

## Dunedin's 10 year plan 2018-28

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## Section 1:

### Introduction

### He kupu whakataki

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## 1.1 Setting the scene | He horopaki



Dunedin is humming with economic activity, creativity, aspiration and promise. However there is still much to do, and we need to invest in continuous improvement to realise that promise.

This 10 year plan is an ambitious programme of spending to upgrade existing infrastructure as well as some new projects which will make our city an even more attractive place to live, work, study and do business.

Of course, considerable investment is required to achieve everything planned. That is reflected in this year's rates increase of 7.8%.

We're conscious that for some people that is a relatively big increase, particularly those on low and/or fixed incomes. It is worth pointing out however, that Dunedin has some of the lowest rates in the country and the increase works out at about \$3 a week for a typical residential ratepayer.

Debt will also be used to fund some of the cost of big projects. This means today's ratepayers don't pay the full cost of projects now – the costs are spread out over several generations who get the benefit over the lifetime of the assets.

All in all, the 10 year plan is a bold and exciting blueprint for growing Dunedin into a contemporary, 21st century city that is attractive to employers, families and job seekers.

The Council's programme of spending complements the many other great things happening in the city and I'm excited at what the next 10 years will bring.

*Kai te oriori, kai te okeoke a Ōtepoti i te auaha, i te tūmanako, i te wawata. He mahi nui tou kai mua i te aroaro, me haumi tou kia pakari ake, kia whakawhanake ake, kia whakatinana i ēnei tūmanako.*

*He mahere whai manawa tēnei mahere kahuru tau ki te aka tou o te tāone nei. He mahere whai whakaaro hoki ki ētahi kaupapa hou ka whakarākeihia ake atu rā tō tātou taone, hai wāhi ātaahua, hai wāhi hāneanea, hai wāhi ako, hai wāhi whai umaka.*

*Ki te whakatata mai te pae tawhiti he nui tou te haumitaka e hiahia ana. Ka kitea tērā i te pikika 7.8 ōrau o kā rēti.*

*Kai te mōhio hoki mātou he pikika nui ki ētahi, ki a koutou rā kāore he nui te hua utu, ki a koutou ko whakakōhatutia rānei tō hua utu. Ki te whakataurite ki wāhi kē atu, he iti kē te utu rēti o Ōtepoti i te nuika o kā taone o Aotearoa. Ko te pikika utu, ko te āhua 3 tāra ia te wiki ki tākata noa.*

*Ko kā nama hoki ka whakamahia ki te hiki i te utu o ētahi o kā kaupapa nui. Nā reira ehara i te mea mā kā kaiutu rēti o tēnei rā ēnei kaupapa katoa e utu. Ka tohaina te utu ki kā whakatipuraka e heke mai nei, ā, ka whai hua hoki tou rātou ki ēnei hua e whakatipuria ana e tātou.*

*Hai whakakapika he mahere māia, he mahere whakahiamo ki te whakatipu ake a Ōtepoti kia pūāwai ai hai tāone nui, hai tāone nō nāiane, hai tāone whakapoapo i kā kaitukumahi, i kā whānau, i te huka rapu mahi hoki.*

*He hoa pai te hōtaka utu a te Kaunihera ki ērā atu o kā kaupapa nui taioreore o tēnei tāone nui nei, kai te hīkaka tou te manawa ki kā tau kahuru e heke mai nei.*

**Dave Cull**

**Mayor of Dunedin**



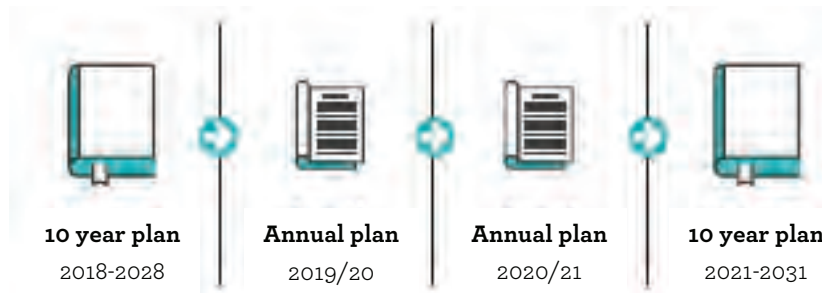
## What is the 10 year plan?

The 10 year plan 2018-28 helps shape our city for the future. The plan outlines the services and activities the DCC will provide, the projects we will carry out and the level of service the community can expect.

The plan also includes how much we expect things to cost, how we'll pay for them and what it all means for rates and debt.

A 10 year plan looks a decade ahead, but is reviewed and consulted on every three years. An annual plan is prepared for the years in between.

## Planning timeline



## 1.2 Mayor and Councillors | Ko te Kahika me kā Kaikaunihera



**Dave Cull** (Mayor)  
Office: 03 474 3855  
Mobile: 027 434 6917



**Doug Hall**  
Mobile: 027 432 0023



**Conrad Stedman**  
Office: 03 470 1370  
Mobile: 021 311 551



**Chris Staynes** (Deputy Mayor)  
Home: 03 453 6855  
Mobile: 021 523 682



**Aaron Hawkins**  
Mobile: 022 100 6634



**Lee Vandervis**  
Home: 03 467 5272  
Mobile: 021 612 340



**David Benson-Pope**  
Home: 03 454 4136



**Mike Lord**  
Home: 03 486 2730  
Mobile: 027 438 2097



**Marie Laufiso**  
Mobile: 021 532 396



**Rachel Elder**  
Mobile: 022 397 4604



**Damian Newell**  
Mobile: 021 397 976



**Andrew Whiley**  
Mobile 027 465 3222



**Christine Garey**  
Mobile: 0274 478 876



**Jim O'Malley**  
Mobile: 021 525 547



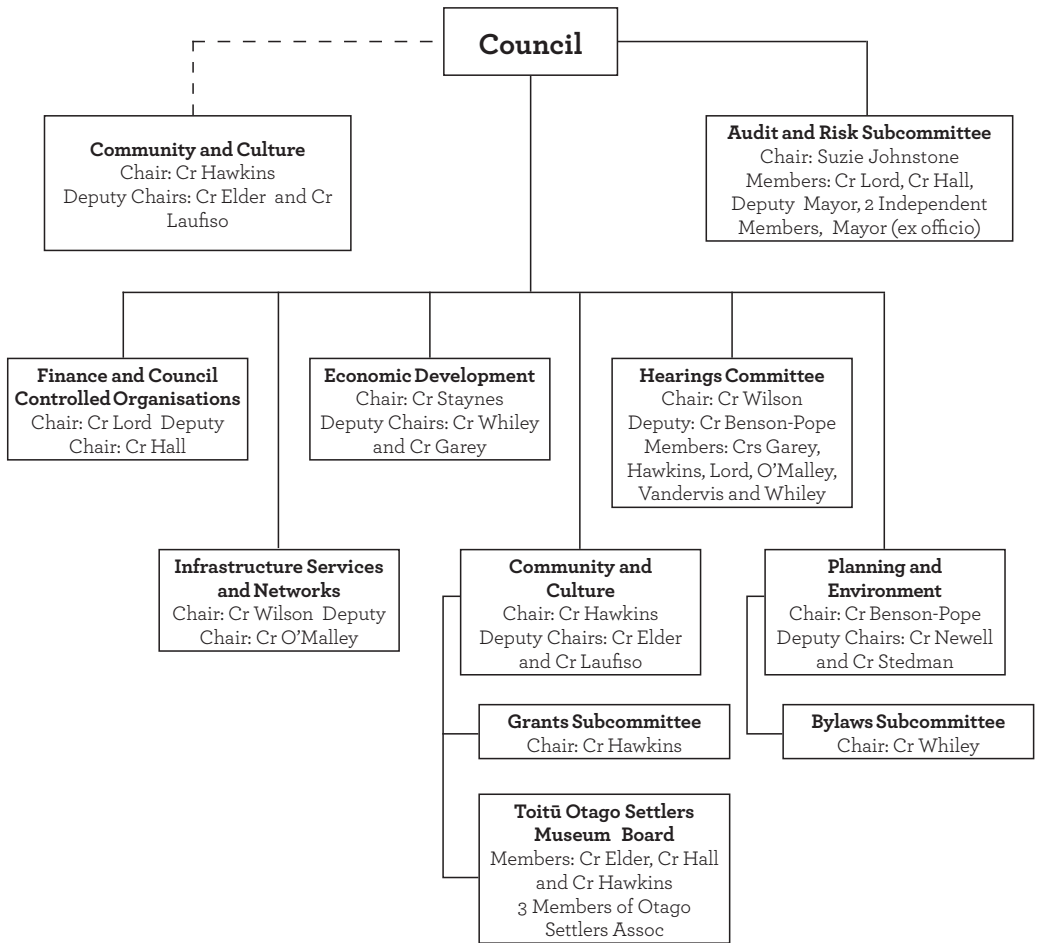
**Kate Wilson**  
Home: 03 464 3797  
Mobile: 027 443 8134



## 1.3 Community Boards | Kā poari hapori

<b>West Harbour</b>	<b>Mosgiel-Taieri</b>	<b>Otago Peninsula</b>	<b>Saddle Hill</b>	<b>Strath Taieri</b>	<b>Waikouaiti Coast</b>
Steve Walker (Chair) M: 027 850 5603	Sarah Nitis (Chair) M: 027 5433 903	Paul Pope (Chair) M: 027 466 8446	Scott Weatherall (Chair) M: 027 440 4700	Barry Williams (Chair) M: 027 486 6433	Alasdair Morrison (Chair) M: 027 435 4384
Trevor Johnson (Deputy Chair) M: 027 284 8611	Joy Davis (Deputy Chair) M: 027 476 6047	Hoani Langsbury (Deputy Chair) M: 027 252 2876	Leanne Stenhouse (Deputy Chair) M: 021 117 5195	Joan Wilson M: 027 454 3620	Geraldine Tait M: 021 217 5492
Ange McErlane M: 0274 380 601	Martin Dillon M: 027 433 7800	Lox Kellas M: 021 191 5703	Christina McBratney M: 021 269 6170	David (Jock) Frew M: 027 820 1923	Mark Brown W: 482 2011
Jan Tucker M: 021 140 8890	Philippa Bain M: 027 545 3193	Christine Neill M: 027 223 4824	Keith McFadyen M: 027 444 8913	Jacinta Stevenson M: 027 322 1152	Richard Russell M: 021 444 421
Ryan Jones M: 022 432 1346	Maurice Prendergast M: 027 434 5545	Graham McArthur M: 021 477 7009	Paul Weir M: 021 039 4260	Norma Emerson M: 021 064 9355	Rose Stringer-Wright M: 021 0274 5922
Francisca Griffin M: 027 483 4707	Dean McAlwee M: 027 272 6132	Edna Stevenson M: 027 478 0543	Peter Gouverneur M: 027 683 8853	Mark O'Neill M: 027 699 4730	Mandy Mayhem-Bullock M: 021 919 555
Cr Aaron Hawkins M: 022 100 6634	Cr Mike Lord M: 027 438 2097	Cr Andrew Whiley M: 027 465 3222	Cr Conrad Stedman M: 021 311 551	Cr Mike Lord M: 027 438 2097	Cr Jim O'Malley M: 021 525 547

# 1.4 Council Committee structure | Te Kōmiti Kaunihera



**Joint Committees**

- Otago Civil Defence Emergency Management Group
- Dunedin Heritage Fund Committee

**Other Bodies Reporting to Council**

- District Licensing Committee**  
Chair: Colin Weatherall  
Deputy Chair: Andrew Noone  
Members: David Benson-Pope, Aaron Hawkins, Mike Lord, Lee Vandervis, Peter Burrows, Colin Lind, Tanya Surrey and Wayne Idour
- Chief Executive Appraisal Committee**  
Chair: Mayor  
Deputy Chair: Deputy Mayor
- Dunedin District Plan Hearings Panel**  
Chair: David Collins  
Members: 7 Hearings Commissioners



## 1.5 Summary of community consultation | He rūnaka hāpori

### Community feedback

Community engagement on the draft 10 year plan 2018-28 occurred in a five and a half week consultation period between Wednesday, 14 March and Monday, 23 April 2018. To support the community engagement, a consultation document called *‘Investing in our great small city: Te Whakatāpae I tēnei taone’* was developed which set out the key issues and proposals included in the plan.

There was a high level of community engagement, with a total of 5,661 pieces of feedback received during the consultation period. This included 1,704 feedback forms (including 381 in hard copy), 1,025 postcards, 2,410 social media comments and 522 other pieces of feedback.

A wide range of community views were expressed, including the following key themes.

- o Some people did not support the proposal to sell \$63 million worth of investment properties to keep debt under the proposed debt limit of \$285 million.
- o There was support for investing in a bridge from the city to the waterfront, and upgrading the central city and tertiary precinct areas. However the level of support for investment between the moderate or substantial options varied between the proposals.
- o Some people expressed concern about the impacts of proposed rate increases, particularly for older ratepayers on fixed incomes.
- o Some people suggested prioritising core services like roading and waters projects and a larger investment in a new Mosgiel Pool over the investments intended to ‘improve the look and feel of the city’.

All of the community feedback was categorised into 101 topics. The 20 most commented on topics were:

Topic	Number of comments
Mosgiel Pool	427
Bridge/city to waterfront connection	328
Rates	261
Central city upgrade	206
Cycleways	204
Harbourside/waterfront vision	173
Tertiary precinct	117
Transport improvements	116
Public transport	81
Stormwater improvements	80
Climate change adaptation and planning	79
Place-based groups	75
Transport - operational	67
LED lights and streetlights	65
Debt	64
Infrastructure strategy	64
Parks and recreation improvements	57

Topic	Number of comments
75+ parking fee	54
South Dunedin community hub	52
Economic development and employment	51

### Council decision making

The Council considered the community feedback on the draft 10 year plan at the Council deliberations meeting held between Monday, 14 May and Wednesday, 16 May 2018. The following is a summary of the Council's decisions. A complete record of the decisions can be found in the meeting minutes on the DCC website.

### Debt limit and asset sales

As a result of community feedback, the Council amended the draft financial strategy by increasing the debt limit from \$285 million to \$350 million and removing the income stream from selling investment properties. The target return for Council's investment properties was set to at least covering the costs of servicing the higher debt limit.

### Bridge/city to waterfront connection

The Council sought specific feedback from the community on the level of investment and funding for the construction of a bridge on two options.

- o Option 1: \$20 million for the Architecture Van Brandenburg bridge.
- o Option 2: \$10 million for a basic bridge.

The Council approved a maximum of \$20 million for the Architecture Van Brandenburg bridge.

### Central city upgrade

The Council sought specific feedback from the community on the level of investment and funding for upgrading the central city on two options.

- o Option 1: \$60 million for substantial investment across the central city, allowing consistently for very high or high quality upgrades.
- o Option 2: \$35 million for moderate investment across the central city, requiring a mix of high and moderate quality upgrades.

The Council approved \$60 million for substantial investment in the central city upgrade.

### Tertiary precinct upgrade

The Council sought specific feedback from the community on the level of investment and funding for renewals and streetscape upgrades within the tertiary precinct area on two options.

- o Option 1: \$20 million for substantial investment in the tertiary area.
- o Option 2: \$11.3 million for moderate investment in the tertiary area.

The Council approved \$20 million for substantial investment in the tertiary precinct upgrade.

### Mosgiel Pool

As a result of community feedback on the Mosgiel Pool, the Council amended the draft capital budget by increasing the DCC contribution towards the Mosgiel Pool from \$6.4 million to \$10.8 million. This capital expenditure is subject to the Taieri Community Facilities Trust fundraising a minimum of \$3.2 million, and final Council approval of the project.

### Place-based community grants scheme

The Council sought specific feedback from the community on the level of funding for a new place-based community grants scheme on two options.

- o Option 1: \$200,000 per year for a new place-based community grants scheme for three years.
- o Option 2: \$300,000 per year for a new place-based community grants scheme for three years.

The Council approved \$300,000 per annum for a new place-based community grants scheme for the first three years of the plan.



### Sammy's

As a result of community feedback on Sammy's, the Council brought forward the \$5 million budget from 2020/21 to provide \$1 million in 2018/19 and \$4 million in 2019/20. This means a review of the building's condition can be carried out and an assessment of the work that might be required.

### Additional funding provided

The Council was able to increase the operating budgets in some DCC activities and provide funding to some organisations that support community, recreational, environmental and creative projects.

Predator Free Dunedin	A one-off grant of \$250,000 in 2018/19 and an annual grant of \$150,000 for four years from 2019/20.
Dunedin Wildlife Hospital	An annual grant of \$50,000 for three years from 2018/19.
DCC parks and reserves	Increase of \$5,000 per annum to assist with the development, maintenance and upkeep of Mountain Bike Otago tracks.
Otago Museum	An annual grant of \$75,000 towards the Otago Museum's Tangata Whenua Gallery redevelopment for two years from 2019/20.
DCC city development	Increase of \$75,000 a year in 2018/19 and 2019/20 to support pedestrianisation trials and associated activities in the lower Octagon and Stuart Street.
Civic grants	\$95,000 from the Civic Grants budget has been allocated towards the provision of professional theatre in Dunedin, for three years from 2018/19.
DCC community development and events	Increase of \$80,000 per annum to support community development for migrants and refugees.
Festival and events grants	Increase of \$50,000 per annum spread across the three contestable areas: premier (\$10,000), major (\$30,000) and local events (\$10,000).
Smart city	Increase of \$100,000 in 2018/19 for new work around the future of Dunedin as a smart city.

### Things the Council will investigate

The Council agreed to look into a number of matters as a result of community feedback on the 10 year plan.

Investment properties	A plan for achieving a target return for DCC-owned investment properties of at least covering the costs of servicing the higher debt limit will be provided to Council before the 2020/21 Annual Plan.
Central city upgrade	The Rates Funding Advisory Panel will investigate the inclusion of a targeted rate (or some other method) to help fund the amenity works associated with the central city upgrade and will report back to the Council before the 2019/20 Annual Plan.
Tertiary precinct upgrade	The Council will investigate and explore how the Otago Polytechnic, the University of Otago and other landowners may provide a contribution to the tertiary precinct upgrade which is commensurate with the amenity improvements to the area.
Otago Museum	The Chief Executive Officer and the Mayor will initiate discussions with the Ministers of Arts, Culture and Heritage around potential for more equitable levying across the region, and for national funding for the Otago Museum recognising the significance of the Otago Museum collection.

## 1.6 Major projects | Kā kaupapa matua

The Council has an ambitious 10 year plan for investing in Dunedin. The Council wants to keep the city attractive and interesting, build on our successes and attract more working age people to the city. Challenges like climate change will need to be addressed to make sure services are maintained.

Over the next 10 years \$878 million is budgeted for capital projects. Around 70% of that capital budget is on replacing and upgrading things like stormwater pipes, water and wastewater networks and roads. Wherever possible, the Council will make things work better rather than just replacing them.

The Council plans to increase internal and external capacity so that the capital programme can be delivered cost effectively and on time. The Council is taking strategic approaches to procurement and increasing staff in the infrastructure teams to make sure the capital projects are delivered.

Investing in renewals and specific projects to address risks will ensure that the Council can maintain service levels across the infrastructure networks. The Council is committed to improving asset information to ensure that assets are renewed within appropriate timeframes and based on accurate information.

Some of the major capital projects included in the 10 year plan 2018-28 are outlined below. More detailed information on the capital programme is provided in Section 4.2 of the 10 year plan 2018-28.

### Central city upgrade

**\$60 million** – The central city area has not had major street improvements for more than 20 years. This project will improve safety in the central city area and create a more attractive space with new paving, street furniture and lighting. The upgrade work will be aligned with work on underground services such as water and wastewater pipes which need to be replaced. Project planning is underway and the work will be done in sections and staged over the 10 year plan. It will take at least 18 months to consult, complete design and appoint contractors before construction begins.

### Green Island Wastewater Treatment Plant upgrade

**\$44 million** – This will improve the treatment process and mean the plant can take and treat much more wastewater. Wastewater from Kaikorai Valley, which now flows through South Dunedin to the Tahuna plant, will instead be piped to Green Island. This will help reduce wastewater flooding in South Dunedin. Preliminary work and design are likely to take two years, with construction to start in 2020/21.

### Peninsula Connection

**\$44 million** – This project will widen and raise the low road around Portobello to make it safer and more attractive. Most of the road will be widened by 5-6 metres, and a new rock seawall and a shared cycle/pedestrian path will be built. The work will also include seating, planting and rest areas.

### Stormwater improvements in South Dunedin

**\$35 million** – Parts of South Dunedin are prone to flooding in heavy rain. This project will improve how stormwater is collected and moved around to help reduce the flooding that can damage homes and businesses. It is likely the focus in the first three years of the 10 year plan will be on planning, design and research.

### City cycleways

**\$23 million** – The focus will be on building new cycleways that connect with existing routes, such as the SH1 separated cycle lanes, the Peninsula Connection, SH88 and the proposed tunnels trail. New cycleways will better connect areas across the city, improve safety and provide opportunities for tourism.



### **Bridge / city to waterfront connection**

**\$20 million** – The aim of this project is to improve the links between the city centre and waterfront by providing an accessible pedestrian and cycling bridge across the railway line. An architectural bridge has been designed by Dunedin architects, Architecture Van Brandenburg, and forms part of a wider vision to revitalise the waterfront. The bridge is seen as a catalyst to kick start this revitalisation. Detailed design work is scheduled for the first year of the 10 year plan 2018-28, with construction to start in 2019/20 and take three years to complete.

### **Tertiary precinct**

**\$20 million** – This project will improve the safety and accessibility of the streets in the tertiary precinct area, and includes improvements to the streetscape. The upgrade work will be aligned with the work on underground services such as water and wastewater pipes which need to be replaced. It will take approximately 18 months to consult, complete design and appoint contractors before construction begins.

### **Transport improvements**

**\$20 million** – This money is spent across the city to make our roads and footpaths safer and more accessible. The improvements include intersection upgrades, work to lower kerbs at corners to make them safer for people with mobility or sight problems, upgrading footpaths and installing signs and road markings.

### **LED street lights**

**\$12 million** – Upgrading street lights to LED lighting will roll out across the city from 2018/19. Switching to LEDs will save on both energy and maintenance costs. The type of LEDs used and when different suburbs will be upgraded is still to be decided.

### **Mosgiel pool**

**\$10.8 million from the DCC.** The DCC is working with the Taieri Community Facilities Trust to provide a new swimming complex in Mosgiel. The DCC contribution will depend on community funding and final approval of the project.











### **South Dunedin community hub**

**\$5.25 million** – The community hub provides space for community activities, meeting areas and DCC service centre and library activities, as well as other community services. A temporary hub was opened on Hillside Road in September 2017 and work is underway for a permanent South Dunedin hub. The DCC is investigating the best site for the permanent hub, and is aiming for construction to begin in 2019/20.

### **Sammy's**

**\$5 million** – The work will initially focus on investigating the condition of the Sammy's building and a broader review of the cultural facilities infrastructure across Dunedin. The DCC will continue to work with partners in the development of Sammy's and depending on the recommendations of the review, construction work will be undertaken in 2019/20.

## 1.7 10 year budget | Te tahua mō te kahurutaka

Activities and services	Capital costs \$878m	Operating costs \$2,906m	How costs are funded	Where rates go (every \$100)
 3 Waters	\$305m	\$671m	Rates 90% Other, including fees and charges 10%	\$37
 Roading and footpaths	\$373m	\$503m	Rates 48% Other, including fees and charges 52%	\$9
 Reserves and recreational facilities	\$67m	\$372m	Rates 85% Other, including fees and charges 15%	\$21
 Property	\$65m	\$332m	Rates 15% Other, including fees and charges 85%	\$3
 Libraries and museums	\$18m	\$225m	Rates 93% Other, including fees and charges 7%	\$17
 Waste management	\$9m	\$148m	Rates 22% Other, including fees and charges 78%	\$2
 Regulatory services	\$3m	\$112m	Rates 0% Other, including fees and charges 100%	\$0
 Community and planning	\$3m	\$114m	Rates 88% Other, including fees and charges 12%	\$7
 Economic development	\$0m	\$57m	Rates 83% Other, including fees and charges 17%	\$3
 Governance and support services	\$35m	\$372m	Rates 2% Other, including fees and charges 98%	\$1

## 1.8 Independent auditor's report | He pūroko kaitātari kaute



### To the reader:

#### Independent auditor's report on Dunedin City Council's 2018 28 Long Term Plan

I am the Auditor General's appointed auditor for Dunedin City Council (the council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the council's long term plan (the plan). Section 259C of the Act requires a report on disclosures made under certain regulations. We have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 26 June 2018.

