

Section 5

kaupapa here policies

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kaupapa here whiwhika, tahua revenue and financing policy

Purpose

The Local Government Act 2002 (LGA) requires the adoption of a Revenue and Financing Policy which states the Council's policies on the funding of its operating and capital expenditure and the sources of those funds.

The LGA requires the Council to manage its finances prudently and in a manner that promotes the current and future interests of the community. The Council must ensure that each year's projected operating revenues are set at a level sufficient to meet the year's projected operating expenses. This is the "balanced budget" requirement. However, a council may choose to plan for a deficit provided it has regard to the impact on levels of service, the equitable allocation of responsibility for funding services and its funding and financial policies.

Scope

The Council adopts a Revenue and Financing Policy prior to the adoption of the 10 year plan and may amend sections of it in subsequent Annual Plans. A review of the Revenue and Financing Policy is undertaken as part of the development of each 10 year plan.

Under the LGA this is a two-step process:

The first step, in accordance with LGA Section 101(3) (a), is to consider each of the following in relation to each of the Council's activities:

- a. the community outcomes to which the activity primarily contributes
- b. the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals
- c. the period in or over which those benefits are expected to occur
- d. the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity
- e. the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

The second step, in accordance with LGA Section 101(3) (b), requires the Council to consider the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community.

Policy

Policy details

The Dunedin City Council's funding policy is to treat both operating and capital expenditure in the same way:

- a. The extent to which the provision of a service by the Council is a public or private good will largely determine the extent to which rates or fees and charges fund capital expenditure. For example, if the revenue funding policy for libraries is 95% public good and 5% private benefit, we would expect to fund the capital expenditure on book purchases in the same way, i.e. 95% by general rates and 5% by fees and charges.
- b. Sometimes debt may be used to fund capital expenditure. Its repayment will be made from the same sources in the same ratio as for operating expenditure.

Options for funding Council activities

The Council uses the following sources of funding:

General rates

This is used to fund public goods where it is not possible to clearly identify customers or users. The general rate is also used to fund activities where, for reasons of fairness and equity, consideration of the wider community good indicates that this is the most appropriate way to fund an activity.

The general rate is based on the capital value of each rating unit in the district and will be set on a differential basis based on land use. Capital value is comprised of land value and the value of improvements on the land. The Council will not be using a Uniform Annual General Charge.



Targeted rates

This form of rate is used where an activity benefits an easily identifiable group of ratepayers and where it is appropriate that only this group be targeted to pay for some or all of a particular activity. Dunedin City Council uses the following targeted rates:

- a. Community Services (funding part of the Parks and Reserves and Botanic Garden activities)
- b. Kerbside recycling collection service
- c. Drainage (combined targeted rate for sewage disposal and stormwater)
- d. Commercial drainage – capital value
- e. Water – Ordinary
- f. Water – Volume
- g. Water – Quantity of Water (rating units with water meter or extraordinary water supply)
- h. Fire Protection (water supply for fire protection)
- i. Allanton Drainage
- j. Blanket Bay Drainage
- k. Curles Point Drainage
- l. Tourism/Economic Development
- m. Warm Dunedin
- n. Private Street Lighting

Fees and charges

Fees and charges are direct charges to identifiable people or groups who use certain Council services such as dog control, swimming pools and building inspection. In these instances, identifiable people benefit from those services, and they are required to pay all or part of the cost of that service. Fees and charges are reviewed annually to reflect increased costs of service provision and/or maintain the cost recovery principles underlying the setting of fees.

Development contributions

Development contributions may be recovered from those persons undertaking development, the contribution being a fair, equitable and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

Grants and subsidies

Grants and subsidies are received from external agencies to support certain activities, such as Waka Kotahi New Zealand Transport Agency, which provides subsidies for roading services.

Rents, interest and dividends

The Council receives revenue from property rentals, interest and dividends to help offset the general rate requirement.

Borrowing

While borrowing may be used from time to time, usually to give effect to the principles of intergenerational equity, the repayment and servicing of the debt is funded by rates, fees and charges and other sources. Borrowing is a mechanism only; the revenue and financing policy applies to its repayment and servicing.

Summary of funding options

| | Operating Expenditure | Capital Expenditure |
|------------------------------|-----------------------|---------------------|
| General Rates | ✓ | ✓ |
| Targeted Rates | ✓ | ✓ |
| Fees and charges | ✓ | ✓ |
| Waka Kotahi NZTA income | ✓ | ✓ |
| Rent, interest and dividends | ✓ | ✓ |
| Debt | ✓ | ✓ |
| Proceeds from asset sales | | ✓ |
| Development Contributions | | ✓ |
| Grants and other subsidies | ✓ | ✓ |

New reticulated utility services (water, wastewater or stormwater) policy

In 2010, the Council approved the “New Reticulated Utility Services (Water, Wastewater or Stormwater) Policy” funding policy. The key components of this policy are as follows:

The Council's existing policy on reticulation of services is that services will only be provided for areas which are zoned as requiring access to reticulated water, wastewater and/or stormwater infrastructure, as detailed in rules in the District Plan relating to subdivisions.

New reticulation systems will be considered in existing developed areas not already reticulated where there is a clear and demonstrated need in terms of public health, environmental effects or other significant reason.

If a new system is installed by the Council in terms of 3.2 and 3.3 above, each connection once established, or potential connection will be subject to the Drainage Rate and Water Rate and any other charge applicable to the type of connection, in accordance with the Council's funding policy in operation at that time, to fund the on-going operation of the service.

In addition to the funding of the on-going operational costs, consideration will also be given to the contribution payable towards the capital cost of providing the new reticulated service by those who directly benefit from receiving the new service, based on the following:

For all existing properties (excluding vacant sections), or properties which have a building consent issued, on the date that the Council decides to proceed with any new reticulation service, a percentage contribution up to a maximum of 100% of their share of the assessed cost of providing the service. The percentage contribution will be determined after considering a range of factors listed in the policy.

For all future properties that are built in the area serviced, that are not in existence or do not have building consent issued prior to the date that the Council decides to proceed with any new reticulation service, they shall contribute 100% of their share of the assessed cost of providing the services.

Revenue and financing policy – funding schedule

Table 1 outlines how it is proposed to fund each activity of the Council.

Table 1: Revenue and financing policy

| Activity | 2021-2031 Policy | |
|--|------------------|-----------------|
| | Rates Revenue % | Other Revenue % |
| Roading and footpaths group | | |
| Transport | 62% | 38% |
| Three Waters Group | | |
| Water supply | 80% | 20% |
| Waste water | 98% | 2% |
| Stormwater | 99% | 1% |
| Waste management group | | |
| Landfills | 0% | 100% |
| Refuse/recycling collection and clean ups days | 75% | 25% |
| Waste minimisation | 0% | 100% |
| Reserves and recreational facilities group | | |
| Aquatic services | 55% | 45% |
| Cemeteries (parks and burials) | 50% | 50% |
| Crematorium | 0% | 100% |
| Dunedin Botanic Garden | 98% | 2% |
| Parks and reserves | 96% | 4% |
| Property group | | |
| Community housing | 10% | 90% |
| Other property (incl. operational, investment, and management) | 45% | 55% |
| Galleries, libraries and museums group | | |
| Ara Toi services | 100% | 0% |
| Dunedin Public Art Gallery | 85% | 15% |
| Dunedin Public Libraries | 98% | 2% |
| Lan Yuan Chinese Garden | 75% | 25% |
| Olveston | 33% | 67% |
| Otago Museum levy | 100% | 0% |
| Toitū Otago Settlers Museum | 92% | 8% |

| Activity | 2021-2031 Policy | |
|--|------------------|-----------------|
| | Rates Revenue % | Other Revenue % |
| Regulatory services group | | |
| Animal Services | 10% | 90% |
| Building Services | 25% | 75% |
| Environmental Health | 65% | 35% |
| Liquor Licensing | 10% | 90% |
| Parking Operations | 0% | 100% |
| Parking services (enforcement) | 2% | 98% |
| Economic development group | | |
| Economic development and marketing | 90% | 10% |
| Visitor centre (i-Site) | 60% | 40% |
| Community and planning group | | |
| Community development and events | 95% | 5% |
| City development | 100% | 0% |
| Resource consent management | 60% | 40% |
| Governance and support services group | | |
| Civic & governance support services | 100% | 0% |
| Corporate support services | 90% | 10% |
| Warm Dunedin | 100% | 0% |



Revenue and Financing Policy – Analysis by activity

| Activity | Community outcomes | Who benefits | Period of benefit | Whose acts create a need (actions or inactions) | Separate funding | Funding sources | Rationale |
|------------------------------------|---|---|---|---|--|---|--|
| Roading and footpaths group | | | | | | | |
| Transport | <p>A connected city with a safe, accessible and low carbon transport system.</p> <p>A supportive city with caring communities and a great quality of life.</p> <p>A successful city with a diverse, innovative and productive economy.</p> <p>A compact city with a vibrant CBD and thriving suburban and rural centres.</p> <p>An active city with quality and accessible recreational spaces and opportunities</p> <p>A sustainable city with healthy and treasured natural environments.</p> | The whole community benefits. All people use some form of transport. | <p>Planning for future transportation needs is an ongoing task as our society evolves.</p> <p>The Roothing network will be maintained indefinitely.</p> | There are no actions or inactions of particular individuals or groups that contributed to the need to undertake this activity. | <p>Central government contribution via Waka Kotahi NZTA subsidy.</p> <p>Development Contributions to fund growth portion of capital expenditure.</p> <p>Debt to fund some capital expenditure.</p> | <p>62% general rates.</p> <p>38 % external funding.</p> | <p>This activity is a public good activity and will be funded by the capital value based general rate.</p> <p>Capital expenditure for some projects attracts subsidy from Waka Kotahi NZTA.</p> |
| Three waters group | | | | | | | |
| Water supply | <p>A healthy city with reliable and quality water, wastewater and stormwater systems.</p> <p>A sustainable city with healthy and treasured natural environments.</p> <p>A supportive city with caring communities and a great quality of life.</p> | <p>Users within the network area connected to the system.</p> <p>There are community wide public health benefits from the supply of treated water, and benefits in the availability of water to fight fires.</p> | The Council has committed to undertake this activity for the long term. | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. | <p>Development Contributions to fund growth portion of capital expenditure.</p> <p>Debt to fund some capital expenditure.</p> <p>Commercial and extraordinary supply customers pay for supply.</p> | <p>80% targeted rates, non metered properties.</p> <p>20% water sales (supply measured by water meters).</p> <p>Currently meters are not installed for all customers.</p> | <p>This activity has a limited scope for user charges, and so it will be funded by capital value based general rates.</p> <p>There is a high degree of private benefit, but charging a fee is not possible, as meters are not installed for all customers.</p> |
| Wastewater | <p>A healthy city with reliable and quality water, wastewater and stormwater systems.</p> <p>A sustainable city with healthy and treasured natural environments.</p> <p>A supportive city with caring communities and a great quality of life.</p> | <p>Users within the network area connected to the system.</p> <p>There are community wide public health benefits from the provision of safe and effective wastewater services, and benefits in protecting the environment from pollution.</p> | The Council has committed to undertake this activity for the long term. | Industries producing high volumes of noxious wastewater are charged through trade waste charges. | <p>Development Contributions to fund the growth portion of capital expenditure.</p> <p>Debt to fund some capital expenditure.</p> <p>Trade waste charges for industries.</p> | <p>98% rates</p> <p>2% trade waste, connection fees and other charges.</p> | <p>This activity has a limited scope for user charges, and so it will be funded by capital value based general rates.</p> <p>There is a high degree of private benefit but charging all users a fee (except industries), is not possible.</p> |





| Activity | Community outcomes | Who benefits | Period of benefit | Whose acts create a need (actions or inactions) | Separate funding | Funding sources | Rationale |
|--|---|---|---|---|--|---|---|
| Stormwater | A healthy city with reliable and quality water, wastewater and stormwater systems. A sustainable city with healthy and treasured natural environments. A supportive city with caring communities and a great quality of life. | Individuals the network area connected to the system, protection of private property. There are community wide public health benefits from the stormwater system, and benefits in the protection of city infrastructure. | The Council has committed to undertake this activity for the long term. | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. | Development Contributions to fund the growth portion of capital expenditure. Debt to fund some capital expenditure. | 99% rates 1% external charges for connection fees. | This activity has a limited scope for user charges, and so it will be funded by capital value based general rates. There is a high degree of private benefit, but charging a fee is not possible. |
| Waste management group | | | | | | | |
| Landfills (Including Transfer Stations and closed landfills) | A sustainable city with healthy and treasured natural environments. A supportive city with caring communities and a great quality of life. | Users of the landfills and transfer stations. There are public health and environmental benefits through the safe and appropriate disposal of rubbish, ongoing maintenance at closed landfills. | The Council has committed to undertake this activity for an ongoing period. Closed landfills are managed, monitored and surveyed in excess of 20 years. | The users of landfills and transfer stations create the need for Council to provide these facilities. Closed landfills require after-care management. | Not applicable. | 100% fees and charges. | Users are identifiable and so fees are charged to landfill and transfer station users. Fees paid are used to provide for aftercare on closed landfills. |
| Refuse and Recycling Collection, including clean up days) | A sustainable city with healthy and treasured natural environments. A supportive city with caring communities and a great quality of life. | Domestic and commercial users of collections services. The whole community receives public health benefits through the minimisation of waste going to Landfill, and ensuring streets are kept clean with the provision of public street litter bins and clean up days. | Indefinitely. | Individuals and businesses create waste. Bylaws enable Council to impose fines for littering and illegal dumping of refuse. The Waste Minimisation Act 2008 requires territorial authorities to minimise waste in their district. | Not applicable. | 75% rates, being general rates for litter bins and clean up days, and targeted rates for recycling (kerbside) collection. 25% fees and charges through the purchase of black bags for refuse collection. | Users of the refuse and recycling services are readily identifiable, and so user charges and targeted rates pay for the costs of disposal. Public good services for litter bins and clean up days justify funding through capital value based general rates. |
| Waste Minimisation | A sustainable city with healthy and treasured natural environments. A supportive city with caring communities and a great quality of life. | The community benefits from the Council's commitment to waste minimisation and providing education to the public. | Indefinitely. | The Waste Minimisation Act 2008 requires territorial authorities to minimise waste in their district. | Not applicable. | 100% grant funding from the Ministry for the Environment's Waste Levy. | This activity is fully funded by the Ministry for the Environment through its waste levy. |

| Activity | Community outcomes | Who benefits | Period of benefit | Whose acts create a need (actions or inactions) | Separate funding | Funding sources | Rationale |
|---|--|---|--|---|--|--|---|
| Reserves and recreational facilities group | | | | | | | |
| Aquatic Services | An active city with quality and accessible recreational spaces and opportunities. A supportive city with caring communities and a great quality of life. | Users benefit from personal fitness and competition but there is also a community benefit in providing accessible and affordable facilities. | The Council has committed to undertake this activity for the long term. | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. | External funding from community fund raising for the proposed Mosgiel Aquatic Centre | 55% general rates. 45% fees and charges. | A user charge is a transparent way to charge for the service. As the service also delivers community benefits, general rate funding is an appropriate funding source. User charges should not be set so high as to create a barrier to entry. |
| Cemeteries (Parks and Burials) | A supportive city with caring communities and a great quality of life. | Provision of well-maintained cemeteries is important to the community as a whole. Families using burial services are identifiable for charging purposes. | The Council has statutory and public health responsibilities to provide the service on an ongoing basis. The Council also maintains closed cemeteries. | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. | Not applicable. | 50% fees and charges. 50% general rates. | Fees are charged for burial services. Because of the benefits to the community as a whole it is also appropriate to provide some general rate funding. |
| Crematorium | A supportive city with caring communities and a great quality of life. | The provision of a sensitive crematorium /chapel service is important to the community as a whole. | The Council currently provides this service for the private sector. | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. | Not applicable. | 100% fees and charges. | Fees are charged for the use of cremation facilities. |
| Dunedin Botanic Garden | An active city with quality and accessible recreational spaces and opportunities. A supportive city with caring communities and a great quality of life. A sustainable city with healthy and treasured natural environments. | Visitors to the Garden benefit. The whole community benefits because the Botanic Garden adds to the environment and amenity values of Dunedin. Those leasing space for commercial purposes benefit. | The Council has committed to undertake this activity for the long term. | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. | There would be practical and administrative difficulties with charging visitors to the garden. | 98% community services rate. 2% fees and charges. | As this activity is largely public good, it is primarily funded by the capital value based community services rate. Fees are charged for leased space at the garden. |



| Activity | Community outcomes | Who benefits | Period of benefit | Whose acts create a need (actions or inactions) | Separate funding | Funding sources | Rationale |
|--|--|---|---|---|------------------|---|---|
| Parks and Reserves | An active city with quality and accessible recreational spaces and opportunities. A supportive city with caring communities and a great quality of life. A sustainable city with healthy and treasured natural environments. | The whole community benefits from the provision of recreation reserves and walkways. There are also identifiable users e.g. sports clubs for charging purposes. | The Council has committed to undertake this activity for the long term. | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. | Not applicable. | 96% general and community services rates. 4% fees and charges. | This activity is largely public good with limited scope for user charges and is therefore primarily funded by the capital value based general rate. Fees are charged for booked use of sports fields and facilities. |
| Property group | | | | | | | |
| Other property (incl. operational, community and investment) and property management | A supportive city with caring communities and a great quality of life. A compact city with a vibrant CBD and thriving suburban and rural centres. | Those using the facilities (e.g., Edgar Stadium, community halls) benefit. Commercial users of some of the buildings (e.g., railway station), receive a direct benefit. Lessees of the investment properties benefit from this activity. The wider community benefits from the return on investment properties which are leased out at commercial rates, and from buildings that provide council services for the community, e.g., civic building, library buildings, galleries. The community as a whole benefits from the provision of affordable community facilities. | The Council has committed to undertake this activity for the long term. | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. | Not applicable | 45% general rates. 55% fees and charges. | Those using community facilities are identifiable, however, entry fees are payable to those running the facilities on behalf of council. Maintenance costs are therefore funded by general rates. Tenants of the investment properties and commercial users of some buildings are charged rentals. Operational property provides a public good with limited scope for user charges and is therefore primarily funded by the capital value based general rate. |
| Community Housing | A supportive city with caring communities and a great quality of life. | Tenants of the community housing benefit from the provision of affordable housing. | The Council has committed to undertake this activity for the long term. | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. | Not applicable. | 10% general rates. 90% fees and charges | A user pays policy needs to be balanced against affordability for lower income tenants in the properties, ensuring that they can continue to access affordable housing. |

| Activity | Community outcomes | Who benefits | Period of benefit | Whose acts create a need (actions or inactions) | Separate funding | Funding sources | Rationale |
|---|---|---|---|---|------------------|---|---|
| Galleries, libraries and museums | | | | | | | |
| Ara Toi services | A creative city with a rich and diverse arts and culture scene. A successful city with a diverse, innovative and productive economy. A supportive city with caring communities and a great quality of life. | The recipients of grant funding are direct beneficiaries, however the work they do is for the benefit of the wider community. The wider community benefits through arts and cultural events, and visitors to the city. | The Council has made a commitment to undertake this activity for the long term. | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. | Not applicable. | 100% general rates. | This activity is largely public good and includes providing advice, managing arts grants, and involvement in the City of Literature. It will therefore be funded by the capital value based general rate. |
| Dunedin Public Art Gallery | A creative city with a rich and diverse arts and culture scene. A successful city with a diverse, innovative and productive economy. A supportive city with caring communities and a great quality of life. | Visitors to the gallery. The community benefits through the custodial role the gallery fulfils and its role as a tourist attraction. | The Council has made a commitment to undertake this activity for the long term. | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. | Not applicable. | 85% general rates. 15% fees and charges/ other external charges. | This activity is largely public good. While charging an entry fee is possible, in 2014, Council confirmed a decision to not to charge at cultural institutions, but noting entry fees to special exhibitions, sale of retail items or for hiring the venue etc., are permitted. |
| Dunedin Public Libraries | A creative city with a rich and diverse arts and culture scene. A successful city with a diverse, innovative and productive economy. A supportive city with caring communities and a great quality of life. | Borrowers and visitors who browse, read and research. | The Council has made a commitment to undertake this activity for the long term. | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. | Not applicable. | 98% general rates 2% fees and charges | This activity is largely public good with limited scope for user charges. It will therefore be funded primarily by the capital value based general rate. Fees apply to "Hotpicks", late returns, damages. |
| Lan Yuan Chinese Garden | A creative city with a rich and diverse arts and culture scene. A successful city with a diverse, innovative and productive economy. A supportive city with caring communities and a great quality of life. | Visitors to the garden benefit. The community receives an economic benefit through the garden as a tourist attraction. | The Council has made a commitment to undertake this activity for the long term. | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. | Not applicable. | 75% general rates 25% fees and charges | An entry fee and some charges apply. As the service delivers community benefits, general rate funding is also an appropriate funding source. User charges should not be set so high as to create a barrier to entry. |





| Activity | Community outcomes | Who benefits | Period of benefit | Whose acts create a need (actions or inactions) | Separate funding | Funding sources | Rationale |
|----------------------------------|---|--|---|--|------------------|---|---|
| Oveston | A creative city with a rich and diverse arts and culture scene. A successful city with a diverse, innovative and productive economy. A supportive city with caring communities and a great quality of life. | Visitors to Oveston benefit. There is also a wider economic benefit to the Community through the heritage home as a tourist attraction. | The Council has made a commitment to undertake this activity for the long term. | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. | Not applicable. | 33% general rates 67% fees and charges | An entry fee and some charges apply. As the service delivers community benefits, general rate funding is also an appropriate funding source. User charges should not be set so high as to create a barrier to entry. |
| Otago Museum Levy | A creative city with a rich and diverse arts and culture scene. A successful city with a diverse, innovative and productive economy. A supportive city with caring communities and a great quality of life. | The museum benefits from receipt of the levy, the work it does is for the benefit of the wider community. The community benefits through the custodial role the Museum fulfils and its role as a tourist attraction. | The Council has made a commitment to undertake this activity for the long term, noting that the Otago Museum Trust Board Act is in place. | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. | Not applicable. | 100% general rates | This activity involves paying a levy to the Museum on behalf of the community and will therefore be funded by the capital value based general rate. |
| Toitū Otago Settlers Museum | A creative city with a rich and diverse arts and culture scene. A successful city with a diverse, innovative and productive economy. A supportive city with caring communities and a great quality of life. | Visitors to the museum benefit. The community also benefits through the custodial role the gallery fulfils and its role as a tourist attraction. | The Council has made a commitment to undertake this activity for the long term. | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. | Not applicable. | 92% general rates 8% fees and charges | This activity is largely public good. While charging an entry fee is possible, in 2014, Council confirmed a decision to not to charge at cultural institutions, but noting entry fees to special exhibitions, sale of retail items or for hiring the venue etc., are permitted. |
| Regulatory services group | | | | | | | |
| Animal Services | A supportive city with caring communities and a great quality of life. A sustainable city with healthy and treasured natural environments. | Dog owners, as well as the community at large in terms of educational programmes and the ability to report dog issues and seek assistance. | The Council has made a commitment to undertake this activity for the long term. | The registration fees charged to owners of dogs are in effect a charge on a group of people whose actions require this service to be undertaken. | Not applicable. | 10% general rates 90% fees and charges | The activity is funded from dog registration fees with a small of proportion funded by the capital value based general rate. It is important to ensure that fees are not set so high as to act as a disincentive to registration and compliance. |

