

Section 2 – Financial Statements

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Statement of Comprehensive Revenue and Expense

For the Years Ending 30 June 2017 to 30 June 2018

	Annual Plan 2016/17 \$'000	Forecast 2016/17 \$'000	Annual Plan 2017/18 \$'000	Long Term Plan 2017/18 \$'000
Revenue				
Rates Revenue	133,996	133,996	138,026	143,368
External Revenue	57,990	58,212	61,737	58,287
Development and Financial Contributions	648	425	425	684
Subsidies and Grants	24,083	17,042	29,003	28,458
DCHL Dividend and Interest	5,902	5,902	6,185	6,185
Waipori Fund Revenue	3,896	3,896	3,482	3,995
Interest Revenue	340	340	320	150
Unrealised Investment Property Gains	2,027	2,027	0	2,563
Vested Assets	0	0	2,500	0
Total Revenue	228,882	221,840	241,678	243,690
Expenditure				
Staff Costs	52,439	52,439	55,203	50,163
Operational Costs	98,448	97,938	108,629	101,273
Loan Interest	15,380	15,380	14,120	17,634
Depreciation	56,650	56,650	62,043	56,963
Total Expenditure	222,917	222,407	239,995	226,033
Net Surplus/(Deficit)	5,965	(567)	1,683	17,657
Attributable to:				
Dunedin City Council	5,965	(567)	1,683	17,657

Statement of Other Comprehensive Revenue and Expense

For the Years Ending 30 June 2017 to 30 June 2018

	Annual Plan 2016/17 \$'000	Forecast 2016/17 \$'000	Annual Plan 2017/18 \$'000	Long Term Plan 2017/18 \$'000
Gain on Asset Revaluation	36,269	0	0	80,177
Change in Cashflow Hedge Reserves	322	3,000	750	
Total Other Comprehensive Revenue and Expenses	36,591	3,000	750	80,177
Net Surplus/(Deficit)	5,965	(567)	1,683	17,657
Total Comprehensive Revenue and Expenses	42,556	2,433	2,433	97,834
Attributable to:				
Dunedin City Council	42,556	2,433	2,433	97,834

Statement of Changes in Equity

For the Years Ending 30 June 2017 to 30 June 2018

	Annual Plan 2016/17 \$'000	Forecast 2016/17 \$'000	Annual Plan 2017/18 \$'000	Long Term Plan 2017/18 \$'000
Opening Equity	2,742,569	2,866,270	2,868,703	3,008,604
Total Comprehensive Revenue and Expense	42,556	2,433	2,433	97,834
Closing Equity	2,785,125	2,868,703	2,871,136	3,106,438

Public Equity

For the Years Ending 30 June 2017 to 30 June 2018

	Annual Plan 2016/17 \$'000	Forecast 2016/17 \$'000	Annual Plan 2017/18 \$'000	Long Term Plan 2017/18 \$'000
Accumulated Funds	1,693,959	1,807,759	1,809,030	1,724,708
Restricted Reserves	9,516	9,716	10,128	8,730
Revaluation Reserves	1,097,340	1,064,031	1,064,031	1,385,396
Cashflow Hedge Reserves	(15,690)	(12,803)	(12,053)	(12,396)
Total	2,785,125	2,868,703	2,871,136	3,106,438

Statement of Financial Position

For the Years Ending 30 June 2017 to 30 June 2018

	Annual Plan 2016/17 \$'000	Forecast 2016/17 \$'000	Annual Plan 2017/18 \$'000	Long Term Plan 2017/18 \$'000
Current Assets				
Cash at Bank	457	4,849	1,374	716
Deposits	0	0	0	0
Investments	10,440	5,829	5,829	17,310
Accounts Receivable	14,212	11,634	11,687	15,752
Inventories	348	302	302	1,502
Prepayments	678	667	667	296
Taxation Refund Receivable	625	1,021	1,021	0
Non-current Assets held for sale	0	0	0	0
	26,760	24,302	20,880	35,576
Non-current Assets				
Investments	76,183			62,839
Shares in Subsidiary Companies	230,491	115,939	115,939	239,459
Loans and Advances	1,904	191,464	193,942	3,455
Other Intangible Assets	3,123	2,514	2,514	2,334
Property Plant and Equipment	2,723,735	2,793,787	2,799,866	3,060,468
	3,035,436	3,103,704	3,112,261	3,368,555
Total Assets	3,062,196	3,128,006	3,133,141	3,404,131
Current Liabilities				
Short Term Loans	0	0	0	0
Accounts Payable	24,272	20,221	20,412	19,006
Employee Entitlements	5,373	5,610	5,733	6,782
Accrued Expenditure	3,572	3,651	3,688	5,187
Derivative Financial Instruments	15,690	12,808	12,058	12,401

	Annual Plan 2016/17 \$'000	Forecast 2016/17 \$'000	Annual Plan 2017/18 \$'000	Long Term Plan 2017/18 \$'000
Current Portion of Term Loans	12,897	12,696	13,988	14,548
	61,804	54,986	55,879	57,924
Non-current Liabilities				
Term Loans	206,478	195,705	197,414	230,664
Other Non-current Liabilities	8,789	8,612	8,712	9,105
	215,267	204,317	206,126	239,769
Equity	2,785,125	2,868,703	2,871,136	3,106,438
Total Liabilities and Equity	3,062,196	3,128,006	3,133,141	3,404,131

Statement of Cashflows

For the Years Ending 30 June 2017 to 30 June 2018

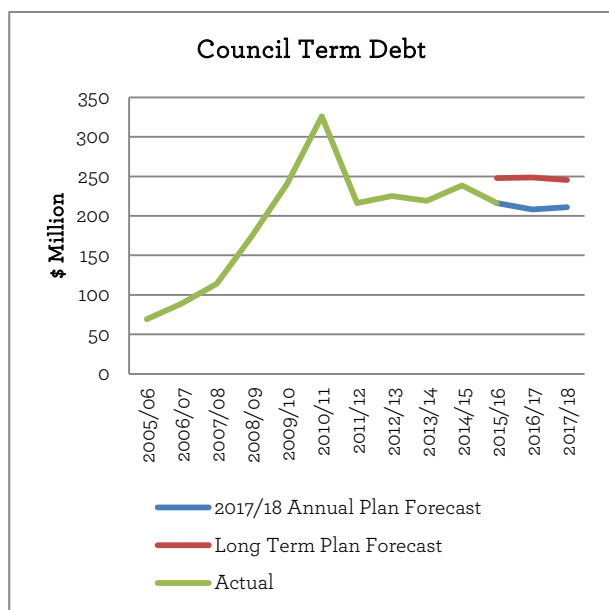
	Annual Plan 2016/17 \$'000	Forecast 2016/17 \$'000	Annual Plan 2017/18 \$'000	Long Term Plan 2017/18 \$'000
Cashflow from Operating Activities				
Cash is provided from:				
Rates Revenue	133,996	133,996	138,026	143,368
Other Revenue	82,721	75,679	91,165	87,429
DCHL Dividend and Interest	5,902	5,902	6,185	6,185
Waipori Fund Revenue	3,896	3,896	3,482	3,995
Interest Revenue	340	340	320	150
	226,855	219,813	239,178	241,127
Cash was applied to:				
Suppliers and Employees	(150,787)	(150,277)	(163,436)	(151,336)
Interest Paid	(15,380)	(15,380)	(14,120)	(17,634)
Total Expenditure	(166,167)	(165,657)	(177,556)	(168,970)
Net Cash from Operating	60,688	54,156	61,622	72,157
Cashflow from Investing Activities				
Cash is provided from:				
Sale of Assets	1,260	1,260	60	2,709
Reduction in Loans and Advances	3,172	3,172	72	72
Reduction in Investments	0	0	0	500
	4,432	4,432	132	3,281
Cash was applied to:				
Capital Expenditure	(60,406)	(45,232)	(65,681)	(68,535)
Increase in Loans and Advances	(750)	(450)	0	(450)
Increase in Investments	(3,087)	(3,087)	(2,551)	(3,145)
	(64,243)	(48,769)	(68,232)	(72,130)
Net Cash from Investing	(59,811)	(44,337)	(68,100)	(68,849)
Cashflow from Financing Activities				
Cash is provided from:				
Loans Raised	16,119	10,725	15,698	10,198
Cash was applied to:				
Loan Repayments	(16,652)	(16,652)	(12,696)	(13,381)
Net Cash from Financing	(533)	(5,927)	3,002	(3,183)
Net Increase / (Decrease) in Cash	344	3,892	(3,476)	125
Opening Cash Balance	112	958	4,850	591
Closing Cash Balance	456	4,850	1,374	716