### Opinion

In my opinion:

- the plan provides a reasonable basis for:
  - › long term, integrated decision making and co ordination of the council's resources; and
  - › accountability of the council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 158 to 161 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

### Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan.

To select appropriate procedures, we assessed the risk of material misstatement and the council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the council's financial strategy, and the associated financial policies, support prudent financial management by the council;
- the council's infrastructure strategy identifies the significant infrastructure issues that the council is likely to face during the next 30 years;
- the information in the plan is based on materially complete and reliable information;
- the council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

### **Responsibilities of the council and auditor**

The council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.


I am responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

### **Independence**

In carrying out our work, we complied with the Auditor General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

Other than our work in carrying out all legally required external audits and assurance engagements, we have no relationship with or interests in the council or any of its subsidiaries.



Julian Tan, Audit New Zealand

On behalf of the Auditor General, Dunedin, New Zealand





## Section 2:

## Strategic overview He tirohaka whānui

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## 2.1 Our strategic framework | Te aka rautaki

Often people ask how the Council makes decisions and prioritises work to develop our city.

The decision-making process starts with the vision of Dunedin as one of the world's great small cities. Dunedin has a thriving economy, with connected and supportive communities. The distinctive built heritage and treasured natural environment are enjoyed by residents and visitors alike. The compact city is also safe and accessible, and has great arts and culture.

The Council, working with the community and stakeholders, has developed a strategic framework to support decision-making with key priorities for investment, effort and development.



There are eight strategies focused on long-term outcomes and Dunedin's development.

- o The *3 Waters Strategic Direction Statement* sets out how the DCC will ensure the city has safe, reliable and affordable water services.
- o The *Spatial Plan* shapes the form of the city.
- o The *Economic Development Strategy* sets out priorities for creating jobs, incomes and opportunities.
- o The *Social Wellbeing Strategy* outlines how the DCC will foster inclusive communities and quality lifestyles.
- o The *30 year Integrated Transport Strategy* sets priorities for how the safe and efficient movement of people and goods will be supported.

- o *Ara Toi Otepoti Arts and Culture Strategy* roadmaps strategic actions which support the creative sector in Dunedin and develop an environment which acknowledges the intrinsic value of the arts;
- o *Te Ao Tūroa, Dunedin's Environment Strategy* delineates Dunedin's climate change impact plan and connects the communities with sustainable ecology & environmental actions; and
- o The *Parks and Recreation Strategy* develops the use of Dunedin's open spaces, recreation facilities and parks to connect and value our spaces and promote more active communities.

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

### Achieving great outcomes as a community

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

### Summary of community outcomes, priorities & indicators

A summary of the community outcome priorities that set out what the city will be like if the Council achieves its goals, and the indicators for tracking progress in making this happen are shown below.

Outcome	Priorities	Indicators
Vision	Dunedin is one of the world's great small cities	Perception that Dunedin is one of the world's great small cities
Strategic principles	Te Tiriti o Waitangi / the Treaty of Waitangi	Rūnaka satisfaction with the Māori Participation Working Party and other forms of engagement Percentage of key DCC printed publications that include Māori content and Te Reo translations
	Sustainability	Percentage of residents agreeing that 'Dunedin is a sustainable city' Percentage of residents agreeing that 'the DCC is a leader in encouraging the development of a sustainable city'
Social wellbeing: A supportive city with caring communities and a great quality of life	<p><b>Connected people:</b> making people feel connected and involved in community and city affairs</p> <p><b>Vibrant and cohesive communities:</b> building better communities both at a local/geographic level and communities of interest</p> <p><b>Healthy and safe people:</b> promoting good health and ensuring people feel safe, and are safe</p> <p><b>Reasonable standard of living:</b> promoting a good work/life balance and full employment</p> <p><b>Affordable and healthy homes:</b> people are living in warm and healthy homes and affordable housing options are available to all</p>	<p>Percentage of residents who have experienced problems with damp or mould in their homes during winter</p> <p>Residents' sense of community within their local neighbourhood</p>

Outcome	Priorities	Indicators
3 Waters: A healthy city with reliable and quality water, wastewater and stormwater systems	<p><b>Meet water needs:</b> Utilising existing water sources for the safe and quality water needs of the city for the next 50 years</p> <p><b>Adaptable supply:</b> Adaptable water supply to a variety of future climate change and population scenarios</p> <p><b>Improve discharges:</b> Improving discharges to minimise the impact on the environment</p> <p><b>Maintain service levels:</b> Maintaining, and where practicable, improving key service levels into the future</p> <p><b>Kaitiakitaka:</b> An integrated approach to management of the three waters which embraces the concept of kaitiakitaka (Guardianship)</p> <p><b>Waste Services:</b> Meeting the safe and quality waste management of the city based on waste minimisation towards a zero waste target over the next 50 years</p>	<p>The water quality of Dunedin's lakes and rivers using Land Air Water Aotearoa measures</p> <p>Satisfaction with the way the DCC manages the city's water related infrastructure</p>
Spatial plan: A compact city with a vibrant CBD and thriving suburban and rural centres	<p><b>Liveable city:</b> a healthy and safe environment; quality air and water; a connected community; recreation, leisure &amp; learning, opportunities; healthcare, and warm housing</p> <p><b>Environmentally sustainable and resilient city:</b> resilient ecosystems and communities; actively responding to climate change; reducing dependence on non-renewable resources; seismic-strengthened heritage buildings</p> <p><b>Memorable and distinctive city:</b> protecting significant landscapes; quality architecture and urban design; memorable and engaging public art; celebrating Tangata Whenua and European heritage; actively re-using built heritage</p> <p><b>A city that enables a prosperous and diverse economy:</b> maintaining and growing our rural economy, industrial base and world class communications; attracting and retaining internationally-focused people; supporting and benefiting from the tertiary education sector</p> <p><b>Accessible and connected city:</b> an urban form that supports accessibility from a range of modes and sustainable transport choices; a safe and efficient road network; affordable and convenient public transport; it is safe and pleasant to walk and cycle</p> <p><b>A vibrant and exciting city:</b> a successful arts and culture scene, vibrant central city and local centres</p>	<p>Satisfaction with the way the city is developing in terms of its look and feel</p> <p>Urban development capacity</p>
Economic development: A successful city with a diverse, innovative and productive economy	<p><b>Business vitality:</b> improving the ease of doing business and growing the value of exports</p> <p><b>Alliances for innovation:</b> improving linkages between industry and research and increasing scale in innovative and tradable sectors</p> <p><b>A hub for skills and talent:</b> increasing the retention of graduates, building the skills base and growing migrant numbers</p> <p><b>Linkages beyond our borders:</b> increasing international investment and establishing strategic projects with other cities</p> <p><b>A compelling destination:</b> marketing Dunedin and exporting education uplift</p>	<p>Growth in full time equivalent jobs</p> <p>Growth in real GDP per capita</p> <p>Ability to cover costs of everyday needs</p>



Outcome	Priorities	Indicators
<b>Ara Toi:</b> A creative city with a rich and diverse arts and culture scene	<b>Identity pride:</b> embedding creativity in city decision-making <b>Access and inclusion:</b> investing in access to arts and culture and enabling self-expression <b>Creative economy:</b> leveraging the economic growth of the arts and culture sector <b>Inspired connections:</b> utilising existing networks and fostering new connections to drive creativity	Percentage of residents rating Dunedin as creative  Percentage of residents visiting one or more cultural facility within the last twelve months
<b>Integrated Transport:</b> A connected city with a safe, accessible and low-carbon transport system	<b>Safety:</b> prioritising safety improvements according to risk <b>Travel choices:</b> prioritising investment and space to improve the provision of active modes and public transport <b>Connectivity of centres:</b> improving connections within and between centres and the central city for public transport and active modes <b>Freight:</b> efficiently and effectively moving freight <b>Resilient network:</b> integrating land use and transport to reduce demand for vehicle travel and increasing the resilience of the transport network	Percentage of residents who walk, jog, cycle or take public transport to work  Number of fatal and serious injury crashes
<b>Te Ao Tūroa:</b> A sustainable city with healthy and treasured natural environments	<b>Resilient and carbon zero:</b> planning for and adapting to climate change and impacting positively on global environment and managing resources sustainably <b>Healthy environment:</b> sustaining ecosystem services, increasing indigenous biodiversity and restoring areas of ecological value <b>Caring for the natural world/Tiakitaka:</b> enjoying, connecting to, and celebrating the natural environment	City greenhouse gas emissions Total area of indigenous habitats in Dunedin protected by the Distract Plan, DCC reserve land and land held under QEII covenants and other statute-based protective mechanisms and/or recognised as Areas of Significant Conservation Value
<b>Parks &amp; Recreation:</b> An active city with quality and accessible recreational spaces and opportunities	<b>Active people:</b> people are living active lives by participating in formal and informal recreation and sport <b>Open spaces and facilities:</b> our parks and facilities are meeting the changing needs of our communities and are increasingly used <b>Treasured parks, natural landscapes, flora and fauna:</b> understanding, protecting and restoring our ecosystems and biodiversity, and our parks and landscapes bringing people together to celebrate our cultures and heritage <b>We work with others:</b> having strong relationships with tangata whenua, and creating effective local and national partnerships	Percentage of residents who participate in physical activity 5 or more days a week  Percentage of residents using a park, reserve and/or open space and/or recreation facility at least once a month

## 2.2 Māori participation | He whakaurutaka Māori

The Council recognises its commitment to the Treaty of Waitangi to consult with Māori and provides opportunities for Māori to contribute to its decision-making processes. The Council is working with all Māori in Dunedin to facilitate active and meaningful participation.

### Māori Participation Working Party

A Memorandum of Understanding between the Dunedin City Council, Te Rūnanga o Ōtākou and Kāti Huirapa Rūnaka ki Puketeraki was signed on 11 December 2006. The Memorandum provides the framework within which the Dunedin City Council and Manawhenua propose to give effect to the legislative requirements to consult with iwi and provide opportunities for Māori to contribute to local government decision-making processes. The Araiteuru Marae Council are also recognised as representing Taurahere (non-Kāi Tahu Māori) in the city.

The aims of the Māori Participation Working Party are to:

- o Provide a direct line of communication between the Council with Kāi Tahu Rūnanga and Taurahere in the Dunedin area.
- o Facilitate communication and understanding at the executive/governance level of all parties.
- o Provide a forum for discussion of strategic level issues.
- o Provide advice to the Council on issues relating to Māori.
- o Identify, set out and evaluate options for the participation of Māori in areas arising from the Local Government Act 2002.

Since the signing of the Memorandum, a number of hui have been convened on particular areas of focus including: economic, social/cultural and environmental. Initiatives which have been implemented as a result of the hui include: compiling a database of Māori land within Dunedin City; employing a coordinator to coordinate and develop Matariki/Puaka as an indigenous celebration unique to Dunedin; and tree planting initiatives to encourage native birds. Most recently in 2017, a planning hui was held as part of early engagement for the 10 year plan.

The Memorandum was reviewed in December 2009 and is currently under review again.

### Te Roopu Taiao

Otago local authorities and Manawhenua developed an enhanced Otago consultation model called Te Roopu Taiao (Te Roopu). This includes representatives from councils in the Otago region, and all Papatipu Rūnanga. The Governance Charter for Te Roopu was formalised in 2014 after a year of operation.

The objectives of Te Roopu are to:

- o Create an Otago Takiwa-wide collective forum between Aukaha (formerly Kāi Tahu ki Otago or KTkO) and the local authorities of Otago to facilitate better mutual understanding; improve the efficiency of Iwi engagement and resourcing for council-oriented business; and foster and grow Iwi capacity in local government activities, processes and governance.
- o Develop a combined work programme that will help establish stable resourcing levels and avoid duplication of effort for Iwi participation with local authorities; establish priorities of work demand; and move work demands into a medium term perspective in which future needs can be planned.
- o Assist fulfilling local authority obligations to Iwi under all relevant statutes.

The Council continues to work with and seek advice from Te Roopu on a variety of projects including a review of the Resource Consent Protocol in 2014 which aims to facilitate effective consultation and liaison in relation to resource consent matters.

## 10 year plan

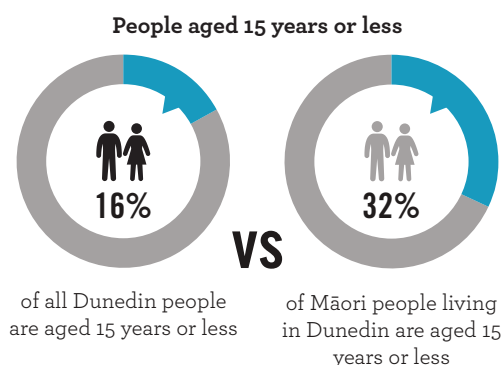
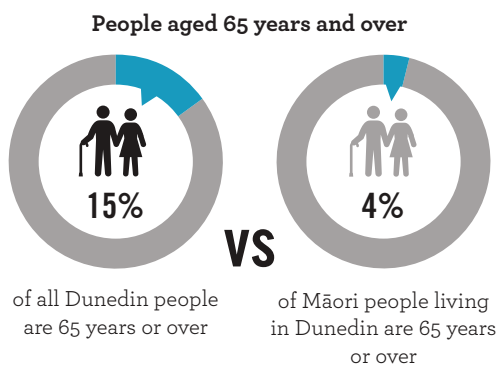
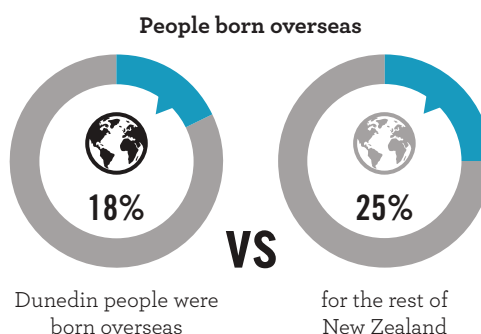
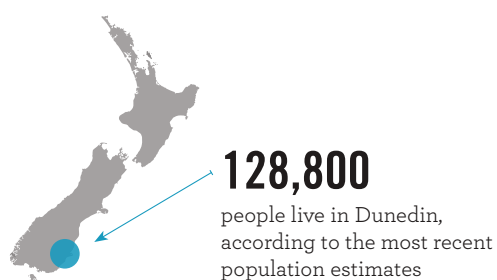
The 10 year plan budget provides additional staff resource to support strategic initiatives to advance Tikanga Māori and continue to build strong relationships with Ngāi Tahu .

The Council and Rūnaka are partnering to foster the development of Māori capacity to contribute to the decision-making processes of the Council over the next 10 years.

- o **Cultural narrative:** a cultural narrative, designed to inform city decision-making and projects, has been developed by Aukaha in consultation with Rūnaka and this is part of a wider thematic heritage study.
- o **Te Reo:** to support the Council and DCC staff in their knowledge and understanding of Te Reo and Tikanga Māori, the DCC is working with consultants and Rūnaka to provide key information in a digital format (text and audio) that includes local dialect.
- o **Tracking progress:** two performance measures have been agreed to track progress on the Treaty of Waitangi which is a key principle in the DCC's strategic framework:
  - o Rūnaka satisfaction with the Māori Participation Working Party and other forms of engagement to be measured through an annual survey.
  - o Percentage of key DCC printed publications (such as the 10 year plan consultation document) that include Māori content and Te Reo translations (as a precursor to measuring mainstreaming of Tikanga Māori more generally over time).
- o **Reporting considerations:** all DCC staff reports to Council and Committee meetings from now provide a Māori impact statement. This statement outlines any opportunities Māori may have had to contribute to decision-making and includes if relevant, reference to the Treaty of Waitangi, Manawhenua, cultural implications, and social and environmental implications.

## 2.3 Snapshot of a great small city | He tirohaka o te tāone

### Our people



*In 2013, 2,556 Dunedin people were aged 85 years and over*

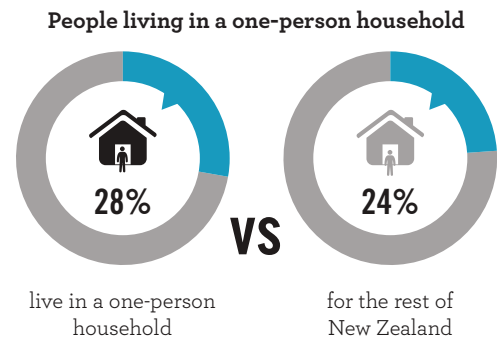
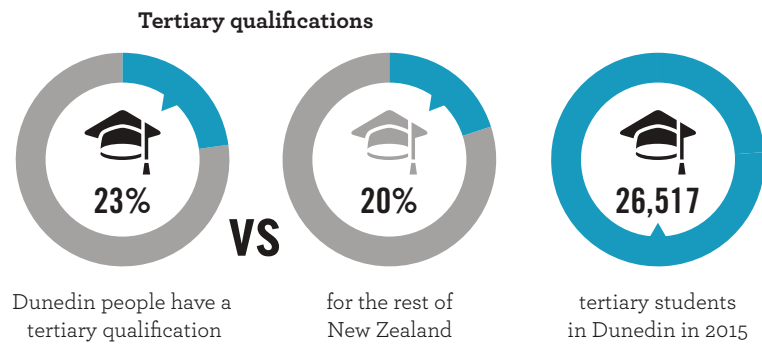
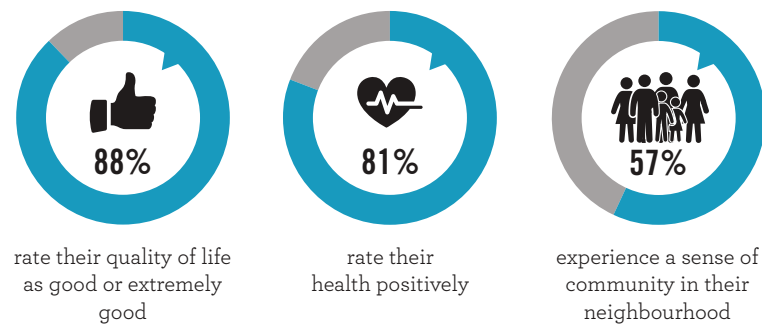
### Population by ethnic group, 2013



**Sources:** Statistics New Zealand, Quality of Life Survey (seven cities include: Auckland, Hamilton, Hutt, Porirua, Wellington, Christchurch and Dunedin).



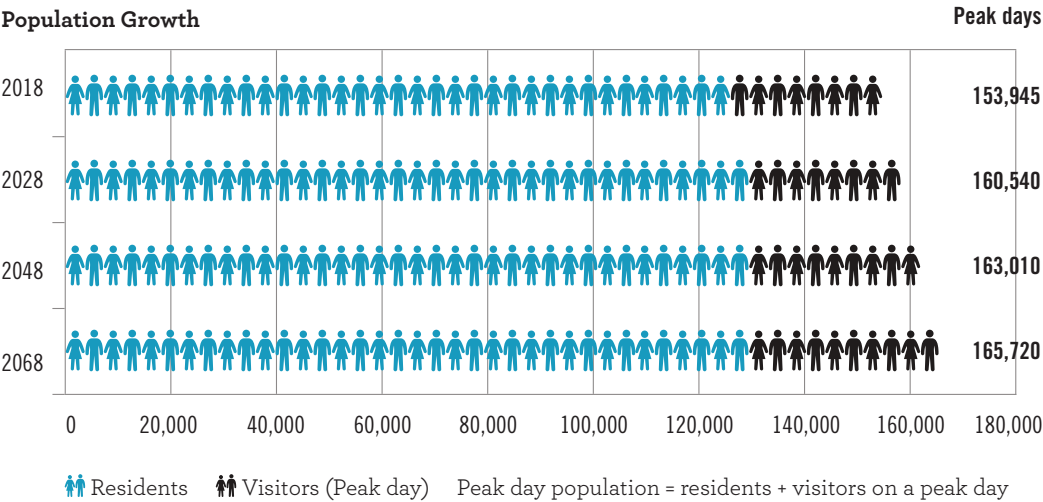
**Dunedin residents rate their quality of life the highest of seven New Zealand cities.**



# What’s changing?

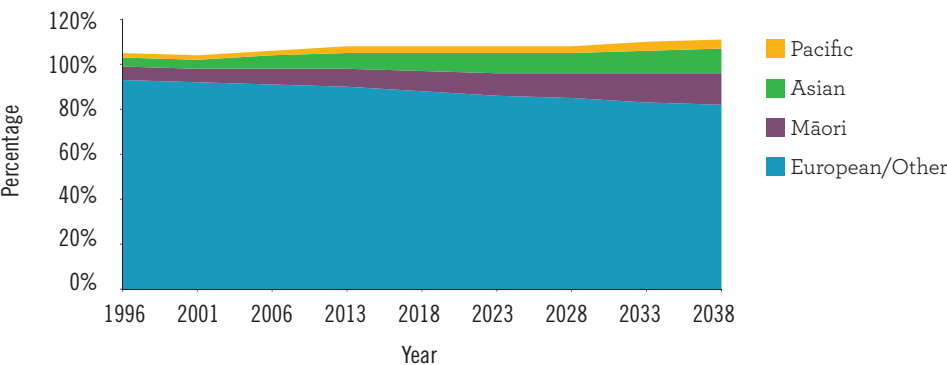
## Dunedin is growing.

- Dunedin’s population is expected to grow by **290 people** per year between 2018 and 2028. Much of the growth will be in visitors to the city. The number of visitors on a ‘peak’ or busiest day is expected to be 30,800 by 2028.

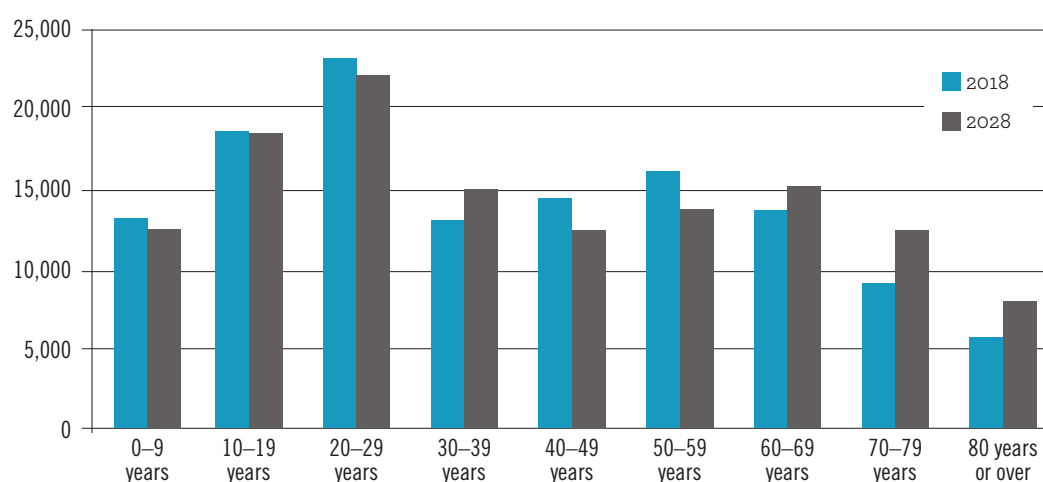


## Over time, Dunedin’s population is becoming more diverse.

Historic and projected population for Dunedin by ethnic group, 1996 – 2038



Dunedin people by age group, 2018 and 2028



### Like the rest of New Zealand, the population is ageing.

By 2028, **22%** of people in Dunedin will be 65 years or older, meaning:

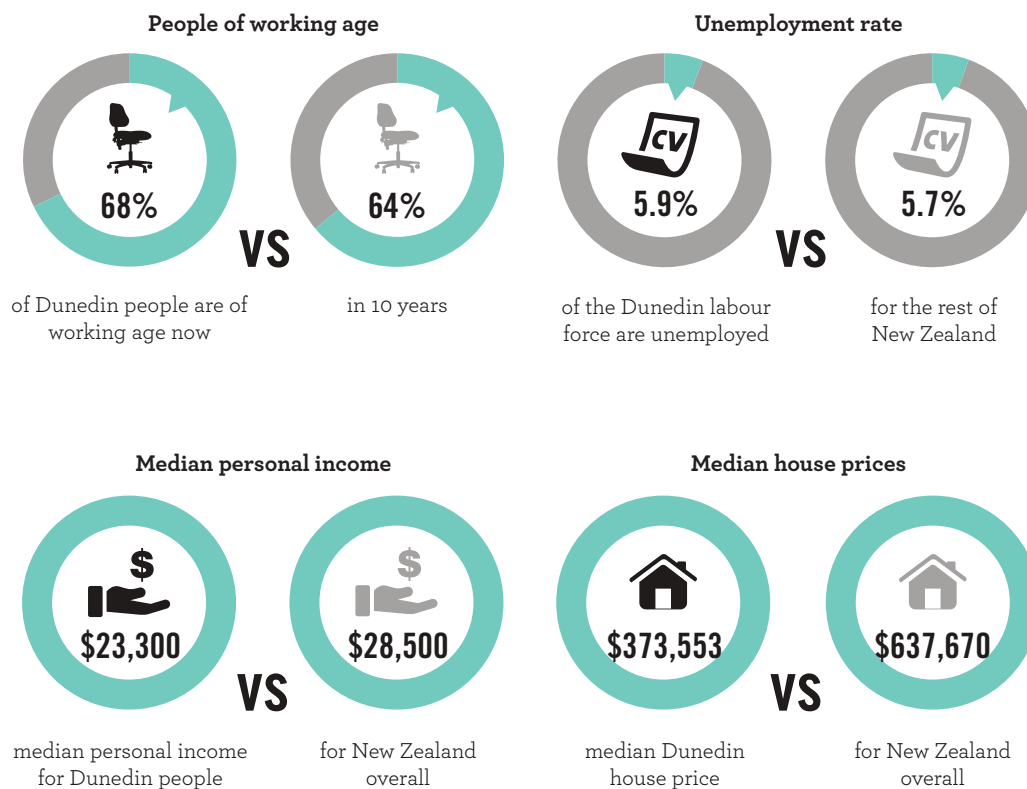
- There will be fewer people of working age and more people on fixed incomes, potentially making rates less affordable for some households.
- More demands on health and other services to enable people to be safe and healthy in their homes.
- A need to explore and develop housing options to address the changing needs and make-up of Dunedin households.
- A need to develop accessible transport options.
- More older people in work (by 2031 it is expected **31%** of older people in New Zealand will be in work, up from **19%** in 2011). As a result, the economic value of older people's paid, unpaid and voluntary work will increase.