| Activity | Community outcomes | Who benefits | Period of benefit | Whose acts create a need (actions or inactions) | Separate funding | Funding sources | Rationale |
|----------------------|---|---|---|---|------------------|--|---|
| Building Services | A supportive city with caring communities and a great quality of life. A successful city with a diverse, innovative and productive economy. A sustainable city with healthy and treasured natural environments. | Applicants for building consents. There is an acknowledgement that there is benefit to the wider community in having consented buildings. | The Council has made a commitment to undertake this activity for the long term. | People who carry out unregulated building activity generate the need for the Council to prevent and reduce the negative effects of this activity. | Not applicable. | 25% general rates 75% fees and charges | Building Consent Authority (BCA) work is funded by consent fees. Affordability issues have to be considered in order to ensure that cost of consents do not act as a disincentive to compliance. Comparison with charges by other Councils is carried out. Non BCA work is funded by General rates as it is a public service. |
| Environmental Health | A supportive city with caring communities and a great quality of life. A sustainable city with healthy and treasured natural environments. | Individual licensees benefit as holding a license allows them to trade. The community receives public health and safety benefits from licensing food premises, regulating industries (e.g. tattooists, beauticians, funeral homes, hairdressers).and responding to complaints in respect to noise and rubbish. | The Council has made the commitment to undertake this activity for the long term. | Licensees and other people who do not comply with any aspects of regulations are required to remedy the problem. | Not applicable. | 65% general rates 35% fees and charges. | There is a significant community benefit from these activities from a health and safety perspective currently and in the longer term. User charges are applied to licensing and regulation activities, and the exacerbator pays principle applies for infringements. |
| Liquor Licensing | A supportive city with caring communities and a great quality of life. | Individual licensees benefit as holding a license allows them to trade. There are public health benefits in terms of reducing the incidence of intoxicated persons in public places. | The Council has made the commitment to undertake this activity in the long term. | Liquor license fees are in effect a charge on the group of premises owners whose application to serve alcohol requires this service to be undertaken. Penalties apply for licence infringements. | Not applicable. | 10% general rate. 90% fees and charges, noting license fees are set by statute. | The Council has a statutory responsibility to provide this service. To the extent that costs are not covered by set licence fees, Council must meet the balance of the cost through general rates. |
| Parking Operations | A connected city with a safe, accessible and low-carbon transport system. A compact city with a vibrant CBD and thriving suburban and rural centres. | Those using the parking services benefit directly from the provision of parking. | The Council has made the commitment to undertake this activity in the long term. | Individual car owners seeking parking in the city close to businesses and retailers. | Not applicable. | 100% fees and charges | Users of the services provided are readily identifiable, and pay through parking meters and pay stations. |





| Activity | Community outcomes | Who benefits | Period of benefit | Whose acts create a need (actions or inactions) | Separate funding | Funding sources | Rationale |
|-------------------------------------|---|---|--|---|------------------|--|--|
| Parking Services (Enforcement) | A connected city with a safe, accessible and low-carbon transport system. A compact city with a vibrant CBD and thriving suburban and rural centres. | Members of the community expect a well organised and policed parking system which will allow them to park once they arrive at their destination | The Council has made the commitment to undertake this activity in the long term. | Individual car owners seeking parking in the city close to businesses and retailers. Those abandoning vehicles. | Not applicable. | 2% general rates 98% fees and charges | Those breaching parking regulations are readily identifiable, and are charged an enforcement fee, noting that enforcement charges/ fines are set by statute. General rates are used for abandoned vehicles when necessary. |
| Economic development group | | | | | | | |
| Economic Development and Marketing | A successful city with a diverse, innovative and productive economy. A creative city with a rich and diverse arts and culture scene. A supportive city with caring communities and a great quality of life. | Businesses that contact the service benefit. The city and the community benefits from work encouraging tourism and promotion of Dunedin, and the economic growth and development activities undertaken. | The Council has made a commitment to undertake this activity for the long term. | There are no actions or inactions of particular individuals or groups that contributed to the need to undertake this activity. | Not applicable. | 90% general and tourism/ economic development rates. 10% external funding (comprised of project based funding from external partners) | This activity is largely public good with no scope for user charges and will therefore be funded by the capital value based general rate. Note: availability of external funding varies from year to year. |
| Dunedin i-SITE Visitors Centre | A successful city with a diverse, innovative and productive economy. | Those businesses that receive bookings through i-Site directly benefit from the service provided. There is a wide economic benefit for the city as a whole through visitor spending in the city on booked accommodation and attractions, and associated retail spending. | The Council has made a commitment to undertake this activity for the long term. | There are no actions or inactions of particular individuals or groups that contributed to the need to undertake this activity. | Not applicable. | 60% general and tourism/ economic development rates. 40% fees and charges | There is benefit to the city in terms of encouraging visitor spending within the city, therefore a proportion of the activity is funded by the capital value based general rate. Commissions from sale of tours, accommodation etc., are received for some of the services provided by this activity. |
| Community and planning group | | | | | | | |
| Community Development and Events | A supportive city with caring communities and a great quality of life. A creative city with a rich and diverse arts and culture scene. | The community benefits through the provision of information, advice and assistance on matters relating to the community for the Council. Community Groups that receive advice and assistance are identifiable. | The Council has made a commitment to undertake this activity for the long term. | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. | Not applicable | 95% general rates 5% grants, fees and charges. | This activity is largely public good with limited scope for user charges and will therefore be funded primarily by the capital value based general rate. |

| Activity | Community outcomes | Who benefits | Period of benefit | Whose acts create a need (actions or inactions) | Separate funding | Funding sources | Rationale |
|--|---|--|---|--|------------------|--|--|
| City Development | A compact city with a vibrant CBD and thriving suburban and rural centres. A connected city with a safe, accessible and low-carbon transport system. A supportive city with caring communities and a great quality of life. A sustainable city with healthy and treasured natural environments | The service benefits the general public through the ability to enjoy an aesthetically pleasing environment | The Council has made a commitment to undertake the activity for the long term | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. Note that costs for private plan changes are recovered. | Not applicable. | 100% general rates | This activity is largely public good with no scope for user charges and will therefore be funded by the capital value based general rate. |
| Resource Consent Management | A compact city with a vibrant CBD and thriving suburban and rural centres. A successful city with a diverse, innovative and productive economy. A sustainable city with healthy and treasured natural environments | Applicants for resource consents benefit. The whole community benefits from compliance monitoring and complaints investigations, ensuring that development occurs with minimal adverse environmental effects, and environmental and amenities standards are maintained. | The Council has made a commitment to undertake this activity for the long term. | There are no actions or inactions that require this service to be provided. | Not applicable | 60% general rates 40% fees and charges. | Funding from fees and charges reflects the Council's decision for resource consent processing to be undertaken on a cost recovery basis Compliance monitoring and complaint investigation is largely public good and is funded from the capital value based general rate. |
| Governance and support services group | | | | | | | |
| Civic and Governance Support Services | A supportive city with caring communities and a great quality of life. | The activity supports the decision-making function of the Council and therefore benefits the community as a whole. | Indefinitely. The Council's decision making function is provided for by the Local Government Act 2002. | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. | Not applicable. | 100% general rates | Funding from capital value based general rates spreads the funding cross the entire community. |
| Corporate Support Services | Indirect contribution to all community outcomes. | Effective support of Council activities. Making available information such as GIS data, Land Information data and Council's archives benefits the whole community. | Indefinitely. The Council's functions are provided for the by Local Government Act 2002. | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. | Not applicable. | 90% general rates 10% external revenue including fees and charges | Identified users are charged fees for some services. Funding the remainder of service provision through the capital value based general rates spreads the funding across the entire community. |
| Warm Dunedin | A supportive city with caring communities and a great quality of life. | Owners who chose to upgrade the insulation and heating their homes through the Warm Dunedin programme. | The Council has made a commitment to undertake this activity for the long term. | There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity. | Not applicable | 100% contribution by user via targeted rates. | Individual applications are made by residents to access funding to improve insulation and heating in their homes. This is repaid via a targeted rate on their property. |



kaupapa heré haumaru takotoraka pūtea treasury risk management policy

Purpose

This Policy document is the Policy document for the Dunedin City Council (“the DCC”). It has been prepared by Dunedin City Treasury Limited (“DCTL”) and before being submitted to the DCC for approval it has been reviewed and approved by the DCTL Board and the Board of Dunedin City Holdings Limited (“DCHL”). It is for the use of all subsidiaries owned by DCC and is the basis for the risk management parameters within the Council’s Liability Management and Investment policies that are approved from time to time by the Council. The entities that this Policy document applies to are collectively called the Dunedin City Council Group (“DCC Group”).

For the purposes of this Policy and as at the date of this Policy, the DCC Group consists of the following entities:

- Dunedin City Council
- Dunedin City Holdings Limited
- Dunedin City Treasury Limited
- Dunedin Stadium Property Limited
- Dunedin Venues Management Limited
- City Forests Limited
- Aurora Energy Limited
- Delta Utility Services Limited
- Dunedin Railways Limited

This Policy is the sole Treasury Risk Management Policy within the Group.

The purpose of the Treasury Risk Management Policy is to set out a prudential framework for the identification, quantification, assessment and management of all financial market risks associated with the Borrowing, Investment, Foreign Exchange and Commodity exposures faced by the DCC Group.

This Policy has been prepared with reference to the relevant sections of the Local Government Act 2002 and its subsequent amendments.

A sound treasury management control framework will assist the DCC Group in achieving its broader business objectives by:

- Managing the cost of debt and treasury investment returns within an appropriate risk management framework;
- Maximising the net worth of its assets; and

The Policy contains specific objectives, policies and reporting requirements for the management of:

- Operational Risk
- Liquidity and Funding Risk
- Interest Rate Risk
- Credit Risk
- Investment Risk
- Foreign Exchange and Commodity Risk

Treasury risk management and related operational risk management are carried out internally by qualified and experienced personnel acting under specific delegations, which ensure appropriate segregation of duties, and act within a best practice code of conduct; and which utilise systems of an appropriate standard incorporating effective reporting.

The DCC has set in place a financial structure to allow effective financial management of its activities on a sound commercial basis. This structure consists of a number of companies which are independently managed through Boards of Directors. Notwithstanding this corporate structure, the benefits of a centralised approach to treasury management have been recognised. This Policy provides a framework for treasury management by the DCC Group.

The DCC by its political nature and the ongoing requirement to deliver appropriate services to its ratepayers and to be the custodian of assets owned by, and for the benefit, of the ratepayers of Dunedin City, has a conservative approach to risk management. This Policy document recognises these principles.

This Treasury Risk Management Policy does not apply to the DCC’s Waipori Fund. The Waipori Fund is governed by a separate Statement of Investment Policies and Objectives (SIPO).



Treasury structure – roles and responsibilities

The roles and responsibilities of the key parties involved in the treasury management process are detailed below.

Currently the board of DCTL and DCHL are composed of the same Board members.

Dunedin City Council

The Council has responsibility for:

- Overall performance of the DCC Group;
- Approving the DCC Treasury Risk Management Policy, on the recommendation of the DCHL Board;
- Approving Council Liability Management and Investment Policies.;
- Approving annual Council borrowing requirements through the Annual Plan;
- Delegating authority to DCTL to undertake Treasury activities on behalf of the DCC;
- Overseeing the DCC Group Treasury activities through regular DCHL reporting and compliance.

DCHL Board

The DCHL Board has responsibility for:

- Overseeing the operations of all subsidiaries under its supervision including treasury risk management activity;
- Recommending that Council approve the DCC Treasury Risk Management Policy, on the recommendation of the DCTL Board;
- Monitoring the performance of DCTL against this Policy by DCTL Board treasury reporting;

DCTL Board

The DCTL Board has responsibility for:

- Assisting the achievement of overall DCC objectives by promoting sound treasury management practices throughout the DCC Group;
- Overseeing the operation and performance of DCTL ensuring that treasury activities within the DCC Group are conducted within agreed risk management parameters;
- Recommending changes to the Treasury Risk Management Policy to the DCHL Board for submission to the Council for approval;
- Monitoring the performance of the treasury operation through the review of regular reports;
- Undertaking an annual internal review of the Treasury Risk Management Policy each year and an external review at least once every three years and recommending any changes to the DCHL Board for approval and subsequent submission to the Council for approval;
- Overseeing implementation of internal or external audit recommendations;
- Reviewing treasury activity through regular treasury reporting;
- Approving transactions, short term facilities or decisions outside the delegated authority of the Treasurer;
- Reviewing performance against benchmarks;

- Reviewing and recommending instruments and techniques to manage risk outside the Treasury Risk Management Policy, to the DCHL Board and Council for approval.
- Confirming any facility agreement between subsidiaries and DCTL including pricing levels and any annual adjustments to base pricing levels attributable to DCTL's actual performance.

DCTL Management

DCTL management have responsibility for:

- Ensuring the DCC Group has necessary funding to meet its obligations, within the boundaries specified in debenture documentation and this Policy;
- The management of all treasury risks within the DCC Group, excluding foreign exchange risk in those circumstances in which the DCHL Board has agreed this will be managed at subsidiary level;
- Managing external financial market relationships;
- Managing internal relationships with DCTL clients;
- Notifying the DCTL Board and General Manager Finance of DCC of any breaches of this Policy, including a plan for remediation, as appropriate;
- Overseeing the operation of treasury information systems;
- Developing and documenting appropriate operational procedures and ensuring an appropriate system of internal control is in place;
- Overseeing implementation of internal or external audit recommendations on treasury related issues after consultation with the DCTL Board;
- Managing the DCC and DCTL annual credit rating review process;
- Reporting to the DCTL board the overall activities and results of DCTL in accordance with Section 13;
- Advising the DCC Group entities on foreign exchange risk management policies, financial products and techniques as requested;

Breach reporting

Any breaches of the Treasury Risk Management Policy are to be advised in the first instance to the DCTL Board and General Manager Finance of DCC by the Treasurer within 1 business day of the breach being detected. This notification will outline the nature of the breach, its causes, and recommendations to rectify the breach.

The DCHL Board, Audit and Risk Subcommittee of Council and Council will be notified of all breaches (whether rectified or not) no later than their next scheduled meetings.

Operational risk and internal control policy

Purpose

The Operational Risk Policy addresses the risk incurred by an organisation's internal activities. Operational risk is the risk of loss resulting from inadequate or failed internal process, people and systems, or from external events.



Policy statement

DCTL manages this exposure by:

- Ensuring the Treasury function is operating in a controlled manner and that adequate internal control procedures are in place for measurement and management of the various functions undertaken by the Treasury function;
- Ensuring the Treasury function has adequate systems in place for the management of financial risk;
- Ensuring Treasury function employees are suitably qualified and trained to undertake and perform financial risk management activities; and
- Ensuring legal enforceability of financial management contracts.

A formal 'Treasury Procedures Manual' of written procedures/protocols for the treasury management function must be maintained detailing each stage of each procedure for the processing and checking of treasury transactions. The Manual also details paper-flow, files, registers, internal controls and accounting treatment of all transactions. It also includes guidelines and precedent documents.

The procedures manual is a live document and requires updating with any significant change to procedures that arise.

All DCC Group entities are responsible for implementing and reviewing their own appropriate operational and internal controls.

Delegated authorities to management for initiating financial transactions, appropriate dealing limits, and authorisation and settlement conditions are to be confirmed by the DCTL Board.

Interest rate risk policy

Purpose

Interest rate risk management has the objective of managing the Council's interest rate exposures in order to:

- Give a sufficient level of certainty to the Council's funding costs while, at the same time, allowing the Council to participate if interest rates move favourably.
- Control variations in interest expense for the debt portfolio from year to year, taking into consideration relevant budgetary assumptions.

Management of interest rate risk

Interest rate risk is managed by implementing the following:

Annual forecasts of long term debt are to be provided to DCTL by each member of the DCC Group.

It is the responsibility of each DCC Group entity to advise DCTL of any change to long term debt forecasts as and when any change occurs throughout the year.

DCTL maintains an approved debt interest rate reset profile within the debt interest rate resetting profile detailed below. Fixed rate debt is defined as having a re-pricing or rollover date of more than 12 months into the future.

The hedging limits apply to forecast debt as identified on an annual basis.

| Fixed Rate Maturity Profile Limit | | |
|-----------------------------------|---------------|------------------|
| Period ¹ | Minimum Cover | Maximum Cover |
| 0- 2years | 40% | 100% |
| 2-5 years | 20% | 80% |
| 5-10 years | 0% | 60% |
| 10-15 years | 0% | 35% ¹ |

Specified permitted debt instruments are detailed in the Permitted Investment instruments policy below.

All interest rate hedges are entered into by DCTL with external counterparties.

Other DCC Group entities are precluded from entering into any financial transactions with external counterparties.

The Management of Interest Rate Risk excludes the assets of the Waipori Fund.

Liquidity and funding risk policy

Liquidity risk

Liquidity and funding risk management is associated with ensuring the availability of sufficient funds to meet the DCC Group's financial commitments in a timely manner. It is also associated with planning for unforeseen events which may curtail cash flows and cause pressure on liquidity. These risks include:

- An unplanned reduction in revenue thus reducing cash receipts;
- Unexpected business disruption;
- Unplanned capital or operating expenditures;
- External market liquidity; To manage liquidity risk the Group must maintain committed funding facilities with New Zealand Registered Banks or from the capital markets or using funds on deposit with a New Zealand Registered Bank or with authorised fixed interest investments at a minimum level of 10% above the projected peak debt total over the ensuing 12 month period.
- DCTL is to maintain a liquidity buffer or committed bank debt facilities that are sufficiently large enough to cover all debt maturities in the two month period following the reporting date. In addition, facilities will be of sufficient size to also cover forecasted incremental term debt issuance.

Funding risk

Funding risk is the risk to the DCC Group of not being able to re-finance or raise new debt at a future time at competitive rates, fees and borrowing margins, and also terms.

A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time so that if any unforeseen events occur, the overall interest cost is not materially increased because of adverse margin changes, adverse base interest rates or a lack of availability of funds.

¹ Interest rate hedging can extend beyond 10 years to a maximum of 15 years with DCTL Board approval.



The DCC Group aims to manage this risk by having its funding facilities spread over a reasonable period of years and from a range of funding sources.

To spread this risk, it is prudent to have the total debt spread so that there is a maximum amount maturing in any 12-month period.

The policy control in relation to funding risk is:

- No more than \$350 million can mature on a rolling 12 month basis and at least 20% of total debt must have a maturity greater than five years (but no more than 12 years without DCC approval).

Funding within the DCC Group

DCTL provides all funding to DCC Group entities. DCTL is the sole borrowing entity and it manages interest rate risk for the Group.

Funding provided by DCTL will be in the form of two different Tranches.

Tranche 1: Funding provided by DCTL related to existing interest rate hedging arrangements DCTL will provide funding to DCC Group entities on a floating rate basis priced off the three-month BKBM FRA rate at the day of drawdown plus a pre-agreed margin detailed in the specific funding facility documentation for that entity.

Tranche 2: All funding unrelated to existing interest rate hedging arrangements will be provided by DCTL on a fixed rate basis and not as a margin to the floating BKBM rate. This will be calculated by DCTL after considering the actual expected cost of funds for the financial year of DCTL.

The actual interest expense recognised for each DCC Group entity each financial year will be based on DCTL's actual cost of funds plus a margin to reflect the costs of operating DCTL. At the end of each financial year each DCC Group entity will be subject to an internal adjustment to underlying interest expense based on floating rates as above and any residual fixed rate swaps to ensure actual interest expense is in line with DCTL performance.

Because all interest rate risk management is at the DCTL level interest rate expense will not be a KPI for any DCC Group entity other than DCTL. However, KPI's for the DCC Group entities around accuracy of cash flow projections, debt projections etc are expected to be implemented.

Permitted debt and derivative instruments policy

Purpose

The Permitted Debt Instruments Policy describes the instruments which can be transacted, having regard to any legislative requirements and the potential risks that may need to be hedged and the risk inherent in the instruments.

Permitted instruments

This list of permitted instruments for debt management is:

Borrowing Instruments

- Bank overdraft
- Committed bank facilities
- Commercial Paper issuance

- Fixed Rate Bonds, Floating Rate Notes from the domestic debt capital markets

LGFA Funding

DCTL may borrow from the LGFA and, in connection with that borrowing, may enter into any agreement to the extent considered appropriate including:

- Contribute a portion of borrowing back to the LGFA as an equity contribution to the LGFA e.g. borrower notes;
- DCC may provide a guarantee over indebtedness to the LGFA;
- DCC may accept a transfer from DCTL of Borrower Notes issued by the LGFA;
- DCC may contribute additional equity (or subordinated debt) to the LGFA if required
- DCC may secure its borrowings from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over DCC's rates and revenue (using a Debenture Trust Deed), or
- DCC may subscribe to the shares and uncalled capital of the LGFA

In connection with any borrowing from the LGFA, the Council and or the DCC Group must also comply with all relevant financial covenants/ratios of the LGFA as follows:

| Financial Covenant | Foundation Policy Covenant |
|----------------------------------|----------------------------|
| Net Debt/Total Revenue | <280% |
| Net Interest/Total Revenue | <20% |
| Net Interest/Annual Rates Income | <30% |
| Liquidity | >110% |

LGFA Alternative Net Debt to Total Revenue Foundation Policy Covenant for the financial years ending June 2021 to 2025:

| Financial Year ending | Net Debt/Total Revenue |
|-----------------------|------------------------|
| 30 June 2021 | <300% |
| 30 June 2022 | <300% |
| 30 June 2023 | <295% |
| 30 June 2024 | <290% |
| 30 June 2025 | <285% |

Derivative Instruments

- Forward interest rate agreements (FRA's)
- Interest rate swaps
- Interest rate options (purchase of caps or collars only)
- Options on interest rate swaps

Any combination of these instruments is permitted.

Derivative instruments permitted under this Policy may be used for hedging purposes or to position the portfolio for interest rate moves within the constraints contained in the Interest Rate Risk Policy. The following specific policy constraints are required:

- All hedging transactions must relate to an underlying debt exposure and no speculative transactions can be undertaken;

- Where possible any instruments used should be designated as effective hedges for accounting purposes and should be matched to physical debt in DCTL's debt portfolio. If this is not possible the potential impact must be advised to the Boards of DCTL and DCHL and the Council before the transaction is undertaken; and
- Interest rate options are not permitted to be sold except to cancel a previously purchased option where hedging is no longer required or where the option is combined with a purchased option of matching maturity and principal in the course of executing an interest rate collar strategy.

Cash management policy

Definition of policy purposes

Cash management is concerned with ensuring the best use of available cash resources. This requires organising the collection and disbursement systems in such a way as to maximise the investment of and to limit the borrowings of funds. Accurate and timely forecasting of cash movements by the DCC Group is essential.

Cash management practices are to focus on cost effective collection of funds, achieving minimal float, retention of funds for as long as possible and controlled disbursement.

Cash accountability

DCTL is responsible and accountable for the investment of surplus cash and financing of short-term borrowings. The Finance Manager or equivalent within each DCC Group entity co-ordinates procedures that support the achievement of the overall DCC Group cash management objective and advises the Assistant Treasurer as to cash requirements.

Responsibility for operating a cash efficient operation ultimately rests with the individual Group entities, which must have systems in place to ensure the efficient management of their cash flows and to be able to work proactively with DCTL to achieve this. Responsibility for developing controls and procedures is that of the individual entity's Finance Manager (or equivalent) with such controls and procedures reviewed by DCTL to ensure practical application can be achieved.

Bank account structure

The location and counterparties of Council's accounts form the bank account structure. The DCC limits the number of accounts to the minimum necessary to service financial requirements. All DCC Group entities must have their transactional banking with the same financial institution.