Forecast Financial Statements Notes

For the Years Ending 30 June 2017 to 30 June 2018

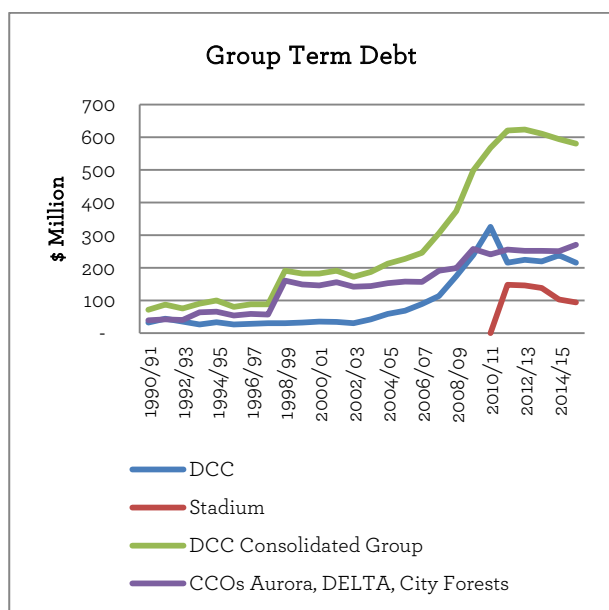
	Annual Plan 2016/17 \$'000	Forecast 2016/17 \$'000	Annual Plan 2017/18 \$'000	Long Term Plan 2017/18 \$'000
1 Reconciliation of Operating Profit to Net Cashflows from Operating Activities				
Operating Surplus	5,965	(567)	1,683	17,657
Add/(less) Non-cash Adjustment				
Depreciation	56,650	56,650	62,043	56,963
Landfill Aftercare	100	100	100	100
Vested Assets			(2,500)	
Amortisation of Warm Dunedin Targeted Rates Scheme			296	
Unrealised Investment Property Gains	(2,027)	(2,027)	0	(2,563)
Net Cashflow from Operating Activities	60,688	54,156	61,622	72,157
2 Change in Gross Debt	(533)	(5,927)	3,002	(3,183)
3 Debt Ratios				
Interest as a % of Rates (less than 20%)	11.5%	11.5%	10.2%	12.4%
Interest as a % of Total Revenue (less than 8%)	6.7%	6.9%	5.8%	7.2%
Cashflow from operations exceeds interest by 2.5 times	3.9	3.5	4.4	4.1
Interest and Loan Repayment as % of Rates	23.9%	23.9%	19.4%	21.8%
Interest and Loan Repayment as % of Total Revenue	14.0%	14.4%	11.1%	12.7%
Ratio of Interest Expense to Term Debt	7.0%	7.2%	6.7%	7.1%
Debt/Equity	7.9%	7.3%	7.4%	7.9%
4 Debt				
Net Debt	218,918	203,552	210,029	244,496
Gross Debt	219,375	208,401	211,402	245,212
5 Waipori Loans Consolidated Out				
Loan Interest	67	99	67	45
Loan Repayment	369	344	369	396
Balance of Borrowing from Waipori Fund	808	1,177	808	413
6 Liquidity Ratios (including available line of credit)				
Available Line of Credit (\$270 million less Gross Debt)	50,625	61,599	58,598	24,788
Working Capital	15,583	30,913	23,598	2,440
Current Ratio	43%	44%	37%	61%
Liquidity	32,079	48,598	41,825	10,281
Liquidity Ratio	44%	56%	44%	53%
7 Net Cash Received from DCHL	5,902	5,902	6,185	6,185

Council Term Debt



The graph illustrates gross debt for the Council, actual debt for the 2005/06–2015/16 years and forecast debt for the 2016/17–2017/18 years. It also shows the forecast included in the 2015 LTP. This is debt for the Council only; it does not include any debt belonging to Council-owned companies.

Group Term Debt



This graph illustrates actual debt for the Council, the Forsyth Barr Stadium, other Council-owned companies and the combined group.

Council debt increased in 2010/11 due to the construction of the Stadium and declined in 2011/12 due to the sale of the Stadium to a Council-owned company, Dunedin Stadium Property Limited (formerly Dunedin Venues Limited).

In 2014/15, \$30 million of Stadium debt was transferred back to the Council.

Statement of Accounting Policies

1 Reporting Entity

The forecast financial statements presented are for the reporting entity Dunedin City Council (the Council).

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

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

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, the Companies Act 1993 and the Financial Reporting Act 2013.

These financial statements are presented in New Zealand dollars because that is the currency of the primary economic environment in which the Council operates. These financial statements have been rounded to the nearest \$1,000.

The forecast financial statements are for the years ending 30 June 2017 to 2018. These were approved on 27 June 2017.

2 Significant Accounting Policies

Basis of Accounting

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

The financial statements have been prepared in accordance with Tier 1 public benefit entity (PBE) accounting standards. These financial statements comply with PBE Standards.

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

Non-Current Assets Held for Sale

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

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

Revenue Recognition

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

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

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

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

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

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

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

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

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

Construction contracts

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

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

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

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

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Borrowing Costs

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

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

Employee Entitlements

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

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

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

Good and Service Tax (GST)

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

Taxation

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

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

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

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

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

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

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

Property, Plant and Equipment

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

Operational Assets

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

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.

Infrastructure Assets

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

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.

Operational Assets

Land and Buildings

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

Fixed Plant and Equipment

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

Motor Vehicles

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

Office Equipment and Fittings

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 accumulated impairment losses.

Infrastructure Assets

Land

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

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

Buildings and Structures

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

Roadways and Bridges

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

Fixed Plant

Fixed plant has 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. Fixed plant is valued on a yearly cycle by an independent valuer. Additions are recorded at cost and depreciated.

Reticulation Assets

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

Vested Assets

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

Restricted Assets

Land, Buildings and Structures

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

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

Road Reserve Land

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

Playground and Soft-Fall Areas

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

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

Additions are recorded at cost and depreciated.

Heritage Assets

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

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

Revaluations

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

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

Depreciation

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

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

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

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

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

Depreciation rates and methods used are as follows:

	Rate	Method
Council Operational Assets		
Buildings	1% to 10%	SL
Fixed plant and equipment	10% to 15%	SL
Motor vehicles	20%	SL
Office equipment and fittings	7.5% to 20%	SL
Library collections	10% to 50%	SL
Infrastructure Assets		
Roadways and bridges	0.5% to 10%	SL
Life cycle used:		
– Kerb and channel	80 years	
– Shape corrections	80 years	

	Rate	Method
-- Reseals	11 years	
Footpaths	13.5 years	
Water treatment plants and facilities	1% to 15%	SL
Sewerage treatment plants and facilities	1% to 15%	SL
Stormwater treatment plants and facilities	1% to 15%	SL
Water reticulation	0.50% to 3%	SL
Sewerage reticulation	0.50% to 3%	SL
Stormwater reticulation	0.50% to 3%	SL
Landfill	15 years	
Heritage assets	0.2%	
Restricted Assets		
Buildings	1% to 4%	SL
Fixed plant and equipment	10% to 15%	SL
Hard surfaces	0.5% to 10%	SL
Playground and soft-fall areas	2% to 10%	SL

Derecognition

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

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

Investment Property

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

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

Intangible Assets

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

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

Carbon credits purchased are recognised at cost on acquisition. They are not amortised but are instead tested for impairment annually. Carbon credits are derecognised when they are used to satisfy carbon omission obligations.

Research and Development Expenditure

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

Patents and Trademarks

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

Impairment of Assets Excluding Goodwill

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

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

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

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

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

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

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

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

Inventories

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

Cash and Cash Equivalents

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

Financial Instruments

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

Trade and Other Receivables

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

Loans and Other Receivables

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

Investments

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

Investments in Debt and Equity Securities

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

Trade and Other Payables

Trade and other payables are stated at cost.

Borrowings

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

Financial Liability and Equity

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

Derivative Financial Instruments and Hedge Accounting

The Council's activities expose it primarily to the financial risks of changes in interest rates. The Council uses interest rate swap contracts to hedge these exposures.

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

The use of financial derivatives is governed by Council's policies which provide written principles on the use of financial derivatives.

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

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

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

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

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

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

Provisions

A provision is recognised in the balance sheet when the Council 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 Council has a detailed formal plan for the restructuring that has been communicated to affected parties.

Carbon Credits

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

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

Standards issued but not yet effective

During the period standards have been issued but are not yet effective during the period and have no effect on the Financial Statements of the Council.

Changes in Accounting Policy

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

Prospective Financial Statements

The forecast financial statements have been prepared in accordance with Tier 1PBE accounting standards including PBE FRS 42 Prospective Financial Statements. They have been prepared using the best information available at the time they were prepared.