**Sources:** DCC growth projections, Statistics New Zealand, Ministry of Social Development; *The Business of Ageing Update 2015*

## Our economy

### Dunedin's economy is growing.

- Dunedin's economy grew **2.4%** in the year to June 2017.
- Employment grew by **1.0%** over the year to December 2016 to **50,804** filled jobs.
- This is stronger growth than over the decade when Dunedin's real GDP grew on average 0.4% per year and employment declined by 0.04%.

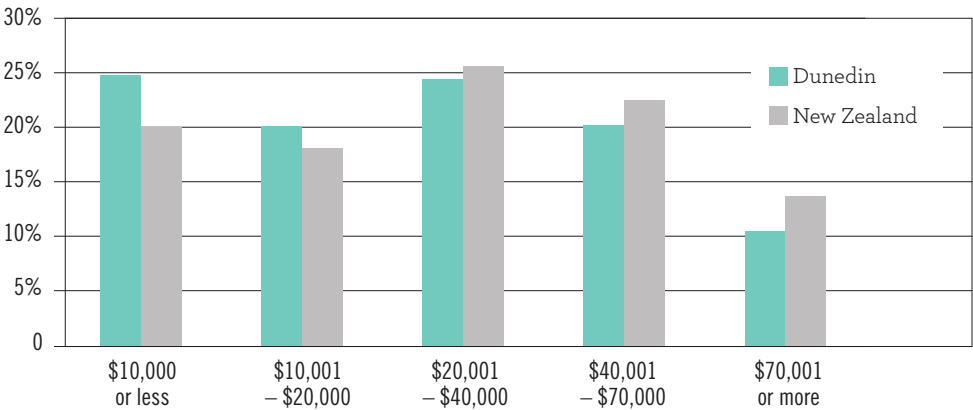


**Sources:** Infometrics Regional Economic Profile, 2016, Statistics New Zealand, Quality of Life Survey (seven cities include Auckland, Hamilton, Hutt, Porirua, Wellington, Christchurch and Dunedin).



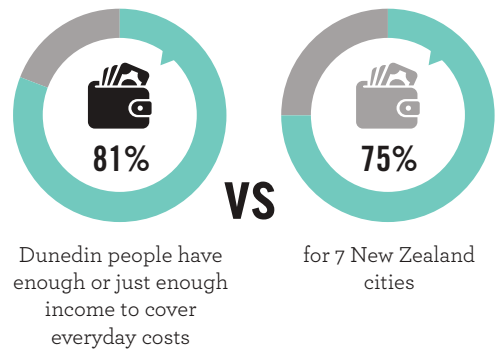
Dunedin people are more likely to have incomes of less than \$20,000

Percent of people in each income group, 2013 Census, for Dunedin versus New Zealand

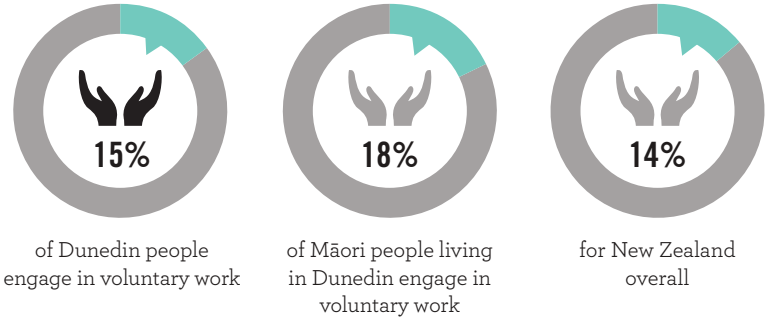


Most people have enough income to cover costs.

Ability to cover everyday costs



Voluntary work

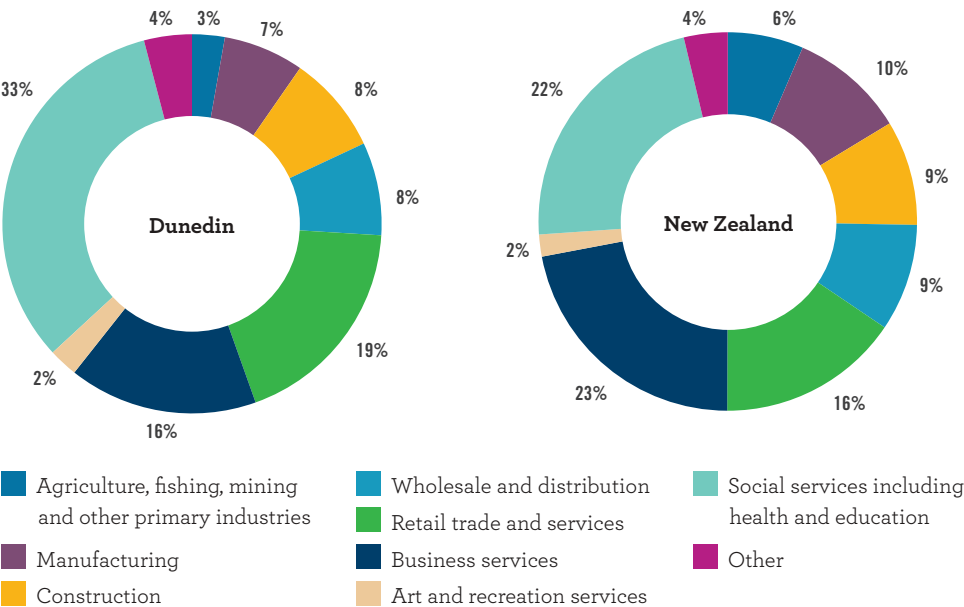


## What’s changing?

### Dunedin’s key industries.

- 1 in 3 people work in the social services sector, which includes health, education and other social and community services. This is Dunedin’s largest industry by employment.
- Retail trade and services is Dunedin’s second largest industry by employment.

Employment by Industry, Infometrics, 2016



### Trends in sector growth over time.

Over the past decade:

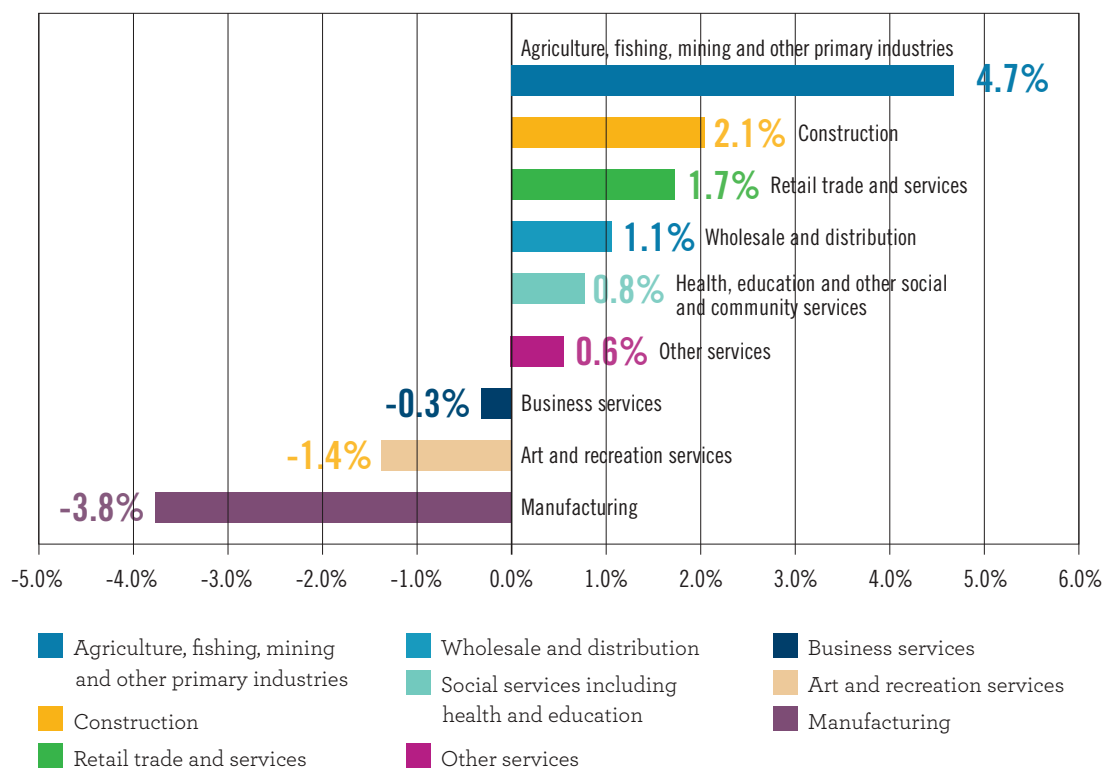


Agriculture, fishing, mining and other primary industries, up 4.7% per year  
Construction, up 2.1% per year  
Retail trade and services, up 1.7% per year  
Wholesale and distribution up 1.1% per year  
Social services including health and education up 0.8% per year



Manufacturing, down 3.8% per year  
Art and recreation services down 1.4% per year  
Business services down 0.3% per year

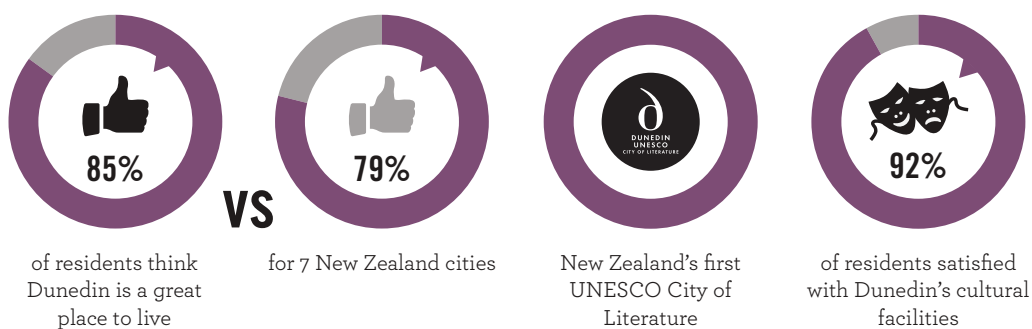
Change in GDP by sector, annual average percentage change 2006 to 2016, Infometrics



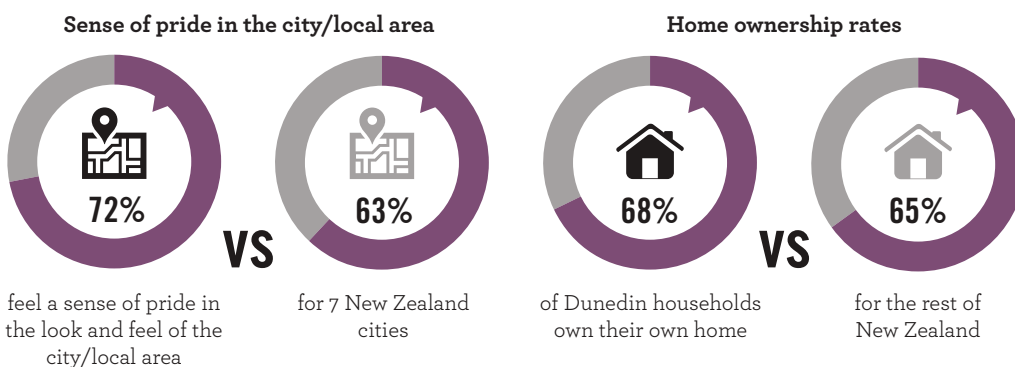
Sources: Infometrics (2016) *Regional Economic Profile*

## Our place

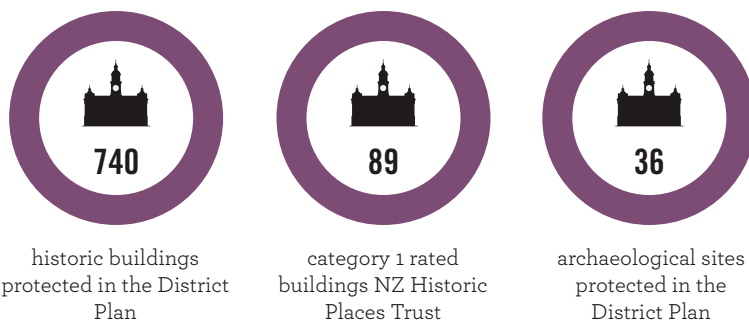
### Dunedin is a great place to live.



### Dunedin's built environment is highly valued.

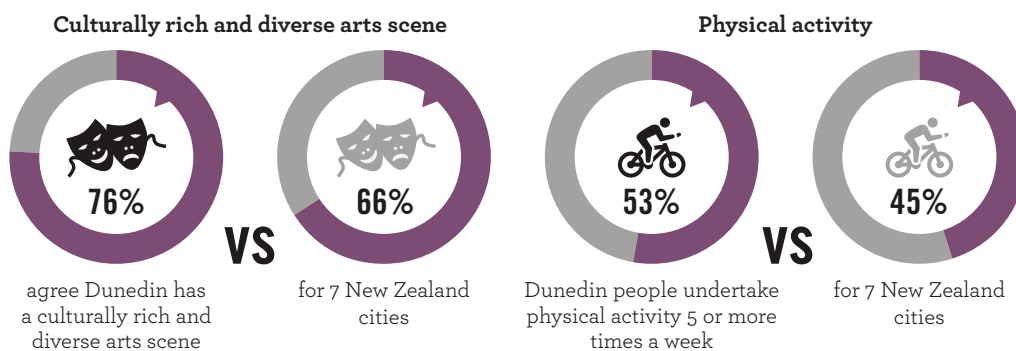


### Dunedin's heritage.



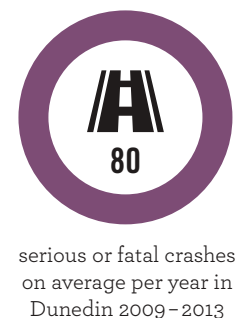
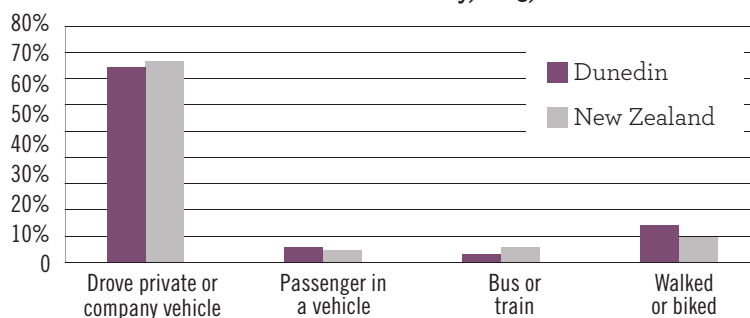
**Sources:** Statistics New Zealand. *Quality of Life Survey* (seven cities include: Auckland, Hamilton, Hutt, Porirua, Wellington, Christchurch and Dunedin).

## Dunedin's arts and recreation scene.



## Getting around in Dunedin.

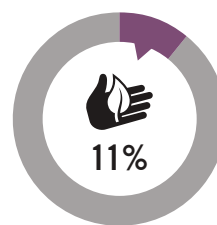
Main means of travel to work on Census day, 2013, Statistics New Zealand



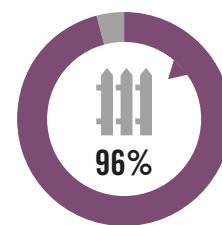
## Our natural environment is unique.



Dunedin is one of New Zealand's largest territorial authority areas, covering 328,087 hectares – from north of Waikouaiti, to the Taieri River in the south and the Rock and Pillar Range in the west.



of Dunedin's total land area is protected habitat\* with less than 10% in the private domain



of Dunedin's territorial area is rural

\*protected habitat = area of indigenous habitat in Dunedin protected by the District Plan, and DCC reserve land, and land held under QEII covenants and other statute-based protective mechanisms.



## What's changing?

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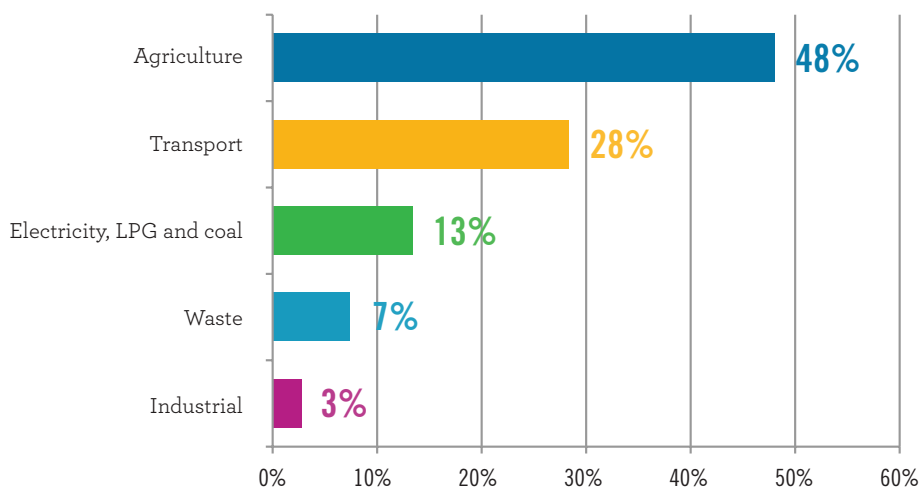
### Rising seas will impact on low-lying parts of the city.

Scientists expect the sea will rise 30cm between 2015 and 2065.

- Dunedin has around **2,700** houses in low-lying areas (within 50 cm of the spring high tide mark).
- There are **116** businesses and **35km** of roads located less than 50cm above the spring high tide.
- The wider South Dunedin area and other low-lying coastal areas may be affected over time.
- As the sea rises, there will surface ponding in some low-lying places and more extensive flooding after heavy rain, potentially damaging roads, pipes and cables and the foundations of buildings.
- Decisions on this issue will be significant for the city, affecting not only residents and property owners, but Dunedin as a whole.

### Dunedin is working to reduce its carbon emissions.

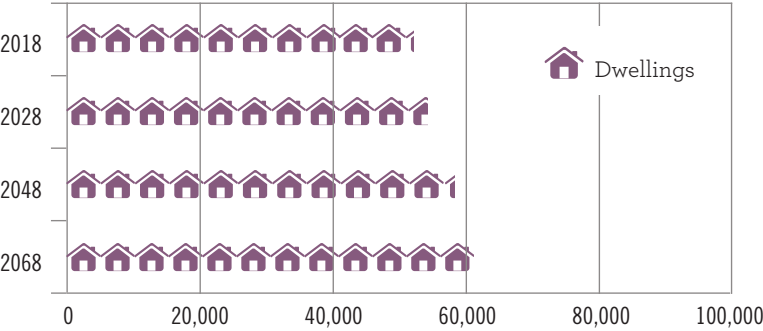
#### Dunedin's Greenhouse Gas Emissions Profile



Smaller households creating more demand for houses.

- The number of dwellings in the city is projected to increase by **245 dwellings** per year between 2018 and 2028.
- The number of dwellings in the city is projected to increase at a faster rate than the population, due to the changing make-up of Dunedin households.

Dwelling Growth



Source: DCC growth projections

Protecting biodiversity is one aspect of a healthy natural environment.

Dunedin has a unique environment with many different species of wildlife. Dunedin has the world’s only mainland breeding colony of albatross, and is also a host to many local and unique animals. Some of these animals are listed below.



Birds

- Yellow-eyed penguin
- Northern royal albatross



Marine Mammals

- NZ sea lion
- NZ fur seal
- Hector’s dolphin



Fishes

- Galaxiid species (Taieri flathead, Central Otago roundhead, Southern flathead)

Image: ©Rod Morris



Invertebrates

- Caversham Peripatus

Image: ©Rod Morris



Reptiles

- Otago skink
- Grand skink
- Jewelled Gecko

## 2.4 Financial strategy | He rautaki pūtea

### At a glance

Dunedin City Council debt limited to \$350 million.

Rate increases limited as follows:

- o Year 1: limited to no more than 8%
- o Years 2-10: limited to 5% on average annually over the period

Average residential rates for Dunedin residents will be less than the national average for New Zealand councils.

Forecast total operating surplus greater than zero for the 10 year period, when the following non-cash items are excluded:

- o vested infrastructure assets relating to new sub-divisions
- o the increase in the value of the Waipori Fund
- o the increase in the value of the investment property portfolio.

Target total cashflow from operations for the 10 year period to fully fund depreciation.

Retain the Waipori Fund as a natural offset to Council borrowings. Fund to be inflation proofed before any cash distribution to Council. Income from group companies limited to interest on the DCHL \$112 million shareholder advance.

### A changing financial landscape

In 2015, the Council's Financial Strategy was underpinned by fiscal restraint and sought to balance the competing tensions of affordability, while maintaining assets and investing for the future. Confidence in the economy was low and ratepayer expectations were for rates increases in line with inflation and for the Council to reduce debt. The strategy conformed to existing practice and complemented existing financial policies. It set an annual rates increase target for 2015/16 of 3.8% and 3% in subsequent years unless there were exceptional circumstances. It also set a gross debt target of \$230 million by 2021.

The environment today is quite different. Core Council debt is forecast to be \$199 million at 30 June 2018 or 82% of budgeted external revenue. This is the equivalent of having a household income of \$50,000 per year and a mortgage of \$41,000. If we include the stadium debt of \$90 million, this ratio increases to 119%, well below the Local Government Funding Authority metric of 175%. This is at a time when interest rates are low and the Council holds significant investments including the Waipori Fund (\$84 million), investment properties (\$90 million) and shareholdings in a number of companies, including Aurora Energy, City Forests, Dunedin International Airport (50%), and Delta Utility Services.

This Financial Strategy provides a platform for the Council to invest in our great small city. We are planning to spend \$878 million on capital projects over the next ten years, compared with \$636 million in the last 10 year plan. This includes spending on our built environment (both above and below ground) to enhance and improve the city. We have to weigh costs against value gained from strategic investments that enhance and improve the city so it continues to attract and retain the people and businesses we need to keep Dunedin vibrant and developing.

This Financial Strategy focuses on smart investment which builds on our strengths that will continue to make Dunedin a better city. The Council has attempted to balance the competing tensions of affordability, maintaining assets and investing for the future, while addressing the financial challenges of:

- o increasing costs for maintaining current levels of service
- o delivering large capital projects to improve the central city and build connections across Dunedin
- o increasing network renewals across a large asset base
- o budgeting realistic income from the DCHL Group to the Council
- o reducing the Council's reliance on revenue sources that are not guaranteed.

## Changing population, land use and rating base

After a period of relatively slow population growth between 2006 and 2013, the most recent data from Statistics New Zealand estimates Dunedin's population grew by 1,800 between June 2016 and June 2017. The DCC growth projections (based on Statistics New Zealand projections) suggest Dunedin's population will be somewhere between 109,900 and 152,000, but 'most likely' to be 130,945, by 2068. The actual population could be at the lower end of projected values given the ageing population or at the higher end if there is continued strong net migration into Dunedin. Migration was a key factor behind the recent population rise, with a net 1,600 increase in migrants in the year to June 2017.