Funding DCC accounts

All accounts are funded directly by DCTL. This funding will be made in accordance with agreed funding limits and agreements. The DCC Group entities must endeavour to maintain an adequate balance in their bank accounts. Surplus balances should be monitored closely, and excess funds used to reduce debt enabling the efficient use of funds within the Group.

Cash collection and disbursement

The bulk of revenues are received on cyclical or regular intervals and are typically divorced from expenditure which is incurred on an ongoing basis. This cash flow pattern emphasises the importance of accurate cash flow forecasts and efficient cash collection and disbursement mechanisms.

Investment management policy

Purpose

The Investment Management Policy establishes appropriate benchmarks (for performance measurement) and prudent limits for the management of surplus funds. The investment management objective is to optimise returns subject to maintaining an appropriate risk profile.

Rationale

The objective of investment management is to achieve an appropriate return consistent with the risk assumed. While the DCC Group has a number of cash and fixed interest investments in place currently that provide income and also a source of liquidity, the aim going forward is to have the bond holdings repaid on maturity (even if there is an option to reinvest) and, unless approved by Council, there will be no new investments entered into for a term in excess of one year. Cash investments will by nature become a function of liquidity and cash flow management and DCTL will endeavour to minimise outstanding borrowings by applying material cash surpluses to debt reduction. At its discretion DCTL can sell bonds held before maturity subject to market conditions, term to maturity, actual interest income received against average cost of debt for DCTL and potential capital gains. Unless there are credit concerns about any holding DCTL should not consider sales at a capital loss, rather hold to maturity and thus receive the whole face value back. Any such sales must be approved by the DCTL Board.

Policy parameters

The following controls apply:

- All investments are to be in accordance with the Permitted Investment Instruments Policy and the Credit Risk Policy below;
- Investments in risk-leveraged derivative instruments are not permitted; and
- Investment performance is to be benchmarked against an appropriate index as agreed between the Treasurer and the DCTL Board.

Permitted investment instruments policy

Purpose

The Permitted Investment Instruments Policy describes the investment related instruments which can be transacted having regard to any legislative requirements and the potential risks faced by the DCC Group and inherent in the instruments.

Permitted instruments

The list of permitted instruments for investment are:

Investments Instruments

- Bank deposits (maximum 365 days)
- Commercial Paper (maximum 365 days)
- Fixed Rate Bonds, Floating Rate Notes from the domestic debt capital markets (maximum 365 days to maturity) other than residual bond holdings at the time of this Policy's approval.

Local government funding agency

DCC and DCTL may invest in shares and other financial instruments of the LGFA and may borrow to fund that investment. The objective in making any such investment will be to:

- Obtain a return on the investment; and
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Group.

Because of this dual objective, DCC and DCTL may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

Credit risk policy

The risk of financial loss that could accrue to the DCTL from the non-settlement of financial transactions requires a separate credit limit to be established for all external counterparties.

No transaction will be entered into with any outside counterparty for whom an approved credit limit has not been established within the parameters detailed in this Policy.

Maximum counterparty credit limit

The maximum credit limit which is to be applied to any outside counterparty reflects the maximum exposure in total likely to be incurred at any one time, the maximum loss which could be sustained by DCTL without affecting viability and the benefits of risk reduction through diversification.

Individual counterparty credit limits

Rated Organisations

Individual credit limits will be determined by reference to credit rating published by internationally recognised rating agencies. Principal use will be made of S&P Global Ratings or the Moody's Investor Services or Fitch Ratings equivalents.

Limits will be assigned on the basis of their relative standing in respect of the maximum available rating and the maximum counterparty credit limit. Formulas and limits are set out in 'External counterparty credit limits' below. All limits are to be approved by the DCTL Board.

Unrated Organisations

No limit will be established for unrated organisations without Council approval. The Treasurer will provide a formal request in support of any application including the cost benefit of contemplating such a relationship.

External credit limit operation

DCTL will ensure that information is available on total exposure to counterparties and that proposed transactions can be assessed against available limits.

Counterparties exceeding limits must be advised in the first instance to the DCTL Board and General Manager Finance of DCC by the Treasurer within 1 business day of the breach being detected. This notification will outline the nature of the breach, its causes, and recommendations to rectify the breach.

The Treasurer may recommend with immediate effect the termination or reduction in the limit of a counterparty at any time.

External counterparty credit limits

The following schedule confirms the approved limits and includes the Waipori Fund:

| Instrument | Long Term S&P Rating (or Moody's or Fitch equivalent) | Maximum exposure to any one counterparty with this rating (\$ million) |
|----------------------|---|--|
| All Exposures | AAA | \$150 |
| All Exposures | AA to AA+ | \$100 |
| All Exposures | AA- | \$60 |
| All Exposures | A to A+ | \$50 |
| Residual Investments | BBB to A- | \$5 |

Exposures are to be calculated as follows:

Cash/Bonds 100% of face value including accrued interest

Other Exposures

Potential Credit Exposure Calculations (PCE):

| | | |
|---------------|---------------------------------------|-------------|
| | MTM + FV | MTM + FV |
| FX forwards/ | x remaining tenor(y) | x remaining |
| options | x 10% Interest Rate | tenor(y) |
| | Swaps | x 1.00% |
| Interest Rate | | |
| Options | MTM + FV x remaining tenor(y) x 1.00% | |

(Where Mark to Market "MTM" is positive if the position is in the money for DCTL and negative if it is out of the money for DCTL).

For each instrument, if MTM + PCE is negative, a nil value is assigned. If the total exposure for any one FI is net out of the money for DCTL, then a nil value is used when calculating total exposure for the relevant credit band.

DCTL will report monthly on actual credit usage by all of the DCC Group with all external counterparties against the approved limits.



Internal credit risks

The credit risk is managed as follows:

- No transaction is to be undertaken unless it is formally documented as a facility agreement which includes the facility limit and is approved by the DCTL Board and the relevant DCC entity Board.
- No security arrangements are required for all entities that are ultimately 100% owned by the DCC.

Foreign exchange risk policy

The Foreign Exchange Risk Policy establishes guidelines under which foreign exchange risk management occurs.

The management of Foreign Exchange Risk excludes the assets of the Waipori Fund.

The objective of the Policy is to mitigate the potential for financial loss arising through unfavourable movements in exchange rates.

Permitted instruments

In addition to foreign currency spot transactions the DCC Group can enter into the following instruments to manage foreign exchange risk by undertaking:

- Forward foreign exchange transactions; and
- Foreign exchange options.

The maximum contract term and amount for any hedging instrument is the same as the underlying contract exposure. Hedges are undertaken to match the expected payment or receipt of a firm commitment.

Hedging parameters

- The various DCC Group entities will monitor their net foreign exchange position in all currencies. Any foreign currency exposure greater than NZ\$100,000 by individual contract, is deemed significant and subject to this Policy, needs to be notified to DCTL within one business day of the commitment being entered into;
- Net foreign currency exposures in excess of NZ\$100,000 are to be fully hedged within one business day of the exposure being notified to DCTL. Exposure is defined to exist at the firm commitment of an approved sale or purchase in a foreign currency.

Hedging at subsidiary level

An individual DCC Group entity can manage its own foreign exchange exposures subject to approval from the DCTL Board and subject to a formal foreign exchange risk management policy being developed by the entity, reviewed by DCTL and approved by the entity's Board and the DCTL Board.

However, this would only be expected to occur if the entity had ongoing foreign exchange transactional exposures linked to export receipts or import payments that are a core part of the underlying business, e.g. the foreign exchange exposures are ongoing and directly related to - day-to-day business activities.

In these circumstances hedging transactions with external counterparties will be executed by DCTL upon instruction from the entity. All such deals will be in the name of the hedging entity to avoid the requirement for internal transactions to be completed.

City Forests has its own Foreign Exchange Risk Management Policy as approved by the Boards of City Forests and DCTL.

Commodity risk policy

The Commodity Risk Policy establishes guidelines under which commodity price risk management occurs.

Rationale

The objective of the Policy is to mitigate the potential for financial loss arising through unfavourable movements in commodity prices. This commodity transaction risk can result in the DCC's cash flows being adversely affected by movements in commodity prices that will change the New Zealand dollar (NZD) value of commodity payables or receipts.

If material exposures exist which are ongoing (defined as an underlying exposure in excess of NZ\$500,000 equivalent per annum), DCTL will work with the entity to develop an appropriate policy to manage that risk with the policy being submitted to the DCTL Board for approval.

The DCC and City Forests have their own Carbon Risk Management Policies. The City forests Carbon Risk Management Policy has been approved by the Boards of City Forests and DCTL.

For clarity the trading in physical forest assets are not considered a commodity.

Any one-off commodity exposures (defined as in excess of NZ\$50,000) will be reviewed by DCTL which will recommend a potential hedging strategy to the Board of the DCC Group entity incurring the exposure. Any such hedge must be approved by the DCTL Board.

Reporting

Management reports

Management reports for the DCTL Board are produced on a monthly basis providing the following categories of information:

- Approved facility limits provided to DCC entities, and current utilisation.
- External counterparty limit utilisation for the DCC Group.
- Measurement of interest rate hedging, maturity profile and liquidity levels against Treasury Risk Management Policy parameters.
- Details of DCC Group FX hedging against policy parameters.
- Quarterly reporting that measures the actual interest cost against interest expense in the current Annual Plan and also current LTP.

Reporting to DCTL board

The DCTL Board will be provided with a monthly report of Treasury activity. The report will include details of any exception to the Treasury Risk Management Policy and information supporting any decisions required of DCTL, DCHL or Council where authority has not been delegated to management.



Performance measurement

Definition for policy purposes

Performance measurement is the analysis of DCTL activity in order to compare actual achievement with the objectives established for its operation. Without such a systematic and objective approach no judgements can be formulated as to achievement, as to whether the DCC is receiving value from DCTL and as to what improvements have been made.

Establishing performance indicators

Performance indicators are established annually in the Statement of Intent. Performance indicators for the treasury functions must:

- be consistent with the objectives established for treasury management and be recast as changes occur in short or long term objectives;
- have a time horizon chosen for measurement purposes which is relevant; and the targets must be achievable; and
- have targets agreed by all involved but at a minimum will compare average all up interest rate (% terms) against current Annual Plan budget and current LTP budget.
- a separate measurement of the performance of the Interest Rate Risk Policy itself (i.e. the success and continued appropriateness of the risk control limits stipulated in the Policy and the performance of working within the Policy limits is desirable. Measuring actual results (e.g. average funding cost should be measured and reported against a Board approved market benchmark.

Performance measurement reporting

A quarterly report to the DCHL and DCTL Boards will update performance against the key indicators agreed.



kaupapa heré whakaheke rēti, whakakoréka rates remission and postponement policy

Purpose

- To support fairness and equity of the rating system.
- To provide certainty about sources and levels of funding.
- To provide financial assistance or support for ratepayers where they might otherwise have difficulty meeting their rate payment obligations.
- To support broader Council policy objectives.

Scope

Dunedin City Council sets rates under section 23 of the Local Government (Rating) Act 2002. Rates are used by Council to fund the balance of its costs once all other funding sources are taken into account.

Section 102 of the Local Government Act 2002 provides that a council may have a rates remission and postponement policy.

This policy contains the full details of each remission and postponement scheme as well as outlining the objectives and criteria for each scheme and applies to every ratepayer or their agent (as defined within the policy).

Once adopted this policy must be reviewed at least once every 6 years.

Definitions

“Financial Hardship” means that the ratepayer is unlikely to have sufficient funds after the payment of rates for the care of any dependents, reasonable living expenses, health care, and provision for the maintenance of their home and chattels.

“Land Use” is whereby a person: leases the land; resides on the land; de-pastures or maintains livestock on the land; stores anything on the land; and/or uses the land in any other way.

“Māori Freehold Land” is land

- that has been investigated by the Māori Land Court and a freehold order has been issued, or
- was set aside by the Crown as Māori freehold land and awarded by Crown Grants to specific individuals, or
- has had the status determined as Māori Freehold Land by order of the Māori Land Court.

Māori Freehold Land is held by individuals who have shares together as tenants in common.

“Multiple Owners” in respect to Māori Freehold Land, is land owned by more than one person.

“Rates instalment notice” is a quarterly rates invoice for a rating unit.

“Rating unit” is the unit of liability (land) that gives rise to the obligation on the ratepayer to pay rates.

“Register” is a database maintained for the purpose of recording properties of which the Council has agreed to remit.

“Remitted Rates” are rates for which the requirement to pay is remitted.

1 General provisions

- 1.1 All applications under this policy must be made in writing, using the prescribed form unless expressly declared otherwise in this policy. Copies of the prescribed forms may be obtained from the Council Offices or Customer Service Centres.
- 1.2 All applications must be made by the ratepayer or their authorised agent, (but exclude a mortgagee of the ratepayer).
- 1.3 A reference to a ratepayer is reference to all persons entered on the Council’s rating information database in respect of that rating unit.
- 1.4 All applications will be considered on their individual merits and on a case by case basis.



2 Remission of rates for *extrême* financial hardship

Objective

- 2.1 To assist ratepayers experiencing extreme financial hardship while providing for the collection of rates.

Conditions and Criteria

- 2.2 Applications for remission of rates for an amount of up to one rate instalment may be made by a ratepayer (or their agent) where the following can be demonstrated to the Council's satisfaction:
- 2.2.1 That the rating unit to which the application relates is the primary private residence owned and occupied by them, or farmland occupied by the ratepayer.
 - 2.2.2 The ratepayer does not own (or have an interest in) any other rating units, including investment properties (whether in the district or another), with the exception of farmland which may include several rateable units that are used as one farming unit.
 - 2.2.3 The ratepayer does not have the financial capacity to pay their rates instalment when demanded or the payment of the rates instalment would create extreme financial hardship for the ratepayer.
 - 2.2.4 The remission will apply for the rating year in which the application is made.
 - 2.2.5 The ratepayer is not in arrears from a previous rating year.

3 Postponement of rates for *extrême* financial hardship

Objective

- 3.1 To assist ratepayers to continue to live in their own home where they are experiencing financial hardship which temporarily affects their ability to pay rates.

Conditions and criteria

- 3.2 Applications for the postponement of up to 100% of rates may be made by a ratepayer (or their agent) who can demonstrate the following to the Council's satisfaction:
- 3.2.1 That the rating unit to which the application relates is the primary private residence owned and occupied by the ratepayer, or is farmland occupied by them.
 - 3.2.2 There are no outstanding rate arrears owed in respect of the rating unit.
 - 3.2.3 The ratepayer does not own (or have an interest in) any other rating units or investment properties (whether in the district or another), with the exception of farmland which may include several rateable units that are used as one farming unit.
 - 3.2.4 The ratepayer does not have the financial capacity to pay their rates, or the payment of rates would create financial hardship.

- 3.3 The ratepayer may be required to make arrangements acceptable to the Council, for payment of future rates.
- 3.4 Any postponement will continue to apply until the earliest of the following:
 - 3.4.1 the death of the ratepayer(s); or
 - 3.4.2 the ratepayer(s) cease to be the owner or occupier of the rating unit; or
 - 3.4.3 the ratepayer(s) cease to use the property as his/her residence; or
 - 3.4.4 a date specified by the Council; or
 - 3.4.5 at the ratepayer's request.
- 3.5 The Council may charge an annual fee to cover the Council's administrative and financial costs, on postponed rates for the period that the rates are postponed.
- 3.6 The postponed rates or any part thereof may be paid at any time. The ratepayer may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
- 3.7 Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the Council will have first call on the proceeds from the sale or lease of the rating unit. All costs associated with the statutory land charge, including but not limited to preparation and registration of the statutory land charge, will be met by the ratepayer.
- 3.8 A postponement will apply from the beginning of the rating year in which the application is made and will end at the conclusion of the rating year.
- 3.9 Penalties will not be applied or will be remitted for any rates that have been postponed.
- 3.10 The Council may require a ratepayer to make an application each year for continued postponement.
- 3.11 The ratepayer agrees to meet any Council costs associated with granting the postponement.

4 Remission of penalties

Objective

- 4.1 To set parameters for the Council to remit penalties where it is fair and equitable to do so, and to encourage ratepayers to pay arrears and keep payment up to date.

Conditions and criteria

- 4.2 Applications for the remission of up to 100% of any penalties can be made by a ratepayer who can demonstrate that they meet one or more of the following criteria:
- 4.2.1 Compassionate reasons (including the illness or death of a spouse or partner).
 - 4.2.2 The rate account went to the wrong address.
 - 4.2.3 The ratepayer did not receive an account.
 - 4.2.4 The Council made a mistake.
 - 4.2.5 Previous owners did not pay rates in full before property sale was completed.

- 4.2.6 Monies received on time but credited to a different rate account due to a ratepayer supplying an incorrect reference number.
- 4.2.7 Previous history of prompt payment and is paying the rate account within 10 days of the instalment due date, or as soon as practicable and offers a reasonable excuse for tardiness.
- 4.3 An application for this remission need not be in writing unless the penalty is in excess of \$100.
- 4.4 Penalties will not be applied where a ratepayer has entered into a repayment agreement satisfactory to Council and makes the agreed regular rate payments.
- 4.5 Where a ratepayer has not paid the first instalment by the due date of that instalment but pays the total annual rates and charges by the second scheduled instalment due date, late payment penalties on the first instalment will be remitted.

5 Remission for certain targeted rates on farmland

Objective

- 5.1 To support fairness and equity of the rating system by providing for relief from certain targeted rates for rural land, which is non-contiguous, farmed as a single entity and owned by the same ratepayer.

Conditions and criteria

- 5.2 Applications for 100% remission of applicable targeted rate(s) may be received from ratepayers of rural land, which is non-contiguous, farmed as a single entity and owned by the same ratepayer.
- 5.3 Applications may be made in respect of any targeted rate set on the basis of a fixed dollar charge per rating unit. The ratepayer will remain liable for at least one set of each type of charge and must meet the following criteria:
 - 5.3.1 The rating units must be owned by the same ratepayer.
 - 5.3.2 Only one of the units may have any residential dwelling situated on the rating unit which is occupied by the ratepayer as their principal private residence.
- 5.4 Where any of the rating units lies within the district of an adjoining Local Authority which applies their sets of Targeted Rates to the rating units in the District, the Council may wave the applicable targeted rate(s) on those rating units.
- 5.5 If a remission is approved, the ratepayer will only be charged one set of targeted rates each rating year.
- 5.6 A remission will apply from no later than the beginning of the next rating year commencing 1st July from which the application is made until the occupier no longer meets the criteria above.

6 Remission for certain targeted rates on farmland and commercial land used by the same ratepayer as a single entity

Objective

- 6.1 To support fairness and equity of the rating system by providing relief from certain targeted rates on Farmland and Commercial properties where the ratepayer occupies and uses the adjoining land as one unit.

Conditions and criteria

- 6.2 Applications for 100% remission of applicable targeted rate(s) may be received from ratepayers of rural land, which is contiguous, farmed as a single entity and owned by the same ratepayer.
- 6.3 Applications may be made in respect of applicable targeted rate(s) set on the basis of a fixed dollar charge per rating unit. The ratepayer will remain liable for at least one set of each type of charge.
- 6.4 The granting of this remission is subject to all of the following conditions:
 - 6.4.1 all Rating Units must be occupied by the same ratepayer
 - 6.4.2 all Rating Units must be used by the ratepayer as a single entity
 - 6.4.3 all Rating Units must be contiguous or separated only by road, railway, drain, water race, river or stream
 - 6.4.4 the number of Community Services Targeted rates is limited to the number of inhabited dwellings on each rating unit
 - 6.4.5 the occupier is unable to negotiate a lease compliant with the Local Government (Rating) Act 2002.
- 6.5 If a remission is approved, the ratepayer will only be charged one set of targeted rates each rating year.
- 6.6 A remission will apply from no later than the beginning of the next rating year commencing 1st July from which the application is made until the occupier no longer meets the criteria above.

7 Remission of certain targeted rates for a family flat

Objective

- 7.1 To support fairness and equity of the rating system by providing relief from certain targeted rates where the ratepayer occupies and uses a second self-contained dwelling on their property for family use and does not rent the flat on the open market separately from the main dwelling.

Conditions and criteria

- 7.2 Applications for 100% remission of applicable targeted rate(s) may be received from ratepayers that have a second self-contained dwelling on their property, owned by the same ratepayer.



- 7.3 Applications may be made in respect of any targeted rate set on the basis of a fixed dollar charge per rating unit. The ratepayer will remain liable for at least one set of each type of charge.
- 7.4 The granting of this remission is subject to all of the following conditions:
- 7.4.1 all Rating Units must be occupied by the same ratepayer
 - 7.4.2 all Rating Units must be used by the ratepayer as a single entity
 - 7.4.3 the number of Community Services Targeted rates is limited to the number of inhabited dwellings on each rating unit
- 7.5 If a remission is approved, the ratepayer will only be charged one set of targeted rates each rating year.
- 7.6 A remission will apply from no later than the beginning of the next rating year commencing 1st July from which the application is made until the occupier no longer meets the criteria above.

8 Remission of rates on land voluntarily protected for conservation purposes

Objective

- 8.1 The policy is intended to support the Council's goal – *"To promote a quality environment and sustainable management of our resources by ensuring that existing values are not compromised and by encouraging improvement."*
- 8.2 To encourage property owners to protect and preserve open spaces within the city for the benefit and enjoyment of present and future generations of the people of Dunedin.

Conditions and criteria

- 8.3 On application by the ratepayer the Council may remit 100% of rates for any period where a rating unit meets the following criteria:
- 8.3.1 The rating unit is within the city. It may be a part of a larger property in which case the area concerned shall be separately rated; and
 - 8.3.2 The rating unit is an area of land listed in Schedule 25.4 of the District Plan as an area of significant conservation value or the landowner has agreed for the land to be so listed; and
 - 8.3.3 The conservation of the rating unit contributes to the benefit and enjoyment of citizens of Dunedin by preserving particular natural or historic or cultural features within the district. This could include, but is not limited to, the following features:
 - A specific area of forest or bush; or
 - A specific visual or scenic feature of the landscape; or
 - Any specific feature the conservation of which, in the view of the Council, meets the Council's goal in regard to the environment.

- 8.4 When determining an application, the Council shall have regard to the following matters:
- 8.4.1 the desirability of preserving particular natural or historic or cultural features within the district
 - 8.4.2 whether, and to what extent, the preservation of particular natural or historic or cultural features might be prejudicially affected if rates remission is not granted in respect of the land on which they are situated
 - 8.4.3 whether, and to what extent, preservation of particular natural or historic or cultural features are likely to be encouraged by the granting of rates remission
 - 8.4.4 the extent to which the preservation of different types of natural, historic, and cultural features should be recognised by different criteria and conditions for rates remission, and whether different levels of rates remission should apply
 - 8.4.5 the extent to which rates remission should be available where the preservation of natural or historic or cultural features does not restrict economic utilisation of the land;
 - 8.4.6 such other matters as the Council considers relevant.
- 8.5 The Council may impose conditions on a property owner when granting relief.

Explanatory Note - Where the rating unit is owned or used by and for the purposes of the Queen Elizabeth the Second National Trust it is non-rateable under the Local Government (Rating) Act 2002

9 Remission of rates following a natural disaster or calamity

Objective

- 9.1 To provide rates relief to ratepayers where the use of any rating unit has been detrimentally affected by erosion, subsidence, submersion or any natural disaster, and where Government funds that rates relief.