Additional Information

1 Separately Disclosed Revenue

Rates Income

	Annual Plan 2016/17 \$'000	Forecast 2016/17 \$'000	Annual Plan 2017/18 \$'000	Long Term Plan 2017/18 \$'000
General Rates as per Group of Activities:				
Economic Development and City Promotion	3,641	3,641	4,305	4,248
City Investment	5,124	5,124	3,143	4,950
Roading and Footpaths	18,660	18,660	17,800	22,503
Solid Waste	648	648	695	621
Planning and Regulatory	8,528	8,528	8,079	8,382
Community Development and Support	14,770	14,770	13,726	13,738
Museums, Libraries and Art Gallery	22,996	22,996	23,965	24,210
Sport, Recreation and Leisure	10,147	10,147	13,594	10,912
Corporate Support Activities	4,971	4,971	5,934	4,197
	89,485	89,485	91,239	93,761
General Rate Contribution:				
City Investment	(16,169)	(16,169)	(15,563)	(15,027)
Roading and Footpaths	(3,273)	(3,273)	(3,680)	(3,844)
Solid Waste	(1,225)	(1,225)	(1,578)	(973)
Community Development and Support	(212)	(212)	0	(173)
	(20,879)	(20,879)	(20,822)	(20,017)
General Rates as per total FIS and Financial Statements:				
General Rates				
Economic Development and City Promotion	3,641	3,641	4,305	4,248
City Investment	(11,045)	(11,045)	(12,420)	(10,077)
Roading and Footpaths	15,387	15,387	14,119	18,659
Solid Waste	(578)	(578)	(883)	(352)
Planning and Regulatory	8,528	8,528	8,079	8,382
Community Development and Support	14,558	14,558	13,726	13,565
Museums, Libraries and Art Gallery	22,996	22,996	23,965	24,210
Sport, Recreation and Leisure	10,147	10,147	13,594	10,912
Corporate Support Activities	4,971	4,971	5,934	4,197
Total General Rates	68,606	68,606	70,417	73,744
Community Services Rate				
Sport, Recreation and Leisure	10,978	10,978	11,189	11,209
Kerbside Recycling Rate				
Solid Waste	2,800	2,800	2,821	2,939
Citywide Water Rate				
Water Supply	19,242	19,242	20,189	20,223
Citywide Drainage Rate				
Sewerage and Sewage	27,214	27,214	26,638	28,054
Stormwater	4,096	4,096	5,673	5,981
Allanton Drainage Rate				
Sewerage and Sewage	20	20	20	20
Blanket Bay Drainage Rate				
Sewerage and Sewage	4	4	4	4
Curles Point Drainage Rate				
Sewerage and Sewage	3	3	3	3
Heritage Earthquake Strengthening Rate				
Planning and Regulatory	66	66	0	197
Warm Dunedin Rate				
Community Development and Support	437	437	542	437

	Annual Plan 2016/17 \$'000	Forecast 2016/17 \$'000	Annual Plan 2017/18 \$'000	Long Term Plan 2017/18 \$'000
Private Street Lighting Rate				
Roading and Footpaths	29	29	29	30
Commercial Tourism/Economic Development Rate				
Economic Development and City Promotion	500	500	500	526
Private Drainage Warrington Rate				
Planning and Regulatory	1	1	0	1
Total Rates per Financial Statements	133,996	133,996	138,026	143,368
% Increase				
Total Rates	3.0%	3.0%	3.0%	5.0%
Total Rates excluding voluntary rates	2.97%	2.97%	3.0%	5.0%

Note: Voluntary rates include Heritage Earthquake Strengthening Rates and Warm Dunedin Rates

Analysis of Revenue

	Annual Plan 2016/17 \$'000	Forecast 2016/17 \$'000	Annual Plan 2017/18 \$'000	Long Term Plan 2017/18 \$'000
Revenue				
Rates	133,996	133,996	138,026	143,368
Other Revenue	45,042	45,264	47,879	45,465
Regulatory Services	4,193	4,193	4,408	4,143
DCHL Dividend and Interest	5,902	5,902	6,185	6,185
New Zealand Transport Authority	22,630	15,588	25,494	24,394
Subsidies and Grants (excl NZTA)	1,453	1,454	3,509	4,064
Development and Financial Contributions	648	425	425	684
City Property Investment	8,756	8,756	9,450	8,679
Waipori Fund	3,896	3,896	3,482	3,995
Other Interest	340	340	320	150
Vested Assets			2,500	
Unrealised Investment Property Gains	2,027	2,027	0	2,563
Total	228,882	221,840	241,678	243,690

2 Rating Base Information *

The number of rating units	55,914
The total capital value of the rating units	22,690,133,550
The total land value of the rating units (*as at May 2016)	9,151,090,100

Note: all rates revenue is shown gross of rates remissions.

3 Separately Disclosed Expenditure

Analysis of Expenditure

	Annual Plan 2016/17 \$'000	Forecast 2016/17 \$'000	Annual Plan 2017/18 \$'000	Long Term Plan 2017/18 \$'000
Expenditure by Inputs				
Staff Costs	52,439	52,439	55,203	50,163
Operational Costs	98,202	97,692	108,244	100,928
Audit Fees	246	246	385	345
Loan Interest	15,380	15,380	14,120	17,634
Depreciation	56,650	56,650	62,043	56,963
Total	222,917	222,407	239,995	226,033

	Annual Plan 2016/17 \$'000	Forecast 2016/17 \$'000	Annual Plan 2017/18 \$'000	Long Term Plan 2017/18 \$'000
Expenditure by Outputs				
Economic Development and City Promotion	5,337	5,337	5,988	5,757
Roading and Footpaths	42,264	42,264	44,994	44,526
City Investment	4,744	4,744	5,639	5,809
Water Supply	25,498	25,498	27,945	26,790
Sewage and Sewerage	26,388	26,388	27,701	28,083
Stormwater	5,418	5,418	6,573	5,834
Solid Waste	10,518	10,518	11,778	9,710
Planning and Regulatory	16,091	16,091	15,618	15,724
Community Development and Support	27,418	27,418	27,939	24,653
Museums, Libraries and Art Gallery	25,265	25,265	26,469	26,008
Sport, Recreation and Leisure	27,954	27,444	33,073	28,523
Corporate Support Activities	6,021	6,021	6,277	4,616
Total	222,917	222,407	239,995	226,033

Depreciation

Economic Development and City Promotion	21	21	21	9
Roading and Footpaths	19,109	19,109	19,622	19,502
City Investment	0	0	0	0
Water Supply	9,416	9,416	11,665	10,585
Sewage and Sewerage	8,981	8,981	10,139	9,999
Stormwater	2,655	2,655	3,644	2,863
Solid Waste	527	527	593	543
Planning and Regulatory	6	6	9	10
Community Development and Support	8,900	8,900	8,929	6,120
Museums, Libraries and Art Gallery	2,217	2,217	2,227	2,159
Sport, Recreation and Leisure	3,107	3,107	3,477	3,318
Corporate Support Activities	1,711	1,711	1,717	1,855
Total Depreciation Expense	56,650	56,650	62,043	56,963

4 Trade and Other Receivables

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

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

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

5 Inventories

The Council inventories are not pledged as security for liabilities.

6 Other Financial Assets

a) Other Current Financial Assets

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

b) Other Non-Current Financial Assets

Advances to subsidiaries and other loans, advances and community loans are all classified as loans and receivables and are measured at amortised cost. With the exception of shares in subsidiaries all other non-current financial assets are classified as fair value through Statement of Comprehensive Revenue and Expense and are measured at fair value with

any changes in value going to the Statement of Comprehensive Revenue and Expense. These investments are of greater duration than twelve months.

On incorporation, Dunedin City Holdings Limited issued 100,000,000 ordinary shares of \$1 in favour of Dunedin City Council. Only \$100,000 was called and paid up. Since incorporation Dunedin City Holdings Limited has issued additional shares of \$1 each in favour of the Dunedin City Council. During the year Dunedin City Holdings Limited called up 115,839,000 shares to fund the acquisition of Dunedin Venues Limited and Dunedin Venues Management Limited from Council. The remaining uncalled shares carry equal voting rights. The amounts and dates of issue are:

- Incorporation	100,000,000
- May 1996	75,000,000
- March 1999	100,000,000
- June 2002	75,000,000
- September 2008	250,000,000
- April 2011	250,000,000
- June 2016	<u>115,839,000</u>
Total number of Shares	965,839,000
- Incorporation call	(100,000)
- June 2016 call	<u>(115,839,000)</u>
Total number of uncalled shares	849,900,000

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.

The Waipori Fund equity investments have been valued at market value at 30 June 2016. The ongoing assumption in the forecast financial statements is that the value of the equities will not change for the next 10 years.

7 Non-Current Liabilities

Core Council term loans are secured by rates revenue. The term loans of the Council are raised through Dunedin City Treasury Limited, a subsidiary of Dunedin City Holdings Limited.

8 Provisions

Landfill

There are five landfill aftercare provisions dealing with the closed North Taieri landfill, the Green Island landfill and three other provisions dealing with the remaining smaller landfills. The estimated aftercare costs have had an annual inflation rate of 2% applied to them and the aftercare has been estimated to continue until 2043.

Accrued Long Service Leave

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

9 Property, Plant and Equipment

Operational Assets

Land and buildings are valued at fair value as at 30 June 2015.

Infrastructure Assets – Water and Waste

A post opening adjustment on 1 July 2016 of \$130 million has been made to the valuation of water maintenance assets.

Water infrastructure buildings and structures have been valued at depreciated replacement cost as at 30 June 2015.