The projected rate of housing growth over 50 years is almost double the rate of population growth. The number of dwellings is projected to grow from 52,090 in 2018 to 61,810 in 2068, as a result of population growth, an ageing population and the changing make up of families and households. The total number of dwellings in Dunedin is expected to increase by around 2,500 between 2018 and 2028. There were 459 new dwellings consented in the year to September 2017.

Land use is not expected to change to the extent that big increases in debt and operating expenses will be required to service development.

Dunedin's population is ageing. Current projections indicate there will be fewer people of working age and more people on fixed incomes in 2028, potentially making rates less affordable for some households. However, it is also expected that there more older people will be in work. In general, older residents report higher satisfaction with the Council's services and facilities but tend to use them less often than younger people. Accordingly there may be reduced demand for services or increased service levels as Dunedin's population ages in the longer term. However, this needs to be balanced against the strategic objective of attracting additional working age people to the city.

Dunedin's economy is growing. The economy grew 2.4 percent in the year to June 2017. Some water intensive industries, such as farming, have been in decline, while other knowledge and tourist based industries are growing. Dunedin's successful tourism push, which is attracting large cruise ships and major stadium events, means Dunedin is projected to see 30,000 visitors on a 'peak day'.

## Increasing costs

There is significant pressure on the costs of delivering core services. The Council's previous limit on rates increases of 3% and debt reduction target has not provided the Council with financial headroom or capacity for greater investment or addressing unexpected challenges. Rates increases equal to or lower than the local government cost index are not sustainable in the long term without cutting services.

Some of the drivers of increasing costs include:

- o the need to maintain, replace and renew core, ageing infrastructure
- o the obligation to build new infrastructure to a higher standard
- o the transfer of costs from central government without funding to offset the costs
- o increased compliance costs (eg. treatment of stormwater)
- o the emerging effects of impact of climate change on infrastructure and the wider community
- o increasing expectations from ratepayers to improve service levels
- o just getting on and fixing things to make Dunedin a better city.

## Strategic financial limits

### Rates

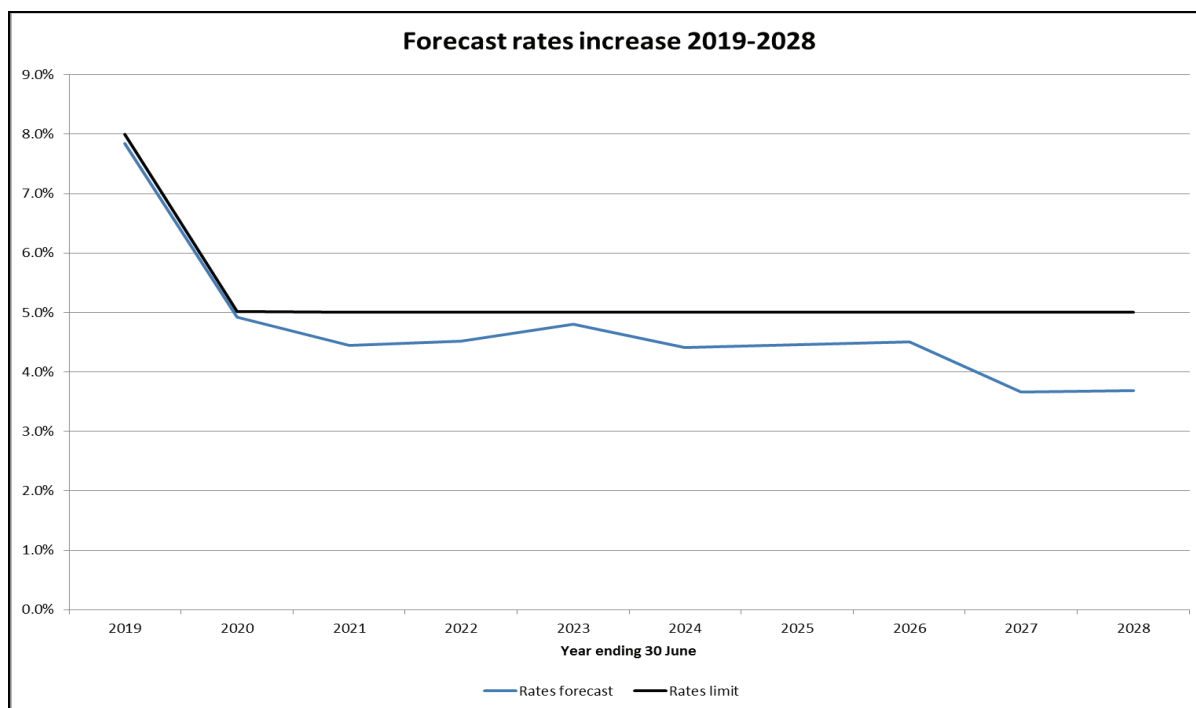
In developing this strategy the Council has taken into account that rates need to be at an affordable level overall. This strategy is underpinned by an assumption that affordability will be maintained.

The different rating groups and income (2018 figures including GST) are shown here.

<b>Rates Income 2017/18</b>	<b>\$ Million</b>	<b>Percentage</b>
Residential	102.245	64.4%
Commercial	46.822	29.5%
Lifestyle	4.966	3.1%
Farmland	4.699	3.0%
Total	158.732	100.0%

The Council will limit the rate increase to 8% for the first year of the 10 year plan and an average of 5% per annum across years 2 to 10.

In doing so, the Council will make sure the Dunedin average residential rates are below the national average for city councils around the country.



Residents on low incomes will continue to be encouraged to access the rates rebate scheme offered by central government as a means of offsetting the cost of rates. The Council will also continue to maintain rates remission and rates postponement policies.

Throughout the period of this 10 year plan we also intend to keep rates as a percentage of average Dunedin household income at, or below the 5% affordability threshold identified in the 2007 Local Government Rates Enquiry.

### Debt

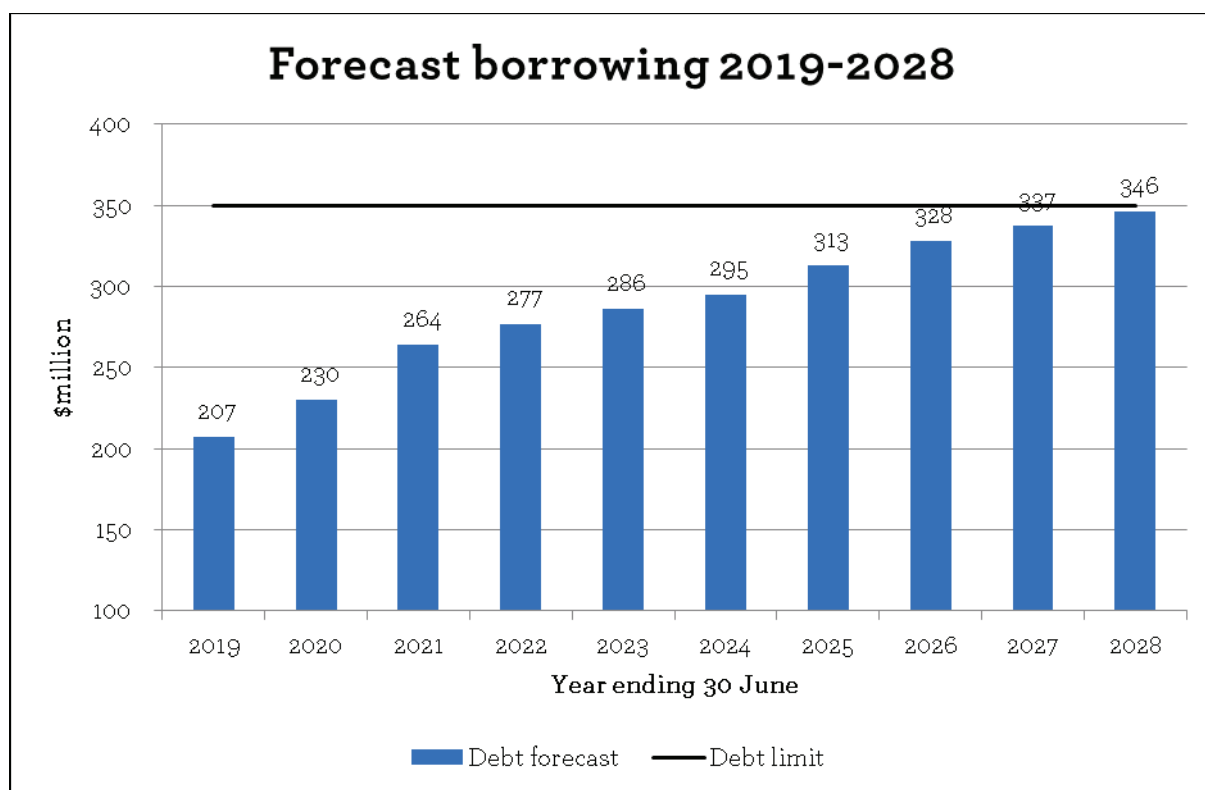
The Council uses debt to fund the cost of intergenerational assets. The use of debt funding allows the financial burden of new capital expenditure to be spread across a number of financial years.

The Council will limit its debt to \$350 million.

To deliver the capital programme, the Council will need to borrow an additional \$147 million.

The following chart shows the forecast 10 year borrowing from 2019 to 2028.





The following table shows how the \$350 million of debt fits with financial prudence and Council affordability.

Debt limit analysis	Council only 2019 \$ million	Council plus Stadium 2019 \$ million	Council only 2028 \$ million	Council plus Stadium 2028 \$ million	Local Government Funding Agency
Debt limit	350.000	440.000	350.000	408.000	n/a
Total revenue	258.222	260.222	335.584	337.584	n/a
Debt % revenue	135.5%	169.1%	104.3%	120.9%	175.0%
Interest expense	12.937	17.687	17.699	20.657	n/a
Interest cover total revenue	19.96	14.71	18.96	16.34	5.00
Rates revenue	148.848	148.848	218.859	218.859	n/a
Interest cover rates revenue	11.51	8.42	12.37	10.59	4.00

The Council also has significant assets to partially offset this debt including the Waipori Fund (\$84.2 million 30 June 2017), an investment property portfolio (\$90.4 million 30 June 2017) and a DCHL shareholder advance (\$112.0 million 30 June 2017).

### Operating surplus and cashflow

The Council needs to ensure the money coming in meets operating costs. In terms of operating surplus, the Council will budget to have a positive operating surplus for the 10 year period. The budgeted surplus for this measure will exclude non-cash income from vested infrastructure assets, and changes in the valuation of investments held (Waipori Fund and Investment Property).

In terms of operating cashflow, the Council will budget to have an operating cashflow for the 10 year period that fully funds depreciation expense. The Council will ensure that there are sufficient cash resources available to meet its obligations, including ensuring there is sufficient cash on hand and/or available lines of credit.

### Surplus funds

Any surplus funds will be spent according to the following priorities: repaying debt, investing in Dunedin and priority projects.

### Security for debt

It is the Council's policy to give rates as security. Most Council borrowing will be done through group company Dunedin City Treasury Limited.

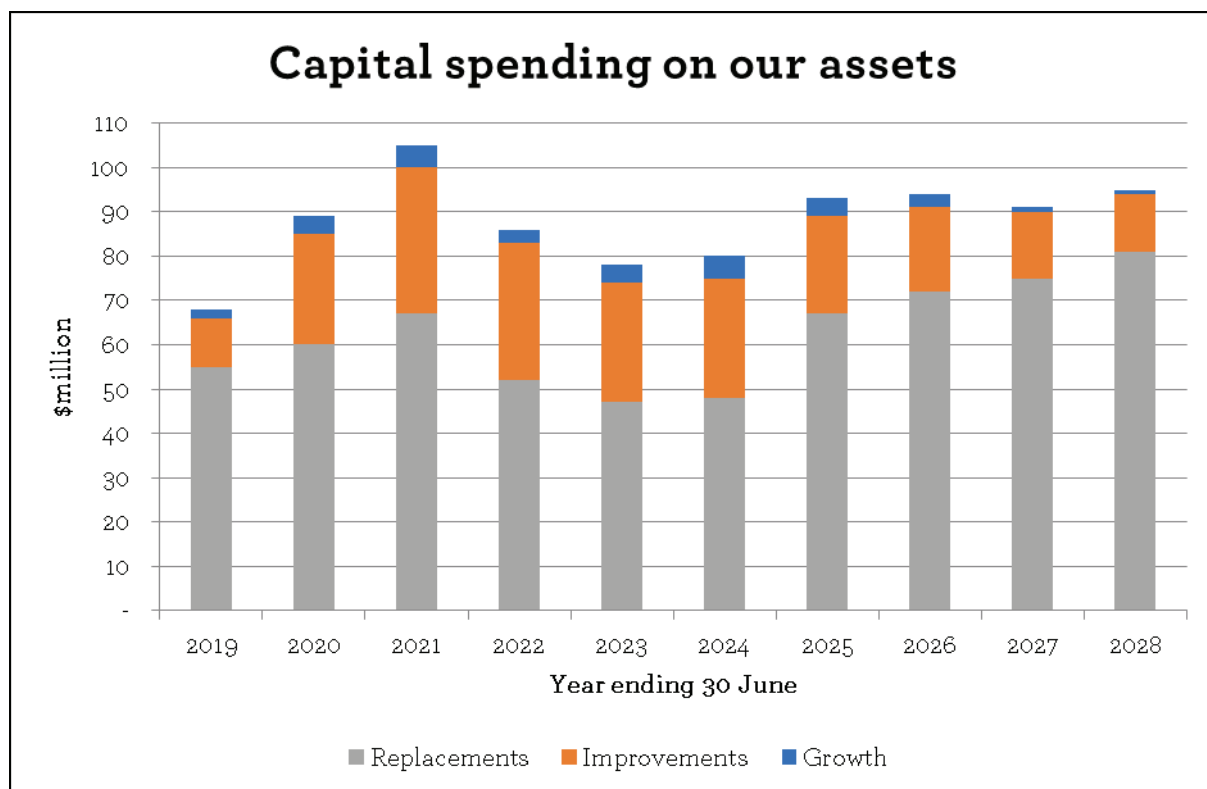
### Strategic asset investment

The Council's asset management planning is increasingly focused on sound asset condition and risk assessment, planning and delivery opportunities, and long term asset solutions that provide lasting value for residents, businesses and the environment. The Financial Strategy is closely linked to the Infrastructure Strategy so significant issues such as these can be properly considered. The updated information has been used to better plan and make decisions about assets that need renewing over the 10 year plan. The Infrastructure Strategy expands this timeframe out to 50 years and gives the Council greater confidence around how we intend to pay for this work in the longer term.

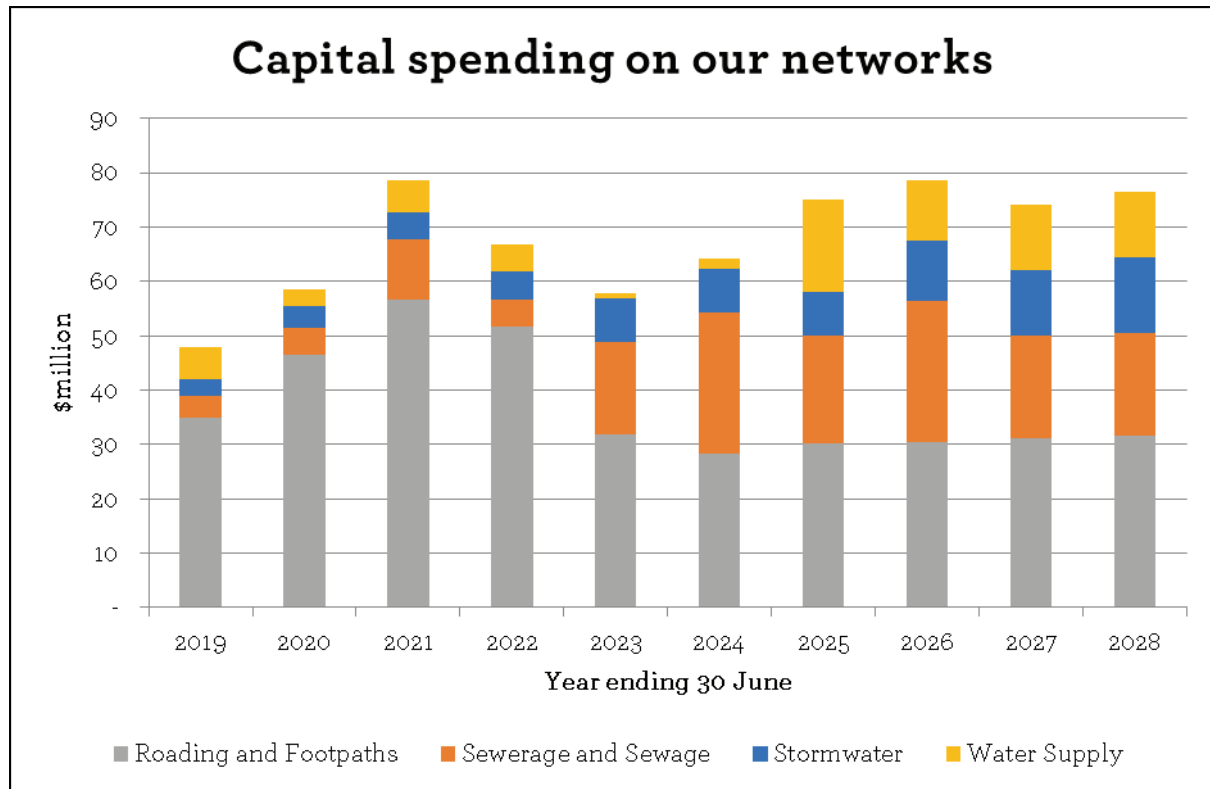
The Council is planning to invest in projects that will attract people to the city and enhance amenity levels. Some of the significant projects to upgrade or continue to improve services include:

- o building a bridge to connect the city with the waterfront
- o improving the safety of Dunedin's transport network, particularly around the Peninsula Connection and Tertiary Precinct
- o upgrading the central city area
- o upgrading the Green Island Wastewater Treatment Plan
- o improving the resilience of Dunedin's water supply and stormwater infrastructure
- o expanding the cycling network
- o building a new Mosgiel Pool.

The expected capital cost is represented in the following chart by renewal projects (replacements) of \$624 million, projects to improve levels of service (improvements) of \$222 million and provision for growth of \$32 million.



The Council is planning to invest \$678 million in our network infrastructure over the 10 year period.



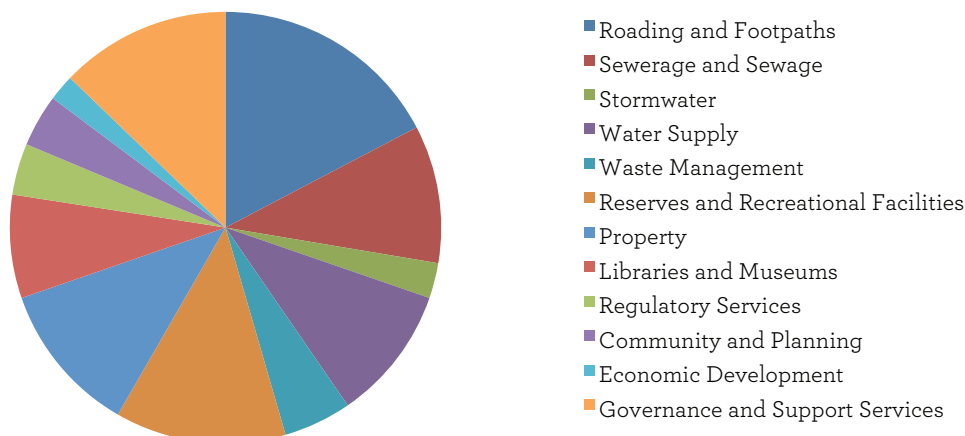
### Maintaining services

The Council provides a wide range of services to the community, from roading and water networks to recreational and cultural facilities, and regulatory, community and economic development services.

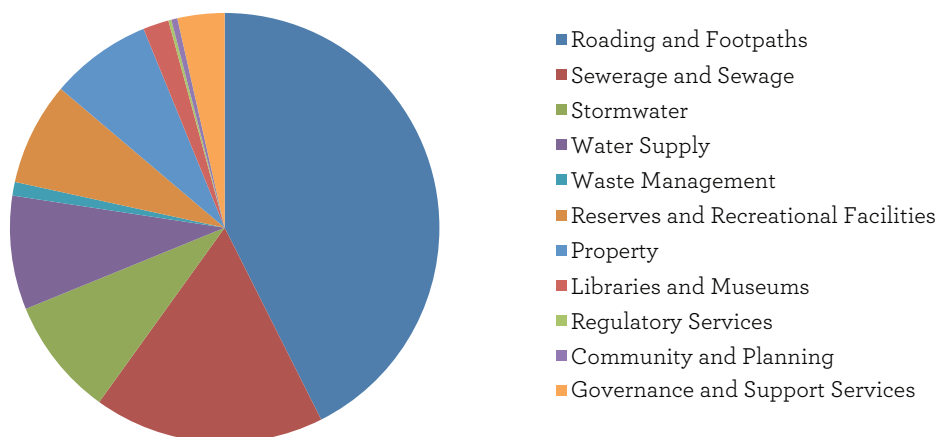
Annual surveys and benchmarking data show that service levels for social, recreation and community infrastructure are high in Dunedin. However, the community expects the Council not only maintain but continue to improve service levels.

The Council will continue to fund and deliver the full range of services we currently offer and invest in services and activities that retains people and businesses in Dunedin.

### Operating expenditure - 10 year total

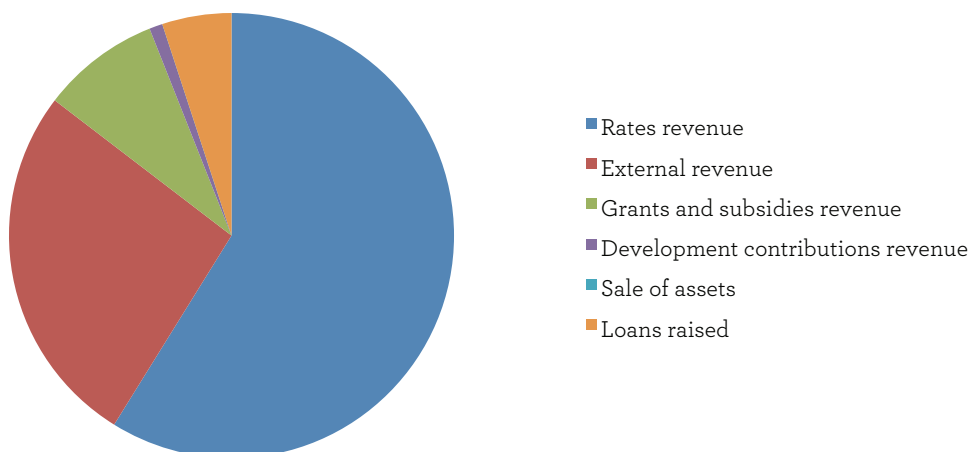


## Capital expenditure - 10 year total



The Council will fund the range of services and infrastructure using the following sources of funds over the 10 year period.

## Forecast sources of funds - 10 year total



### Financial Resilience

Financial resilience is an important strategic consideration so that the Council is able to withstand future unexpected challenges such as global financial shocks or civil emergencies.

### Natural hazards

The Council is working to improve its understanding of natural hazards and to develop options for resilient infrastructure networks into the future. Dunedin will invest in new capital to reduce the risks arising from natural hazards as well as investing in renewals and specific projects to address the risks arising from natural hazards. This means service levels will be maintained across the infrastructure network.

### Affordability

The Council has increased rate and debt limits in order to invest in projects that will attract people to the city and enhance amenity level. This strategy is underpinned by an assumption that affordability will be maintained.

Beyond 2028 it is envisaged that the Council will reduce the capital expansion programme and will receive greater income streams from the Council-owned companies. These factors will enable the Council to place a greater focus on debt reduction.

If a significant unplanned event occurs, the Council has a range of options for funding unbudgeted expenditure within the financial strategy limits, including rates, debt, insurance, Government funding for infrastructure assets, financial assets and reprioritisation of existing budgets.

## Managing investments and Council-owned companies

While the Council holds a level of debt, this is offset by the fact that it also owns a lot of assets. It holds a range of investments, including Council-owned companies, investment property and the Waipori Fund (a balanced portfolio of fixed interest deposits and equities). These investments are designed to provide the Council with ongoing non-rates funding over the medium to long term.