Conditions and criteria

- 9.2 An application may be made by a ratepayer for remission of up to 100% of their rates for the period for which the rating unit is uninhabitable or the use is detrimentally affected by erosion, subsidence, submersion or any natural disaster.
- 9.3 The remission will apply only to each single event and to the rating unit affected by such an event.
- 9.4 The granting of this remission is subject to all of the following conditions:
- 9.4.1 The Government has established and approved a reimbursement scheme for rates remitted for such properties
 - 9.4.2 Applications for this remission must be in writing describing the nature of the event, the steps being taken to return the rating unit to a usable state and provide an estimate of the time the rating unit is expected to be affected.

9.4.3 All applications must be made within three (3) months of the event.

9.4.4 Council can set additional criteria for each event, as criteria may change depending on the nature and severity of the event and available funding at the time.

9.5 Council may require other records, such as Insurance claims, as part of the approval process

10 Remission of rates for unexpected events

Objective

10.1 To support fairness and equity of the rating system by providing rate relief for any unexpected event where it may be considered appropriate to do so.

Criteria

10.2 Council may resolve to remit any rate or rate penalty for any unexpected event, where it considers that is appropriate, fair and equitable to do so.

11 Remission of rates on Māori freehold land

Objective

11.1 The objectives of this policy are to:

11.1.1 Recognise situations where there is no occupier or person gaining an economic or financial benefit from the land.

11.1.2 Recognise situations where land use is limited due to the physical accessibility of the land.

11.1.2 Recognise situations where land use is limited due to the marginal quality of the land.

11.1.4 Recognise situations where there are no practical means of enforcing the rates assessed due to the dispersion of multiple owners.

11.1.5 To account for the importance of the land relating to the preservation of the natural character of the coastal environment, the protection of outstanding natural features and the protection of significant indigenous vegetation and significant habitats of indigenous fauna; and land that is set aside as whenua rāhui.

11.1.6 Encourage owners or trustees to use or develop the land.

Conditions and Criteria

11.2 Applications may be made to remit all or part of the rates (including penalties for unpaid rates) on Māori freehold land

11.3 A register titled the Māori Freehold Land Rates Remission Register ("the Register") will be maintained by Council to record properties for which it has agreed to remit rates pursuant to this policy.

11.4 Rates may only be remitted where the rating unit has been entered onto the Register.

11.5 The criteria for eligibility for entry to the Register are as follows:

11.5.1 The land listed on the application must be Māori Freehold Land.

11.5.2 The matters listed in Schedule 11 of the Local Government Act 2002 will be taken into account.

11.5.3 The land must be unoccupied by any persons, with no place of residence built thereon.

11.5.4 No income is derived from any use of the land.

11.6 The Council reserves the right to seek further information as the Council deems necessary.

11.7 The application must include reasons why the remission is sought and demonstrate the objectives of this policy that will be achieved by the granting of the rates remission.

11.8 Where the land is vested in multiple owners, a copy of the minutes authorising individuals to act for the other owners should be enclosed, if it can be practicably obtained.

11.9 The Register will be reviewed annually, and eligible landowners may need to re-apply at the request of the Council. If the land has been developed within this period and/or any use of the land has become capable of generating an income, the rates will cease to be remitted from 1 July the following year.

11.10 The Council may at its own discretion add the land to the Register without an application, if it is considered reasonable in the circumstances to do so in accordance with the eligibility requirements in Clause 11.5.

11.11 The extent of the rates remission is at the sole discretion of the Council. This policy does not provide for the permanent remission of rates and the remission may be cancelled or reduced at any time.

12 Postponement of rates for Māori freehold land

12.1 There is no specific policy for the postponement of rates on Māori freehold land, however, other Council rates postponement policies may apply.



kaupapa heré takoha whakawhanaketaka development contributions policy

Overview

The Dunedin City Council (DCC) is expected to continue to experience growth in resident population, visitor numbers, development and economic activity. The DCC must make significant investment in additional assets and services, and assets of greater capacity, in order to meet the demands of growth. The Development Contributions Policy ('this Policy') provides a transparent and consistent basis for requiring contributions from developers towards the capital expenditure incurred to provide for growth.

This Policy has been prepared in accordance with the Local Government Act 2002. Development Contributions are defined by the provisions of Part 8 Subpart 5 and Schedule 13 of the Local Government Act 2002. The DCC is required to have a Development Contributions Policy as a component of its Funding and Financial Policies in its 10 year plan under section 102(2)(d) of the Local Government Act 2002.

Development in the Mosgiel Plan Change Areas will be subject to a private development agreement. Charges will be a combination of the applicable city-wide charges and projects specific to the plan change area.

Definitions

The terminology used in this Policy is consistent with the definitions in section 197 of the Local Government Act 2002.

Purpose

The purpose of development contributions is to enable the DCC to recover from those persons undertaking development a fair, equitable, and proportionate portion of the costs of capital expenditure necessary to service growth. This Development Contributions Policy ensures that growth, and the cost to provide for growth, is funded in a fair and reasonable manner by those who create, or those who have created, the need for that cost. The DCC's baseline position is that it is inappropriate to burden the community as a whole, by way of rating or other payment means, to meet the cost of growth.

The DCC intends to entirely fund the portion of capital expenditure that is attributable to growth by development contributions wherever it is legislatively permitted, fair, equitable, and proportionate to do so.

Development contributions are not a tool to fund the cost of maintaining or improving/changing levels of service for existing users. These costs will be met from other sources.

Principles and approach

The DCC is permitted by section 199 of the Local Government Act 2002 to require development contributions, subject to the limitations specified by section 200. The sustainable management of the DCC's network of community facilities is important. Growth through development places demands upon such networks in the form of increased use, additions or expansion. The District Plan seeks to ensure that such demands are managed in a planned and integrated manner. This Policy will ensure that the costs of additional community facilities are funded in a fair, equitable and proportionate manner by those who create the additional demand.

Under this Policy, development contributions may be required in relation to developments if the effect of the developments is to require new or additional assets or assets of increased capacity and, as a consequence, the DCC incurs capital expenditure to provide appropriately for community facilities. The effect includes the cumulative effects that a development may have in combination with another development.

A development contribution may be required for capital expenditure that the DCC has already incurred in anticipation of growth.



The DCC will adopt the following approach to fund the growth component of the capital expenditure for community facilities:

- A development contribution will be payable for any development which creates an additional unit of demand, within any area of Dunedin City, for: Water Supply; Transportation; Wastewater; Community Infrastructure; Stormwater, and; Reserves.
- A development contribution payable will be based on the development funding up to 100% of the assessed growth cost of community facilities attributable to the additional demand resulting from that development.
- The DCC may amend this Policy to require contributions for any development that creates additional units of demand:
 - » in areas that have been identified for growth through a change made to the District Plan after 19 April 2004; and
 - » in areas where capital expenditure has been or will be incurred to provide for additional capacity in network infrastructure in anticipation of future growth.

Schedules will identify the community facility and the relevant geographic area of benefit where development contributions will be required. Each schedule will contain the standard development contribution required and reference a map showing the area of benefit. Should the DCC approve a water supply or wastewater connection to a property outside the areas of benefit specified in this Policy, an applicable area of benefit will be determined by the DCC and the corresponding development contribution will apply.

Reasons

Section 106(2)(c) of the Local Government Act 2002 requires the DCC's development contributions policy to explain why the DCC has determined that it is appropriate to use development contributions as a funding source, by reference to the matters in section 101(3) of the Local Government Act 2002.

For the purposes of section 101(3)(a) community outcomes are as identified in 'Section 2.1 – Our Strategic framework' of the Dunedin City Council 10 year plan 2021-31. For the purposes of this Policy, activities have been grouped into:

- Reserves and Community Infrastructure
- Utilities – Water Supply, Wastewater and Stormwater
- Transportation – Roding and Footpaths

This Policy has been established to support these activities and help deliver the community outcomes to which each group of activity primarily contributes as shown below:

| Relevant activity | Community Outcome |
|--|---|
| Transportation (Roding and Footpaths) | A connected city with a safe, accessible and low-carbon transport system |
| Utilities (Water Supply, Wastewater and Stormwater) | A healthy city with reliable and quality water, wastewater and stormwater systems |
| Reserves and Community Infrastructure (Parks and Reserves) | An active city with quality and accessible recreational spaces and opportunities |

For each activity the DCC has determined that development contributions are an appropriate method of funding growth costs, following consideration of each matter specified in section 101(3) of the LGA 2001, and documented in Table 1.

Each matter has been considered for each activity, however in some cases the reasons given are valid for all activities. Where this is the case Table 1 shows the common reasons applicable to all activities.

Table 1: Considerations of Section 101(3) of the Local Government Act 2002

| Reserves and Community Infrastructure | Utilities (Water supply, wastewater and stormwater) | Transportation |
|---|---|---|
| Reserves and Community Infrastructure are managed city- wide as a network providing a variety of active and passive recreation opportunities to all residents. The network also provides amenity, landscape and ecological benefits for City residents. | Water supply, Stormwater and Wastewater networks throughout the city are provided to levels appropriate to sustain the density of use provided for in that locality. These networks are recognised by the District Plan, which utilises zoning to provide for use and development to ensure sustainable management of existing infrastructure and any extensions. The three networks are grouped together as they share similarities in their management and in terms of the effects any extensions have upon them. | The Transportation network is maintained throughout the city at an appropriate level to ensure accessibility for all possible origins and destinations, and to provide for all possible activities. |



| Reserves and Community Infrastructure | Utilities (Water supply, wastewater and stormwater) | Transportation |
|--|--|---|
| Section 101(3)(a)(i) the community outcomes to which the activity primarily contributes; | | |
| An active city with quality and accessible recreational spaces and opportunities | A healthy city with reliable and quality water, wastewater and stormwater systems | A connected city with a safe, accessible and low-carbon transport system |
| Section 101(3)(a)(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; | | |
| <p>Existing community and growth community</p> <p>Capital expenditure will provide capacity, and therefore benefit, to the existing community, the growth community, or both these groups. The DCC intends to recover the cost of growth from the growth community via development contributions. Improving levels of service, historical catch-up or asset renewal will be funded by other sources of revenue by the existing community. In determining the value of the benefits being received by the growth community, it is assumed that the value of those benefits is equal to the cost of providing them.</p> <p>Each item of capital expenditure undergoes a cost driver analysis to define the benefit, and the cost, attributed to each part of the community using one or many of the following cost drivers:</p> <ul style="list-style-type: none"> • Growth • Level of Service • Renewal <p>The growth costs provide for new or additional assets or assets of increased capacity to meet the demands growth places on community facilities.</p> | | |
| <p>Areas of benefit</p> <p>Each area of benefit is a defined geographic area with a separate development contribution. The areas of benefit reflect the variations in the cost of providing assets according to the characteristics of each particular locality and the nature of the works required.</p> | | |
| <p>The DCC intends to use two areas of benefit for Reserves and Community Infrastructure to distribute the benefits:</p> <ul style="list-style-type: none"> • Dunedin Metropolitan • Dunedin Other <p>A decision was made that the Transportation area of benefit boundary should also apply to Community Infrastructure and Reserves. Areas that have a high utilisation of the inner-city transport network are likely to use the inner city Reserves and Community Infrastructure assets.</p> <p>The growth costs for each project have been apportioned to both areas based on the following variables:</p> <ul style="list-style-type: none"> • Location of capital works • Cross border benefit/utilisation between the two areas | <p>The DCC intends to use the scheme boundaries to define the areas of benefits for the Water Supply and Wastewater contributions. These are:</p> <p>Water Supply</p> <ul style="list-style-type: none"> • Dunedin Central (Greenfields and Brownfields) • Rockland Rural • Waikouaiti and Karitane • West Taieri <p>Wastewater</p> <ul style="list-style-type: none"> • Dunedin Central (Greenfields and Brownfields) • Middlemarch • Seacliff • Waikouaiti/Karitane and Warrington <p>Stormwater has a single city-wide area of benefit however it has been determined that this charge will not apply in the Allanton, Karitane, Merton, Middlemarch, Outram, Rockland Rural, Seacliff, Warrington, Waitati and West Taieri areas of benefit which have no or minimal stormwater provision.</p> | <p>The DCC intends to use two areas of benefit for Transportation to distribute the benefits:</p> <ul style="list-style-type: none"> • Dunedin Metropolitan • Dunedin Other <p>The core philosophy behind this decision is that the Dunedin Metropolitan area of benefit defines an area in which there are a high proportion of commuters which travel into Dunedin's main urban area and that developments in this area should pay a different contribution to those that use mainly rural and township roads.</p> <p>The growth costs for each project have been apportioned to both areas based on the following variables:</p> <ul style="list-style-type: none"> • Location of capital works • Cross border benefit/utilisation between the two areas |

| Reserves and Community Infrastructure | Utilities (Water supply, wastewater and stormwater) | Transportation |
|--|---|--|
| Section 101(3)(a)(iii) the period in or over which those benefits are expected to occur; | | |
| <p>Capital expenditure often has benefits extending beyond the ten year plan planning horizon. For each of the individual capital expenditure projects, the DCC determines the length of time over which the asset created by that expenditure will provide a benefit to the community. The DCC also determines the capacity of that asset and the amount of capacity that will be utilised by the growth community. The use of development contributions ensures that existing rate payers are not paying for the infrastructural capacity that they do not require, and this ensures intergenerational equity.</p> <p>Once a development contribution has been paid in relation to a development, the benefits of the asset, service, or environmental enhancement shall occur indefinitely.</p> | | |
| Section 101(3)(a)(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; | | |
| <p>The DCC has projected the extent of growth within the City. The DCC has also identified its capital expenditure necessary to meet the needs of the growth community. Funding the cost of providing increased capacity in community facilities through development contributions, rather than rates serviced debt, promotes equity between the existing community and the growth community.</p> <p>The areas of benefit discussed above in 101(3) (a) (ii) also ensures the growth costs are attributed to those which contribute to the need to undertake the activity.</p> | | |
| Land Use Categories | | |
| <p>The DCC will use land use categories to ensure the growth costs are attributed to identifiable parts of the growth community which contribute to the need to undertake the activity. Growth in each land use category generates a different demand for community facilities and therefore each land use shall pay appropriate fair, equitable and proportionate contribution.</p> | | |
| <p>The land use categories used for Reserves and Community Infrastructure (CI) are:</p> <ul style="list-style-type: none"> • Residential • Rural Residential • Visitor Accommodation • Commercial (CI only) • Farming • Industrial (CI only) University/ Polytechnic – • Accommodation • University/Polytechnic – Other (CI only) | <p>The land use categories used for Utilities are:</p> <ul style="list-style-type: none"> • Residential • Rural Residential • Visitor Accommodation • Commercial • Farming • Industrial • Otago University/Polytechnic – Accommodation • Otago University/Polytechnic – Other | <p>The land use categories used for Transportation are:</p> <ul style="list-style-type: none"> • Residential • Rural Residential • Visitor Accommodation • Commercial • Farming • Industrial • Otago University/Polytechnic – Accommodation • Otago University/Polytechnic – Other |
| Section 101(3)(a)(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; | | |
| <p>Development contributions received for a specific activity will only be used for, or towards, the capital expenditure of that activity for which the contribution was required.</p> <p>Using development contributions to fund the cost of providing additional community facilities provides greater transparency. This enables the DCC's growth costs to be recovered from developers through development contributions. The benefits of this approach are deemed to exceed the costs of assessing development contributions.</p> | | |
| Section 101(3)(b) the overall impact of any allocation of liability for revenue needs on the community; | | |
| <p>The liability for revenue falls directly with the growth community. At the effective date of this Policy, the DCC considers that any negative impact of the allocation of liability for revenue on this particular sector of the community is outweighed by a positive impact on the wider community. At any stage in the future where there may be impacts of this nature, the DCC may revisit this policy.</p> | | |

The full methodology that demonstrates how the calculations for development contributions were derived is contained in the Detailed Supporting Document, which is available to the public as per section 106(3) of the Local Government Act 2002.



When will contributions be required?

Section 198 of the Local Government Act 2002 gives territorial authorities the power to require a contribution for developments.

The DCC will assess whether development contributions are payable when:

- a Resource Consent is granted.
- a Building Consent is granted.
- a Certificate of Acceptance is issued for building work situated in its district (whether issued by the territorial authority or by a building consent authority), or
- an Authorisation for a Service Connection is granted.

Enforcement powers

If payment of development contributions is not received the DCC will enforce powers outlined in Section 208 of the LGA 2002.

Until a development contribution required in relation to a development has been paid or made under section 198, the DCC may:

- in the case of a development contribution required under section 198(1)(a),
 - » withhold a certificate under section 224(c) of the Resource Management Act 1991:
 - » prevent the commencement of a resource consent under the Resource Management Act 1991:
- in the case of a development contribution required under section 198(1)(b), withhold a code compliance certificate under section 95 of the Building Act 2004:
- in the case of a development contribution required under section 198(4A), withhold a certificate of acceptance under section 99 of the Building Act 2004:
- in the case of a development contribution required under section 198(1)(c), withhold a service connection to the development:
- in each case, register the development contribution under subpart 5 of Part 3 of the Land Transfer Act 2017, as a charge on the title of the land in respect of which the development contribution was required.

Financial contributions

Councils have the option to use either the provisions of the Resource Management Act 1991 (Financial Contributions) or those of the Local Government Act 2002 (Development Contributions) or a combination of both to obtain funds or land from developers. Councils must ensure that they do not 'double dip' for the same infrastructure.

The DCC has decided to establish its Development Contributions Policy within the requirements of the Local Government Act 2002.

Which policy will apply

It is proposed that this Policy will apply to applications for resource consent, building consent or service connection received after 1 July 2021.

In all other cases, the DCC will apply the provisions of the previous Development Contributions Policy.

Capital expenditure

Only capital expenditure is considered in determining development contributions charges under this Policy. All operational expenditure is excluded, including internal overheads.

Capital expenditure is identified from two sources, namely.

- The latest Annual Plan/Long Term Plan – future capital expenditure
- Historic financial reports – historic capital expenditure. Historic growth-related capital expenditure will only be included:
 - » Where there is a current debt balance, and
 - » Where there is documented evidence that there was a growth component to the project. The documented evidence must have existed at the time of construction.

Capital expenditure is considered in nominal (current day) dollars, and interest considerations are included.

All third-party funding is excluded from the capital expenditure used in calculating development contributions charges.

Cost driver apportionments

All capital expenditure has been apportioned into three cost drivers – Growth, Renewal and Level of Service. Only the growth portion is used for assessing development contributions. The cost drivers have been assessed using several methods.

These are:

- Asset capacity.
- Using design life of new assets to approximate growth percentage.
- Assessed using professional judgment.

The growth related capital expenditure is referred to in this policy as growth costs.

Unit of demand

To identify the share of the growth costs attributable to each unit of demand the DCC will use an Equivalent Household Unit (EHU). An EHU represents the impact of a typical residential dwelling for each activity.

All development shall be converted to an EHU using land use differentials and conversion factors. These enable the number of EHU's to be calculated for non-residential developments based on a standard measure of size.

Further information about the land use differentials and conversion factors can be found in Part 3 and Part 4 of the Detailed Supporting Document, available from the DCC website www.dcc.govt.nz or on request from the DCC Customer Services Agency, Civic Centre, 50 The Octagon.



Overview of the calculation methodology

A brief introduction to the development contributions calculation method is presented here. A full disclosure of the methodology and calculations is in the Detailed Supporting Document and is available on the DCC website www.dunedin.govt.nz or on request from the DCC Customer Services Agency, Civic Centre, 50 The Octagon.

The key concept of the approach is to define the total growth costs consumed by the growth community over a period of time. This consumption of growth costs is then apportioned among the increased number of units of demand (Equivalent Household units) over the same time period. This defines the long run average cost of growth per unit of demand, defined as the equivalent household unit (EHU) contribution. This can be represented by the following formula:

$$\text{Standard Contribution} = \frac{\text{Sum of Growth Costs Consumed in Analysis Period}}{\text{Sum of New Equivalent Household Units in Analysis Period}}$$

The calculation method can be simplified according to the following steps:

Step 1: Assess growth costs on an asset by asset basis using financial reports (past expenditure) and the 10 year plan (projected expenditure).

Step 2: Apportion growth costs by the growth population (equivalent household units) over the design life of the asset, to assess the \$/EHU.

Step 3: For each year in the analysis period determine the total consumption of asset capacity for each asset identified, namely:

$$\text{Growth Cost Consumed} = \text{Standard Contribution (\$/EHU)} \times \text{Number of EHUs}$$

Step 4: Sum for all assets in each year in the analysis period, namely total capacity consumed in that year, measured in \$.

Step 5: Sum each year in the ten-year analysis period and divide by the growth population (new equivalent household units) projected over the analysis period to determine the equivalent household unit contribution.

Schedule of development contribution charges

The following tables indicate:

- The areas of benefit where development contributions are to be sought.
- The development contributions per equivalent household unit for each activity within each area.
- The conversion factors for each activity and for each area of benefit.
- The contributions have been rounded to the nearest \$10.



Table 2: Schedule of Development Contributions per Equivalent Household Unit – (excluding GST)

| Area of Benefit | Water Supply | Wastewater | Stormwater | Transportation | Reserves | Community Infrastructure | Total Contribution by Area of Benefit |
|---|--------------|------------|------------|----------------|----------|--------------------------|---------------------------------------|
| Allanton | \$0 | \$0 | \$0 | \$1,760 | \$1,010 | \$1,130 | \$3,900 |
| Dunedin Central Brownfields | \$3,160 | \$3,980 | \$2,620 | \$1,760 | \$1,010 | \$1,130 | \$13,660 |
| Dunedin Central Greenfields | \$3,900 | \$5,120 | \$2,620 | \$1,760 | \$1,010 | \$1,130 | \$15,540 |
| Outram | \$3,160 | | \$0 | \$1,760 | \$1,010 | \$1,130 | \$7,060 |
| Waitati | \$3,160 | | \$0 | \$1,620 | \$200 | \$220 | \$5,200 |
| Warrington | \$3,160 | \$9,540 | \$0 | \$1,620 | \$200 | \$220 | \$14,740 |
| Seacliff | \$3,160 | \$3,550 | \$0 | \$1,620 | \$200 | \$220 | \$8,750 |
| Merton | \$3,160 | | \$0 | \$1,620 | \$200 | \$220 | \$5,200 |
| Karitane | \$1,450 | \$1,450 | \$0 | \$1,620 | \$200 | \$220 | \$4,940 |
| Waikouaiti | \$1,450 | \$1,450 | \$0 | \$1,620 | \$200 | \$220 | \$4,940 |
| Middlemarch | | \$8,970 | \$0 | \$1,620 | \$200 | \$220 | \$11,010 |
| Rockland Rural | \$0 | | \$0 | \$1,620 | \$200 | \$220 | \$2,040 |
| West Taieri | \$9,980 | | \$0 | \$1,620 | \$200 | \$220 | \$12,020 |
| All other Dunedin Metropolitan properties | | | \$2,620 | \$1,760 | \$1,010 | \$1,130 | \$6,520 |
| All other Dunedin other properties | | | \$0 | \$1,620 | \$200 | \$220 | \$2,040 |

Notes to Table 2:

- Dunedin Central brownfields and greenfield areas are shown in the area of benefit maps section of this Policy.
- In establishing the development contribution rates for Reserves, section 203 of the LGA 2002 states that development contributions for Reserves must not exceed the greater of:
 - » 7.5 percent of the land value of the additional allotments created by the subdivision (either cash or land equivalent); and
 - » The value equivalent of 20 square metres of land for each additional household unit created by the development.
 - » The Areas of Benefit Maps section shows the areas of benefit described above.