Waste Services infrastructure buildings and structures have been valued on a depreciated replacement cost as at 30 June 2016.

The water reticulation system was revalued as at 30 June 2015 by Council staff.

The drainage reticulation system was revalued as at 30 June 2015 by Council staff.

Infrastructure Assets – Transportation

Infrastructure assets comprising roads, bridges and footpaths, lights, traffic signals and signs have been valued at depreciated replacement cost as at 30 June 2016.

Landfill Assets

Landfill assets have been revalued as at 30 June 2015 by Council staff.

Restricted Assets

Land and Buildings

Land and road reserves have been valued as at 30 June 2015.

Buildings have been valued as at 30 June 2015.

Hard Surfaces and Reticulation Systems

Hard surfaces and reticulation systems have been valued as at 30 June 2014.

Playground and Soft-Fall Areas

Playground and soft-fall areas have been valued as at 30 June 2016.

Heritage Assets

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

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

The Theomin Collection has also been valued as a heritage asset. The collection was valued at estimated current values as at 30 June 1993. This is at deemed cost.

The Toitū Otago Settlers Museum Collection has been valued at its estimated insurance value in 2002. The value represents its deemed cost. Individual heritage assets have not been valued.

The Rare Book Collection has been valued at market value as at 30 June 2011. The value represents its deemed cost.

Monuments, statues and outdoor art have been valued at depreciation replacement value as at 30 June 2015.

The heritage land and buildings of the Railway Station and the Olveston historic house have been valued as at 30 June 2015.

The Otago Settlers Association has vested land, buildings and the collection in the Dunedin City Council. The land and buildings are valued as at 30 June 2015.

10 Investment Property

Investment Properties and Properties Intended for Sale

Investment properties are revalued annually as at 30 June by independent registered valuers, on a net current value basis. Properties intended for resale are valued at the lower of cost and net realisable value. They have been inflation adjusted annually.

11 Financial Instruments

A Council-owned Company, Dunedin City Treasury Limited, provides services to the Council and other Council-owned companies. It co-ordinates access to domestic financial markets and manages the financial risks relating to the operations of the consolidated entity.

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

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Council. The Council has adopted a policy of only dealing with creditworthy counterparties that are rated the equivalent of investment grade and above. This information is supplied by credit rating agencies. Exposure and credit ratings of counterparties are continually monitored and the aggregate value of transactions undertaken is spread

amongst the approved counterparties. In terms of the ratepayer base, the Local Government (Rating) Act 2002 provides significant legal remedy to recover amounts owing to the Council.

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

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

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

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

Derivatives

As part of the Dunedin City Council Treasury Risk Management Policy (2014), interest rate swaps in the future will be held by Dunedin City Treasury Limited. The assumption included in the forecast financial statements provides for a reducing derivative financial liability as each existing Dunedin City Council interest rate swap matures. All interest rate swaps currently held by the Dunedin City Council mature by July 2022. No allowance is made for any market movement in interest rates.

Effectiveness of Cashflow Hedges

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

Interest Rate Risk

Each entity with material debt within the Dunedin City Council group has its own interest rate risk management policy approved by its own governing body. This policy determines for economic reasons the proportion of projected debt that is fixed by the issue of fixed debt or by interest rate swap. The treasury company monitors on a monthly basis the level of fixed interest rates for the next 10 years and compares this against anticipated debt levels.

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

Currency Risk

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

12 Carry Forwards

The Council has approved the continuation of the Warm Dunedin programme for a further year. This will mean carrying forward unallocated funding from 2016/17 to 2017/18.

Capital expenditure carry forwards are shown in separate columns in the detailed capital expenditure programme.

Changes from the Long Term Plan (comparison to the 2017/18 year)

The 2017/18 budget is the third year of the Long Term Plan 2015/16 (LTP). Due to the nature of forecasts, a number of assumptions have changed since the LTP was developed.

- 1 The 2017/18 forecast included in the LTP has been compared to this budget. A number of the differences follow on from and are consistent with the changes made to the 2016/17 Annual Plan budget.
- 2 Rates revenue is less than forecast in the 2017/18 year of the LTP. The 2017/18 budget increases rates within the 3% limit set in the Financial Strategy. The LTP forecast 5%.
- 3 External revenue is higher than forecast in the 2017/18 year of the LTP. This is mainly due to the additional revenue now forecast for the Green Island Landfill.
- 4 Operational costs are higher than forecast in the 2017/18 year of the LTP. The staff costs reflect additional resources and revised activity structures. The additional operational costs also reflect the increase in maintenance costs.
- 5 Loan interest is lower than forecast in the 2017/18 year of the LTP and is consistent with the changes made in the 2016/17 Annual Plan. It reflects reduced debt levels and the reduced interest rate assumption.
- 6 Depreciation is higher than forecast in the 2017/18 year of the LTP due to the increase in valuation for infrastructure assets.
- 7 The Balance Sheet has been updated to reflect the 2015/16 Annual Report results, carry forward budgets and the revaluation for 1 July 2016.
- 8 Term loans are less than forecast in the LTP which is also consistent with the changes made in the 2016/17 Annual Plan. This is due to proceeds from property sales, additional cash being applied to debt reduction and changes in timing of the capital expenditure programme.

Detailed Capital Expenditure Programme – Inflation Adjusted

For the Years Ending 30 June 2017 to 30 June 2027

* indicates projects with full or partial external funding sources	2016/17 Budget \$'000	2016/7 Carry Forwards \$'000	2016/17 Revised Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000	2022/23 Budget \$'000	2023/24 Budget \$'000	2024/25 Budget \$'000	2025/26 Budget \$'000	2026/27 Budget \$'000
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City Investment

Property – Investment

New Capital

South Dunedin Community Complex				2,000	3,338	0	0	0	0	0	0	0	0
Total	0	0		2,000	3,338	0	0	0	0	0	0	0	0

Renewals

Investment Renewals	667	(660)	7	1,010	360	369	379	389	399	410	420	431	442
Total	667	(660)	7	1,010	360	369	379	389	399	410	420	431	442
Total	667	(660)	7	3,010	3,697	369	379	389	399	410	420	431	442

Roading and Footpaths

Transport

New Capital

Roading Miscellaneous Works	120		120	0	0	0	0	0	0	0	0	0	0
Subdivision Property Purchase	31		31	31	32	33	33	34	35	36	37	38	39
* Mosgiel East	600		600	0	0	0	0	0	0	0	0	0	0
* Mosgiel West B	0			0	993	2,035	0	0	0	0	0	0	0
St Clair Sea Wall, Ramp and Stairs				60	0	0	0	0	0	0	0	0	0
* Traffic Services	3,000	(3,000)		1,500	2,560	2,096	0	0	0	0	0	0	0
* Portobello and Harington Point Road Improvements	10,341	(9,141)	1,200	10,800	7,917	0	0	0	0	0	0	0	0
* Minor Improvements	1,300		1,300	1,360	1,454	1,488	1,525	1,565	1,603	1,643	1,684	1,727	1,771
Street Lighting Improvements	30		30	30	31	31	32	33	34	35	36	37	37
* Strategic Cycle Network	548		548	4,000	0	1,173	1,855	1,524	1,529	1,535	1,574	1,614	1,655
* Strategic Cycle Network – Urban Cycle Fund	200		200	2,000	0	0	0	0	0	0	0	0	0
* Central City Project	0			480	2,488	3,930	3,222	5,510	3,489	0	0	0	0

* indicates projects with full or partial external funding sources	2016/17 Budget \$'000	2016/7 Carry Forwards \$'000	2016/17 Revised Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000	2022/23 Budget \$'000	2023/24 Budget \$'000	2024/25 Budget \$'000	2025/26 Budget \$'000	2026/27 Budget \$'000
Central City Urban Amenity				0	1,664	1,703	2,148	1,102	1,129	926	0	0	0
Total	16,170	(12,141)	4,029	20,261	17,139	12,489	8,815	9,768	7,818	4,174	3,330	3,415	3,502
Renewals													
* Bridge Renewals				0	0	524	537	0	0	0	0	2,432	2,494
* Carriageway Resurfacing	4,000		4,000	3,998	4,094	4,190	4,294	4,406	4,514	4,626	4,741	4,861	4,985
Footpath Resurfacing	1,690		1,690	1,898	2,455	2,513	2,575	2,642	2,594	2,659	2,725	2,794	2,865
Footpath Resurfacing Central Activity Area				0	2,337	2,392	2,451	0	0	0	0	0	0
* Gravel Road Re-metaling	750		750	750	819	838	859	882	903	926	949	973	998
* Major Drainage Control	1,200		1,200	1,166	1,194	1,976	2,025	2,078	2,129	2,182	2,236	2,293	2,351
* Traffic Services Renewal	560		560	560	573	587	601	617	632	648	664	681	698
* Shape Correction: Pavement Rehabilitation	2,000		2,000	2,298	2,353	2,408	2,468	3,744	3,836	3,931	4,030	4,132	4,237
* Structure Component Replacement	1,550		1,550	1,550	1,587	1,624	1,665	1,708	1,750	1,793	1,838	1,885	1,933
Cycle Network Renewals				0	205	210	215	220	226	231	237	243	249
Total	11,750	0	11,750	12,219	15,617	17,262	17,690	16,297	16,584	16,995	17,421	20,294	20,811
Total	27,920	(12,141)	15,779	32,480	32,756	29,750	26,505	26,066	24,402	21,170	20,751	23,708	24,313
Parking Operations													
New Capital													
Total	0	0		0	0	0	0	0	0	0	0	0	0
Renewals													
Pay and Display Machines	300		300	300	308	316	325	222	228	234	240	246	253
Skidata Software Upgrade				0	0	0	0	0	114	0	0	0	0
Total	300	0	300	300	308	316	325	222	342	234	240	246	253
Total	300	0	300	300	308	316	325	222	342	234	240	246	253
Parking Enforcement													
New Capital													
Total	0	0		0	0	0	0	0	0	0	0	0	0
Renewals													
Electronic Ticket Writers	100		100	0	0	0	0	0	0	0	144	0	0
Total	100	0	100	0	0	0	0	0	0	0	144	0	0
Total	100	0	100	0	0	0	0	0	0	0	144	0	0