### Council-owned companies

Council-owned companies are an important component in the Council's Financial Strategy.

While they are valuable assets in terms of their capital value, the income they generate can be used to keep down the levels of funding required from ratepayers. In more recent years, the revenue expectations from the companies to the Council have been unrealistic. This, coupled with stadium-related debt pressure and the need for group companies to re-invest, has created a degree of financial uncertainty for the Council when trying to adopt budgets and set rates.

Group companies are in a rebuilding phase and investing in their own infrastructure - particularly important in the case of lines company Aurora Energy which has infrastructure that needs to be replaced.

In addition, Dunedin City Holdings Limited (DCHL), which owns the companies on the Council's behalf, continues the process of building financial headroom so the Council receives a steady income stream in the future. Any volatility in group annual earnings will be absorbed by DCHL so the Council can be certain about the money it will receive.

The 10 year plan forecast will assume an income stream of \$5.9 million per annum from the DCHL Group being interest on the current shareholder advance of \$112.0 million.

### Waipori Fund

Established in 1999, using proceeds from the sale of the Waipori electricity generation assets, the Waipori Fund provides a valuable annual dividend to the Council. The fund value at 30 June 2017 was \$84.2 million.

The primary objective of the Waipori Fund is to maximise its income, subject to a proper consideration of investment risk. Taking into account the income distribution needs of the Council and the provisions for capital protection, a key objective is to grow the fund. Each calendar quarter the fund is adjusted by the movement in the CPI as follows:

$$\text{Revised Capital Base} = \text{Previous Capital Base} \times (1 + \text{quarterly CPI movement}).$$

This adjustment to the capital base can be described as "inflation adjusting the fund".

Other objectives are to:

- o provide a non-rates revenue source to the Council
- o provide a source of liquidity should the need arise
- o provide long-term wealth generation for ratepayers
- o hold equity investments as a hedge against inflation and to offset other areas of the Council.

The Council envisages a minimum return over the medium to long term, after fees and charges, equivalent to the weighted average official cash rate, plus the movement in the 'all groups' consumer price index.

### Investment property portfolio

The Council owns an investment property portfolio with a value of \$90.4 million at 30 June 2017. It contains a mixture of property types, including a number located outside of Dunedin.

In May 2018 Council passed a resolution setting a minimum target return from Council's investment properties that, at least, covers the costs of servicing the higher debt limit. A plan for the achievement of this target will be put forward prior to the 2020/21 draft Annual Plan.

The following table shows how the portfolio was invested as at 30 June 2017.

<b>Investment property</b>	<b>\$ million</b>
Dunedin retail	29.900
Dunedin parking	23.800
Dunedin vacant	3.950
Dunedin other	5.938
Christchurch	7.425
Wellington	12.500
Auckland	6.925
Total	90.438



## Financial strategy information for the years ending 30 June 2019 - 2028

	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000	Overall 2019-28 \$000
Rates											
Rates revenue	148,848	156,163	163,119	170,491	178,671	186,560	194,878	203,638	211,085	218,859	1,832,312
Rates revenue limit	149,070	156,553	164,381	172,600	181,230	190,292	199,807	209,797	220,287	231,301	1,875,318
Target achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved
Rates increase %	7.8%	4.9%	4.5%	4.5%	4.8%	4.4%	4.5%	4.5%	3.7%	3.7%	4.7%
Rates increase % limit	8.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.3%
Target achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved
Debt											
Debt forecast	206,955	230,047	263,950	277,499	285,675	295,002	312,517	328,176	336,710	345,754	345,754
Debt limit	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Target Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved
Total revenue	258,222	269,666	279,219	285,882	287,420	295,392	305,688	316,566	325,637	335,584	2,959,276
Debt % Revenue	80.2%	85.3%	94.5%	97.1%	99.4%	99.9%	102.2%	103.7%	103.4%	103.0%	96.9%
Interest expense	12,937	13,174	13,703	14,645	15,264	15,436	16,000	16,813	17,424	17,699	153,095
Interest expense to term debt %	6.3%	5.7%	5.2%	5.3%	5.3%	5.2%	5.1%	5.1%	5.2%	5.1%	5.4%
Interest as a % of rates (less than 20%)	8.7%	8.4%	8.4%	8.6%	8.5%	8.3%	8.2%	8.3%	8.3%	8.1%	8.4%
Target Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved
Interest cover rates revenue	11.50	11.90	11.90	11.60	11.70	12.10	12.20	12.10	12.10	12.40	11.95
Interest cover total revenue	20.00	20.50	20.40	19.50	18.80	19.10	19.10	18.80	18.70	19.00	19.39
Operating surplus											
Operating surplus	4,212	7,984	9,431	7,062	46	686	3,762	5,374	6,636	7,968	53,161
Vested assets and valuation changes	4,200	4,225	4,250	4,275	4,301	4,327	4,353	4,380	4,408	4,435	43,154
Excluding vested assets and valuation changes	12	3,759	5,181	2,787	(4,255)	(3,641)	(591)	994	2,228	3,533	10,007
Target Achieved											Achieved
Cashflow											
Operating cashflow	62,603	68,558	72,811	74,675	71,944	73,584	77,854	81,301	84,388	88,206	755,924
Depreciation expense	63,388	64,683	67,533	71,290	74,045	76,496	78,187	79,603	81,704	84,186	741,115
Operating cashflow less depreciation expense	(785)	3,875	5,278	3,385	(2,101)	(2,912)	(333)	1,698	2,684	4,020	14,809
Target Achieved											Achieved

## 2.5 Infrastructure strategy | He rautaki haka

### 1.1 Executive Summary

This document sets out the Dunedin City Council's strategy for managing water and transport infrastructure for the next 50 years. The strategy covers infrastructure assets operated by the DCC, specifically:

- o Drinking water )
- o Wastewater ) 3 Waters
- o Stormwater )
- o Transport

The purpose of this strategy is to:

- o Identify the significant infrastructure issues facing the DCC for the next 50 years
- o Identify the principal options for managing the issues identified and the implications of these options
- o Set out the most likely scenario for managing the city's network infrastructure to 2068.

This is the first time the DCC has developed an infrastructure plan for the next 50 years. The 2015 infrastructure strategy spanned a 30 year time frame. Projects identified in the first 10 years of the strategy are funded as part of the DCC's 10 year plan. There is less certainty around the issues and options for the period 2028 to 2068 and projects identified beyond the first 10 years of the plan are currently unbudgeted.

- o This infrastructure strategy is a supporting document to the DCC's 10 year plan.

### The DCC's strategic priorities for network infrastructure

#### Water

In 2010, the DCC developed the 3 Waters Strategic Direction Statement 2010 – 2060. The strategy document set out seven 'Key Strategic Priorities' for 3 Waters for the 50 years to 2060. These priorities were the result of analysis of the activity's issues, challenges and community voice. The community priorities were gathered using a telephone survey of a representative sample of 600 Dunedin households. The top priority was identified as 'providing safe and pleasant drinking water at an acceptable cost'. There was a strong desire from the community to improve the quality of stormwater and wastewater discharges, and where possible, cease discharges to the rivers and the sea.

The key strategic priorities are:

- o We will meet the water needs of the city for the next 50 years from existing water sources
- o We will be able to adapt to a variety of future scenarios for climate change and fluctuations in population
- o We will reduce our reliance on non-renewable energy sources and oil based products
- o We will improve the quality of our discharges to minimise the impact on the environment
- o We will ensure that, as a minimum, key service levels are maintained into the future
- o We will limit cost increases to current affordability where practical
- o We will adopt an integrated approach to management of the 3 Waters and embrace the concept of kaitiakitaka

#### Transport

In 2013, the DCC developed a 30 year Integrated Transport Planning Strategy. This strategy identifies some of Dunedin's key transport challenges, including road safety, high dependence on motor vehicles, improving provision for travel modes other than cars, and maintaining critical infrastructure in light of a changing climate. To address these challenges the strategy identified five areas of focus that the DCC will prioritise in the delivery of the strategy. These areas of focus are:

- o Safety: Improving Dunedin's road safety record
- o Travel choices: Providing safe, viable travel options in addition to the car

- o Centres: Strengthening connections to, within and between Dunedin's centres
- o Freight: Supporting safe and efficient freight movement
- o Resilience: Ensuring the on-going resilience of Dunedin's transport system and key infrastructure.

### How the infrastructure strategy contributes to Dunedin's community outcomes

Investing in Dunedin's water and transport infrastructure will contribute to achieving the city's community outcomes.

This table shows how key projects link to Dunedin's community outcomes.

Community outcome	Community outcome indicators	Infrastructure projects contributing to the community outcomes
<b>Vision:</b> Dunedin is one of the world's great small cities	Perception that Dunedin is a great place to live	A wide range of infrastructure projects and renewals contribute to making Dunedin one of the world's great small cities
<b>Social wellbeing:</b> a supportive city with caring communities and a great quality of life	Percentage of residents who have experienced problems with damp or mould in their home during winter Residents' sense of community within their local neighbourhood	The central city upgrade will improve safety in the central city and contribute to a more vibrant and thriving central city environment The tertiary precinct upgrade will enhance safety and accessibility in this area The Dunedin urban cycle ways will improve road safety for cyclists The minor safety improvements programme will improve safety and accessibility The series of major centres upgrades will increase the level of service in our major town centres outside of the CBD
<b>3 Waters:</b> a healthy city with reliable and quality water, wastewater and stormwater systems	The water quality of Dunedin's lakes and rivers using Land Air Water Aotearoa measures Satisfaction with the way the DCC manages the city's water related infrastructure	Review of 2009 Water and Sanitary Services assessment will ensure Dunedin's drinking water complies with NZ Drinking Water Standards The South Dunedin flood alleviation project will reduce the risk of flooding by improving stormwater management in this area Port Chalmers water supply improvements will provide year round supply from the metro water supply Kaikorai Valley / North East Valley renewals will improve water supply fire flows Northern water scheme renewals will improve water supply for fire flows Deep Stream and Deep Creek water pipelines will ensure the security of Dunedin's water supply into the future The new Green Island Pressure Main will reduce flood risks in Kaikorai Valley and South Dunedin The Green Island wastewater treatment plant upgrade will improve capacity and upgrade and replacing ageing assets Northern Wastewater scheme upgrades will ensure compliance with regulatory standards
<b>Spatial Plan:</b> a compact city with a vibrant CBD and thriving suburban and rural centres	Satisfaction with the way the city is developing in terms of its look and feel Urban development capacity	The central city upgrade will improve accessibility and amenity in the central city and contribute to a more vibrant and thriving central city environment The city to waterfront connection will improve accessibility and amenity in the waterfront area and contribute to a more vibrant and thriving city environment The series of major centres upgrades will increase amenity and investment in our major town centres outside of the CBD

Community outcome	Community outcome indicators	Infrastructure projects contributing to the community outcomes
<b>Economic development:</b> a successful city with a diverse, innovative and productive economy	<p>Growth in full time equivalent jobs</p> <p>Growth in real GDP per capita</p> <p>Ability to cover costs of everyday needs</p>	<p>The central city upgrade will contribute to a more vibrant and thriving central city environment attracting more people to live, work, study and visit Dunedin</p> <p>The city to waterfront connection will improve accessibility and amenity in the waterfront area and contribute to a more vibrant and thriving city environment</p> <p>The series of major centres upgrades will increase amenity and investment in our major town centres outside of the CBD</p> <p>The tertiary precinct upgrade will improve the amenity and vibrancy of the streets around Dunedin's tertiary institutions and encourage and support active and public transport use</p>
<b>Ara Toi:</b> a creative city with a rich and diverse arts and culture scene	<p>Percentage of residents rating Dunedin as creative</p> <p>Percentage of residents visiting one or more cultural facility within the last twelve months</p>	<p>The Art and Creativity in Infrastructure Policy will embed art and creativity into infrastructure projects</p>
<b>Integrated transport:</b> a connected city with a safe, accessible and low-carbon transport system	<p>Percentage of residents who walk, jog, cycle or take public transport to work</p> <p>Number of fatal and serious injury crashes</p>	<p>The Peninsula connection improvements will improve safety, resilience and walking and cycling options</p> <p>Further development of Dunedin's urban cycle ways will encourage cycling uptake</p> <p>The city to waterfront connection will improve accessibility and amenity in the waterfront area and contribute to a more vibrant and thriving city environment</p> <p>Ongoing annual programme of renewals will maintain existing levels of service across the transport network, including pavement reseals, pavement rehabilitations, seawalls, retaining walls, bridges, footpaths and kerb and channels</p> <p>The minor safety improvements programme will improve safety and accessibility</p> <p>The series of major centres upgrades will increase the level of service in our major town centres outside of the CBD</p>
<b>Te Ao Tūroa:</b> a sustainable city with healthy and treasured natural environments	<p>City greenhouse gas emissions</p> <p>Total area of protected indigenous habitat in Dunedin<sup>1</sup></p>	<p>The Ross Creek Reservoir to Mt Grand connection will improve the resilience of Dunedin's metro water supply</p> <p>The Peninsula connection improvements will increase resilience to high tides and weather events</p> <p>The LED street lighting upgrade will reduce energy needs</p> <p>Deep Stream and Deep Creek water pipeline renewal will ensure the security of Dunedin's water supply into the future</p>
<b>Parks and recreation:</b> an active city with quality and accessible recreational spaces and opportunities	<p>Residents participation in physical activity 5 or more days a week</p> <p>Residents using a park, reserve and/or open space and/or recreation facility at least once a month</p>	<p>The Peninsula connection improvements will provide for walking and cycling from Portobello Road to Harrington Point</p> <p>Further development of Dunedin's urban cycle ways will encourage cycling uptake</p> <p>The tertiary precinct upgrade will enhance the pedestrian and cycling environment in this area</p> <p>The city to waterfront connection will improve accessibility and amenity in the waterfront area and contribute to a more vibrant and thriving city environment</p>

<sup>1</sup> Includes land protected by the District Plan, DCC reserve land and land held under QEII covenants and other statute-based protective mechanisms and/or recognised as Areas of Significant Conservation Value

## The current state of Dunedin's network infrastructure

### Water supply

Due to significant investment in the city's water supply assets over the past two decades, Dunedin has high quality drinking water that complies with the Ministry of Health Drinking Water Standards, although there are some capacity issues in the Waikouaiti and Karitane networks. Work has been undertaken recently in Waikouaiti to address some of these issues and further works are planned in the near future to improve capacity in these areas.

### Wastewater

There are three metropolitan wastewater networks comprised of pipe networks and treatment plants; Tahuna, Green Island and Mosgiel. While the Tahuna wastewater treatment plant (WWTP) is in good condition, much of the network feeding the plant is in poor condition due to the age of the pipes. As the pipes deteriorate, the joints allow water to infiltrate the network, exceeding the capacity of the network during heavy rainfall events and resulting in wastewater overflows downstream.

The Green Island WWTP is in average condition given its age. Investigative work is currently underway to identify future requirements for the treatment plant as much of the 'water intensive' industry in the catchment no longer operates. An upgrade is planned for the Green Island WWTP to improve the treatment process and to take additional capacity from the Kaikorai Valley sub-catchment, diverting wastewater away from the Tahuna network. Preliminary investigations and design are proposed for 2018/19 and 2019/20, with a subsequent four-year construction period likely.

There are issues in the Mosgiel network leading to high levels of inflow and infiltration and overflows to roads, homes and properties during heavy rainfall events. Preliminary investigative work is underway to address this issue with capital works proposed for 2019/20. While there is sufficient capacity within the Mosgiel WWTP for dry weather flows, the pipeline that transfers effluent from the Mosgiel WWTP for final treatment at the Green Island WWTP is at capacity during heavy rainfall events, resulting in a bottleneck at the treatment plant. Investigative work is underway to determine the most appropriate long term solution.

### Stormwater

In heavy rainfall events, the stormwater network in South Dunedin<sup>2</sup> can become overwhelmed, resulting in flooding of roads, homes and properties. This is exacerbated by high ground water, particularly around high tide. Hydraulic modelling indicates the stormwater network is performing below the expected level of service. Significant capital works are proposed to bring these assets up to currently accepted design standards.

The Mosgiel stormwater catchment faces some challenges as the area is a flood plain for the Taieri River and Silverstream. The DCC stormwater network discharges into the Taieri River, Silverstream and other tributaries, and when those waterways are high, stormwater discharge is impeded. Mosgiel frequently experiences catchment-wide nuisance flooding in small rainfall events.

### Transport

The transport network is generally in good condition and with adequate capacity to service current demands. The footpaths are generally in poorer condition than the roads. Street lights are nearing the end of their useful life and these are planned for replacement with the roll out of the LED lighting upgrade starting in 2019.

<sup>2</sup> South Dunedin includes the individual stormwater catchments of Orari St, St Clair, Portsmouth Dr and South Dunedin



## Significant infrastructure issues and options

### Replacing and renewing Dunedin's ageing infrastructure

Much of the DCC's underground 3 Waters network was constructed in the early 20th century. While certain assets may have exceeded their expected 'technical' useful lives, direct condition monitoring and performance assessment can establish that these assets can continue to operate without significant risk to levels of service. Some assets warrant replacement based on their age and the likelihood they will not be working appropriately in the future. Level of service problems include nuisance issues such as old cast iron water mains (which were largely built in the 1920s and 1930s) delivering insufficient water pressure or flow. Some more serious issues can arise from cracked earthenware sewers (largely built in the 1900s) letting in flood water and causing overflows to the environment or properties. Without significant continued spending on renewal of these assets they are likely to deteriorate, increasing the severity of such issues.

### Responding to changes in demand for infrastructure

After a period of relatively slow growth between 2006 and 2013, Statistics New Zealand's recent population estimates for Dunedin show higher population growth rates. In addition, the economy grew 2.4 percent in the year to June 2017, a significantly higher rate of growth than occurred over the previous decade<sup>3</sup>. The DCC growth projections prepared by Rationale Limited indicate Dunedin's population will be somewhere between 97,530 and 165,350, but 'most likely' to be 130,945, by 2068.

### Public health and environmental outcomes

The 3 Waters and transport networks provide important public health benefits to the community and deliver services which can impact on the natural environment. The provision of drinking water, wastewater and stormwater services directly affect public health and environmental outcomes through safe drinking water and wastewater and stormwater discharges.

Dunedin has a poor road safety record. This is largely due to the diverse network transport ranging from busy urban roads through to quiet rural roads. In some cases, the transition between urban and rural is very abrupt. Also, the central city is compact and needs to cater for a wide range of user groups, such as cyclists, pedestrians, cars and heavy freight vehicles. The University of Otago, Otago Polytechnic and the business district are located in the central city with State Highway 1 running through the middle. Improving network safety is a key issue to be addressed through specific safety improvement programmes, major capital projects and in considering safety improvements when undertaking renewal works.

### Resilience to natural hazards

Natural hazards pose a reduced risk to a resilient infrastructure network. We are working to improve our understanding of natural hazards and to develop options for resilient infrastructure networks into the future. Flooding, landslides, rising groundwater and liquefaction in the event of an earthquake pose the most significant risks to Dunedin's infrastructure. It is anticipated these risks will increase over time as a result of climate change. Climate change impacts include more extreme rainfall events, storms and flooding. Rising groundwater in low-lying areas is the most significant risk from climate change. High groundwater can cause a number of problems such as increased frequency of flooding, more boggy ground and surface ponding, damage to infrastructure and buildings, and a risk of liquefaction in earthquakes.

### Planned increases or decreases in levels of service

Rising groundwater in low-lying parts of Dunedin will make it more difficult to meet current stormwater levels of service. As groundwater rises, additional investment will be required in wastewater and stormwater infrastructure to maintain existing service levels. To support this, the DCC will focus on renewing assets and some specific new projects in areas where levels of service issues currently exist. Following recent floods, investment in an expanded stormwater network, in addition to focused improvements in the most heavily affected areas (South Dunedin, Mosgiel), is anticipated. There are opportunities to make amenity and service improvements in the central city to make the city more vibrant and to attract people to Dunedin.

<sup>3</sup> Infometrics Quarterly Economic Monitor, December 2017 quarter

## **The plan to address Dunedin's network infrastructure issues over the next 50 years**

Dunedin is planning and investing for a medium growth scenario. This will require enlarging and extending infrastructure in localised areas in the short, medium and longer term. Specific decisions on where and how to add to the network to respond to growth will occur in 2018, following decisions on where new development is allowed under the 2GP.

Renewals delivery aims to maintain service levels within a generally acceptable level of risk. Renewals funding is lower in 2021-2023 to balance the DCC's capacity to deliver renewals with the need to deliver strategic upgrades, such as, South Dunedin flood alleviation work and the Green Island Wastewater Treatment Plant upgrade. Short term focuses are renewing 3 Waters assets in Kaikorai Valley/North East Valley and renewals to ensure northern wastewater schemes (Waikouaiti, Seacliff and Warrington) are able to meet effluent quality targets under new consent conditions. In the medium term, the DCC's ability to meet levels of service, allow for growth, comply with increasingly strict consent conditions and respond to natural hazards will be dependent on delivering increased renewals. It is anticipated that by this stage, long term growth areas will be further defined and risks to infrastructure networks from climate change will be better understood locally, nationally and globally, so we will be better able to define focus areas for renewals and upgrades.

Existing renewals programmes and gradually increasing budgets will assist in addressing public health and environmental concerns. In the short term, water treatment plants will continue to meet DWSNZ measures and wastewater discharges will be compliant. In the medium to long term, water treatment plants continue to meet DWSNZ measures and are updated as required to meet any changes in measures. We aim that consented wastewater overflows are not required or only needed in very severe events.

Dunedin will invest in new capital to reduce the risks arising from natural hazards. In the short term, the DCC will invest in flood alleviation in South Dunedin and Mosgiel, divert wastewater from Kaikorai Valley to an upgraded Green Island WWTP and fund the Peninsula Connection to contribute to a resilient transport network. Over the medium to longer term, new capital will be incorporated into renewals to mitigate known hazards and renew the Deep Creek and Deep Stream pipeline.

Investing in renewals and specific projects to address the risks arising from natural hazards will maintain service levels across the network. We also plan to invest in projects to attract people to the city and enhance amenity levels, such as the Central City Plan, waterfront connection and transport safety and accessibility improvements in the tertiary precinct.

## **2.1 Where are we now? Dunedin's water and transport infrastructure**

### **Background**

Many of Dunedin's transport assets (roads and footpaths) were developed in the early 1900s as motor vehicles became the main mode of transport. The transport network has been expanded and improved from there. Between the 1930s and 1950s many of the original gravel roads were strengthened and sealed. From the late 1950s through the early 1970s, significant expansion occurred with the Housing Corporation developments.

As one of the country's earliest metropolitan centres, Dunedin's 3 Waters infrastructure pre-dates that of other centres. A number of assets are older than 150 years and still operate as essential pieces of the network today. As Dunedin has grown, so have the 3 Waters networks, resulting in widely distributed networks with a broad range of pipe materials, diameters and construction methods. As areas were connected to the different networks at different times, there can be wide variation in age, condition and capacity of assets in the same location.

### **Water supply**

Reticulated water supply in Dunedin began in 1867 with the construction of the Ross Creek Reservoir. Today, most of the water needed for the city comes from the Deep Stream and Deep Creek catchments located to the west of the city. This is then treated to meet national drinking water standards at Dunedin's two major treatment plants - Mount Grand and Southern - before being distributed for public consumption. In addition to the main metropolitan supply, the DCC operates three rural schemes and a separate Mosgiel water network, all with dedicated treatment plants.

## Wastewater

Dunedin's Main Interceptor Sewer was constructed between 1903 and 1908. This sewer, which has gradually increased in size, is still in use today, running from the Dunedin Railway Station to the Tahuna Wastewater Treatment Plant. It takes wastewater from a large part of the Dunedin metropolitan area, the West Harbour catchment as far as Port Chalmers and the East Harbour as far as Portobello.

As time has progressed, and legislation has required higher standards for discharges, treatment plants have been consolidated and upgraded. The most recent major upgrade, completed in 2016, has been to the Tahuna Wastewater Treatment Plant.