Table 3: Equivalent Household Unit Conversion Factors for each Land Use Category

| Land Use Category | Equivalent Household Units (EHU) per Unit of Measure | | | | | | | | | |
|---|--|-----------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Water Supply | | Wastewater | Stormwater | Transportation | | Reserves | | Community Infrastructure | |
| | Working Charge | Network Charge | | | Dunedin Metropolitan | Dunedin Other | Dunedin Metropolitan | Dunedin Other | Dunedin Metropolitan | Dunedin Other |
| Residential unit 3 or more habitable rooms | 1 EHU per unit | 1 EHU per unit | 1 EHU per unit | 1 EHU per unit | 1 EHU per unit | 1 EHU per unit | 1 EHU per unit | 1 EHU per unit | 1 EHU per unit | |
| Residential unit 2 habitable rooms | 0.75 EHU per unit | 0.75 EHU per unit | 0.75 EHU per unit | 0.75 EHU per unit | 0.75 EHU per unit | 0.75 EHU per unit | 0.75 EHU per unit | 0.75 EHU per unit | 0.75 EHU per unit | |
| Residential unit 1 habitable room | 0.5 EHU per unit | 0.5 EHU per unit | 0.5 EHU per unit | 0.5 EHU per unit | 0.5 EHU per unit | 0.5 EHU per unit | 0.5 EHU per unit | 0.5 EHU per unit | 0.5 EHU per unit | |
| Rural Residential | 0.86 EHU per dwelling | 0.41 EHU per property | 1.48 EHU per dwelling | 0.34 EHU per 100m ² ISA | 1.57 EHU per dwelling | 0.83 EHU per dwelling | 1 EHU per dwelling | 1 EHU per dwelling | 1 EHU per dwelling | 1 EHU per dwelling |
| Visitor Accommodation | 0.56 EHU per 100m ² GFA | 0.93 EHU per property | 0.99 EHU per 100m ² GFA | 0.34 EHU per 100m ² ISA | 0.29 EHU per 100m ² GFA | 0.37 EHU per 100m ² GFA | 0.30 EHU per 100m ² GFA | 0.30 EHU per 100m ² GFA | 0.66 EHU per 100m ² GFA | 0.60 EHU per 100m ² GFA |
| Commercial | 0.19 EHU per 100m ² GFA | 0.94 EHU per property | 0.31 EHU per 100m ² GFA | 0.34 EHU per 100m ² ISA | 5.42 EHU per 100m ² GFA | 3.17 EHU per 100m ² GFA | | | 0.05 EHU per 100m ² GFA | 0.05 EHU per 100m ² GFA |
| Farming | 0.86 EHU per dwelling | 0.41 EHU per property | 1.48 EHU per dwelling | 0 EHU per 100m ² ISA | 4.47 EHU per 100Ha | 2.28 EHU per 100 Ha | 0.50 EHU per dwelling | 0.50 EHU per dwelling | 0.50 EHU per dwelling | 0.50 EHU per dwelling |
| Industrial | 0.36 EHU per 100m ² GFA | 0.90 EHU per property | 0.58 EHU per 100m ² GFA | 0.34 EHU per 100m ² ISA | 2.75 EHU per 100m ² GFA | 3.48 EHU per 100m ² GFA | | | 0.03 EHU per 100m ² GFA | 0.03 EHU per 100m ² GFA |
| Otago University /Polytechnic – Other | 0.16 EHU per 100m ² GFA | 0.94 EHU per property | 0.28 EHU per 100m ² GFA | 0.34 EHU per 100m ² ISA | 1.85 EHU per 100m ² GFA | | | | 0.05 EHU per 100m ² GFA | |
| Otago University /Polytechnic – Accommodation | 0.61 EHU per 100m ² GFA | 0.93 EHU per property | 1.09 EHU per 100m ² GFA | 0.34 EHU per 100m ² ISA | 0.69 EHU per 100m ² GFA | | 0.60 EHU per 100m ² GFA | | 0.82 EHU per 100m ² GFA | |

Notes to Table 3:

- GFA means gross floor area, and is defined, as 'the sum of the gross area of the several floors of all buildings on a site, measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two buildings'. For the purpose of this policy this definition of gross floor area, excluding car parking areas, will be used.
- ISA means impermeable surface area.
- Non-residential Farming developments (for example, barns and sheds) would not be charged a development contribution, except where a farm is subdivided. Farm subdivisions will be assessed under the Farming land use category, and the per dwelling charges for Reserves and Community Infrastructure will only be applicable where a new residential dwelling forms part of the development. Where an additional residential dwelling is built on an existing farm, this will be assessed under the Rural Residential land use category.

Assessment of developments of unknown size

If the gross floor area is unknown, which may be the case at the subdivision or land use consent stage, the deemed values in Table 4 will be used to estimate gross floor area. These deemed values are considered to be conservative estimates of the potential gross floor area of a development in each category.

Table 4: Estimation of gross floor area

| Category | Building coverage | Number of floors |
|-----------------------|-------------------|------------------|
| Residential | 1 dwelling/lot | |
| Rural residential | 1 dwelling/lot | |
| Visitor accommodation | 45% | 2 |
| Commercial | 75% | 1 |
| Industrial | 75% | 1 |

Notes to Table 4:

- When an estimate of the gross floor area is used in the development contribution assessment then the DCC will only charge 75% of the calculated contribution at subdivision or land use consent. The balance of the contribution based on actual gross floor area would be required at building consent.
- The assumptions in Table 4 will also be used to assess credits for vacant non-residential lots.

Water supply and wastewater charges

All developments within the area of benefit that are intended and able to be serviced by water supply and/or wastewater are required to connect and the DCC will charge the relevant development contribution. The development contribution may be levied at resource consent, land use consent or building consent stage. In extraordinary circumstances where an in-zone property is not practically able to be supplied with water supply and/or wastewater exception may be granted and zoning reviewed. Should the DCC approve an out of zone water supply or wastewater connection to a property outside the areas of benefit, the applicable development contribution, or a reassessed amount, shall be required.

Mosgiel Plan Change Areas

Development in the Mosgiel Plan Change Areas will be subject to a private development agreement. Charges will be a combination of the applicable city-wide charges and projects specific to the plan change area. The area of benefit maps can be found in the final section of this policy.

Calculation assumptions

All information used in the calculations of development contributions is the best available at the time. All figures are in nominal New Zealand dollars.

Interest has been included and an interest rate of 2.85% has been applied.

Development contributions are calculated on capital expenditure projections in the 10 year plan 2021-31.

Risks

The risks relating to the Policy are listed below. The steps required to mitigate these risks are also shown. This ensures that the correct development contributions are collected by the DCC.

Subsidies: The future portion of the development contributions are based on the DCC's 10 year plan programme. There are a number of projects in the budget that may be fully or partially subsidised by non-DCC entities. The actual capital expenditure will be input into the calculation model on an annual basis as soon as it is available. This will ensure the contributions are based on the DCC's most up to date information and reflect the actual growth related expenditure.

Legislative changes: This Policy and calculation model will be updated to incorporate any legislation changes.

Growth lower or higher than anticipated: If the growth in Dunedin City is more or less than projected, the DCC risk under or over collecting contributions. The growth projections will be reviewed regularly to ensure they are as accurate as possible.

Growth apportionment: Any changes in the growth rates may affect the apportionment of some capital projects and hence the growth capital expenditure to be recovered through development contributions charges.

The variables above can be reviewed every year via the Annual Plan/Long Term Plan update and review process. This ensures that development contribution charges are based on the most up-to-date information possible.

Growth projections – source data

The growth projected for each area of benefit has been estimated using the best information available.

- Dunedin City Council Population projections – DCC Growth Projections 2018 to 2068

The growth in each area of benefit can be found in the disclosure tables in this policy. The following table shows the projected ten-year EHU growth for each activity.

Table 5: EHU Growth over ten years by Activity

| Activity | Ten-Year Growth in Equivalent Household Units (2022-2031) |
|--------------------------|---|
| Water supply | 3,440 |
| Wastewater | 3,785 |
| Stormwater | 3,708 |
| Transportation | 5,284 |
| Community Infrastructure | 4,143 |
| Reserves | 4,122 |

Each activity has a different method for converting property growth into EHU's. This is based on the different impact of each land use category on the infrastructure of each activity, namely land use differential and conversion factors. This is described in Part 3 of the Detailed Supporting Document, available from the DCC website www.dcc.govt.nz or on request from the DCC Customer Services Agency, Civic Centre, 50 The Octagon.



Implementation and review

It is anticipated that this Policy will be reviewed, and if necessary amended, on an annual basis as part of the Annual Plan/Long Term Plan process. The review will include adjustment of figures to reflect changes in budgeted costs. Any review of this Policy will be a special consultative process in accordance with the DCC Policy on Significance and may take account of:

- Any changes to significant assumptions underlying this Policy
- Any changes in the capital development works programme for growth
- Any changes to the District Plan
- Development of the DCC Strategies which affect growth
- Any changes in the pattern and distribution of development in the City
- Any changes that reflect new or significant modelling of the networks
- Any change in actual costs and/or actual interest costs
- Addition of new projects and changes, or new areas of benefit, or deletion or modification to existing projects, costs or areas of benefit
- The regular reviews of the Funding and Financial Policies, and the Long Term Plan
- Any other matters the DCC considers relevant, including amendments to legislation and regulations.

Developer provision of assets – liability

The DCC may accept or require a contribution to the equivalent value in the form of land or infrastructure. It may be appropriate, for example, to allow Water Supply assets to vest in the DCC through the subdivision consent process, where they meet the DCC's requirements, and credit them against the contributions required. Any such proposals will need to be the subject of an agreement with the DCC before the consent is issued and will be dealt with on a case by case basis.

Crédits

Credits can be used to reduce or offset any development contributions that might be payable.

The following principles will apply to all development contribution credit assessments:

- Credits will be specific to the activity for which they were assessed (i.e. a water supply credit will not be able to offset a wastewater contribution).
- For vacant sites, credits are based on the underlying District Plan zoning of the lot and not the proposed activity, except as otherwise provided for in the definitions in the glossary. Where the underlying zoning of the lot allows for multiple land uses, the primary purpose of the zone will be considered, and where that is unclear, the current rating classification will be considered in determining an appropriate land use category for assessing credit.

- For existing developments with a non-residential land use category, credits will be assigned based on the actual demand or an assigned demand from Table 4 of this Policy using the underlying District Plan zoning, whichever is the greater.
- Where recent demolition on a site has occurred, credits will be applied to any development in existence within the 12 month period prior to the application being made.
- Credits are to be site specific (not transferable) and non-refundable unless the refund provisions of the Local Government Act 2002 apply.
- The existing demand of any lot or building that is to be developed will be converted to an Equivalent Household Unit (EHU) credit when assessing development contributions. Credits for existing demand will be adjusted upwards as necessary for any additional credits for development contributions already paid or to reflect historic entitlements. Development contributions will then be required for the additional demand created by the new development.
- If the demand of a proposed activity is less than the existing demand then a credit will sit with the site. No time limit will apply to the use of the credit in the future towards another development on the same site.

There are two types of development contribution credits that may be applicable in addition to existing demand, termed Actual Credits and Deemed Credits. Where both an Actual Credit and a Deemed Credit applies to a development, only the Actual Credit can be claimed.

Actual Credits

A credit will be given for any development contribution already paid, under this or an earlier Policy. Actual credits will be assessed based on the EHUs paid for at the time. Therefore changes to contributions in a subsequent policy, such as inflation or changes to the schedule of charges will not be passed onto a development that has paid at an earlier date.

Deemed Credits

Deemed credits reflect historic entitlements. Deemed credits will be granted as follows:

- Any lot absent of dwellings with a land use category of residential that was created prior to 1 July 2006 or granted subdivision consent prior to 1 July 2014 will receive a credit of 1 EHU per lot.
- Any lot absent of dwellings with a land use category of rural residential that was created prior to 1 July 2006 or granted subdivision consent prior to 1 July 2014 will receive credits equivalent to one dwelling.
- On sites with a land use category of residential, on which there is a lawfully established dwelling in existence on 1 July 2014, or a resource consent or building consent for a dwelling has been granted prior to 1 July 2014 that has not lapsed, each dwelling will receive a credit equivalent to a three habitable room residential unit.
- Any lot with a land use category other than residential, rural residential or farming that was created (or granted subdivision consent) prior to 1 July 2014 will receive a credit in accordance with the greater of:

- » the actual GFA and ISA of any development in existence on 1 July 2014 plus any additional GFA and ISA approved under any resource consent or building consent issued prior to 1 July 2014 that has not lapsed, or
- » a deemed GFA and ISA using the site coverage assumptions and application rules in the Assessment of Unknown Size section of this Policy (Table 4).

Deemed credits do not apply to the farming land use category.

The deemed credit provisions do not apply to the Mosgiel Plan Change Areas.

Development exceeding permitted zone densities

Where development exceeds permitted zone densities standard contributions will be payable. There may also be additional costs for upgrading infrastructure.

Under these circumstances the DCC's preference is to minimise its involvement. The DCC is likely to specify the required upgrades required by virtue of the resource consent or plan change. All options should be open to accomplish the upgrades. The DCC's broad order of preferred approach is as follows, where 1. is the most preferred.

1. Developer undertakes and funds upgrades
2. The DCC undertakes upgrades and developer pays upfront
3. Upgrades are incorporated into the broader area of benefit analysis. This may or may not increase the standard contributions depending on the cost of the development
4. Set up separate area of benefit contributions.

Where it can be demonstrated that third parties, including the DCC, benefit the costs will be fairly allocated to those parties. The objective is to ensure the costs sit with those who benefit from the infrastructure provided. The DCC wants to avoid facilitating infrastructure upgrades beyond the permitted densities.

Invoicing and payment of development contributions

The contributions identified by the DCC in the schedules of this Policy are no longer required pursuant to the Resource Management Act 1991 (except those financial contributions identified in this Policy), but are a requirement pursuant to the Local Government Act 2002 and therefore will no longer:

- Be a condition of a resource consent
- Be able to be challenged through the provisions of the Resource Management Act 1991.
- The DCC shall assess the development contribution at the earliest opportunity (resource consent, land use consent, building consent, certificate of acceptance or service connection). The development contribution assessed will be payable at the following times:
- Subdivision Consent – Prior to the issue of the section 224 completion certificate.

- Land Use Consent – Prior to commencement of the consent.
- Building Consent – Prior to issuing the code of compliance.
- Certificate of acceptance – Prior to issuing the certificate of acceptance.
- Service Connection – Prior to service connection.

GST exclusive

Development contributions specified in the schedules are exclusive of Goods and Services Tax (GST). GST will need to be added to the final calculation.

Service connections

The DCC will continue to collect service connection fees in accordance with current practice and the Local Government Act 2002 for the following assets:

- Water Supply connection
- Stormwater connection
- Wastewater connection.

Nothing in this Policy will prevent the DCC from requiring, as a condition of resource consent, the provision of works and services usually, but not exclusively, internal to or on the boundaries of the development site required to service that development, to connect it to existing infrastructural services and to avoid, remedy or mitigate the environmental effects of the development, except where such works are provided for in the Long Term Plan.

Nothing in this Policy will prevent the DCC from requiring, at its request and cost, the provision of additional 'extra-over' works by the developer, such as installing a larger pipe and/or constructing a wider road through their development, in anticipation of future demand on those services beyond the boundaries of the development. Where additional extra-over works for a development are supplied by the developer that will benefit the current and future requirements of growth and/or levels of service, and where the cost of the works exceeds the development contribution assessed and payable for that development, the DCC may, at its discretion, reimburse the developer. The reimbursement will be via a contractual agreement entered into by both parties, being the developer and the DCC. The payment terms of any monies will be negotiated in the terms of the contractual agreement.

Development agreements

Where in the DCC's opinion, it is in the best interests of all parties, the DCC reserves the discretion to enter into a development agreement with a developer for the provision of particular infrastructure to meet the special needs of a development. An example is where a development requires a special level of service or is of a type or scale which is not readily assessed in terms of units of demand.

The DCC envisages that such agreements could be used in situations where significant developments occur or are proposed and require new capital expenditure to cater for growth but no budgeted capital expenditure has been provided and no development contribution has been set.



This situation is likely to occur where a plan change has resulted in the rezoning of an area, greenfield sites are to be developed, a structure plan has been prepared in anticipation of development of an area, or a resource consent is issued which would result in additional pressures on services or the requirement of upgraded or additional services or reserves. Development agreements could also be used in situations where alternative technologies or on-site management may provide acceptable solutions.

The DCC may enter into a development agreement with a developer if:

- a. the developer has requested in writing that the DCC enter into a development agreement with the developer; or
- b. the DCC has requested in writing that the developer enter into a development agreement with the DCC.

In establishing a development agreement the applicant will be expected to provide supporting information and detailed calculations of their development's roading, water supply and waste water demands in terms of units of demand.

The development agreement must clearly state the departures from the standard process and calculation, and the reasons for entering into the agreement. The agreement would also specify land to be vested in the Council, works to be undertaken on or off the site, timeframes of when infrastructure will be provided, and financial contributions required for the provision or upgrading of existing services.

The DCC will consider a written request from a developer to enter into a development agreement without unnecessary delay. The DCC may accept the request in whole or in part subject to any amendments agreed to by the DCC and the developer, or decline the request. The DCC shall provide the developer who made the request with a written notice of its decision and the reasons for its decision.

A developer who receives a request from the DCC to enter into a development agreement may, in a written response to the DCC accept the request in whole or in part subject to any amendments agreed to by the DCC and the developer; or decline the request.

Reconsiderations

An applicant may request reconsideration of development contributions levied to correct any erroneous figures or resolving misunderstandings around the design or location of a development.

An applicant may request the DCC to reconsider the requirement if the applicant has grounds to believe that:

- the development contribution was incorrectly calculated or assessed under the territorial authority's development contributions policy; or
- the DCC incorrectly applied its development contributions policy; or
- the information used to assess the applicant's development against the development contributions policy, or the way the DCC has recorded or used it when requiring a development contribution, was incomplete or contained errors.

A request for Reconsideration must be made in writing stating clearly which of the above grounds the applicant believes the DCC has erred. The request for Reconsideration must be made within ten working days after the date on which the applicant received the demand notice or invoice for the development contribution.

A reconsideration cannot be requested if the applicant has already lodged an Objection. If the applicant is not satisfied with the outcome of the Reconsideration, they may lodge an Objection as specified in the following section.

Objections

An applicant may lodge an objection with the DCC in accordance with the relevant provisions in Local Government Act 2002 in force, and Information regarding grounds and processes for an objection is available from the DCC website www.dcc.govt.nz or on request from the DCC Customer Services Agency, Civic Centre, 50 The Octagon.

Remissions, unusual developments and deferral of payment

The DCC will consider requests for remissions, unusual developments and deferral of payment.

Unusual Developments – The DCC reserves the right to individually assess contributions on any development that it deems to create a significantly different demand on infrastructure than could usually be expected under their relevant land use category. This may include a development that the DCC deems does not fit into the land use categories.

Remissions – At the request of the applicant, the development contribution required on a development may be considered for remission at the DCC's discretion on a case-by-case basis.

Any application for remission will be considered and determined by the DCC.

Remission (in whole or in part) of development contributions may be allowed in the following circumstances:

- Where the actual cost of the project or a revised estimate is lower than the cost used as the basis for the contributions indicated in this policy
- Where the applicant will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure
- Where the projects indicated in this policy are no longer to be undertaken
- Where the DCC determines that a Development Contribution will not be charged.

Any remission (in whole or in part) may result in the need for a private development agreement to confirm alternative arrangements.

Deferral of payment – the DCC will consider deferring the payment of development contributions. These will be assessed on a case by case basis and may use any of the following mechanisms.



- Defer using Local Government Act 2002 parameters – allow payment to be made later in the sequence of development (for example, at building consent).
- Defer using Resource Management Act 1991 mechanisms – for example, using lot amalgamation under the consent process to allow payment to be made as sections are sold.
- Defer using legal agreement – for example, requiring payment as sections are sold. A legal agreement and a bank guaranteed bond (or similar) may be used to ensure payment.

Any deferral of contributions will be cost neutral to the DCC so administration and interest costs will be added to deferred payments.

Process for remissions, unusual developments and deferral of payment

Applications for remission, unusual development and deferral of payment must be applied for before a development contribution payment is made to the DCC. The DCC will not allow remissions or assessment of unusual developments retrospectively. Any request for remission, assessment of an unusual development or a deferral of payment of development contributions shall be made by notice in writing, from the applicant to the DCC before development contributions required on the development are paid. Any request for remission, assessment of unusual developments or deferral of payment shall set out reasons for the request.

Cost – The cost of considering a remission, unusual development or deferral of payment will be on a cost recovery basis. Each applicant pays for the actual cost of processing their particular application. The developer will be required to pay an initial fixed deposit when they make their application. This deposit must be paid before the application will be accepted. The fixed deposit and schedule of charges for processing an application are set out in a schedule of charges that will be reviewed annually. The final amount payable is dependent on the total amount of time and money the DCC spends in processing the application for a remission, assessment of an unusual development or a deferral of payment. When a decision on the application has been made the DCC will add up the amount of time and money spent and compare the total to the initial deposit. If the total is more than \$25 above the initial deposit, you will be sent an invoice requiring the payment of the additional costs. If the total is more than \$25 below the initial deposit, you will be sent a refund of the unspent money. The invoice or refund will normally be sent within one month of a decision on your application being made or your application being withdrawn.

In undertaking the assessment:

- The DCC shall consider the request as soon as reasonably practicable
- The DCC may determine whether to hold a hearing for the purposes of the review, and if so, give at least five working days' notice to the applicant of the commencement date, time, and place of the hearing

For a remission only, the DCC may, at its discretion, uphold, reduce, or cancel the original amount of development contribution required on the development.

The DCC shall communicate its decision in writing to the applicant within 15 working days' of any determination or hearing.

Where the DCC decides to consider a request for a remission the following matters will be taken into account:

- The Development Contributions Policy
- The DCC's Funding and Financial Policy
- The extent to which the value and nature of works proposed by the applicant reduces the need for works proposed by the DCC in its capital works programme
- The level of existing development on the site. Where multiple existing and pre-existing uses can be established the DCC will have regard to the most intensive use.
- Development contributions paid and/or works undertaken and/or land set aside as a result of:
 - » Development contributions
 - » Agreements with the DCC
 - » Financial contributions under the Resource Management Act 1991.
- Any other matters the DCC considers relevant.

Refunds

The refund of money and return of land will occur in accordance with Sections 209 and 210 of the Local Government Act 2002, in the following circumstances:

- If development or building does not proceed
- If a consent lapses or is surrendered
- If the DCC does not provide any reserve, network infrastructure or community infrastructure for which the development contribution has been collected within ten years of that contribution being received. Where a specific project does not proceed, DCC will only refund a contribution if the service delivered by that project is not provided.

Any refunds will be issued to the consent holder of the development to which they apply. The amount of any refund will be the contribution paid, less any costs already incurred by the DCC in relation to the development or building and its discontinuance, and will not be subject to any interest or inflationary adjustment.

Money or land

The Local Government Act 2002 provides that a development contribution may be money or land, or both. Under this Policy the contribution shall be money unless, at the sole discretion of the DCC, a piece of land offered by the developer would adequately suit the whole or part of the purpose for which the contribution is sought.



Esplanade Reserves

Esplanade Reserves and Strips do not fall within the ambit of Reserves for development contributions. Esplanade Reserves will continue to be dealt with under the Resource Management Act 1991 as they are at present and will generally not be discounted against development contributions due for Reserves. There may be rare circumstances where the DCC desires a wider Esplanade Reserve, for example, and where additional land may be offered as partial or total payment of the development contribution liability for Reserves. This would have to be agreed with the DCC's Parks and Recreation Services Department and recorded in a Private Development Agreement.