* indicates projects with full or partial external funding sources	2016/17 Budget \$'000	2016/7 Carry Forwards \$'000	2016/17 Revised Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000	2022/23 Budget \$'000	2023/24 Budget \$'000	2024/25 Budget \$'000	2025/26 Budget \$'000	2026/27 Budget \$'000
Water													
New Capital													
Water Network – Augmentation and Efficiency	100		100	100	205	106	868	112	115	118	121	125	129
Reticulation Development – Zone Metering				150	154	158	0	0	0	0	0	0	0
* Mosgiel East C and West B Watermain				0	682	0	0	0	0	0	0	0	0
Water – Risk, Compliance and Efficiency	105		105	100	103	106	109	112	115	118	121	125	129
Security of Supply	4,629		4,629	210	51	1,372	43	893	0	0	0	0	0
Asset Management Information System (AMIS)	150		150	0	0	0	0	0	0	0	0	0	0
Total	4,984	0	4,984	560	1,196	1,741	1,020	1,116	229	236	243	250	257
Renewals													
Water – Raw Water, Supply and Plant Renewals	1,625		1,625	1,750	1,926	2,216	2,469	2,567	2,237	2,301	2,367	2,436	2,506
Water – Network Renewals	4,968		4,968	5,477	6,364	7,996	9,381	9,066	8,545	8,791	9,044	9,305	9,573
Total	6,593	0	6,593	7,227	8,290	10,212	11,849	11,633	10,782	11,092	11,412	11,741	12,079
Total	11,577	0	11,577	7,787	9,485	11,953	12,869	12,749	11,011	11,328	11,654	11,991	12,336
Wastewater													
New Capital													
Tahuna Biosolids Project	2,300		2,300	0	0	0	0	0	0	0	0	0	0
Wastewater – Risk, Compliance and Efficiency				0	514	528	543	0	0	0	0	0	0
Wastewater – Augmentation and Efficiency	100		100	100	154	158	163	167	172	177	182	187	193
* Reticulation Facilities for Variation 9B	302		302	0	0	0	0	0	0	0	0	0	0
* Burns Street Pump Station Upgrade Variation 15				0	531	0	0	0	0	0	0	0	0
Total	2,702	0	2,702	100	1,199	686	705	167	172	177	182	187	193
Renewals													
Foul Sewer Renewals (Reticulation and Trunk Mains)	3,974		3,974	4,316	4,329	4,448	5,550	6,271	6,748	6,943	7,143	7,349	7,560

* indicates projects with full or partial external funding sources	2016/17 Budget \$'000	2016/7 Carry Forwards \$'000	2016/17 Revised Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000	2022/23 Budget \$'000	2023/24 Budget \$'000	2024/25 Budget \$'000	2025/26 Budget \$'000	2026/27 Budget \$'000
Treatment Plants	850		850	850	873	897	1,465	2,065	2,237	2,301	2,367	2,436	2,506
Total	4,824	0	4,824	5,166	5,202	5,344	7,015	8,336	8,985	9,244	9,510	9,784	10,066
Total	7,526	0	7,526	5,266	6,401	6,030	7,721	8,503	9,157	9,421	9,692	9,972	10,259
Stormwater													
New Capital													
Stormwater – Augmentation and Efficiency	250		250	1,393	51	53	298	307	321	330	340	350	360
Stormwater – Consent Compliance	20		20	20	21	21	22	22	23	24	24	25	26
Total	270	0	270	1,413	72	74	320	329	344	354	364	375	386
Renewals													
Stormwater – Network Renewals	1,969		1,969	2,312	2,693	3,291	3,981	3,650	4,508	4,637	4,771	4,909	5,050
Total	1,969	0	1,969	2,312	2,693	3,291	3,981	3,650	4,508	4,637	4,771	4,909	5,050
Total	2,239	0	2,239	3,725	2,765	3,365	4,301	3,979	4,852	4,991	5,135	5,283	5,436
Solid Waste													
New Capital													
Compost for Final Cap	33		33	0	0	34	35	0	37	0	0	0	0
Green Island Landfill (GILF) Gas Collection System	380		380	0	390	0	249	0	171	0	0	0	0
GILF Litter Fences for New Bunds				0	13	0	0	0	0	0	0	0	0
Waikouaiti Landfill Transfer Station	100	(90)	10	90	0	0	0	0	0	0	0	0	0
Waikouaiti Landfill Decommissioning	100		100	50	0	0	0	0	0	0	0	0	0
GILF Improvements to Final Cap	184		184	100	189	105	199	111	209	117	0	0	0
GILF Leachate System				210	0	221	0	233	0	245	0	0	0
Total	796	(90)	706	450	592	361	482	344	417	362	0	0	0
Renewals													
Green Island Landfill	326		326	326	334	343	352	362	371	381	391	401	412
Renewal of Litter Bins				25	0	26	0	27	0	29	0	30	0
Total	326	0	326	350	334	369	352	389	371	410	391	432	412
Total	1,122	(90)	1,032	800	926	730	835	733	789	772	391	432	412

* indicates projects with full or partial external funding sources	2016/17 Budget \$'000	2016/7 Carry Forwards \$'000	2016/17 Revised Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000	2022/23 Budget \$'000	2023/24 Budget \$'000	2024/25 Budget \$'000	2025/26 Budget \$'000	2026/27 Budget \$'000
Planning and Regulatory Services													
City Development													
New Capital													
Citywide Amenity Upgrades	1,050	(900)	150	1,650	0	0	0	0	0	0	0	0	0
Total	1,050	(900)	150	1,650	0	0	0	0	0	0	0	0	0
Renewals													
Total	0	0		0	0	0	0	0	0	0	0	0	0
Total	1,050	(900)	150	1,650	0	0	0	0	0	0	0	0	0
Regulatory Services													
New Capital													
Total	0	0		0	0	0	0	0	0	0	0	0	0
Renewals													
Noise Meters				35	0	0	0	0	0	0	42	0	0
Total	0	0		35	0	0	0	0	0	0	42	0	0
Total	0	0		35	0	0	0	0	0	0	42	0	0
Community Development and Support													
Civil Defence													
New Capital													
Total	0	0		0	0	0	0	0	0	0	0	0	0
Renewals													
Emergency Equipment Replacement Programme	50		50	0	0	0	0	0	0	0	0	0	0
Total	50	0	50	0	0	0	0	0	0	0	0	0	0
Total	50	0	50	0	0	0	0	0	0	0	0	0	0
Property – Miscellaneous													
New Capital													
Total	0	0		0	0	0	0	0	0	0	0	0	0

* indicates projects with full or partial external funding sources	2016/17 Budget \$'000	2016/7 Carry Forwards \$'000	2016/17 Revised Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000	2022/23 Budget \$'000	2023/24 Budget \$'000	2024/25 Budget \$'000	2025/26 Budget \$'000	2026/27 Budget \$'000
Renewals													
Capital Renewal	170		170	550	529	306	43	67	125	94	132	136	139
Total	170	0	170	550	529	306	43	67	125	94	132	136	139
Total	170	0	170	550	529	306	43	67	125	94	132	136	139
Property – Operational													
New Capital													
Toilets				0	154	158	162	167	171	176	180	185	190
Total	0	0		0	154	158	162	167	171	176	180	185	190
Renewals													
Renewal/Replacement of Building Services	1,090		1,090	580	642	585	574	644	570	585	601	616	632
Public Toilet Renewals	180		180	80	82	84	108	111	114	117	120	123	126
Public Hall Renewals	60		60	40	113	105	103	94	171	181	120	123	126
CCTV Octagon				0	205	0	216	0	0	0	0	0	0
Corporate Furniture	40		40	40	41	42	43	44	46	47	48	49	51
Dunedin Centre Piano Replacement				0	269	0	0	0	0	0	0	0	0
Total	1,370	0	1,370	740	1,353	817	1,044	894	901	930	889	912	935
Total	1,370	0	1,370	740	1,507	975	1,207	1,061	1,072	1,106	1,069	1,097	1,125
Events and Community Development													
New Capital													
* Octagon Christmas Tree				0	82	0	0	0	0	0	0	0	0
Total	0	0		0	82	0	0	0	0	0	0	0	0
Renewals													
Total	0	0		0	0	0	0	0	0	0	0	0	0
Total	0	0		0	82	0	0	0	0	0	0	0	0
Housing													
New Capital													
New Housing Units	100		100	1,000	5,340	1,054	1,082	1,111	1,140	1,170	1,201	1,232	1,264
Total	100	0	100	1,000	5,340	1,054	1,082	1,111	1,140	1,170	1,201	1,232	1,264