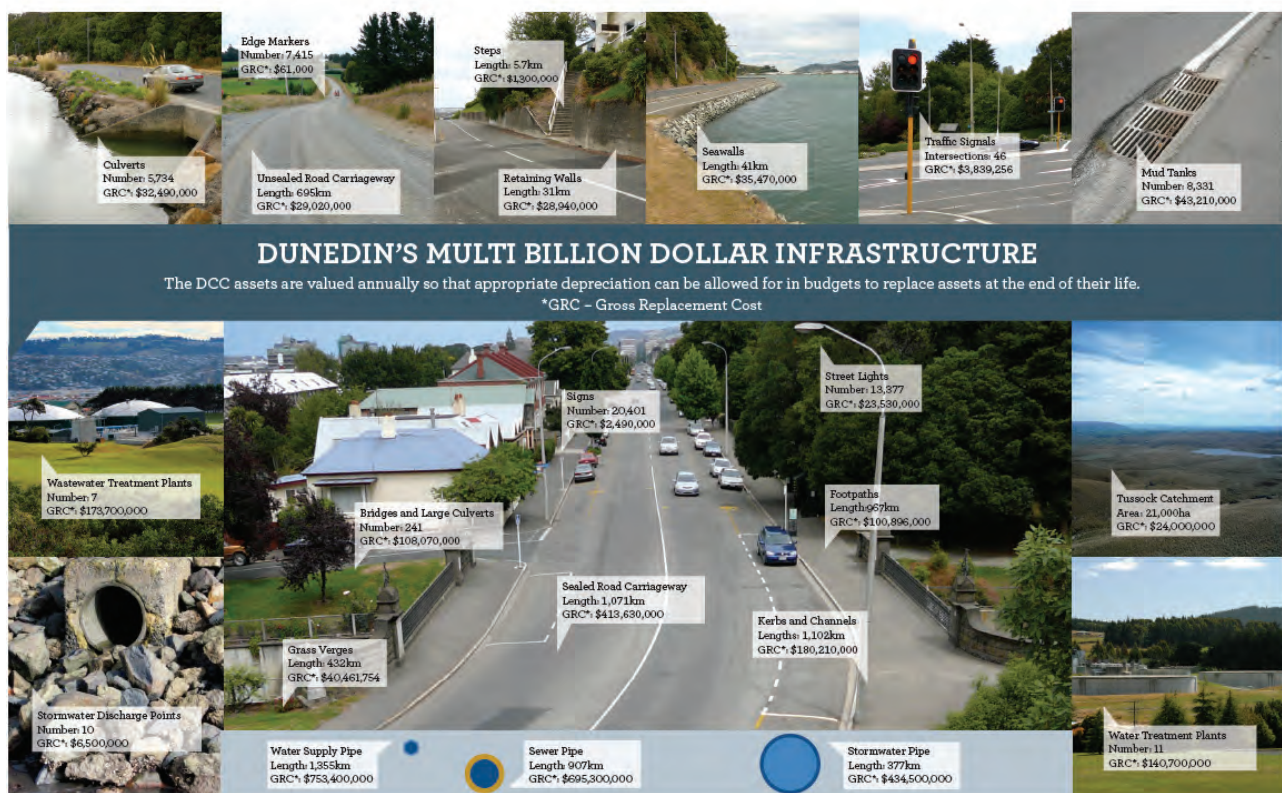
## Stormwater

Stormwater infrastructure in Dunedin consists of public and privately owned open and piped watercourses, DCC owned reticulated stormwater networks and Otago Regional Council owned or managed drainage schemes, streams and river systems.

DCC reticulated stormwater began in 1861 with the construction of an 1800mm stormwater main in Rattray Street. This stormwater main continued to be extended as land was reclaimed from the harbour basin, with the final stage of construction completed in 1909. This main remains in service today. As Dunedin has grown the stormwater network has grown with it. Increases in the scale and frequency of rainfall events and growing public expectations about the quality of stormwater discharges to the environment are significant challenges to be met by all those who own or manage stormwater infrastructure.

### 2.2 Managing Dunedin's water and transport infrastructure

Today, Dunedin's water and transport infrastructure is worth \$3.3 billion (gross asset replacement cost).



## Water

Management of water infrastructure takes into consideration a wide range of factors such as:

- o asset age, condition and performance (assessed using measures such as pipe breaks and blockages, flow rates through fire hydrants, equipment down time, and customer complaints)<sup>4</sup>
- o forecast changes to climate (such as rainfall intensity and drought frequency)
- o population changes (total population and distribution of the population over the local authority area)
- o changes to legislative and regulatory requirements, such as the New Zealand Drinking Water Standards (DWSNZ) or resource consent conditions.

When assets are not performing as required, or are unable to meet new standards, capital projects are scoped to target the deficiencies. These projects are prioritised based on the criticality of the assets and the likely impact of any loss of service, and programmed into 3 Waters budgets.

Renewals funding is targeted at maintaining existing service levels. New capital funding is targeted at increasing service levels to meet modern standards, such as new resource consent conditions, (water take and discharge permits), changes to the drinking water standards, increasing capacity to meet additional demand, health and safety improvements, and improvements to operational efficiency.

Renewals funding and new capital funding are often used together on specific projects, for example, renewing an undersized pipe will consume renewal funding in the 'like for like' portion of the works, while the incremental change in pipe diameter is considered 'new capital'.

Significant capital expenditure over the last 25 years has modernised Dunedin's water and wastewater treatment plants. The last five years has seen significant works completed or underway targeting the renewal (and upsizing where necessary) of wastewater pipes to reduce the number and volume of wastewater overflows during significant wet weather events. In tandem with these renewals has been the renewal of adjacent stormwater assets to make efficient use of budgets and minimise disruption to customers.

## Transport

There are four main types of intervention on transport assets to provide appropriate levels of service:

- o maintenance to fix defects and preserve useful life
- o maintenance to mitigate safety issues
- o maintenance to improve aesthetic standards
- o asset rehabilitation and renewal.

Generally the mid to long-term budgets are set with the aim of maintaining assets at the current condition in perpetuity. When an asset reaches about 75% of its service life, deterioration will accelerate. If a road pavement, for example, is left beyond this point without maintenance the cost to restore survivability could be 4-5 times higher. Maintenance and renewal interventions are interlinked. Timely repairs can extend the time until a reseal is required on a road, resealing at the right time will extend the life of the pavement structure beneath. Routine maintenance deals with defects such as cracks before more serious problems develop.

### 2.3 Assessing the condition of Dunedin's network infrastructure

#### Transport

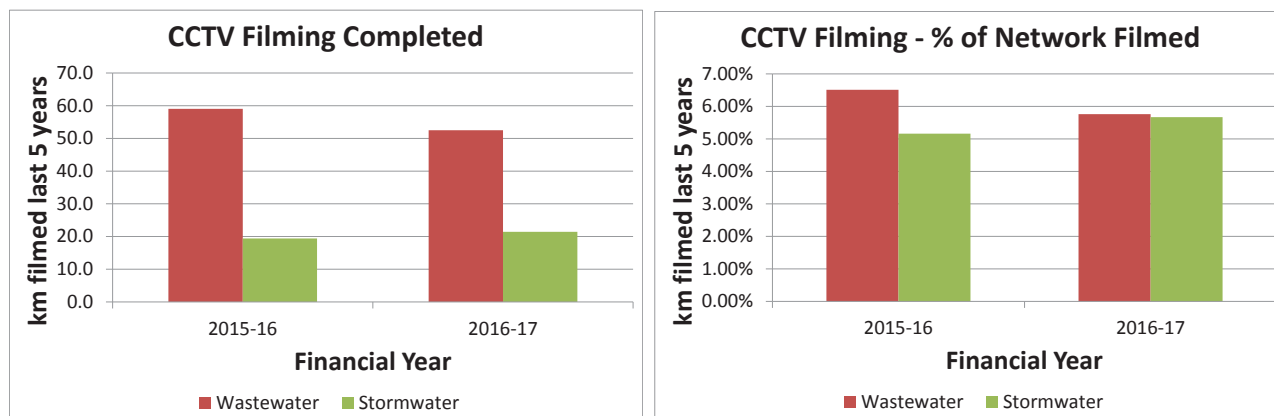
Assessing the condition of above ground infrastructure like roads and footpaths is more straightforward than assessing the condition of pipes and other underground infrastructure. The Transport team uses a rolling programme of condition assessments to inform its maintenance and renewals decisions. The level of confidence in the knowledge of the DCC's transport assets is high.

<sup>4</sup> 3 Waters level of service measures are set out in the 10 year plan.

## Water

A wide range of asset data is collected when water assets are constructed<sup>5</sup>. This provides high quality asset condition data for new assets. For existing assets, key asset data is validated and updated during maintenance work.

In addition, the condition of a sample of gravity network assets are assessed by CCTV. These inspections are targeted based on asset age and asset performance issues. The data from these inspections can also be used periodically to infer asset condition based on asset cohorts, such as material type and install dates. The figures below show total filming and proportion of network filmed for the previous two years.



Plant condition assessment is scheduled at intervention points based asset age and asset performance information.

Informal condition assessment occurs regularly on plant assets through routine inspection although the results of routine inspections are only recorded when there are issues that require escalation to staff or contractors.

Data on material/unit type, age, condition, performance, location, capacity, criticality and remaining life is collected for 3 Waters assets, and the reliability of the asset condition data is considered. This is because unreliable asset data can have both service level and financial implications.

Where there is low confidence in asset data, performance indicators are closely monitored on a network wide basis (e.g. breaks per kilometre per year, blockages per 1000 properties etc.). This on-going performance monitoring has not identified any significant change in performance measures in recent years, providing an assurance that gaps in asset data are not resulting in unexpected asset failures and therefore declines in service levels at a network level.

Where unexpected issues arise with the performance of specific assets, proactive assessment and/or monitoring of the asset's condition is undertaken or reactive maintenance undertaken in advance of the asset's renewal. If enough unexpected issues arise with a cohort or class of specific assets, the useful remaining lives of those assets will be adjusted. However, the performance of 3 Waters assets at a network level indicates no significant change in recent years, suggesting that overall cases where the asset is older or in poorer condition than anticipated are broadly balanced by cases where the asset is younger or in better condition than anticipated.

In the medium to long term, asset data which is of low quality has the potential to increase reactive maintenance costs or require replacement of assets sooner than expected. If there was a bias towards assets being older or in poorer condition than anticipated, this could increase reactive maintenance requirements and may require reprioritisation of the renewals programme or additional capital expenditure to accommodate revised asset ages and conditions. This is why the DCC continues to invest in improving the asset data, at the same time as it maintaining and renewing the assets themselves.

<sup>5</sup> For network assets information is collected on asset location, material, pressure class, manufacturer and construction details, such as bedding type. For plant assets information is collected on asset location, material, pressure class, manufacturer, model numbers, serial numbers and operations, maintenance manuals and process and instrumentation drawings.



## 2.4 Water supply

### Purpose of the water supply network

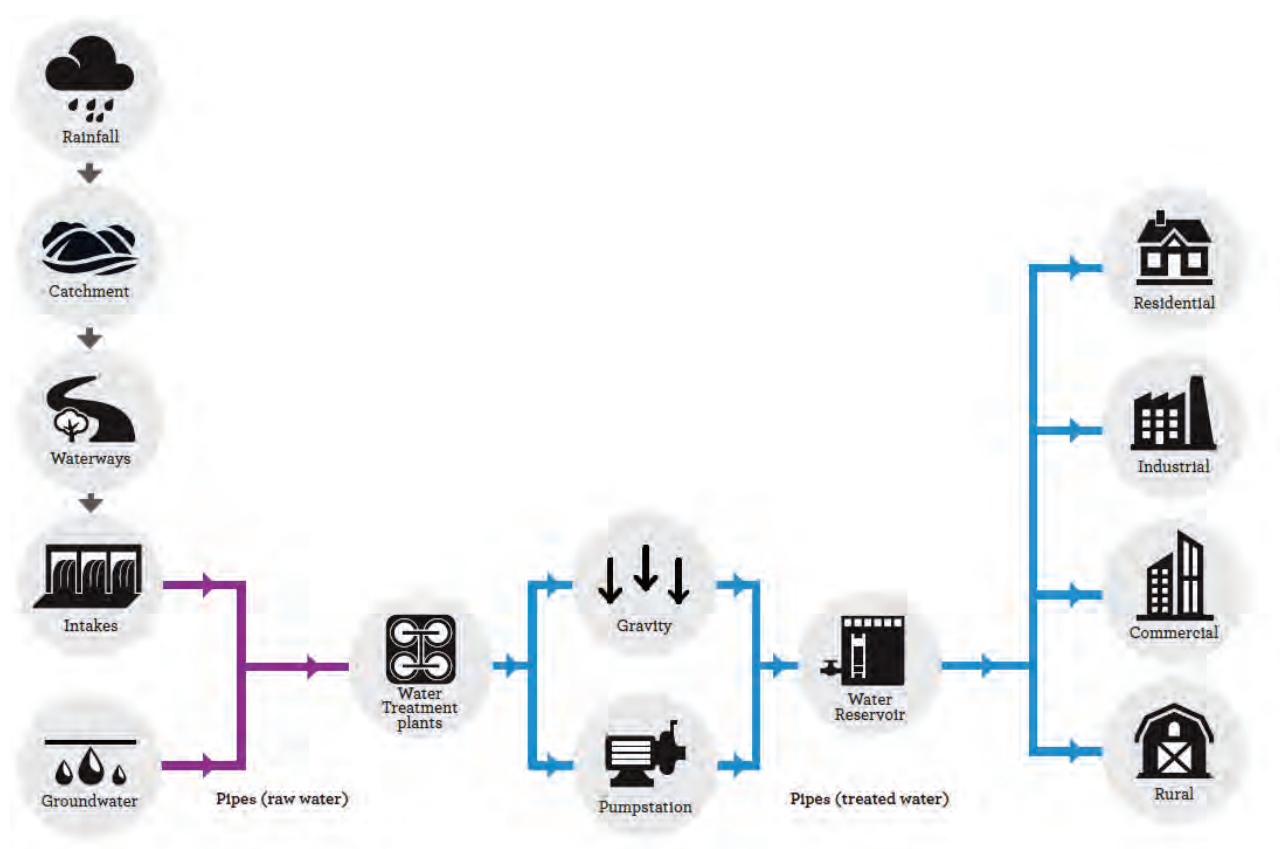
The purpose of the water supply network is to protect public health by delivering adequate quantities of safe water to water users. Clean drinking water is essential for public health and for the safe and productive operation of many businesses. The DCC provides these services to protect the health of its residents and visitors and to support economic activity. In addition, the water supply network operates with minimal impacts on the environment.

### What's involved in supplying water?

The DCC manages the collection, supply, treatment and distribution of water to domestic and commercial residents in Dunedin. Here are the main aspects of the water supply system.

- o Catchment: the DCC holds 21,000ha of water catchment. Most of this land is in the protected Deep Stream and Deep Creek catchments.
- o Untreated (raw) water: surface water and groundwater that is collected from the catchments.
- o Water supply: the main supply pipelines that convey raw water from the catchments to the raw water reservoirs or directly to the treatment plants.
- o Treatment: raw water is treated at one of Dunedin's 11 water treatment plants.
- o Distribution: the main pipelines between the treatment plants and the treated water service reservoirs (some mains provide both distribution and reticulation functions).
- o Reticulation: pipelines that distribute water from the service reservoirs to the property boundary.

### Diagram of how water supply infrastructure works





**How does the DCC assess the condition of water supply assets?**

Methods for assessing the condition of DCC's 3 Waters infrastructure vary by asset type but typically involve visual or physical inspections. Water pipes are more difficult to assess than wastewater or stormwater pipes because they cannot easily be inspected due to the continual flow of water through them. Instead, small sections of pipe must be taken out for inspection. The condition of treatment plants is routinely inspected by DCC staff to ensure assets are appropriately maintained. Specialist engineering advice is used as required. Data on material /unit type, age, condition, performance, location, capacity, criticality and remaining life is collected for 3 Waters assets. The level of confidence in the knowledge of the DCC's water supply reticulation assets ranges from reliable to uncertain and for water supply assets from highly reliable to less reliable.

## Summary of water supply assets

### Asset condition

	Significant number of assets in poor condition
	Some assets in poor condition
	No or few assets in poor condition

### Asset capacity

	Significant capacity issues currently experienced
	Capacity issues in some areas and/or capacity issues can be expected
	No or minor capacity issues and none are currently expected

Asset group and type		Purpose and description	Number/ Length	Value \$000	Asset condition	Asset capacity - 2017
<b>Metropolitan Water Systems including the Dunedin City (Mount Grand, Southern and Port Chalmers) and Mosgiel supplies</b>						
Raw Water Supply	Bore pumps and intake structures	Extract raw water from surface and underground sources - from Deep Creek, Deep Stream (supplying Mount Grand Treatment Plant), Silverstream and tributaries (supplying Southern Treatment Plant), Cedar Farm Creek and Brosnahan's Creek (supplying the Port Chalmers Treatment Plant).  Groundwater takes from the Taieri aquifer (supplying the Mosgiel treatment plants).	23	3,917		Intakes in active service are maintained in good condition. Intakes feeding the Ross Creek Reservoir will need some remedial works to bring them back online prior to the reservoir being recommissioned.  The current refurbishment of the Ross Creek Reservoir is one of several projects aimed at increasing the security of raw water supply to the Dunedin metropolitan area. Existing capacity, while good, is susceptible to drought and the failure of critical assets. The ability to supply water in such events will be improved when the Ross Creek Reservoir is operational again.
	Raw Water Pipelines and Pump Stations	Take untreated water from source to treatment plants. This includes the Taieri River pipe bridge carrying water from Deep Creek and Deep Stream, and the Puddle Alley and Silverstream pump stations, pushing water from the Taieri bores and Silverstream respectively, up to the Southern Reservoir.	162km pipelines  one pipe bridge  two pump stations	186,214		
	Raw Water Reservoirs	Raw water storage for supply to treatment plants (dams), including Port Chalmers (Cedar Farm and Rossville), Mount Grand and Southern reservoirs as 'live' supplies, with Ross Creek and Sullivan's Dam not currently used.	Six	19,705		

Asset group and type		Purpose and description	Number/ Length	Value \$000	Asset condition	Asset capacity - 2017
Water Treatment	Treatment Plants	Plant and equipment used to screen, filter, pH adjust, and disinfect water to meet the Drinking Water Standards for New Zealand (DWSNZ), and plant and equipment used to monitor and control individual processes.	eight plants  (Mt Grand, Southern, Port Chalmers and Mosgiel x5)	76,439	Plant and equipment at the water treatment plants are maintained in good condition to ensure water produced meets drinking water standards.  A mid-life upgrade is planned for the Mount Grand Treatment Plant in 2024/25 and 2025/26 to ensure the plant can continue to supply drinking water which meets national standards.	Capacity at the Mount Grand, Southern and Port Chalmers treatment plants is sufficient to meet forecast demand to 2031.  The Port Chalmers Treatment Plant runs seasonally (October to April), when peak demand from the cruise ships is unable to be met by the Dunedin city supply alone. This is an expensive water supply arrangement.  Investigative work will be completed in the 2018/19 year to confirm the feasibility of supplying Port Chalmers year-round from the Dunedin city supply.
	Treated Water Pipelines and Pump Stations	Transport water from treatment plants around the network, with pump stations boosting water to areas of the network unable to be reached by gravity feed alone.  Includes the 25km treated water pipeline connecting the northern water schemes of Waitati, Warrington and Seacliff to the Dunedin City water supply.	989 km pipelines  18 pump stations  22,157 minor point assets (valves, hydrants and meters)	339,989	As with some other 3 Waters networks, areas of the network are in excellent condition while other areas are in poor or very poor condition, which affects flow and pressure to customers. Ongoing renewals are targeted at areas of poor condition.  Renewals of flow meters have been stepped up since 2010 but many are still outside their expected lives and are likely to be in poor condition for assets of this type.	Capacity in the treated water network is defined as being where the flow rate of water supplied by an individual fire hydrant within the network meets the requirements of the NZ Fire Service Code of Practice for Fire Fighting Water Supplies (Standards NZ reference NZ PAS 4509:2008).  For the Dunedin City and Mosgiel water supplies, 17% of hydrants across the city are non-compliant with the standard. This generally relates to water mains installed before 1960, where the 100mm diameter pipes were appropriately sized at the time of installation, but are undersized for today's demand.
Treated Water Distribution	Treated Water Reservoirs	Treated water storage within the network to meet peak demand and ensure supply in the event of network outages.	44	32,498	Regular maintenance means that most city reservoirs are in good condition. Some reservoirs will require replacement within 50 years and have been accounted for as part of the forecast renewals.	A programme of renewals and new capital works targeting these areas is underway, with pipes in North East Valley being renewed as the next package of works, aimed at improving pressure management and fire flows.
	Service connections	Service lines, tobies, manifolds and backflows preventers connecting private properties to the water network in a safe manner.	42,333	94,769	A significant proportion of service connections in the metropolitan area are older style 'toby' connections. These will be replaced with modern manifold connections when capital works are being undertaken in an area.	

Asset group and type	Purpose and description	Number/ Length	Value \$000	Asset condition	Asset capacity - 2017
<b>Rural Water Supplies</b>					
<b>Waikouaiti/ Karitane/Merton</b>	Extract water from Waikouaiti River, treat to DWSNZ standards and pump or gravity feed to properties in the Waikouaiti urban water supply area, and the Karitane and Merton rural water supply areas.	one plant  96 km pipelines  three pump stations  1,469 minor point assets (valves, hydrants and meters)	24,820	The Waikouaiti water treatment plant is in generally good condition though some assets with shorter lifespans (filter membranes) are nearing the end of their useful lives and in correspondingly average to poor condition.  Condition of water mains in Karitane is of particular concern with a high number of breaks per kilometre being an indicator of poor asset condition. This will be addressed through the current renewal work in this area.	There are identified capacity issues in the Waikouaiti and Karitane treated water networks. Recent capital works have been completed in Waikouaiti to address some of these issues; further works are programmed within the Karitane township and from the Waikouaiti Reservoir to the Waikouaiti township in the near future to improve capacity.  There are still known capacity issues in the Edinburgh Street (Waikouaiti) area, which will be not be completely alleviated by the recent and planned upgrade works. Further work will be programmed in year 7-10 of the strategy to improve capacity in this area.  The Merton supply is a restricted rural scheme with sufficient capacity for the foreseeable future.
<b>Outram</b>	Extract water using a bore pump located adjacent to the Taieri River, treat to meet DWSNZ standards, and gravity fed to properties within the Outram water supply zone.	One plant  16 km pipelines  one pump station  451 minor point assets (valves, hydrants and meters)	6,359	Condition within the Outram network and treatment plant is generally good to excellent due to recent upgrades.	Recent upgrades to the Outram water treatment plant and the treated water network mean there is sufficient capacity within the Outram water supply zone to meet demand for the foreseeable future.
<b>West Taieri Rural Scheme (Restricted)</b>	Water extracted from the Waipori River, treated to meet DWSNZ standards, and pumped to Dunedin Airport and privately owned tanks within the West Taieri water supply zone.	One plant  127 km pipelines  five pump stations  299 minor point assets (valves, hydrants and meters)	8,921	The West Taieri water treatment plant is in generally good condition, although some shorter lifespan assets are nearing the end of their useful lives and are in correspondingly average to poor condition. The piped network is also generally in good condition with a relatively small number of breaks per kilometre.	There is sufficient capacity within the West Taieri Rural Scheme to meet demand for the foreseeable future.

### Existing water supply level of service measures

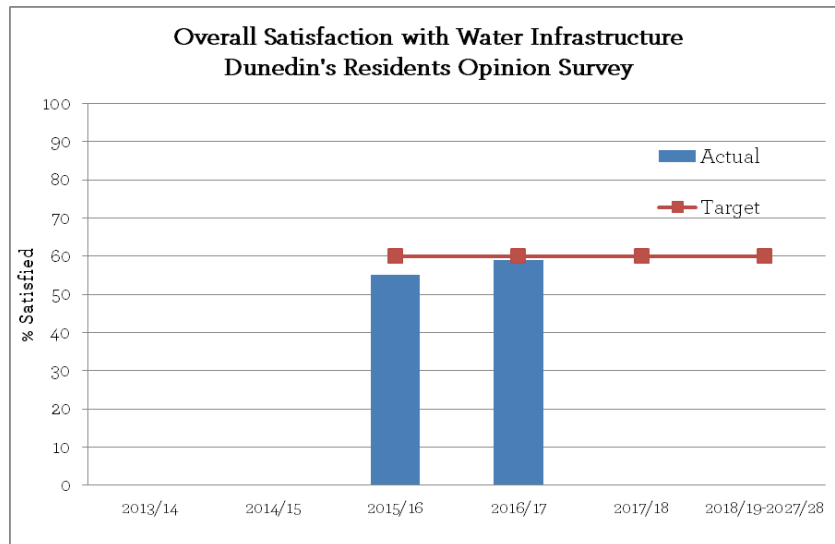
The water supply network provides the following major levels of service.