Glossary

Brownfields – The Dunedin Central Brownfields area is defined by the Dunedin Central Brownfield map.

Commercial – Use of land or buildings that includes the display, offering, provision, sale or hire of goods, equipment or service. Includes administrative or professional offices, offices and depots for trade services, childcare facilities, restaurants, service stations, rural retail sales activity, rural tourist activity, self-storage units, panel beaters, internet-based sales, repair stores and garden supply stores.

Equivalent household unit (EHU) – A typical residential dwelling, representing a unit of demand for which non-residential land uses can be described by. Non-residential activities, such as visitor accommodation and commercial, can be converted into equivalent household units using land use differentials. Equivalent household units enable the demand of different land uses to be considered collectively.

Dwelling – Any residential unit, irrespective of the number of habitable rooms in that unit.

Farming – Land zoned Rural with no dwelling, irrespective of the rating land use, plus sites zoned Rural greater than 15ha than contain a dwelling. Also includes land zoned Rural Residential but rated Farmland where no dwelling exists or is proposed to be built.

Greenfields – The Dunedin Central Greenfields area is defined by the Dunedin Central Greenfields map.

Gross Floor Area – The sum of the gross area of the several floors of all buildings on a site, measured from the exterior faces of the exterior walls or from the centre lines of walls separating two buildings. Buildings that have no enclosed sides or only one fully enclosed side will be excluded from gross floor area.

Habitable Rooms – Any room in a residential unit, family flat, ancillary residential unit, sleep out or visitor accommodation unit that is designed to be, or could be, used as a bedroom. The calculation of a habitable room will exclude only one principal living area per residential unit (including family flats). Any additional rooms in a residential unit, family flat, ancillary residential unit or sleep out that could be used as a bedroom but are labelled for another use, such as a second living area, gym or study, will be counted as a habitable room. In the case of dormitory-style

accommodation containing multiple beds, such as is used in some backpacker accommodation, every four beds or part thereof will be treated as one habitable room. For the sake of clarity, a standard 'bunk bed' is counted as 2 beds.

Industrial – Primarily activities that involve the manufacturing, fabricating, processing, packing or associated storage of goods. Also includes rural processing activities, transport yards and depots, printing and publishing, warehousing/large scale storage activities (but not self-storage units), wholesale distributors and port-related activities.

Impermeable Surface Area – The sum of the roof area of buildings on a site and the area of hard surfaces used for driveways, parking or manoeuvring. A hard surface is a surface through which water cannot pass and examples include concrete, asphalt, chip seal, and impermeable/impervious/non-porous paving stones. For the Rural Residential land use category, only the roof area of dwellings shall be counted as impermeable surface area.

Lot – has the same meaning as a 'Site' under the District Plan, meaning an area of land held in one Certificate of Title, which may be sold or otherwise disposed of separately without reference to the Council, provided that a site may contain one or more Certificates of Title where a restriction has been registered on the Title preventing sale or lease of any parcel.

Otago University/Polytechnic (Accommodation) – Land or buildings used or intended to be used by students or staff of the University of Otago or Otago Polytechnic for residential type accommodation, where the primary activity takes the form of a college or hall of residence. Such developments are typified by a larger number of bedrooms, shared cooking or dining facilities for a large number of occupants, and catering and laundry services being provided for residents.

Developments with any building or part of a building containing 10 or more habitable rooms in a residential unit will be treated under this category.

Otago University/Polytechnic (Other) – Land or buildings used by the University of Otago or Otago Polytechnic that are not for the purpose of residential type accommodation.

Residential Unit – A residential unit is defined as a residential activity which consists of a single self-contained household unit, whether of one or more persons, and includes accessory buildings. Family flats and ancillary residential units under the Dunedin City District Plan are deemed to be residential units for the purposes of this policy. For the purposes of this definition, residential activity means the use of land and buildings by a residential unit for the purpose of permanent living accommodation and includes emergency housing, refuge centres, halfway houses and papakaika housing if these are in the form of residential units. Residential activity also includes home occupation, childcare facility for up to and including five children, and home stay or boarding house for up to and including five guests – provided that these are secondary to the permanent living accommodation.

Rural Residential – Land zoned Rural Residential in the Dunedin City District Plan where there is an existing dwelling on the site, or sites with no dwelling where the rating differential is Lifestyle. Proposals to build a dwelling on land zoned Rural Residential with a rating differential of Farmland will be treated as Rural Residential. Proposals to build an additional dwelling on an existing farm will be assessed as Rural Residential. Sites zoned Rural in the Dunedin City District Plan and less than 15ha in size will be treated as Rural Residential where there is an existing dwelling on the site, or where a dwelling is proposed to be built.

Visitor Accommodation – Land or buildings used for the accommodation of people and which are or can be let on a commercial tariff, including boarding houses for six guests or more, and home stays for six (6) guests or more. This category includes backpacker accommodation, motels, hotels, tourist lodges, holiday flats, tourist cabins, camp grounds, motor inns, and accessory buildings or ancillary activities on the same site. Boarding houses for less than six guests and home stays for less than six guests will be treated as residential.

Summary disclosure tables

The following disclosure tables show a summary for each activity, and for each area of benefit, for the 10 year period between 2021/22 and 2030/31. The disclosure tables demonstrate:

- The nature and level of expected capital expenditure required by the DCC and the portion that is attributable to growth.
- The growth costs consumed within each contributing area and the growth, in EHU's, used to calculate the development contributions.

The full disclosure tables can be found in the appendices of the Detailed Supporting Document.

Development contributions summary disclosure tables

Table 6: Water Supply

| Water Supply - Area of Benefit | Total Capex | Total Growth Capex | Analysis Window Growth Capex (including interest) | Analysis Period EHUs | Charge per EHU |
|---|--------------------|--------------------|---|----------------------|----------------|
| Dunedin Central Brownfields (Dunedin Metro, Mosgiel, Waitati, Warrington, Merton and Seacliff) | 384,270,556 | 34,500,139 | 10,585,757 | 3,346 | 3,164 |
| Future Expenditure | 220,015,610 | 19,987,215 | 6,393,275 | 3,346 | 1,911 |
| Historic Expenditure | 164,254,947 | 14,512,924 | 3,072,558 | 3,346 | 918 |
| Interest | | | 1,119,925 | 3,346 | 335 |
| Rocklands Rural | 0 | 0 | 0 | 0 | 0 |
| Future Expenditure | 0 | 0 | 0 | 0 | 0 |
| Historic Expenditure | 0 | 0 | 0 | 0 | 0 |
| Interest | 0 | 0 | 0 | 0 | 0 |
| Waikouaiti and Karitane | 11,586,914 | 1,211,047 | 120,700 | 83 | 1,456 |
| Future Expenditure | 785,397 | 39,280 | 11,783 | 83 | 142 |
| Historic Expenditure | 10,801,517 | 1,171,767 | 108,917 | 83 | 1,314 |
| Interest | | | 0 | 83 | 0 |
| West Taieri | 6,672,017 | 1,492,389 | 109,102 | 11 | 9,986 |
| Future Expenditure | 139,945 | 8,101 | 1,944 | 11 | 178 |
| Historic Expenditure | 6,532,072 | 1,484,288 | 95,400 | 11 | 8,732 |
| Interest | | | 11,758 | 11 | 1,076 |
| Greenfields | 3,079,209 | 3,079,209 | 1,242,496 | 1,673 | 743 |
| Future Expenditure | 3,079,209 | 3,079,209 | 1,027,938 | 1,673 | 615 |
| Historic Expenditure | 0 | 0 | 0 | 1,673 | 0 |
| Interest | | | 214,559 | 1,673 | 128 |

Table 7: Wastewater

| Wastewater - Area of Benefit | Total Capex | Total Growth Capex | Analysis Window Growth Capex (including interest) | Analysis Period EHUs | Charge per EHU |
|--|--------------------|--------------------|---|----------------------|----------------|
| Dunedin Central Brownfields (Tahuna, Green Island, Mosgiel) | 400,691,946 | 43,863,994 | 14,579,592 | 3,660 | 3,983 |
| Future Expenditure | 186,488,299 | 19,641,215 | 6,520,521 | 3,660 | 1,781 |
| Past Expenditure | 214,203,647 | 24,222,779 | 6,813,057 | 3,660 | 1,861 |
| Interest | | | 1,246,013 | 3,660 | 340 |
| Greenfields | 5,525,017 | 5,525,017 | 2,088,960 | 1,830 | 1,141 |
| Future Expenditure | 5,525,017 | 5,525,017 | 1,751,681 | 1,830 | 957 |
| Past Expenditure | 0 | 0 | 0 | 1,830 | 0 |
| Interest | | | 337,278 | 1,830 | 184 |
| Waikouaiti and Karitane | 5,665,439 | 261,203 | 112,695 | 77 | 1,455 |
| Future Expenditure | 4,658,020 | 257,970 | 96,974 | 77 | 1,252 |
| Past Expenditure | 1,007,420 | 3,233 | 562 | 77 | 7 |
| Interest | | | 15,159 | 77 | 196 |
| Middlemarch | 2,808,556 | 148,718 | 147,276 | 16 | 8,979 |
| Future Expenditure | 2,530,079 | 144,506 | 136,016 | 16 | 8,293 |
| Past Expenditure | 278,477 | 4,211 | 677 | 16 | 41 |
| Interest | | | 10,584 | 16 | 645 |
| Seacliff | 343,686 | 99,437 | 14,812 | 4 | 3,554 |
| Future Expenditure | 0 | 0 | 0 | 4 | 0 |
| Past Expenditure | 343,686 | 99,437 | 14,812 | 4 | 3,554 |
| Interest | | | 0 | 4 | 0 |
| Warrington | 3,439,993 | 340,245 | 253,847 | 27 | 9,541 |
| Future Expenditure | 3,287,032 | 341,972 | 213,426 | 27 | 8,022 |
| Past Expenditure | 152,961 | -1,726 | -1,207 | 27 | -45 |
| Interest | | | 41,628 | 27 | 1,565 |

Table 8: Stormwater

| Stormwater- Area of Benefit | Total Capex | Total Growth Capex | Analysis Window Growth Capex (including interest) | Analysis Period EHUs | Charge per EHU |
|-----------------------------|--------------------|--------------------|---|----------------------|----------------|
| City-wide | 178,114,125 | 23,758,417 | 9,751,933 | 3,708 | 2,630 |
| Future Expenditure | 144,373,840 | 22,006,260 | 7,436,376 | 3,708 | 2,005 |
| Past Expenditure | 33,740,286 | 1,752,156 | 591,481 | 3,708 | 159 |
| Interest | | | 1,724,076 | 3,708 | 465 |



Table 9: Transportation

| Transportation- Area of Benefit | Total Capex | Net Council Capex (FAR removed) | Total Growth Capex | Analysis Window Growth Capex (including interest) | Analysis Period EHUs | Charge per EHU |
|---------------------------------|--------------------|---------------------------------|--------------------|---|----------------------|----------------|
| Dunedin Metro | 851,452,044 | 474,152,367 | 22,469,786 | 8,549,584 | 4,847 | 1,764 |
| Future Expenditure | 442,341,625 | 263,579,810 | 9,732,608 | 3,983,598 | 4,847 | 822 |
| Historic Expenditure | 409,110,419 | 210,572,557 | 12,737,178 | 3,468,449 | 4,847 | 716 |
| Interest | | | | 1,097,537 | 4,847 | 226 |
| Dunedin Other | 77,570,759 | 38,921,082 | 2,893,933 | 710,147 | 437 | 1,624 |
| Future Expenditure | 9,257,788 | 5,516,474 | 203,694 | 86,080 | 437 | 197 |
| Historic Expenditure | 68,312,971 | 33,404,608 | 2,690,239 | 528,146 | 437 | 1,208 |
| Interest | | | | 95,921 | 437 | 219 |

Table 10: Community Infrastructure

| Community Infrastructure - Area of Benefit | Total Capex | Total Growth Capex | Analysis Window Growth Capex (including interest) | Analysis Period EHUs | Charge per EHU |
|--|--------------------|--------------------|---|----------------------|----------------|
| Dunedin Metro | 297,512,477 | 6,990,491 | 4,231,099 | 3,725 | 1,136 |
| Future Expenditure | 255,984,772 | 5,293,188 | 2,981,066 | 3,725 | 800 |
| Past Expenditure | 41,527,705 | 1,697,304 | 773,738 | 3,725 | 208 |
| Interest | | | 476,295 | 3,725 | 128 |
| Dunedin Other | 9,988,124 | 278,789 | 96,153 | 419 | 230 |
| Future Expenditure | 5,330,838 | 116,944 | 60,932 | 419 | 146 |
| Past Expenditure | 4,657,286 | 161,844 | 24,100 | 419 | 58 |
| Interest | | | 11,121 | 419 | 27 |

Table 11: Reserves

| Reserves- Area of Benefit | Total Capex | Total Growth Capex | Analysis Window Growth Capex (including interest) | Analysis Period EHUs | Charge per EHU |
|---------------------------|-------------------|--------------------|---|----------------------|----------------|
| Dunedin Metro | 92,391,832 | 6,482,947 | 3,757,524 | 3,706 | 1,014 |
| Future Expenditure | 61,395,625 | 3,354,095 | 2,088,757 | 3,706 | 564 |
| Past Expenditure | 30,996,208 | 3,128,852 | 1,150,614 | 3,706 | 310 |
| Interest | | | 518,153 | 3,706 | 140 |
| Dunedin Other | 2,228,922 | 381,249 | 84,489 | 417 | 203 |
| Future Expenditure | 1,278,553 | 75,579 | 44,078 | 417 | 106 |
| Past Expenditure | 950,369 | 305,671 | 24,211 | 417 | 58 |
| Interest | | | 16,201 | 417 | 39 |



Areas of Benefit Maps

Water Supply Areas of Benefit Maps

Dunedin Central (Greenfield and Brownfield)

Outram

West Taieri

Rocklands Rural

Waikouaiti and Karitane

Wastewater Areas of Benefit Maps

Dunedin Central (Greenfield and Brownfield)

Middlemarch

Seacliff

Waikouaiti and Karitane

Warrington

Stormwater Area of Benefit Map

City Wide

Transportation, Community Infrastructure and Reserves Areas of Benefit Maps

Dunedin Metropolitan

Dunedin Other

Mosgiel Plan Change Area of Benefit Maps

Mosgiel East – Local Reserves, Transportation, Stormwater and Wastewater

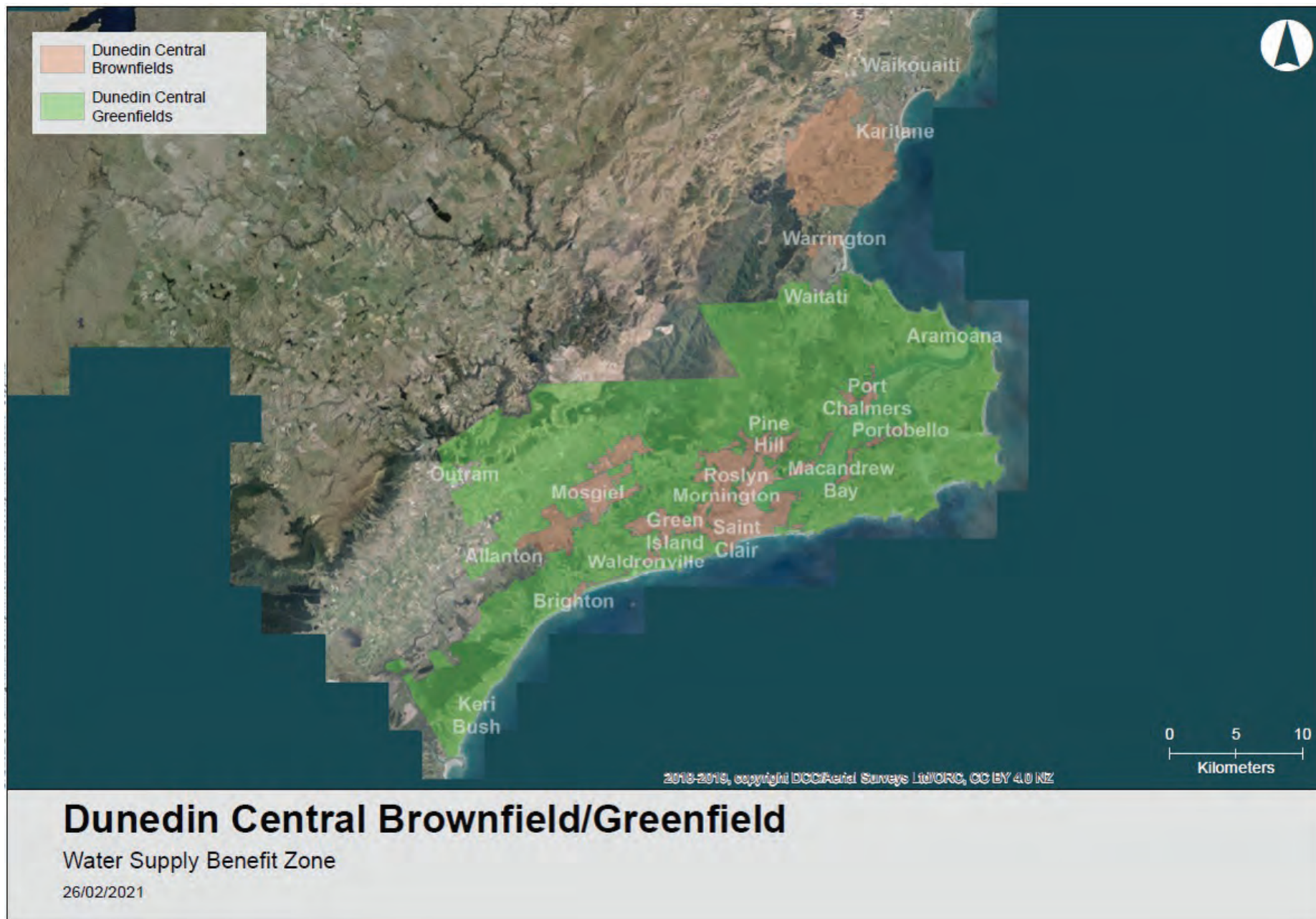
Mosgiel West - Local Reserves, Transportation, Stormwater and Wastewater

Mosgiel East C Waste Supply and Wastewater

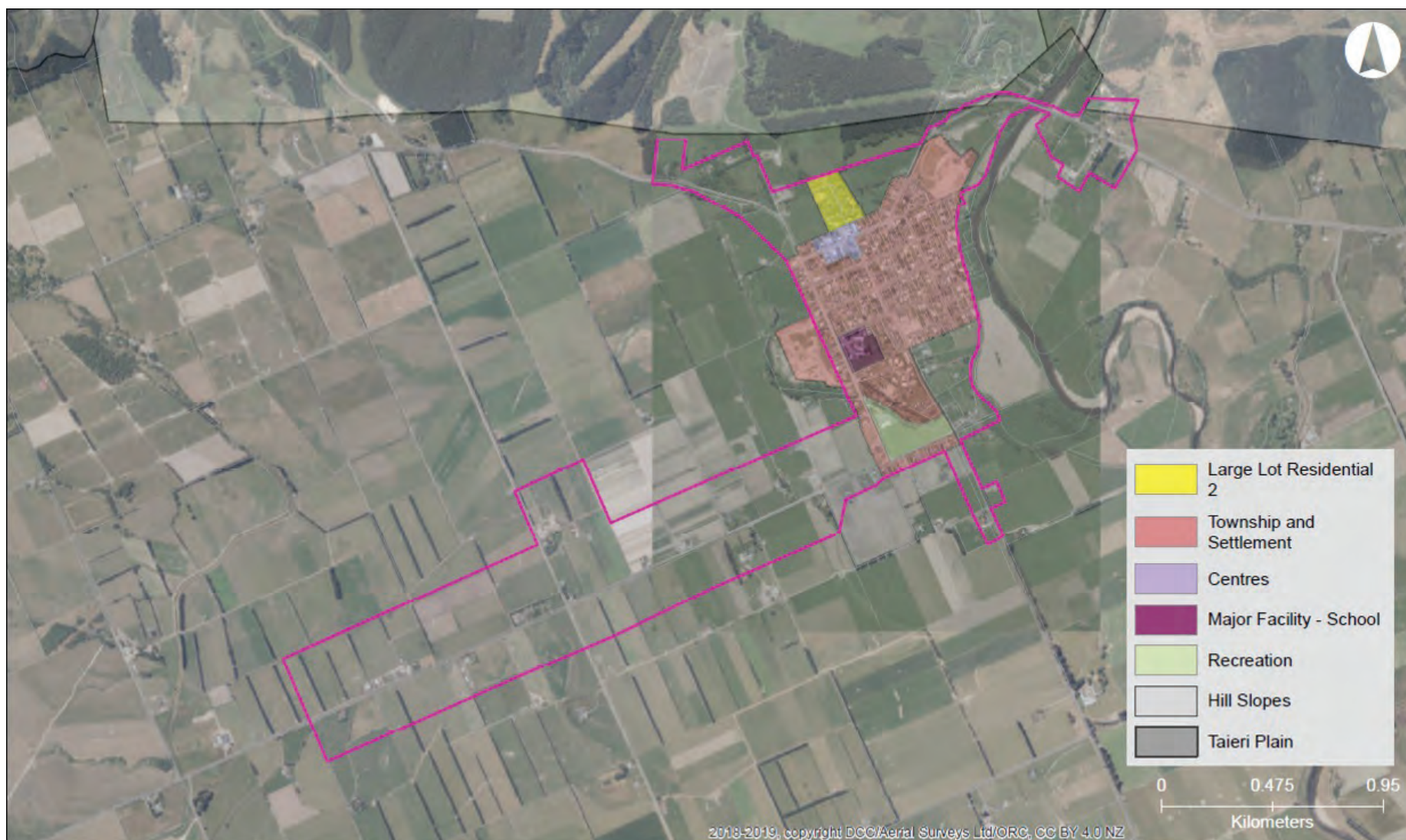
Mosgiel Variation 9B Water Supply and Wastewater



