to auditor independence, as a member of the Auditor-General's Audit and Risk Committee (when acting in this capacity) has no involvement in, or influence over, the audit of the City Council.



In addition to our audit and our report on the disclosure requirements, we have carried out statutory and regulatory engagements for the City Council's subsidiaries and associate and performed a limited assurance engagement related to the City Council's Debenture Trust Deed, which are compatible with those independence requirements. Other than these engagements, 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  
28 November 2024

### For advice or information

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