- o Residents receive safe clean water.
- o Water supply is available to meet the needs of residents.
- o Water resources are used efficiently and sustainably.

Existing levels of service measures and targets are shown below.

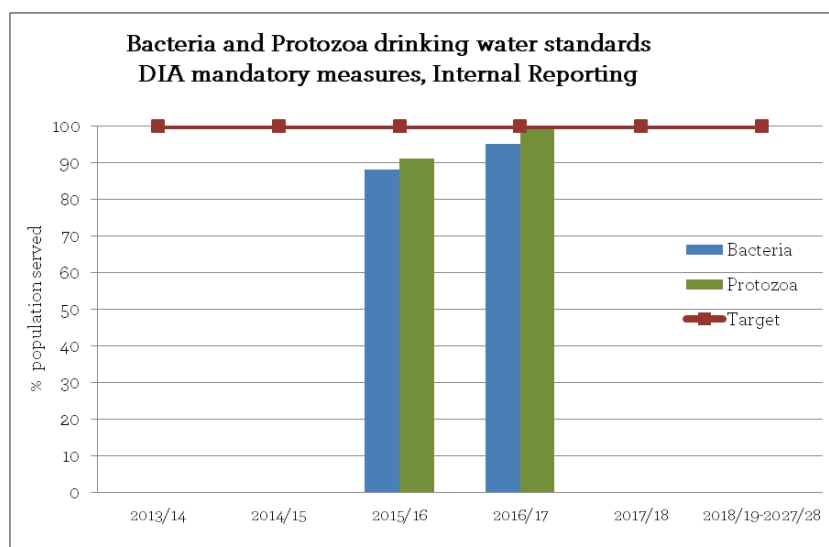
### Satisfaction with water related infrastructure:

Percentage of residents satisfied with overall water related infrastructure (Residents Opinion Survey)



### Level of service: the water is safe to drink

Dunedin's drinking water supply complies with bacteria and protozoa of the drinking water standards<sup>6</sup> (Department of Internal Affairs (DIA) mandatory measure), Internal reporting



<sup>6</sup> Performance has been below the target of 100% due to the lack of protozoal treatment at the Outram plant until early 2017, and missed samples in distribution zones due to frozen sampling taps in winter and construction works impeding access to sampling locations.

## 2.5 Wastewater

### Purpose of the wastewater network

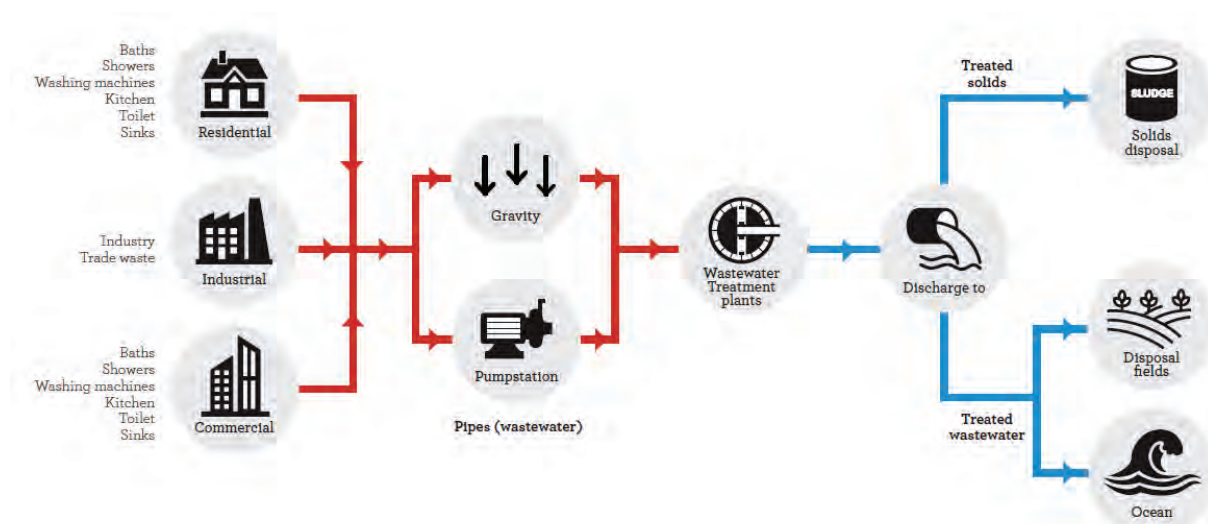
Wastewater is taken from commercial and domestic properties via pipes and pumps to one of seven wastewater systems in the district. The wastewater network aims to protect the health of the community by providing cost effective, reticulated wastewater services throughout the urban area, and to treat wastewater to a high standard before it is discharged into the environment.

### What's involved in the wastewater network?

The DCC manages the collection, treatment and disposal of wastewater from residential and commercial customers across Dunedin. Here are the main aspects of the wastewater system.

- o **Reticulation:** the network collects wastewater from domestic and commercial private lateral connections. The majority of the 909km of publicly-owned wastewater reticulation system operates via gravity, with pipe size varying from 100mm to 1650mm in diameter.
- o **Pump stations:** there are 81 wastewater pump stations throughout the reticulated network which lift wastewater from low points back into the gravity network. A critical pump station located at Musselburgh accounts for half of the wastewater pump station asset base (by value).
- o **Treatment:** the DCC owns and manages seven wastewater treatment systems. The population served by each plant varies from fewer than 100 for the smallest plant (Seacliff) to more than 83,000 for the largest plant (Tahuna).

### Diagram of how wastewater infrastructure works



### How does the DCC assess the condition of wastewater assets?

Visual inspection methods, such as closed circuit television (CCTV) filming, are used to assess the condition of wastewater pipes. The results from these CCTV inspections are used to determine if assets need to be repaired or replaced. DCC staff undertake visual and physical inspections of the condition of treatment plants and pump stations to ensure assets are appropriately maintained. Specialist engineering advice is used as required. Data on material /unit type, age, condition, performance, location, capacity, criticality and remaining life is collected for 3 Waters assets. The level of confidence in the knowledge of the DCC's wastewater reticulation assets ranges from reliable to less reliable and for wastewater plant assets from highly reliable to less reliable.



## Summary of wastewater assets

## Asset condition

	Significant number of assets in poor condition
	Some assets in poor condition
	No or few assets in poor condition

## Asset capacity

	Significant capacity issues currently experienced
	Capacity issues in some areas and/or capacity issues can be expected
	No or minor capacity issues and none are currently expected

Asset group and type		Purpose and description	Number/Length	Value \$000	Asset condition	Asset capacity
Metropolitan Wastewater Systems	<b>Tahuna catchment</b>					
	Wastewater Network	Transport untreated wastewater from customers' point of discharge to Tahuna wastewater treatment plant.	611 km pipelines (including 4.5 km main interceptor sewer) 39 pump stations 13,948 network access points (manholes, lampholes etc.)	482,171		With a high proportion of early 20 <sup>th</sup> century pipework, much of the network feeding the Tahuna wastewater treatment plant (WWTP) is in poor condition. A large portion of the network is older earthenware pipe with more joints than modern equivalents. As they deteriorate, these joints allow considerable volumes of water to infiltrate into the network, exceeding network capacity during heavy rainfall events and resulting in wastewater overflows downstream.
	Wastewater Treatment and discharge to ocean outfall	Treat wastewater to meet discharge consent conditions.	One treatment plant 1.1 km outfall pipe off Middle Beach	109,678		There are significant incapacities in the network servicing the Tahuna WWTP catchment. High levels of inflow and infiltration (I&I) entering the pipe network through defective joints periodically results in network overflows during heavy rainfall events. Incapacities upstream in the Tahuna wastewater catchment overflow into stormwater catchments flowing into the South Dunedin area, further exacerbating flooding issues in the area. Further information on the effects of this are in the stormwater section of the Infrastructure Strategy. Capital works are planned to divert Kaikorai Valley wastewater flows from the 'at capacity' Tahuna network to the Green Island catchment. This is expected to alleviate existing wastewater overflows to the Kaikorai Stream and South Dunedin.
	<b>Green Island catchment (excluding Mosgiel)</b>					
	Wastewater Network	Transport untreated wastewater from customers' point of discharge to Green Island Wastewater Treatment plants	121 km pipelines 26 pump stations 1,870 network access points (eg. manholes lampholes.)	107,020		The recent multi-million dollar upgrade of the Tahuna WWTP means the majority of the plant is in good to excellent condition. Some sections of the original building will require some further remedial works in the short to medium term.
	Wastewater Treatment and discharge to ocean outfall.	Treat wastewater to meet discharge consent conditions.	one treatment plant 850m outfall off coast at Waldronville	22,165		The Green Island network is generally in good condition given its age, with few inflow and infiltration (I&I) problems in the catchment. Some capacity is available within the Green Island network. Capital work to install a pressure main from Kaikorai Valley to Green Island WWTP will allow flows to be transferred from the Kaikorai Valley catchment to Green Island for treatment and allow for growth further upstream.
	Wastewater Treatment and discharge to ocean outfall.	Treat wastewater to meet discharge consent conditions.	one treatment plant 850m outfall off coast at Waldronville	22,165		An upgrade is planned for the Green Island WWTP to improve the treatment process and add additional capacity to divert flows from the Kaikorai Valley sub-catchment from the Tahuna Treatment Plant to Green Island. Preliminary investigations and design are proposed for 2018/19 and 2019/20, with a subsequent four-year construction period likely.

Asset group and type		Purpose and description	Number/ Length	Value \$000	Asset condition		Asset capacity	
	Mosgiel catchment (includes Allanton)							
	Wastewater Network	Transport untreated wastewater from customers' point of discharge to wastewater treatment plants	96km pipelines six pump stations 1,798 network access points (manholes, lampholes etc.)	93,079		Some areas of the Mosgiel wastewater network are in excellent condition, while other areas are in poor or very poor condition. While the overall network is a similar age to the Green Island network, the way in which the Mosgiel network was constructed means that it experiences significantly higher infiltration during rainfall events. During heavy rainfall events groundwater levels become elevated which increases the amount of groundwater infiltrating into the wastewater network.		There are significant incapacities in the network servicing the Mosgiel WWTP catchment. High levels of I&I result in wastewater overflows to roads, homes and properties during heavy rainfall events. Preliminary investigative work is underway with capital works proposed for 2019/20 to alleviate these issues.
	Wastewater Treatment and transfer to Green Island	Treat wastewater to remove solids and organic matter, transfer to Green Island Wastewater for UV treatment prior to discharge.	one treatment plant 11.5 km transfer line to Green Island	11,070		The Mosgiel WWTP is generally in poor condition pending a long-term decision on the future treatment system configuration resulting in increased operations and maintenance costs. Renewals have recently been stepped up to improve overall plant condition.		While there is sufficient capacity within the Mosgiel WWTP for dry weather flows, the pipeline that transfers effluent from the Mosgiel WWTP for final treatment at the Green Island WWTP is at capacity during heavy rainfall events, resulting in a bottleneck at the treatment plant. Investigative work is underway to determine the most appropriate solution long term.
Rural Wastewater Schemes	Waikouaiti (including Karitane), Seacliff, Warrington and Middlemarch catchments							
	Wastewater Network	Transport untreated wastewater from customers' point of discharge to wastewater treatment plants	42 km pipelines 10 pump stations	27,116		Rural wastewater network assets vary between 'very good' and 'poor' condition. The Karitane portion of the network is in very good condition having been installed as an entirely new network in 1983. Renewal of older assets is incorporated as part of forecast renewals as assets reach the end of their useful lives.		There is incapacity in the Waikouaiti/Karitane network which show up as minor wastewater overflows at the Karitane No. 1 pump station during heavy rainfall events. There are no known network capacity issues in Seacliff or Warrington. There are known capacity issues in Middlemarch due to I&I issues evidenced by minor network overflows in wet weather.
	Wastewater Treatment and discharge to land	Treat wastewater to meet discharge consent conditions.	four treatment plants and associated disposal areas	2,519		The rural wastewater treatment plants are generally in good condition, with renewals planned over the next 10 years as discharge consents expire. Treatment options will be considered as renewals are planned, with Seacliff being the first of the northern wastewater treatment plants programmed for renewal. No significant capital works are planned for the Middlemarch treatment plant at this stage.		There is sufficient capacity within the existing WWTPs for current and forecasted flows in the short term. The plants will be upgraded over the next 10 years prior to their discharge consents expiring, with any forecast capacity changes accounted for as the upgrades are planned.
Other		Miscellaneous equipment, monitors, and parts held as spares		168				

**Existing wastewater level of service measures**

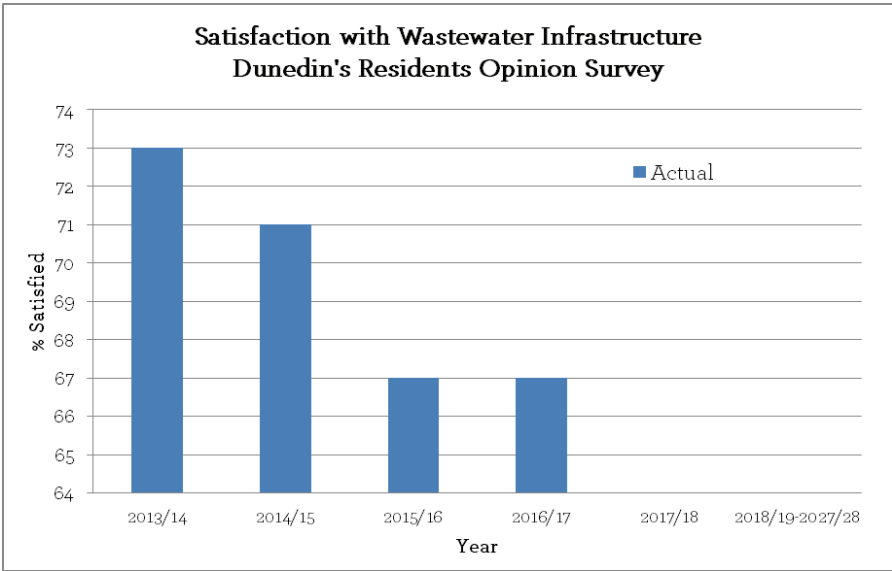
The wastewater network provides the following major levels of service.

- o Wastewater services are safe.
- o Wastewater services meet customer needs.

Existing levels of service measures and targets are shown below.

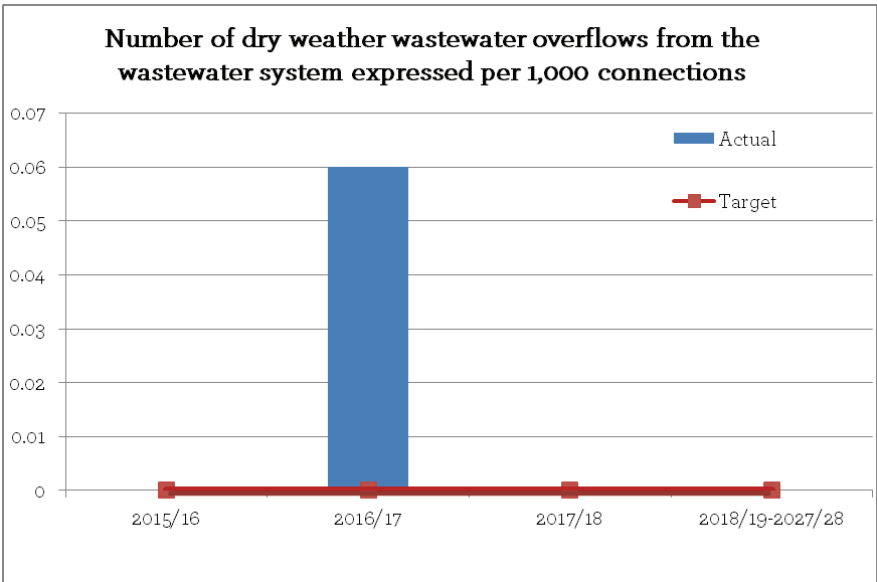
**Satisfaction with wastewater infrastructure**

Percentage of residents satisfied with wastewater infrastructure (Residents Opinion Survey)



**Wastewater is managed without adversely affecting the quality of the environment**

Number of dry weather wastewater overflows from the territorial authority's wastewater system, expressed per 1,000 wastewater connections to that wastewater system (DIA mandatory measure, Internal Reporting)



## 2.6 Stormwater

### Purpose of the stormwater network

The stormwater network collects rainwater from the roofs of houses and buildings, footpaths and roads and diverts it to the ground, into waterways or the ocean. Effective management of stormwater is essential to prevent flooding of properties and businesses. Controls are necessary to ensure stormwater does not become excessively contaminated leading to pollution of watercourses, the harbour or the ocean. The DCC is not engaged in flood protection and control works except where it relates to stormwater or to protect assets such as roads.

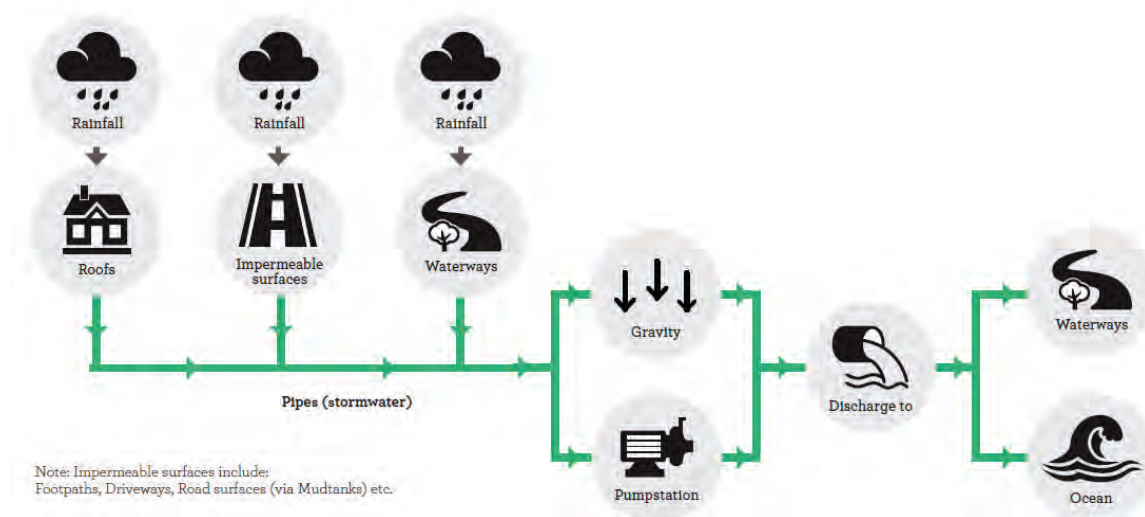
### What's involved in the stormwater network?

The DCC provides reticulated stormwater services to the city and most of the areas that also receive reticulated wastewater. When an area is developed, stormwater generally increases due to runoff from impermeable surfaces (e.g. roofs, roads, car parks, or compacted soil). It flows naturally from higher to lower ground, and ultimately discharges into natural watercourses such as wetlands, creeks, rivers or the sea. Land development necessitates the creation of both private and public stormwater systems. These networks work co-operatively to collect and transfer stormwater to waterways, and in some cases the marine environment, efficiently minimising damage to downstream assets.

Here are the main aspects of the DCC's stormwater system.

- o **Reticulation:** the reticulated network collects stormwater from domestic and commercial connections, mud tanks and some watercourses, and discharges stormwater into watercourses, streams and the sea. Most of the 378km of publicly-owned stormwater reticulation system operates via gravity, with pipe size varying from 100mm to 2700mm in diameter.
- o **Pump stations:** there are 11 stormwater pump stations throughout the reticulated network which lift stormwater from low points back into the gravity network or to discharge points. The most critical pump stations are located in South Dunedin and Mosgiel.

### Diagram of how stormwater infrastructure works



### How does the DCC assess the condition of stormwater assets?

The condition of stormwater pipes are primarily assessed through CCTV filming. The results from CCTV inspections are used to determine whether assets need repair or replacement, and when this needs to happen. The condition of pump station assets are routinely inspected by DCC staff to ensure assets are appropriately maintained. Specialist engineering advice is used as required. Data on material /unit type, age, condition, performance, location, capacity, criticality and remaining life is collected for 3 Waters assets. The level of confidence in the knowledge of the DCC's stormwater network assets ranges from reliable to less reliable and for stormwater plant assets from highly reliable to less reliable.

### Summary of stormwater assets

#### Asset condition

	Significant number of assets in poor condition
	Some assets in poor condition
	No or few assets in poor condition

#### Asset capacity

	Significant capacity issues currently experienced
	Capacity issues in some areas and/or capacity issues can be expected
	No or minor capacity issues and none are currently expected

Area	Asset type	Purpose/description	Number/Length	Value \$000	Asset condition	Asset capacity
South Dunedin (includes the individual stormwater catchments of Orari Street, St Clair, Portsmouth Drive, and South Dunedin)	Pipe network	Transport stormwater water to pump stations or outlets	83km pipelines 1,971 network access points (manholes, lampholes etc.)	91,751	Condition of the pipe network in the wider South Dunedin stormwater catchment area varies widely based on the age, diameter and construction materials of individual pipes. Older large diameter pipes are generally in sound condition, due to the construction methods of the era.	In heavy rainfall events the stormwater network in South Dunedin can become overwhelmed, resulting in flooding of roads, homes and properties. This is exacerbated by high ground water, particularly around high tide. Hydraulic modelling indicates the stormwater network is performing below the expected level of service. Significant capital works are proposed to bring these assets up to currently accepted design standards.
	Pump stations	Pump stormwater during times of significant inflow	three pump stations	3,323	The majority of pump stations are in average condition with some requiring attention to wet wells, pipes and pumps.	Pump station capacity is generally good; issues relate to incapacity within the wider network.
Mosgiel, East Taieri and Outram	Pipes	Transport stormwater water to pump stations or outlets	52km pipelines 784 network access points (manholes, lampholes etc.)	53,963	Condition of the pipe network in the Mosgiel, East Taieri and Outram area varies widely based on the diameter and construction materials of individual pipes.	Mosgiel is a very sensitive stormwater catchment. The area is the flood plain for the Taieri River and Silverstream, and is underlain by the extensive Taieri Aquifer, which is responsive to river levels. The DCC stormwater network discharges into the Taieri River, Silverstream and other tributaries, and when those waterways are high stormwater discharge is impeded. Mosgiel frequently experiences catchment-wide nuisance flooding in small rainfall events. Deep flooding and also property flooding is experienced at Gordon Road/Lanark Street, Kinmont Crescent, Gow Street/McGlashan Street, Woodland Avenue and around the Reid Avenue swale. Capital works are proposed during 2018/19 and 2019/20 to bring areas of the network with capacity issues up to currently accepted design standards.
	Pump stations	Pump stormwater during times of significant inflow	five pump stations	1,076	The majority of pump stations are in average condition with some requiring attention to wet wells, pipes and pumps.	Pump station capacity is generally fair; issues have tended to be with incapacity within the wider network. Capital works are planned to enhance network performance.
Centre City (includes the individual catchments of Halsey Street, Mason Street, Kitchener Street and Ravensbourne Road), Port Chalmers, Brighton, Waldronville, Green Island, Waikouaiti/ Karitane and Warrington.	Pipes	Transport stormwater water to pump stations or outlets	243km 6,241 network access points (manholes, lampholes etc.)	280,895	Condition of the pipe network in the Centre City area varies widely based on the age, diameter and construction materials of individual pipes. Older large diameter pipes are generally in sound condition, due to the construction methods of the era.	Capacity issues exist in small discrete areas of the network. These issues will be addressed through focused capital works.
	Pump stations	Pump stormwater during times of significant inflow	three pump stations	1,239	The majority of pump stations are in good condition with some attention required on specific wet wells, pipes and pumps	Pump station capacity is generally good.
Miscellaneous stormwater structures				945	These items are generally in good condition. With a small number requiring minor repairs.	The majority of these assets have sufficient capacity for current and future requirements with a small number requiring work to increase capacity.