* indicates projects with full or partial external funding sources	2016/17 Budget \$'000	2016/7 Carry Forwards \$'000	2016/17 Revised Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000	2022/23 Budget \$'000	2023/24 Budget \$'000	2024/25 Budget \$'000	2025/26 Budget \$'000	2026/27 Budget \$'000
Renewals													
Existing Housing	1,264		1,264	964	954	979	1,005	1,032	1,059	1,087	1,116	1,145	1,174
Total	1,264	0	1,264	964	954	979	1,005	1,032	1,059	1,087	1,116	1,145	1,174
Total	1,364	0	1,364	1,964	6,295	2,033	2,087	2,143	2,199	2,257	2,317	2,377	2,438
Cemeteries and Crematorium													
New Capital													
Total	0	0		0	0	0	0	0	0	0	0	0	0
Renewals													
Chapel Heating	29		29	0	0	0	0	0	0	0	0	0	0
Vehicle and Pedestrian Accessway Renewals	30		30	0	0	142	42	56	154	0	0	0	0
Total	59	0	59	0	0	142	42	56	154	0	0	0	0
Total	59	0	59	0	0	142	42	56	154	0	0	0	0
Museums, Libraries and Art Gallery													
Dunedin Public Libraries													
New Capital													
Heritage Collection Purchases	56		56	56	58	59	61	62	64	66	68	69	71
Heritage Collection Purchases – Trust Funds	10		10	10	10	11	11	11	11	12	12	12	13
Library Project Planning	150		150	0	0	0	0	0	0	0	0	0	0
Central Library Refurbishment				0	0	2,029	2,083	0	0	0	0	0	0
Total	216	0	216	66	68	2,099	2,155	74	76	78	80	82	84
Renewals													
Minor Capital Equipment Purchases	55		55	55	56	57	59	61	62	64	66	67	69
Operational Collections Purchases	848		848	848	923	947	972	998	1,024	1,051	1,079	1,107	1,135
Total	903	0	903	903	979	1,004	1,031	1,058	1,086	1,115	1,144	1,174	1,204
Total	1,119	0	1,119	969	1,047	3,103	3,185	1,132	1,162	1,192	1,224	1,255	1,288
Dunedin Public Art Gallery													
New Capital													
DCC and Donation Funded Acquisitions	85		85	85	87	90	92	94	97	100	102	105	107
* DPAG Society Funded Acquisitions	30		30	30	31	32	33	33	34	35	36	37	38

* indicates projects with full or partial external funding sources	2016/17 Budget \$'000	2016/7 Carry Forwards \$'000	2016/17 Revised Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000	2022/23 Budget \$'000	2023/24 Budget \$'000	2024/25 Budget \$'000	2025/26 Budget \$'000	2026/27 Budget \$'000
DPAG Minor Capital Works	20		20	20	21	21	22	22	23	23	24	25	25
* Additional Collection Store Painting Racks				100	0	0	54	0	0	0	0	0	0
Basement Store				0	0	215	0	0	0	0	0	0	0
Total	135	0	135	235	139	357	200	150	154	158	162	166	171
Renewals													
Heating and Ventilation System	6		6	17	172	330	8	44	9	14	0	0	0
Exhibition Lighting	50		50	0	10	11	11	11	11	12	12	12	13
Security Cameras	25		25	30	31	0	0	0	0	0	0	0	0
Visitor Facilities Upgrade				0	0	53	0	0	57	0	0	0	0
Goods Lift Renewal				0	411	0	0	0	0	0	0	0	0
Chilled Water Pipe Replacement				0	144	0	0	0	0	0	0	0	0
Total	81	0	81	47	768	394	19	55	77	26	12	12	13
Total	216	0	216	282	906	750	219	205	231	184	174	179	183
Toitu Otago Settlers Museum													
New Capital													
OSM Minor Capital Works	20		20	20	21	21	22	22	23	23	24	25	25
OSM Acquisitions	50		50	50	51	53	54	56	57	59	60	62	63
Total	70	0	70	70	72	74	76	78	80	82	84	86	89
Renewals													
Heating and Ventilating Renewal				50	0	0	108	167	114	0	0	0	0
Exhibition IT Equipment Renewal				90	0	0	0	0	0	0	0	0	0
Total	0	0		140	0	0	108	167	114	0	0	0	0
Total	70	0	70	210	72	74	184	245	194	82	84	86	89
Sport, Recreation and Leisure													
Aquatic Services													
New Capital													
* Mosgiel Pool	400	(400)		400	13,865	0	0	0	0	0	0	0	0
Total	400	(400)		400	13,865	0	0	0	0	0	0	0	0

* indicates projects with full or partial external funding sources	2016/17 Budget \$'000	2016/7 Carry Forwards \$'000	2016/17 Revised Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000	2022/23 Budget \$'000	2023/24 Budget \$'000	2024/25 Budget \$'000	2025/26 Budget \$'000	2026/27 Budget \$'000
Renewals													
Moana Pool Double Glazing Replacement	57		57	57	0	0	0	0	0	0	0	0	0
Moana Pool Replacement of Filters				0	62	63	65	0	0	0	0	0	0
Mosgiel Pool	19		19	19	19	20	20	21	21	22	22	23	24
Port Chalmers	19		19	19	19	20	20	21	21	22	22	23	24
St Clair Hot Salt Water Pool	23		23	23	23	24	25	25	26	27	27	28	29
Moana Pool	16		16	16	16	16	17	17	18	18	19	19	20
Gym Equipment Replacement	21		21	21	21	22	22	23	24	24	25	26	26
Total	153	0	153	153	160	164	169	107	110	113	115	118	122
Total	553	(400)	153	553	14,025	164	169	107	110	113	115	118	122
Botanic Garden													
New Capital													
Administration Building Workshop Upgrade	20		20	0	0	0	0	0	0	0	0	0	0
Total	20	0	20	0	0	0	0	0	0	0	0	0	0
Renewals													
Asphalt and Paving Renewal				0	33	21	0	151	1,068	199	123	126	129
Total	0	0		0	33	21	0	151	1,068	199	123	126	129
Total	20	0	20	0	33	21	0	151	1,068	199	123	126	129
Parks and Reserves													
New Capital													
Playground Improvement	20		20	157	161	165	169	174	179	183	188	193	198
Art in Public Places	100		100	0	0	0	108	0	0	0	120	0	0
Logan Park Artificial Turf				1,000	0	0	0	0	0	0	0	0	0
* Reserve Development Mosgiel East	200		200	0	0	0	0	0	0	0	0	0	0
* Reserve Development Mosgiel West				0	0	0	0	1,065	0	0	0	0	0
Total	320	0	320	1,157	161	165	278	1,239	179	183	308	193	198
Renewals													
Irrigation System Renewals				0	0	13	60	0	193	0	0	0	0
Reserve Furniture and Fence Renewals	30		30	30	31	32	33	33	34	35	36	37	38
Specimen Tree Renewals	25		25	25	26	26	27	28	29	29	30	31	32

* indicates projects with full or partial external funding sources	2016/17 Budget \$'000	2016/7 Carry Forwards \$'000	2016/17 Revised Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000	2022/23 Budget \$'000	2023/24 Budget \$'000	2024/25 Budget \$'000	2025/26 Budget \$'000	2026/27 Budget \$'000
Vehicle Accessway Renewals	225		225	350	470	151	264	249	300	419	429	440	451
Harbour Access Facilities Renewals				0	0	0	0	0	0	0	54	0	0
Pedestrian Accessway Renewals	26		26	0	4	96	101	6	60	108	59	60	62
Playground Renewals	279		279	279	287	294	302	310	318	326	335	344	353
Skateboard Renewals				0	64	0	0	0	0	26	0	0	0
Sports Surfaces Renewals	173		173	161	135	138	249	210	239	178	198	203	209
Total	758	0	758	845	1,016	749	1,035	836	1,173	1,121	1,141	1,115	1,144
Total	1,078	0	1,078	2,002	1,177	915	1,312	2,075	1,352	1,304	1,449	1,308	1,342
Corporate Support Activities													
Citifleet													
New Capital													
Total	0	0		0	0	0	0	0	0	0	0	0	0
Renewals													
Vehicle Fleet Replacement	349		349	367	376	387	396	407	417	429	439	452	462
Total	349	0	349	367	376	387	396	407	417	429	439	452	462
Total	349	0	349	367	376	387	396	407	417	429	439	452	462
Property – Management													
New Capital													
Property Management System				0	51	0	0	0	0	0	0	0	0
Total	0	0		0	51	0	0	0	0	0	0	0	0
Renewals													
Total	0	0		0	0	0	0	0	0	0	0	0	0
Total	0	0		0	51	0	0	0	0	0	0	0	0
Council Communications and Marketing Activity													
New Capital													
Web Communications Equipment	50		50	50	51	0	0	111	0	0	60	62	63
Total	50	0	50	50	51	0	0	111	0	0	60	62	63