Map 1: Dunedin Central (Greenfield and Brownfield) – Water supply



Map 2: Outram – Water Supply

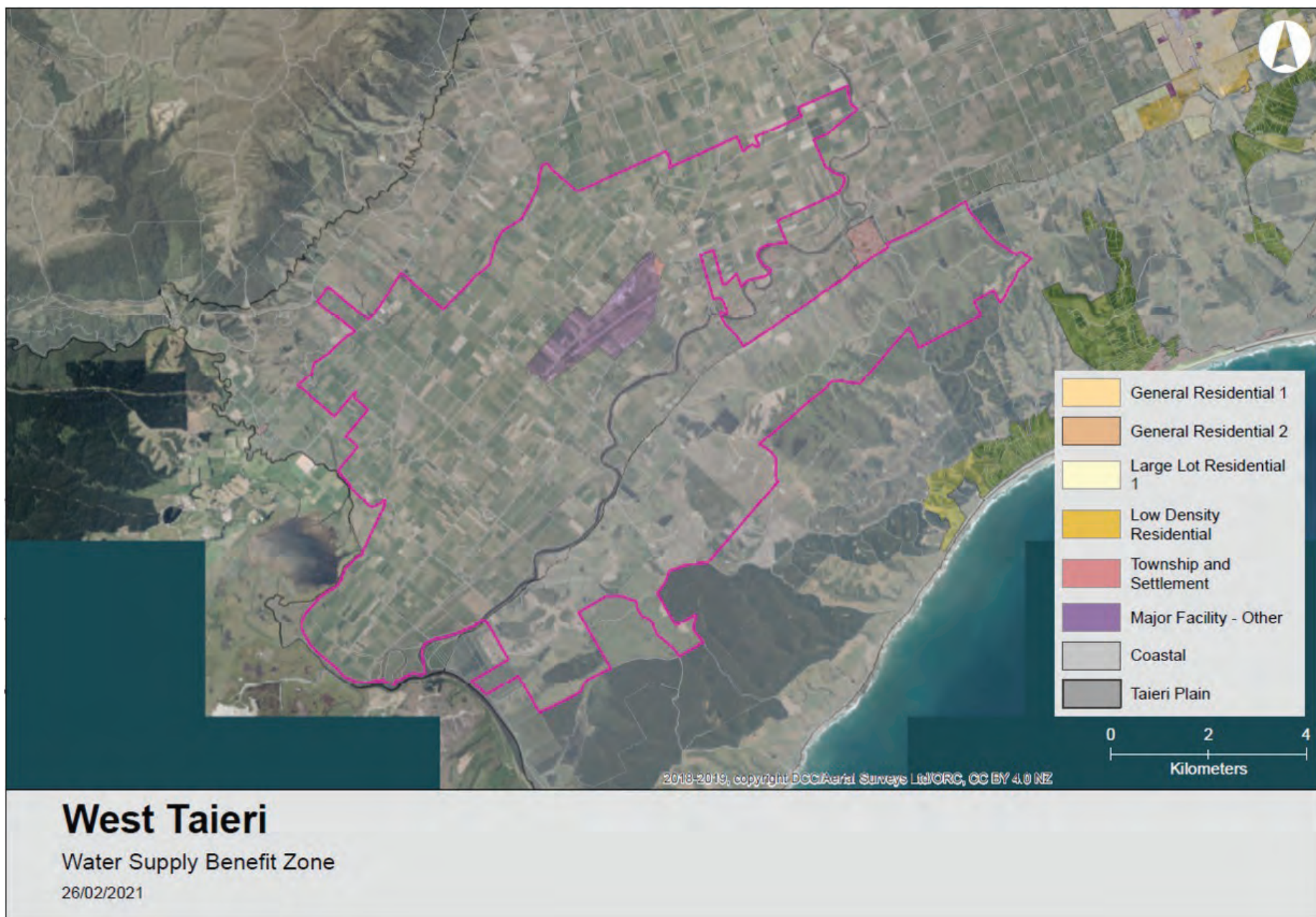


Outram

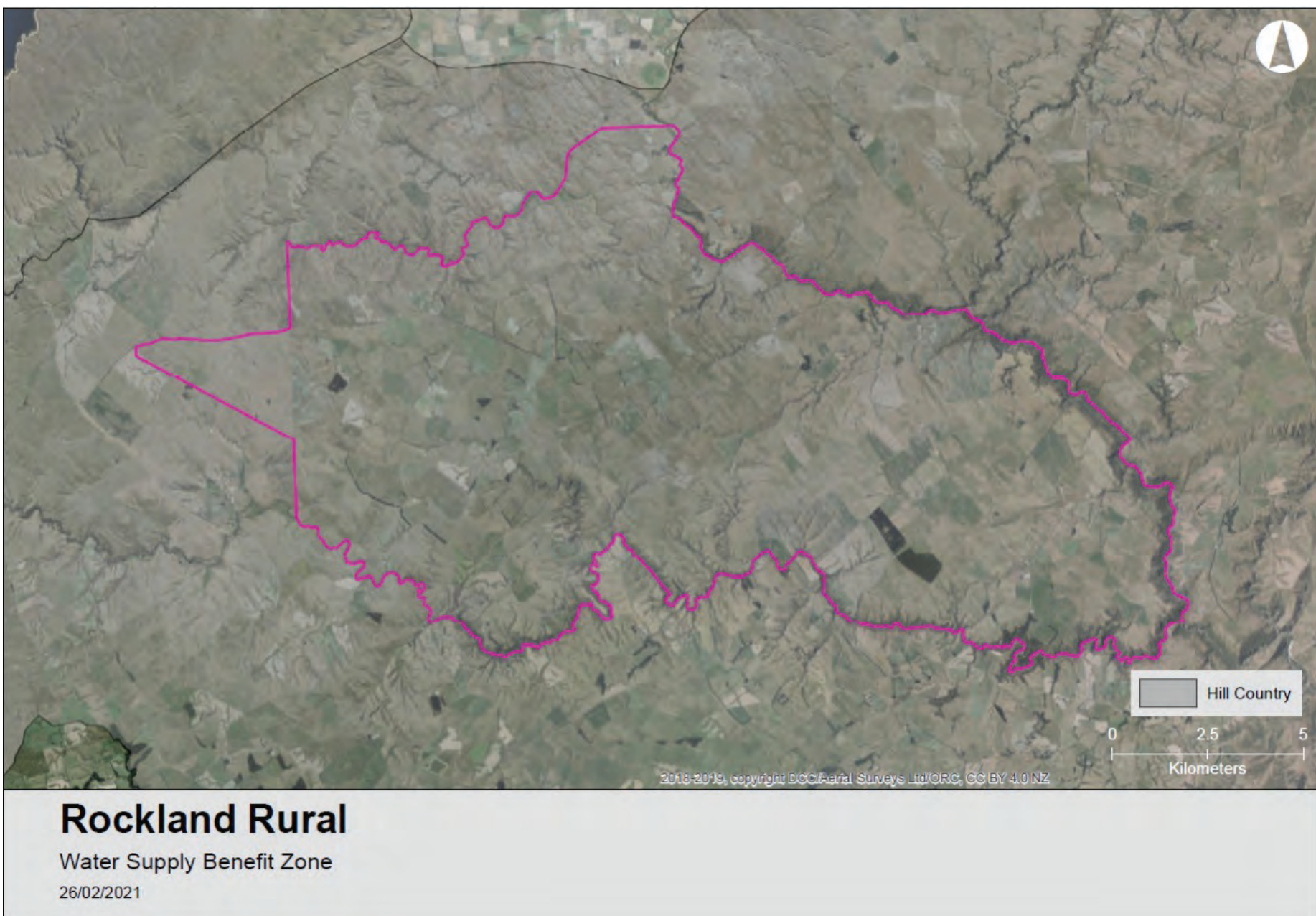
Water Supply Benefit Zone

26/02/2021

Map 3: West Taieri – Water Supply



Map 4: Rockland Rural – Water Supply



Map 5: Waikouaiti and Karitane – Water Supply



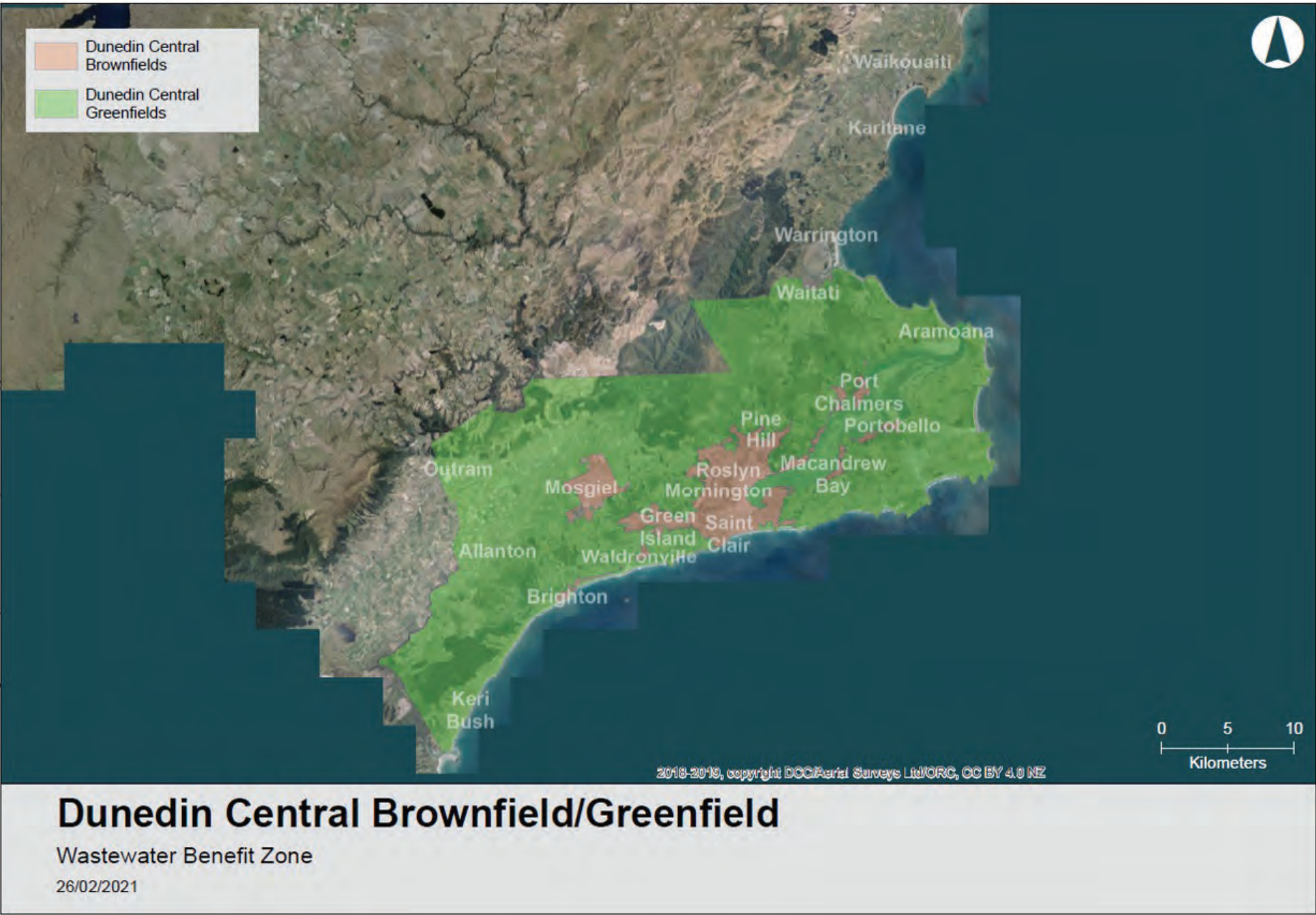
Waikouaiti and Karitane

Water Supply Benefit Zone

26/02/2021



Map 6: Dunedin Central (Greenfield and Brownfield) – Wastewater



Map 7: Middlemarch – Wastewater



Middlemarch

Wastewater Benefit Zone

26/02/2021



Map 8: Seacliff – Wastewater



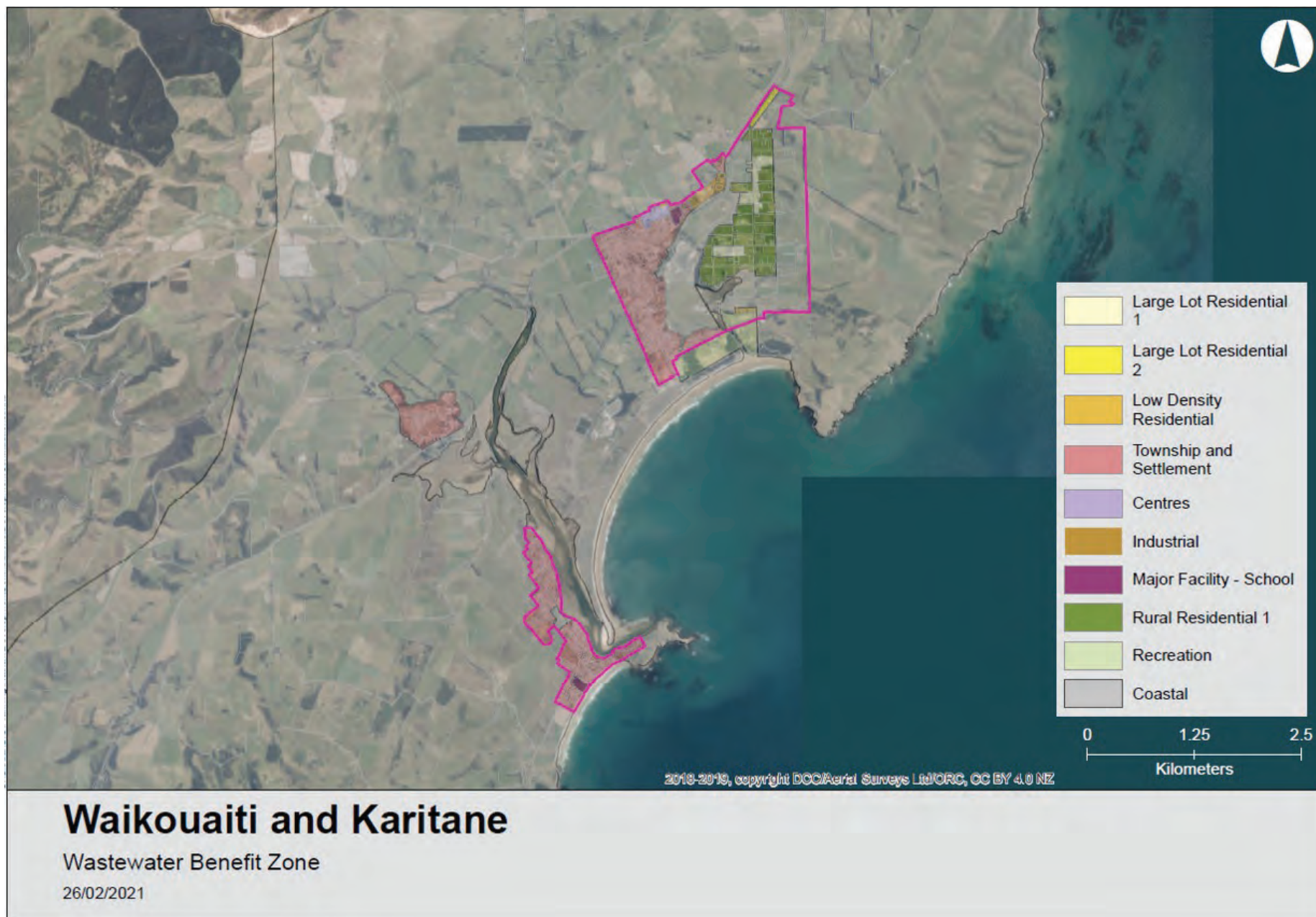
Seacliff

Wastewater Benefit Zone

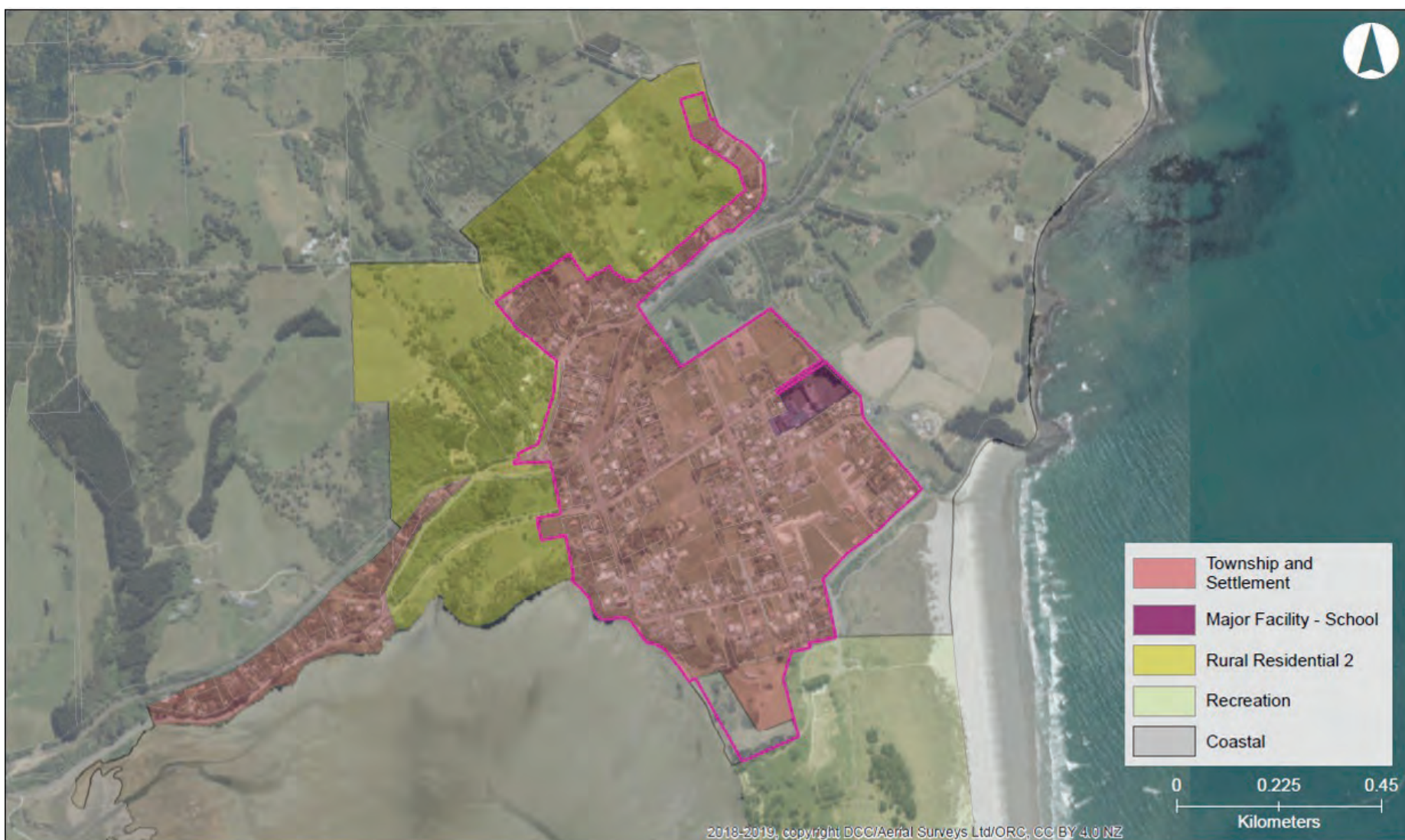
26/02/2021



Map 9: Waikouaiti and Karitane – Wastewater



Map 10: Warrington – Wastewater

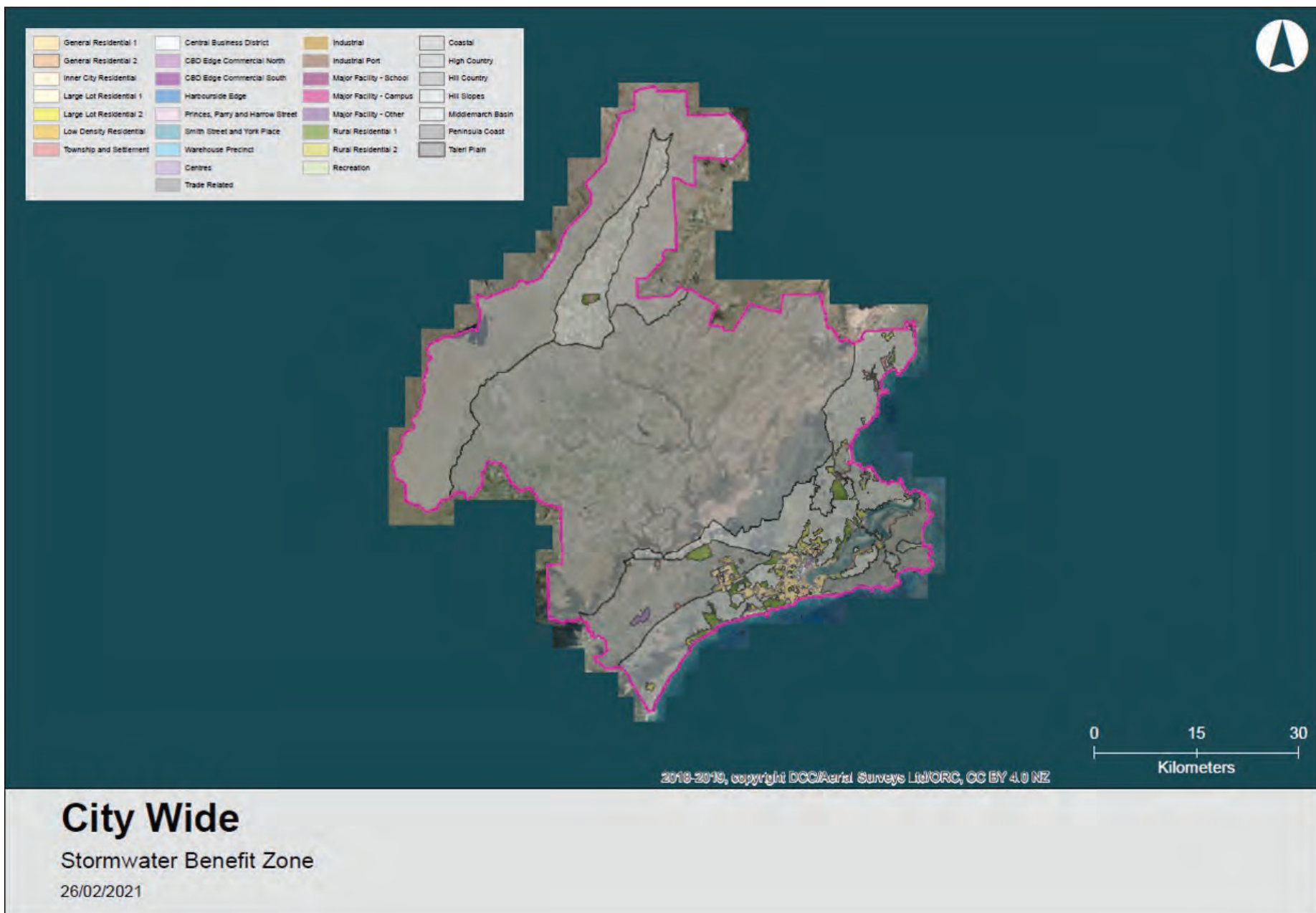


Warrington

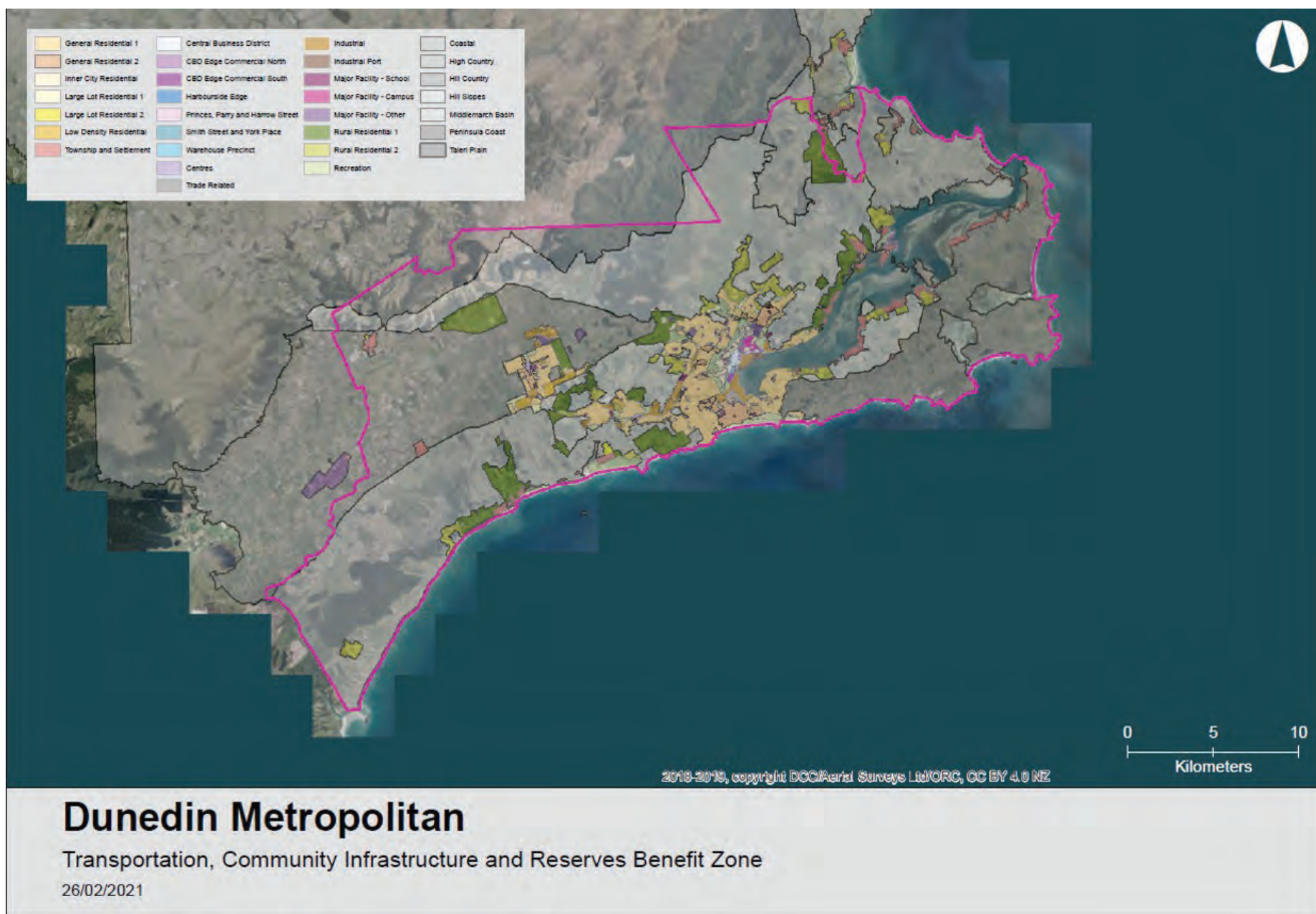
Wastewater Benefit Zone

26/02/2021

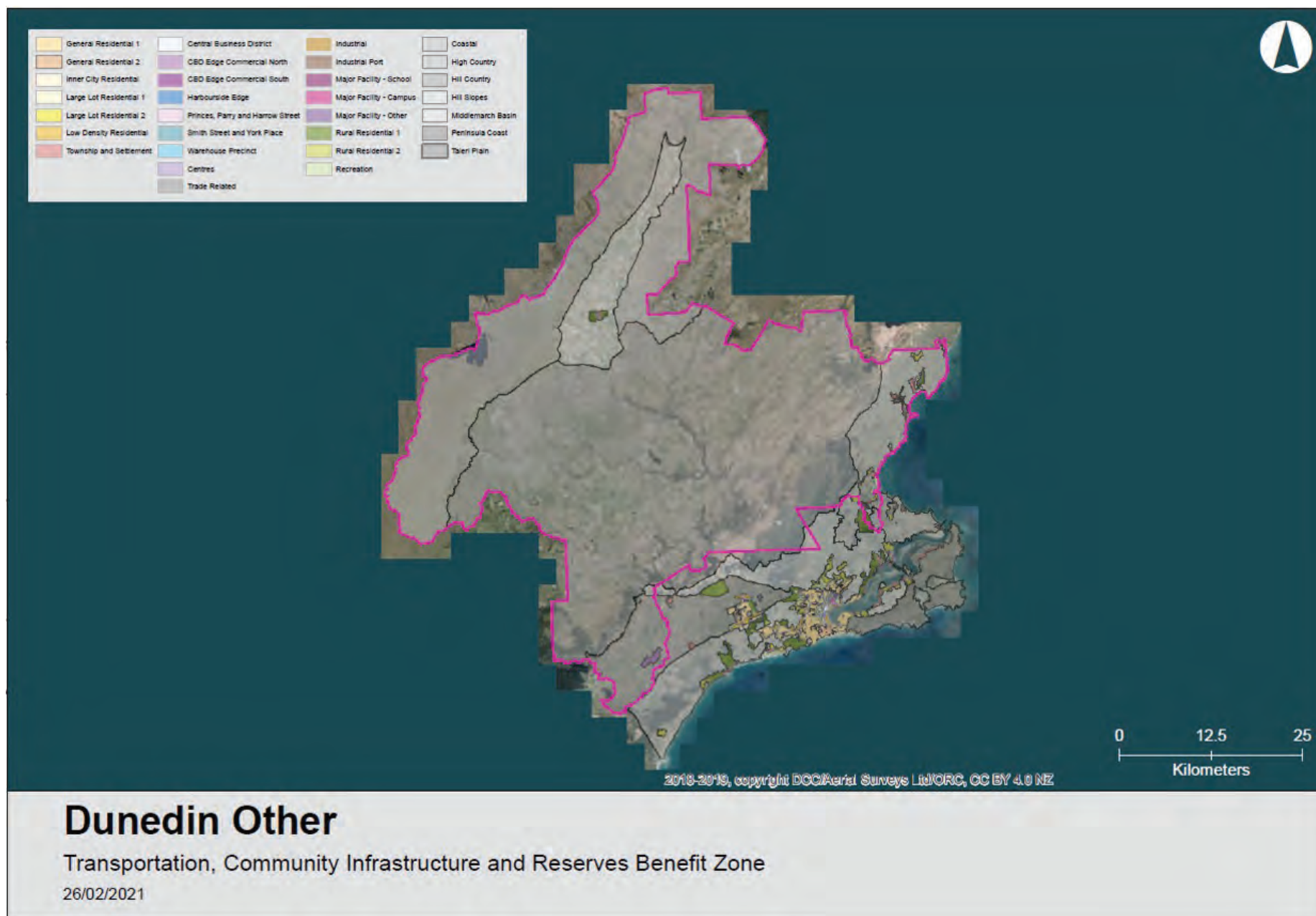
Map 11: City Wide - Stormwater



Map 12: Dunedin Metropolitan -Transportation community infrastructure and reserves areas



Map 13: Dunedin Other -Transportation community infrastructure and reserves areas



Mosgiel Plan Change areas of benefit

Map 1: Mosgiel East – Local Reserves, Transportation, Stormwater and Wastewater

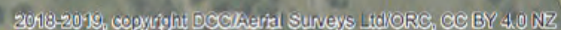


Mosgiel East

Mosgiel Plan Change - Local Reserves, Transportation, Stormwater and Wastewater Benefit Zone

26/02/2021

Map 2: Mosgiel West - Local Reserves, Transportation, Stormwater and Wastewater



Mosgiel Plan Change - Local Reserves, Transportation, Water Supply, Wastewater Benefit Zone

26/02/2021

Mosgiel Plan Change areas of benefit
Map 3: Mosgiel East C Waste Supply and Wastewater



Mosgiel East C

Mosgiel Plan Change - Water Supply and Wastewater Benefit Zone

26/02/2021

Mosgiel Plan Change areas of benefit

Map 4: Mosgiel Variation 9B Water Supply and Wastewater



Mosgiel Variation 9B

Mosgiel Plan Change - Water Supply and Wastewater Benefit Zone

26/02/2021

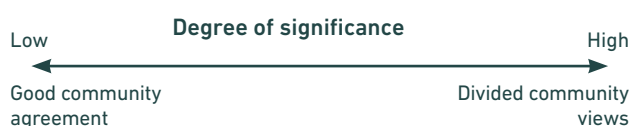


Low Degree of significance High

Little impact Large impact

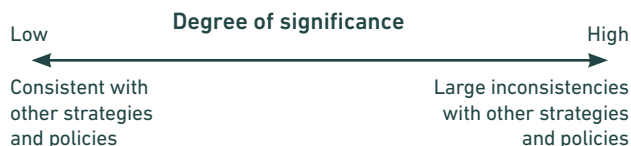
Community interest: The extent to which individuals, organisations, businesses, groups, communities and sectors within the community are particularly affected by, or are interested in, the matter. Factors to be considered include:

- The number of individuals, organisations, businesses, groups, communities and sectors within the community that are affected.
- The extent of the impact on affected individuals, organisations, businesses, groups, communities and sectors within the community.
- The level of public interest, or the potential to generate interest or controversy.
- The extent to which community opinion is divided on the matter.



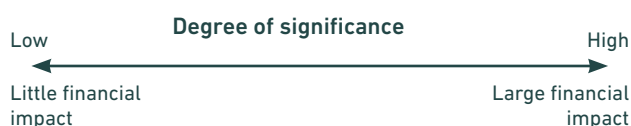
Consistency with existing policy and strategy: the extent to which the matter is consistent with the Council's community outcomes, Strategic Framework and policies (refer to Schedule 1). Factors to be considered include:

- The extent to which the decision is consistent with the Council's community outcomes, Strategic Framework priorities and policies.
- The extent to which the decision is consistent with previous Council decisions.



Impact on Council's finances, capacity and capability: The impact of the decision on the ability to achieve the objectives set out in the Council's Long Term Plan and Financial Strategy. Factors to be considered include:

- Transfers of strategic assets to or from the Council (refer to Strategic assets below).
- The financial cost of the decision, in the short, medium and long term.
- The extent of the impact on rates and/or debt (including cumulative effects).
- The extent to which the decision is consistent with the Financial Strategy.
- The impact on Council's capacity/capability to meet legislative requirements.



Strategic assets

Some assets or groups of assets are considered strategically important to achieve and promote the current or future wellbeing of the community and the priorities of the Strategic Framework. These assets are identified in Schedule 2.

In general, the Council will, at a minimum, engage the community using the special consultative procedure (as described in Engagement activities below) on any significant changes to the Council's ownership or control of strategic assets and any decisions to construct, replace or sell strategic assets.

Materiality and the Annual Plan

A local authority is required to prepare and adopt an Annual Plan for each financial year. Consultation on a proposed Annual Plan is only required if there are significant or material differences from the content of the Long Term Plan for the financial year concerned (Sections 95 and 95A of the LGA). However, the Council can still choose to engage with the community on its plans if it wishes to do so.

Section 95A(5) of the LGA defines materiality: "For the purposes of this section a difference, variation or departure is material if it could in its own right, or in conjunction with other differences, influence the decisions or assessments of those reading or responding to the proposed Annual Plan."

When assessing materiality, the key questions to consider are:

- Would this project/proposal cause a reasonable person to change their view of the affordability of the plan or of the service levels being provided?
- Would this project/proposal cause a reasonable person to want to/not want to provide feedback on the proposal?

Materiality in this context is not the same as the concept commonly used in financial reporting and cannot always be reduced to a dollar value.

Engagement

Engagement provides an opportunity for the public to debate and discuss their views on a decision or proposal being considered by the DCC. The community views expressed through an engagement process will be considered and taken into account, along with other information, when decisions are made. Engagement may not necessarily result in consensus. However, engagement should allow for an exchange and examination of information and points of view between affected and interested people and decision-makers before a decision is made. Engagement ensures that decisions are informed and improved by the community's involvement.

Principles of engagement: The Council will take a principle-based approach to its community engagement activities, in alignment with the international association for public participation (IAP2) Core Values.

- **Genuine:** We will engage honestly and we will respect and listen to the views provided by the community with an open-mind and will give due consideration to them when making decisions.



- **Timeliness:** We will engage with the community as early as appropriate and ensure that engagement processes are an integral part of project planning. We will allow enough time for participants to contribute and for them to be able to raise unexpected issues.
- **Purposeful:** We will be clear about the purpose of engagement and the ability and scope of the engagement to influence decisions.
- **Engagement with Māori:** We will engage with Māori in the city in a way that is reflective of tikanga and kawa.
- **Inclusive and accessible:** We will engage in a way which encourages participation of all who are likely to be affected by, or are interested in, a decision.
- **Recognition of diversity:** We will use engagement methods which are appropriate to the issue and those we are seeking to engage, having regard to their culture, age, ability and time availability.
- **Informed:** We will provide clear, easy to understand and objective information relating to engagement and ensure it is readily available so that participants can make informed contributions.
- **Responsive:** We will be transparent about how we record, consider and respond to participants' contributions, and provide clear information on how the community's feedback has been taken into account in decision-making.
- **Cost-effective:** We will engage in a cost-effective manner, and resource engagement in proportion to the significance of the decision. We will ensure the least possible cost to all involved in the engagement (including the costs to the communities / affected parties).

Figure 1: IAP2 Core Values

International Association for Public Participation (IAP2) Core Values

1. Public participation is based on the belief that those who are affected by a decision have a right to be involved in the decision-making process.
2. Public participation includes the promise that the public's contribution will influence the decision.
3. Public participation promotes sustainable decisions by recognising and communicating the needs and interests of all participants, including decision-makers.
4. Public participation seeks out and facilitates the involvement of those potentially affected by or interested in a decision.
5. Public participation seeks input from participants in designing how they participate.
6. Public participation provides participants with the information they need to participate in a meaningful way.
7. Public participation communicates to participants how their input affected the decision.

Determining when to engage

Statutory Compliance: The LGA and other legislation require the Council to consult with the community in a range of circumstances. The LGA has also sets out principles to guide all consultation and prescribes specific consultative procedures, which must be followed in certain circumstances (refer to Engagement activities below). At a minimum, the Council will adhere to all legislative requirements.

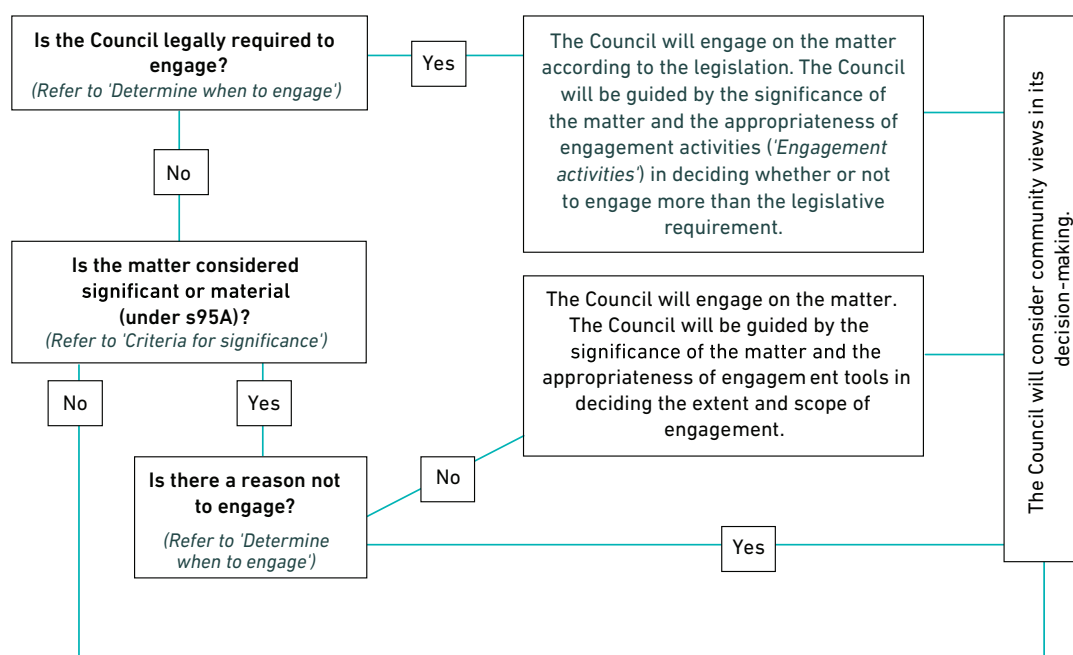
Significant proposals or decisions: The Council will determine the nature and form of the engagement in accordance with the significance of the particular decision. In general, the greater the significance of the decision, the more we will do to engage the community. A 'significant' decision will not automatically require the special consultative procedure (refer to Engagement activities below), but will require some method of engagement unless there is a reason not to engage.

Reasons not to engage: The Council acknowledges there are times when it is not necessary, appropriate or possible to engage the community on a proposal or decision. The Council may choose not to engage on a proposal or decision, but will only decide this in accordance with the criteria below:

- The proposal or decision is not of a nature or significance that requires engagement.
- The Council already has a sound understanding of the views and preferences of the persons likely to be affected by or interested in, the proposal or decision.
- There is a need for confidentiality or commercial sensitivity.
- The costs of engagement outweigh the benefits of it.
- The proposal or decision has already been addressed by the Council's strategies, policies or plans, which have recently been consulted on.
- An immediate or quick response or decision is needed or it is not reasonably practicable to engage.

Whenever the Council does not formally engage, community views will still be considered before a decision is made and as much information will be provided to the public as possible. Figure 2 provides a summary of the factors the Council will consider when deciding when to engage.

Figure 2: Flowchart of deciding when to engage



Engagement activities

The Council will determine which engagement tools, activities or processes to use based on the individuals, organisations, businesses, groups, communities and sectors within the community that are affected by, or interested in the proposal; and the extent of that interest/impact. In the first instance, DCC staff will be responsible for assessing the appropriateness of engagement activities for each proposal or decision at the project planning stage. The Council will be flexible in its engagement approach and be responsive to new ideas. Reports to the Council and its Committees will outline a proposed engagement plan, to be approved by the Council or Committee.

The Council recognises that differing levels of engagement tools, activities or processes may be required during the various stages of decision-making on an issue and for different stakeholders. Figure 3 is based on the International Association of Public Participation (IAP2) spectrum of engagement and sets out some engagement activities. It describes when these activities may be appropriate for particular kinds of decisions and when the community can expect to be involved in the decision-making. However, this does not commit the Council to using specific tools or activities in any specific circumstance.

Figure 3: Types of Engagement Activities (IAP2 spectrum of engagement)

| Level | Inform | Consult | Involve | Collaborate | Empower |
|---|--|---|--|---|--|
| Goal of engagement | To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, or solutions. | To obtain public feedback on analysis, alternatives or decisions. | To work directly with the public throughout the process to ensure that public concerns are constantly understood and considered. | To partner with the community and stakeholders in each aspect of the decision including the development of alternatives and the identification of the preferred solution. | To place the final decision-making in the hands of the public. |
| Examples of issues, decisions or matters where this engagement might be appropriate | Temporary road closure District Plan monitoring reports Council reports | Long Term Plan consultation Dog Control Bylaw | Review of the Community Grants Policy Revitalisation of an area (e.g. Warehouse Precinct) | Development of a Strategy (e.g. Economic Development Strategy) Upgrade of playgrounds | Triennial council election |

| Level | Inform | Consult | Involve | Collaborate | Empower |
|--|---|--|--|---|---|
| Engagement activities the Council might use – both in person and/or online | Public notice Letter drop Media release Discussion paper DCC website Multilingual radio FYI story Dynamic social media Animated videos Augmented reality | Exhibition Expo Public hearing Survey Special consultative procedure People's Panel Roadshow 'Graffiti' suggestion wall Social media | Community Board meeting Hui a iwi/ public meeting Working party Workshops Focus group Drop-in sessions Social media | Multi stakeholder process Advisory group Round table meeting Market pop-ups World cafe | Referendum Citizen juries Participatory budgeting |
| When the community can expect to be involved in the decision- making | The Council will advise the community when a decision has been made. | The Council will advise the community when a draft decision has been made and will provide the community with an opportunity to participate and respond before a final decision is made. | The Council will provide the community with opportunities to be involved throughout the decision-making process, before a final decision is made. | The Council will provide the community with opportunities to be involved throughout the decision-making process, including when the options are being considered before a final decision is made. | The Council will provide the community with the power to make the final decision. |

Engagement concerning local issues: Some local issues will be considered highly significant for particular communities. In these cases, the Council will engage with affected communities directly. The Council will take a flexible approach on how it engages with the community on local issues according to the community's preferences for engagement. This approach will often involve DCC staff, Councillors and, where relevant, Community Boards.

Engagement linked to day-to-day council business: DCC staff, in consultation with the relevant Councillors and Community Boards, will identify and manage community engagement activities associated with the organisation's usual work and projects. The responsible department will establish the most appropriate engagement activities at the project planning stage. The department will then be responsible for providing information to the community on the issue and facilitating the community involvement.

Ongoing engagement activities: The Council recognises that engagement is not a one-off activity, and uses a number of initiatives regularly to engage with the community. Such activities enable early engagement on issues, and include:

- **Advisory and stakeholder groups** – The Council establishes advisory and stakeholder groups to engage with individuals, organisations, businesses, groups, communities and sectors within the community. These advisory and stakeholder groups may be ongoing or established for a particular timeframe. All advisory and stakeholder groups will be established by a Council resolution, have specific terms of reference and regularly report to a relevant Council Committee.

- **Community Boards** – The Council partners with Community Boards, which provide advice on matters affecting their communities and advocate for the interests of their communities. Community Boards may also make submissions to the Council and other organisations on matters affecting their areas.
- **Partnerships** – The Council facilitates a range of partnerships and networks between all levels of government, business and community organisations, including informal engagement with staff and key stakeholders.
- **Place-based approach** – The Council works with a number of specific communities and neighbourhoods to set priorities in their area, improve the co-ordination of services being delivered within their area and enable consideration of all issues relating to their area.
- **Online engagement** – The Council uses digital tools for engaging with the community, such as the People's Panel, social media and the DCC's website.

Special Consultative Procedure: The Council will engage with the community using the special consultative procedure when required by legislation, and when it is the most effective engagement tool for a particular proposal or decision. The special consultative procedure is outlined in section 83 of the LGA, and is summarised below.

- The Council will prepare and adopt a written statement of proposal, and if relevant, a summary of that proposal, which will: clearly identify what the proposal is and the reasons for it; and provide an analysis of feasible options.

- The Council will provide an opportunity for people to give feedback on the matter and will: ensure the summary and statement of proposal is widely available; enable interaction between the community and the Council, or its representatives; provide an opportunity for people to present their views to the Council; and provide at least one month for feedback.

Review

This Policy will be reviewed at least once every three years, and within 12 months following each triennial election.

Schedule 1: DCC Strategic Framework



Schedule 2: Strategic council-owned assets

Strategic assets are those considered by the Council to be strategically important to achieve and promote the current or future well-being of the community and the priorities of the Strategic Framework. Currently the Council's strategic assets are:

- Cemeteries Community housing
- Dunedin Botanic Garden
- Dunedin Centre, Town Hall and Municipal Chambers
- Dunedin Public Art Gallery and collections
- Dunedin Public Libraries and collections
- Dunedin Railway Station
- Edgar Centre
- Forsyth Barr Stadium
- 231 Stuart Street (formerly the Fortune Theatre)
- Hereweka Harbour Cone
- Lan Yuan Chinese Garden
- Landfill facilities
- Logan Park
- Moana Pool

- Olveston House and collections
- Parks, recreation and open space network Regent Theatre
- Shares in Dunedin International Airport Company Limited
- Dunedin City Holdings Limited
- Stormwater collection and disposal system
- The Town Belt
- Toitū Otago Settlers Museum and collections Transportation Network
- Wastewater collection, treatment and disposal system
- Water collection, storage, treatment and distribution system

Notes:

The Council may consider any other asset or group of assets as being 'significant' by using the criteria of significance.

Where a strategic asset is a network or has many components, decisions can be made on individual components within the network without it being regarded as significant, unless that component substantially affects the level of service provided to the community.

Decisions can be made to physically alter strategic assets that are required to prevent an immediate hazardous situation arising, or repair an asset due to damage from an emergency or unforeseen situation.

As agreed by the Council, in the case of Council Controlled Organisations (CCO), decisions relating to the management, acquisition or divestment of assets are taken by the independent board of the CCOs under the Statement of Intent.