* indicates projects with full or partial external funding sources	2016/17 Budget \$'000	2016/7 Carry Forwards \$'000	2016/17 Revised Budget \$'000	2017/18 Budget \$'000	2018/19 Budget \$'000	2019/20 Budget \$'000	2020/21 Budget \$'000	2021/22 Budget \$'000	2022/23 Budget \$'000	2023/24 Budget \$'000	2024/25 Budget \$'000	2025/26 Budget \$'000	2026/27 Budget \$'000
Renewals													
Total	0	0		0	0	0	0	0	0	0	0	0	0
Total	50	0	50	50	51	0	0	111	0	0	60	62	63
Business Information Services													
New Capital													
Total	0	0		0	0	0	0	0	0	0	0	0	0
Renewals													
Desktop Equipment	359	(193)	166	516	309	452	602	331	359	378	525	538	552
ICT Infrastructure	155	(43)	112	153	113	116	119	122	125	129	132	136	139
Customer and Regulatory Solutions	625	(571)	54	1,846	674	573	437	643	757	753	569	584	599
Financial and HR Applications	185	(177)	8	327	216	221	238	22	51	269	24	25	25
Digital Workspace and Records Management	115		115	99	237	84	40	141	29	57	87	89	91
Total	1,439	(984)	455	2,941	1,549	1,447	1,436	1,260	1,321	1,586	1,337	1,371	1,407
Total	1,439	(984)	455	2,941	1,549	1,447	1,436	1,260	1,321	1,586	1,337	1,371	1,407
Grand Total	60,406	(15,175)	45,232	65,681	84,039	62,830	63,214	61,659	60,356	56,870	56,993	60,628	62,236

Capital Expenditure Programme – Changes from the Long Term Plan

- 1 The total capital expenditure programme included in the budget is \$65.681 million for the 2017/18 year. This compares with \$68.535 million in the 2017/18 year of the LTP.
- 2 For the 2016/17 year, actual capital expenditure is forecast to be less than 2016/17 Annual Plan budget.
- 3 Timing changes have been incorporated into a number of areas. Details of the changes are provided below.
- 4 The capital expenditure programme will be reviewed in its entirety as part of the development of the next LTP. Issues relating to capacity, resourcing, affordability, ability to spend, deferred maintenance and renewals will be addressed as part of this process.
- 5 Inflation adjusters have not been applied to 2017/18; however, the Long Term Plan did inflate the 2017/18 year. Note the numbers provided in the tables below do not include any allowance for inflation.
- 6 Projects that have indicated to not be completed by 30 June 2017, and will be carried forward to the 2017/18 year or later years, are listed in the column titled Carry Forwards in the Capital Expenditure Programme.

Transport

- 7 The following changes have been incorporated into the capital expenditure programme:
 - a) **Portobello/Harington Point Road Improvement** – the following table compares the 2016/17 and 2017/18 Annual Plan budgets for this project which reflects updated timing. The total budget for this project increases to \$10.8 million in the 2017/18 year. This budget change is funded by funds carried forward from the 2016/17 year and NZTA subsidy.

\$m	Annual Plan 2016/17	Annual Plan 2017/18
2016/17	10.3	1.2
2017/18	9.4	10.8
2018/19		7.7
Total	19.7	19.7

- b) **LED Street Lights** – the following table compares the 2016/17 and 2017/18 Annual Plan budgets for this project which reflects updated timing. The timeframe for delivery of the LED streetlights is updated to reflect a more realistic programme with a decision on the type of lights to be used still required.

\$m	Annual Plan 2016/17	Annual Plan 2017/18
2016/17	3.0	
2017/18	3.0	1.5
2018/19		2.5
2019/20		2.0
Total	6.0	6.0

- c) **Strategic Cycle Network** – the following table compares the 2016/17 and 2017/18 Annual Plan budgets for this project which reflects updated timing. The Council is now far enough through the planning process for this project and there is a good understanding of what can be achieved in the 2017/18 year. The budget has been brought forward to combine funding from the Urban Cycleway Fund, the Council and New Zealand Transport Agency (NZTA). Note the Urban Cycle Funded portion of the project is reduced by \$0.8 million.

\$m	Annual Plan 2016/17	Annual Plan 2017/18
2016/17	0.7	0.7
2017/18	4.8	6.0
2018/19	2.0	
2019/20	1.4	1.1
2020/21	1.4	1.7
2021/22	1.4	1.4
Total	11.7	10.9

- d) **Central City Project** – the urban amenity budget has been transferred from City Development from the 2018/19 year onwards so that all Central City budgets are in the same area.

Property

8 The following changes have been incorporated into the capital expenditure programme:

- a) **South Dunedin Community Complex** – the following table compares the 2016/17 and 2017/18 Annual Plan budgets for this project which reflects updated timing.

\$m	Annual Plan 2016/17	Annual Plan 2017/18
2017/18	2.5	2.0
2018/19	2.8	3.3

- b) **New Housing Units** – the following table compares the 2016/17 and 2017/18 Annual Plan budgets for this project which reflects updated timing.

\$m	Annual Plan 2016/17	Annual Plan 2017/18
2017/18	4.6	1.0
2018/19	1.6	5.2

- c) **CCTV Octagon Renewal** – the following table compares the 2016/17 and 2017/18 Annual Plan budgets for this project which reflects updated timing.

\$m	Annual Plan 2016/17	Annual Plan 2017/18
2017/18	0.2	0.0
2018/19	0.0	0.2

- d) **Dunedin Centre Piano Replacement** – the following table compares the 2016/17 and 2017/18 Annual Plan budgets for this project which reflects updated timing.

\$m	Annual Plan 2016/17	Annual Plan 2017/18
2017/18	0.3	0.0
2018/19	0.0	0.3

- e) **Investment Property Renewals** – the following table compares the 2016/17 and 2017/18 Annual Plan budgets for this project which reflects updated timing.

\$m	Annual Plan 2016/17	Annual Plan 2017/18
2016/17	0.7	
2017/18	0.3	1.0
2018/19	0.3	0.3

City Development

- 9 The 2017/18 budget for amenity upgrades is increased by \$900 k. This will enable the work planned for the Warehouse Precinct to be completed, including the Jetty Street project which is due to commence in May. This expenditure is funded by funds carried forward from the 2016/17 year.

Water and Waste Services

- 10 A \$90 k capital expenditure budget in 2017/18 will allow the completion of the Waikouaiti Landfill transfer station. This expenditure is funded by funds carried forward from the 2016/17 year.

Business Information Services

- 11 An additional capital expenditure budget of \$984 k in 2017/18 will enable replacement of some core systems including the document management system. It will also provide sufficient budget for the replacement of desktop equipment and infrastructure in the 2017/18 year. This expenditure is funded by funds carried forward from the 2016/17 year.

Parks and Recreation

- 12 A capital budget of \$400 k in 2017/18 is tied to the Council's on-going commitment to work with the Mosgiel Taieri Facilities Trust. This expenditure is funded by funds carried forward from the 2016/17 year.
- 13 An additional \$1 million has been added for the proposed Logan Park turf.

Prospective Information

The Council has not presented group prospective financial statements. The prospective financial statements are for the core Council only.

The main purpose of prospective financial statements in the Annual Plan is to provide users with information about the core services that the Council intends to provide ratepayers, the expected cost of those services and, as a consequence, how much the Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements of the Council.

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

The Local Government Act 2002 requires a council to, at all times, have an Annual Plan under Section 95 and includes the information required by Part 2 of Schedule 10.

Under Section 95 of the Local Government Act 2002, the purpose of an Annual Plan is to:

- a) contain the proposed annual budget and funding impact statement for the year to which the annual plan relates; and
- b) identify any variation from the financial statements and funding impact statement included in the local authority's long term plan in respect of the year; and
- c) provide integrated decision making and co-ordination of the resources of the local authority; and
- d) contribute to the accountability of the local authority to the community.

The Council adopted the Annual Plan 2017/18 on 27 June 2017.

The Council is responsible for the forecast financial statements including the appropriateness of the underlying assumptions and other disclosures.

Nature of Prospective Information

The forecast financial statements are prepared in accordance with Tier 1 PBE International Public Sector Accounting Standards (IPSAS) including PBE IPSAS 42. They are prepared on the basis of best-estimate assumptions as to future events, which the Council expects to take place as of 27 June 2017.

Cautionary Note

The forecast financial statements are prospective financial information. Actual results are likely to vary from the information presented, and the variations may be material.

The following assumptions, which have a level of uncertainty of high, could lead to a material difference to the prospective financial statements.

- Solid Waste Governance and Management – a change to governance and management of the Solid Waste activity could result in a change in the nature and composition of assets and liabilities in the forecast financial statements.
- Service priorities and range of services provided – if additional services are provided this could lead to additional operating expenditure, capital expenditure, rates revenue and debt.
- Development Contributions – if the projected revenue from Development Contributions is not received as planned then debt, interest costs and rates revenue will be higher than planned.

Extent to which Prospective Information Incorporates Actual Results

The period covered by the Annual Plan contains no actual operating results, but the forecast balance sheet is extrapolated from the audited Statement of Financial Position included in the Dunedin City Council Annual Report as at 30 June 2016.

Basis of Underlying Assumptions

The Annual Plan brings together summary information from several vastly detailed and comprehensive strategic planning processes. There are a number of Council strategies, plans and policies that guide the Council's decision-making and influence the content of this plan.

All Council departments or activities have prepared 10-year Activity Management Plans. These plans have been prepared using standard templates and business assumptions. The most significant business assumption is the provision of the same level of service, which implies there will be no termination of service for any activity.

Changes to Significant Forecasting Assumptions for the 2017/18 Year

Updated inflation adjustors have been provided by BERL (September 2016).

There are no other changes to significant forecasting assumptions for the 2017/18 year. It should be noted that changes were made in the 2016/17 Annual Plan, see section 2 pages 86-87.

Significant Forecasting Assumptions can be found in Volume 2, Section 2 of the current LTP, pages 173-186.

Inflators Adjustors – BERL September 2016

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
<i>Operating Expenditure</i>										
Inflation Adjustors – Cumulative										
Activity Specific:										
Transportation	100.0%	102.4%	104.8%	107.4%	110.2%	112.9%	115.7%	118.6%	121.6%	124.7%
Water and Waste Services	100.0%	102.7%	105.5%	108.5%	111.6%	114.7%	118.0%	121.4%	124.9%	128.5%
LGCI Operating	100.0%	102.4%	104.9%	107.6%	110.3%	113.1%	116.0%	118.9%	121.9%	125.1%
Inflation Adjustors – Annual										
Activity Specific:										
Transportation		2.4%	2.4%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Water and Waste Services		2.7%	2.7%	2.8%	2.9%	2.8%	2.9%	2.9%	2.9%	2.9%
LGCI Operating		2.4%	2.5%	2.5%	2.5%	2.5%	2.6%	2.5%	2.5%	2.6%
<i>Capital Expenditure</i>										
Inflation Adjustors – Cumulative										
Activity Specific:										
Transportation	100.0%	102.4%	104.8%	107.4%	110.2%	112.9%	115.7%	118.6%	121.6%	124.7%
Water and Waste Services	100.0%	102.7%	105.5%	108.5%	111.6%	114.7%	118.0%	121.4%	124.9%	128.5%
LGCI Capital	100.0%	102.7%	105.4%	108.2%	111.1%	114.0%	117.0%	120.1%	123.2%	126.4%
Inflation Adjustors – Annual										
Activity Specific:										
Transportation		2.4%	2.4%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Water and Waste Services		2.7%	2.7%	2.8%	2.9%	2.8%	2.9%	2.9%	2.9%	2.9%
LGCI Capital		2.7%	2.6%	2.7%	2.7%	2.6%	2.6%	2.6%	2.6%	2.6%

Note: The inflation adjustors have been applied to all operational and capital expenditure and revenue sources.

Restricted Reserves Core Council

Name and brief description of the purpose of the reserve where not indicated in the reserve name.	Opening Balance	Transfers Inwards	Transfers Outwards	Closing Balance	Transfers Inwards	Transfers Outwards	Closing Balance
	2017	2017	2017	2017	2018	2018	2018
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
A. H. Reed Capital Account to extend the Reed library collections	231		(220)	11			11
R. J. Trust Capital Account to extend library collections	279			279			279
G. McKay Housebound Capital Account to extend library collections	10			10			10
Clive R. B. Lister Capital Account to maintain the Clive Lister garden	223			223			223
A. H. Reed Current Account to extend the Reed library collections	13			13			13
R. J. Trust Current Account to extend the library collections	1			1			1
E. E. Carpenter Current Account to extend the consumer library collections	43			43			43
DCC Recreation Loans Reserve to fund small loans to recreation clubs	235			235			235
Self-Funded Insurance Reserve	287			287			287
Air Development Capital Reserve to develop the Taieri aerodrome	344			344			344
CARS Bethunes Operations Reserve	17			17			17
Dog Control Operations Reserve	13			13			13
Roading Property Reserve for property purchases	16	224	(173)	67	224		291
Road Maintenance, 7 View Street, Waitati	9			9			9
Trans Net Mosgiel East	117			117			117
Library Dunningham Bequest	13			13			13
Library General operations Fund Reserve	87		(10)	77		(10)	67
Sportsground Upgrade Logan Park Reserve of development contributions	(288)			(288)			(288)
Sportsground Upgrade Bathgate Park Reserve of development contributions	17			17			17
Sportsground Upgrade Hancock Park Reserve of development contributions	25			25			25
Playground Upgrade Reserve of development contributions	(4)	558	(175)	379	425	(226)	578
Mosgiel East Reserve	225			225			225
Mere Mere Over View Subsidiary Reserve	66			66			66
Aviary Bird Fund Operations Reserve	21		(1)	21		(1)	20
Mediterranean Garden Development Reserve	14			14			14
Craigie Burn Operations Reserve	330			330			330
Ocean View Sand Sausage Reserve	141			141			141
Cemetery Service Fund Maintenance Reserve	2,187			2,187			2,187
Waikouaiti Forest	189			189			189
Walton Park Forest	176			176			176
Wastewater Mosgiel East	39			39			39
Art Gallery Funded Operations Reserve	536			536			536
Sale of Reserve Land Reserve	16			16			16
Hillary Commission General Subsidies Reserve	30			30			30
Harding Bequest Art Gallery Operations Reserve	28			28			28
Waste Minimisation Reserve	425			425			425
EPH Renewal Fund Reserve	1,915			1,915			1,915
Bateman Bequest (AG)	488			488			488
Endowment Property Investment Reserve	998			998			998
Totals	9,512	782	(578)	9,716	648	(236)	10,128

Annual Plan Disclosure Statement

Annual Plan Disclosure Statement for the year ending 30 June 2017

What is the purpose of this Statement?

The purpose of this statement is to disclose the Council's planned 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 plan 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.

Benchmark		Planned	Met
Rates affordability benchmark			Yes
• income	\$138 m	\$138 m	
• increases	3%	3%	
Debt affordability benchmark	\$230 m	\$211 m	Yes
Balanced budget benchmark	100%	100%	Yes
Essential services benchmark	100%	111%	Yes
Debt servicing benchmark	10%	5.9%	Yes

Notes

1 Rates Affordability Benchmark

1.1 For this benchmark –

- a) the Council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan; and
- b) the Council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the Council's long-term plan.

1.2 The Council meets the rates affordability benchmark if –

- a) its planned rates income for the year equals or is less than each quantified limit on rates; and
- b) its planned rates increases for the year equal or are less than each quantified limit on rates increases.

2 Debt Affordability Benchmark

2.1 For this benchmark, the Council's planned borrowing is compared with a quantified limit on borrowing contained in the financial strategy included in the Council's long-term plan.

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

3 Balanced Budget Benchmark

3.1 For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

3.2 The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

4 *Essential Services Benchmark*

- 4.1 For this benchmark, the Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- 4.2 The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

5 *Debt Servicing Benchmark*

- 5.1 For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).
- 5.2 Because Statistics New Zealand projects that the Council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

Additional information or comment

Note 1: Voluntary rates (e.g. Warm Dunedin) are excluded from the Rates Quantified Limits in the 2015/16 – 2024/25 Long Term Plan.

Service Performance Information for 2017/18

Please see Volume 2, Section 2 of the 2015/16 – 2024/25 Long Term Plan for service performance information for the Council's activity groups.

The following change was made in the 2016/17 Annual Plan; no further changes have been made for the 2017/18 year.

Solid Waste – Change to Service Performance Measure

The wording of one measure was modified (in italics) and additional text explaining how it will be represented in the Annual Report added, as shown below:

Level of Service: Waste minimisation targets are met

Measure:

The quantity and quality of diverted material collected via the Dunedin City Council's *kerbside recycling* collection service for diverted material.

(Measured by the quantity of kerbside recycling collected each year and the quantity sold each year).

Results for this measure are presented in a bar chart in the Annual Report, showing the total quantity collected, the proportion of kerbside recycling that is contaminated and goes to landfill, as well as the proportion of kerbside recycling that is sold.