(\*) Includes East Taieri and Outram

### Existing stormwater level of service measures

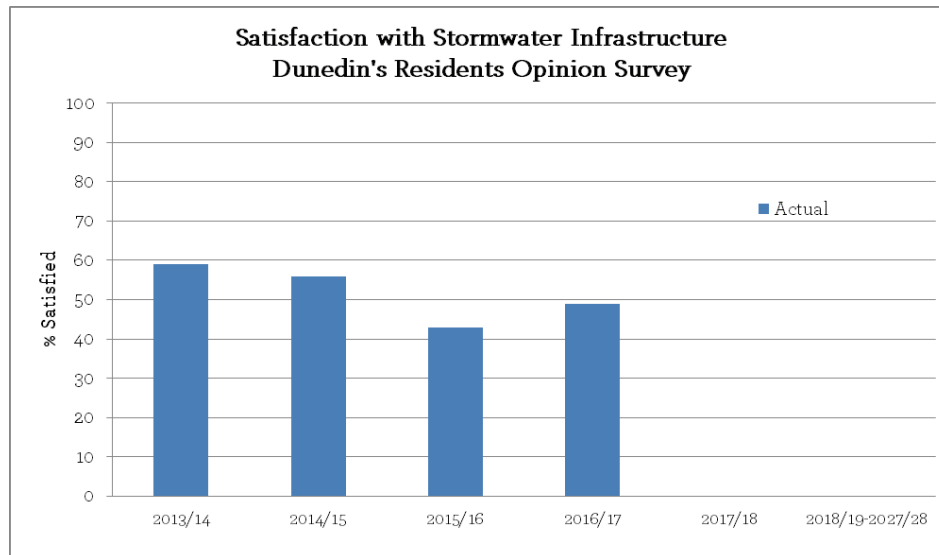
The stormwater network will provide the following major levels of service.

- o Stormwater services meet customer needs.

Existing levels of service measures and targets are shown below.

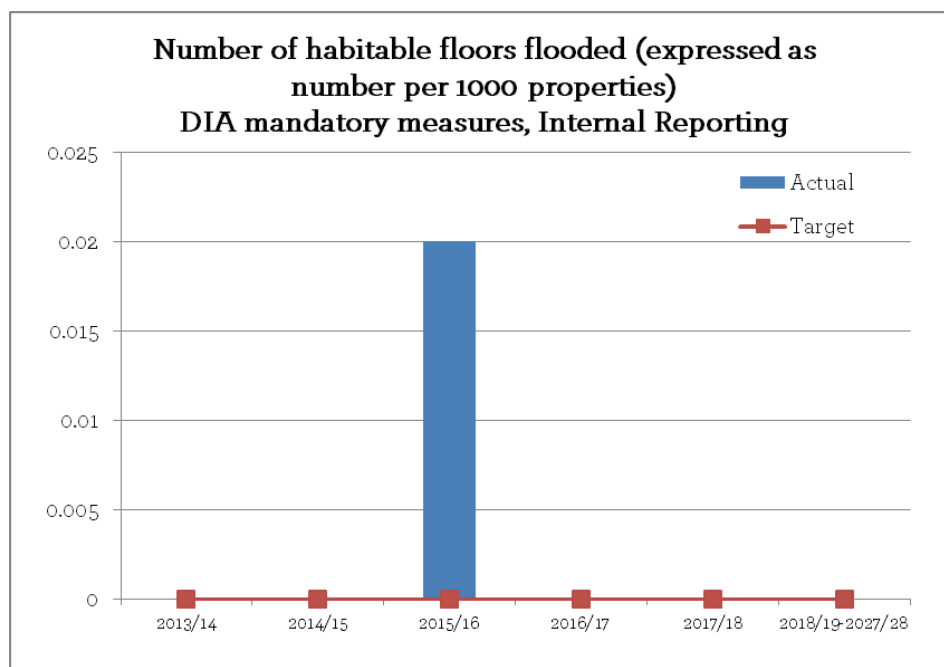
### Satisfaction with stormwater related infrastructure

Percentage of residents satisfied with stormwater related infrastructure (Residents Opinion Survey)



### Stormwater services perform adequately and reliably

For each flooding event, the number of habitable floors affected,<sup>7</sup> (expressed per 1000 properties connected to the territorial authority's stormwater system)



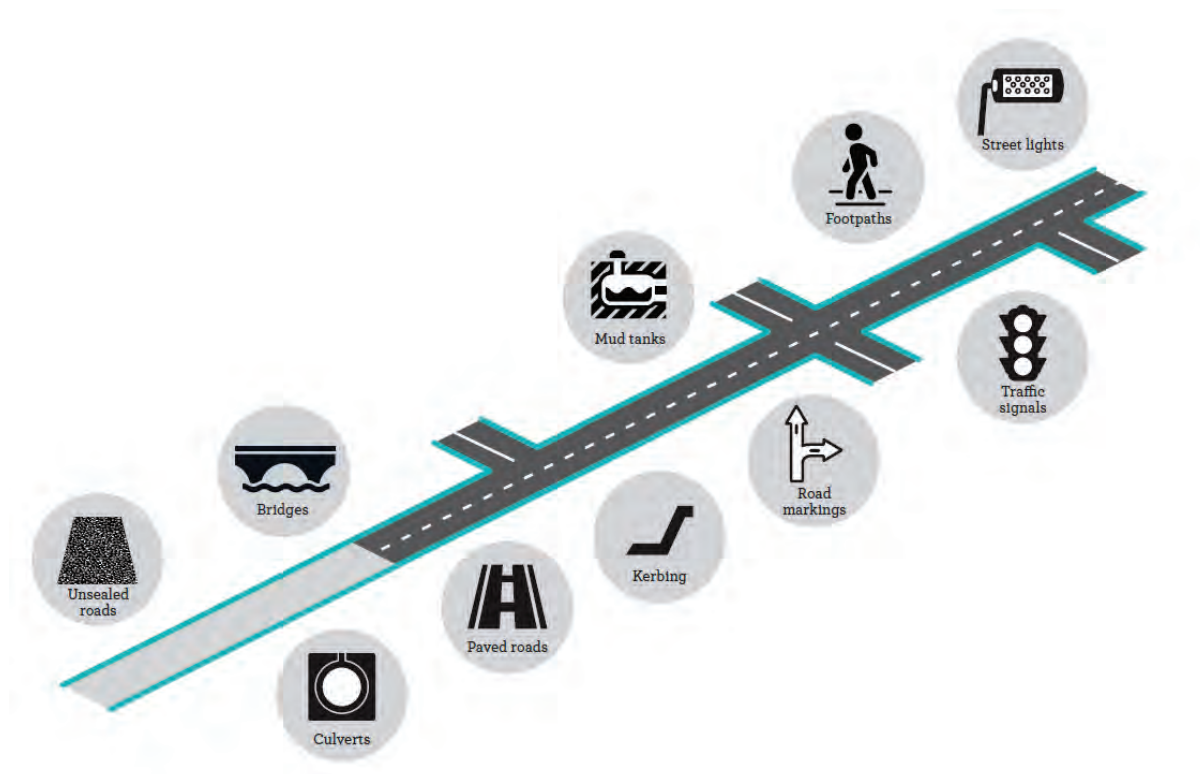
<sup>7</sup> Note the result for 2016/17 was zero.

## 2.7 Transport

### Purpose of the transport infrastructure

The DCC manages a large network of transport infrastructure. This includes roads, footpaths, cycle ways, streetlights, traffic signals, signs and road markings, retaining walls, bridges, culverts and seawalls. These transport assets enable people and goods to move around the city. Roading infrastructure also connects Dunedin to national and international road, rail, shipping and air transportation networks.

### Diagram of transport infrastructure



### How does the DCC assess the condition of transport assets?

Assessing the condition of above ground infrastructure like roads, cycleways and footpaths is more straightforward than assessing the condition of pipes and other underground infrastructure. The Transport team uses a rolling programme of condition assessments to inform its maintenance and renewals decisions. The level of confidence in the knowledge of the DCC's transport assets is high.



## Summary of transport assets

### Asset condition

	Significant number of assets in poor condition
	Some assets in poor condition
	No or few assets in poor condition

### Asset capacity

	Significant capacity issues currently experienced
	Capacity issues in some areas and/or capacity issues can be expected
	No or minor capacity issues and none are currently expected

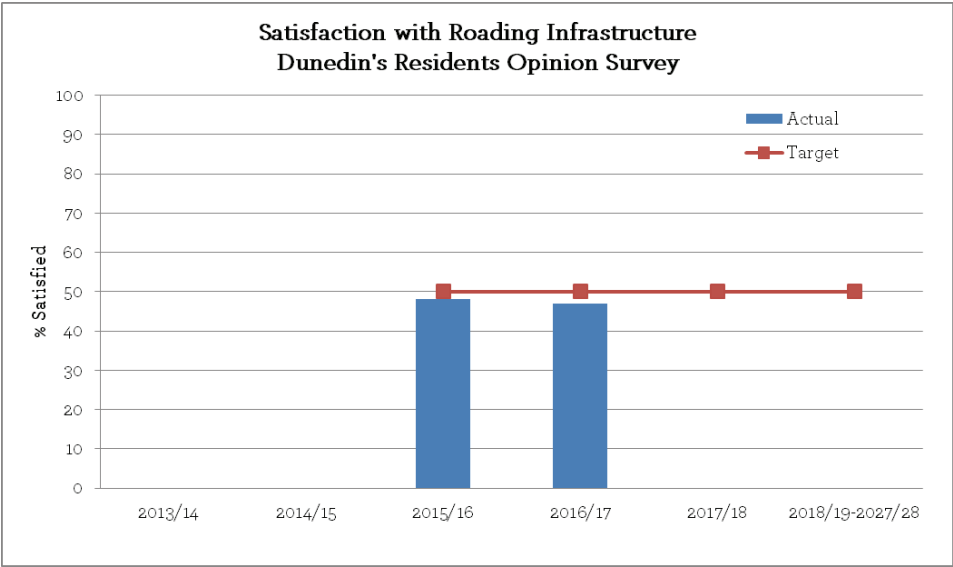
Asset group and type	Purpose / description	Number/ Length	Value \$000	Asset condition	Asset capacity
<b>Pavements</b>					
Paved roads		1,071 km	824,880	Road pavements are largely in an acceptable condition.	In capacity terms the Dunedin transport network is fit for purpose and can cope with traffic demands.
Unsealed gravel roads		695km	28,284	Gravel roads are maintained in a good condition.	In capacity terms the Dunedin transport network is fit for purpose and can cope with traffic demands.
Footpaths		967km	153,649	Footpaths are in significantly poorer condition compared to other asset types with 14% in very poor condition, 27% in poor condition, 37% in average condition, 14% in good condition and 8% in very good condition.	In capacity terms Dunedin's footpaths are fit for purpose and can cope with pedestrian demands.
Road drainage Kerbing			175,571	Kerb and channel have 2% are in very poor condition, 9% in poor condition, 34% in average condition, 30% in good condition and 25% in very good condition.	Good
<b>Traffic controls</b>					
Signs, road markings and signals		20,403 signs 79 signalled intersections	10,721	Signs, road markings and signals are frequently are maintained to a good condition.	Good
Street lights		15,208 street lights	22,320	Street lights are nearing the end of their useful life. These are planned for replacement with the roll out of the LED lighting upgrade.	Good
<b>Structures</b>					
Bridges and large culverts		167 bridges 61 large culverts	100,217	Bridges are in largely good condition.	Good
Culverts and mud-tanks		5,734 culverts 8,331 mud-tanks	72,127	Culverts have 5% in poor condition, 35% in average condition, 36% in good condition and 20% in very good condition. 4% are awaiting condition rating.	Given changing weather patterns emphasis has been placed on ensuring culverts and mud-tanks are maintained to a high standard. Capacity may become an issue in the face of significant adverse conditions.
Seawalls		41 km	35,480	Seawalls have 6% in very poor condition, 13% in poor condition, 23% in average condition, 39% in good condition and 19% in very good condition.	Isolated areas of the network are compromised during significant weather events and will require future investment.
Retaining walls		31 km	27,832	An assessment of retaining wall structures is being undertaken in financial year 2017/2018	Given changing weather patterns and the age of some retaining walls capacity may become an issue. An extensive condition assessment is being undertaken in 2017/2018 to assess retaining wall stability and address identified risk of failure in planned renewal programmes.
Minor structures			9,950	Minor structures are maintained regularly and are in good condition.	Good

Existing transport levels of service

Existing levels of service measures and targets are shown below.

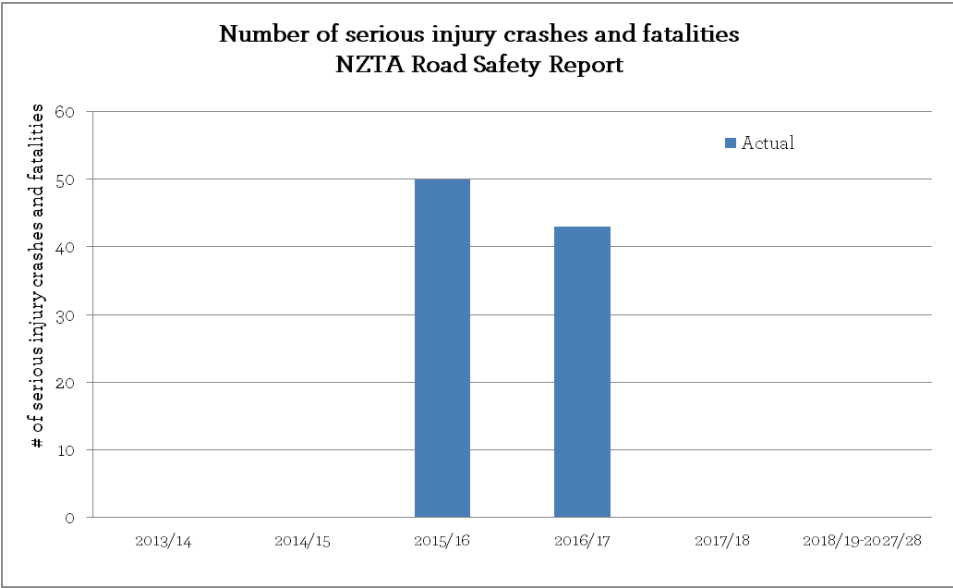
Overall satisfaction with transport related infrastructure

Percentage of residents satisfied with transport related infrastructure (Residents Opinion Survey)



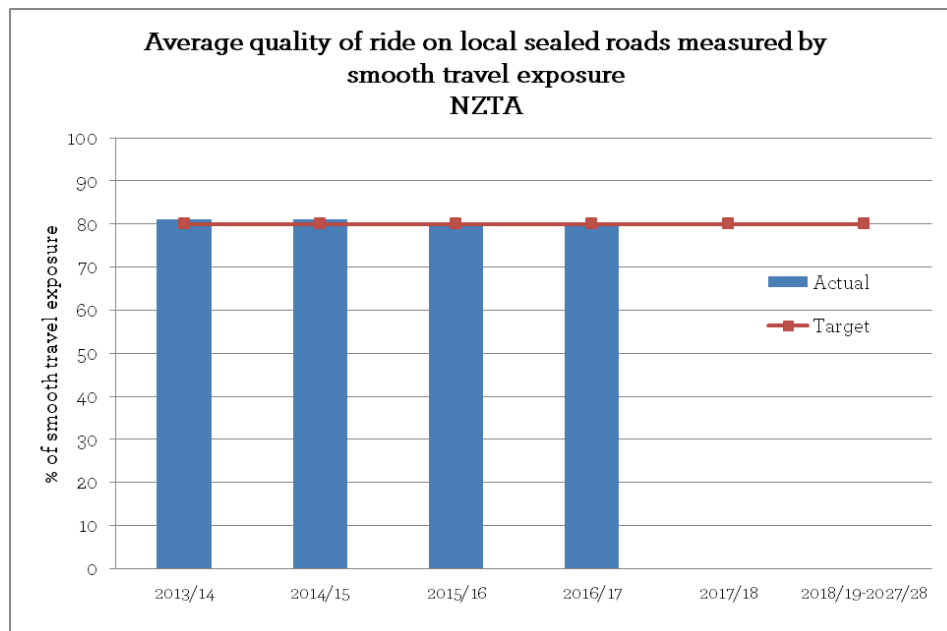
The transport network facilitates safe travel

Change in the number of fatalities and serious injury crashes on the local road network, NZ Transport Agency Dunedin city road safety report (target: decreasing trend)



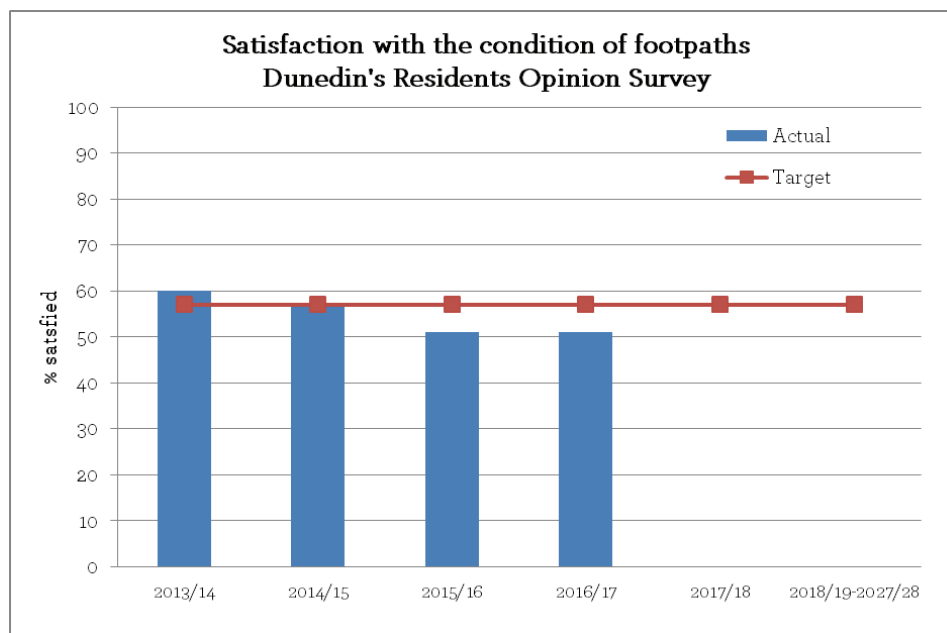
### ***The average quality of ride on local sealed roads***

The average quality of ride on local sealed roads network measured by how smoothly vehicles travel, Road Asset and Maintenance Management, NZ Transport Agency



### ***Satisfaction with the condition of footpaths***

Percentage of residents satisfied with the condition of footpaths (Residents Opinion Survey)



### 3. What's changing? Significant infrastructure issues and options

This section sets out the key infrastructure challenges and opportunities for Dunedin and the main options and implications for managing these over the next 50 years.

#### 3.1 Renewing and replacing assets

Dunedin has \$3.3 billion in water supply, wastewater, stormwater and transport assets.

Much of the DCC's underground 3 Waters network was constructed in the early 20th century. While certain assets may have exceeded their expected 'technical' useful lives, direct condition monitoring (including CCTV inspection) and performance assessment (reviewing failure rates) can establish that these assets can continue to operate without unacceptable risk to levels of service.

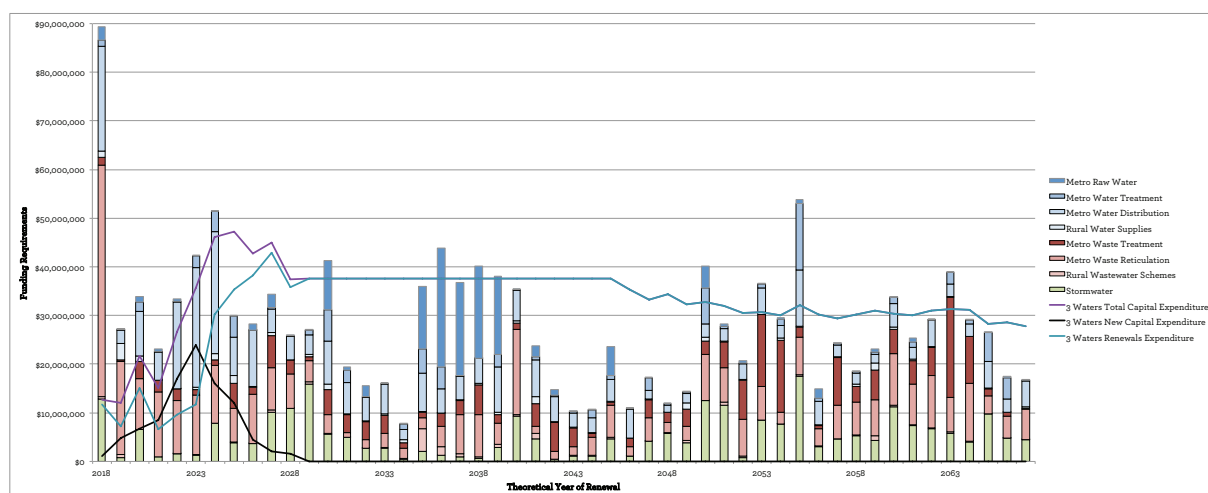
Some assets warrant replacement based on their age and the likelihood they will not be working appropriately in the future. Level of service problems include nuisance issues such as old cast iron water mains (which were largely built in the 1920s and 1930s) delivering insufficient water pressure or flow. Some more serious issues can arise from cracked earthenware sewers (largely built in the 1900s) letting in flood water and causing overflows to the environment or properties. Without significant continued spending on renewal of these assets they are likely to deteriorate, increasing the severity of such issues.

One option to ensure the 3 Waters renewals programme is efficient (in terms of cost, market capacity to deliver and disruption to residents) as well as effective (in reducing the risk of deteriorating service levels) is to programme work to replace each of the three 3 Waters assets at the same time in one location. This ensures the costs of digging up and replacing roads and footpaths happens only once. This option is currently being used in areas where both the age of assets is of concern and where data suggests poor asset condition. The improved programming of work has been partly enabled by the increase in funding for 3 Waters renewals in the previous 10 year plan. This has become more critical as the market cost of procuring renewals services increases.

Asset management planning is most efficient and effective when all options, including renewals and upgrades, are considered holistically. This can identify opportunities to make more systemic improvements to networks and plant. Systematic improvements can extend network life while maintaining levels of service or in some cases improve levels of service where that would be of value to the community and the environment. In the next 10 years, we have identified opportunities to address some infrastructure issues by investing in a combination of renewals and new capital. For example, renewal of parts of the Green Island Waste Water Treatment Plant and mains pipes is required, but an upgrade will increase the capacity of the network to respond to more severe rainfall events, reducing the likelihood or consequence of flooding or contamination. This option is a part of the 'most likely scenario' for this 10 year plan, discussed further in sections 3.5 and 4 below.

While timing and cost estimates have been refined in the past three years and two major new projects identified (the South Dunedin Flood Alleviation project and the Green Island Waste Water Treatment Plant upgrade) the major components of the overall 3 Waters 50 year renewals programme remain similar to those identified in the previous Infrastructure Strategy, showing an increasing level of capital expenditure over the 10 year plan period and sustained at this level until beginning to reduce around 2048 (in non-inflated dollars).

The chart on the following page shows the major categories and the value of assets to be renewed as they reach the end of their theoretical lives. Where performance or condition indicates that the theoretical life of an asset can continue to be exceeded within acceptable levels of risk (e.g. non-critical assets such as tobies) or alternative approaches to asset management may be adopted (e.g. the largest and oldest of Dunedin's sewer trunks are actively monitored by CCTV). This allows 3 Waters capital expenditure to the renewal of assets not performing as required or unable to meet new standards, based on the criticality of those assets and the likely impact of any loss of service.



DCC transport network assets have a value of \$1.5 billion and a current depreciated value of \$963 million, with assets depreciating by approximately \$19 million annually, or \$25,000 per day. Similar to the approach taken by 3 Waters in many cases, transport asset risk management is undertaken using a rolling programme of condition assessments to inform its maintenance and renewals decisions.

Condition is the main indicator used to understand if and how transport assets are deteriorating. Unlike depreciation which is a calculation based on the age and useful life of an asset, condition is a physical assessment of an asset's remaining service potential. Generally, the DCC's transport assets have been renewed at a sustainable level and within acceptable risk levels. The LED street lighting replacement project is a significant 'one-off' renewal investment intended to be completed early in the 10 year plan.

The DCC's asset management planning is increasingly focused on sound asset condition and risk assessment, planning and delivery opportunities, and long term asset solutions that provide lasting value for residents, businesses and the environment. The efficiency of this approach supports the DCC's Financial Strategy, and its effectiveness will allow Dunedin to respond to the significant issues discussed elsewhere in this Infrastructure Strategy.

### Principal options and implications

Options	1-10 years (2028)	10-30 years (2048)	30-50 years (2068)
Renewals delivery will maintain service levels within a generally acceptable level of risk.	Transport and 3 Waters renewals will continue to be prioritised in accordance with known asset condition and performance, to reduce operations and maintenance expenditure and manage the risk of deterioration in service levels.  For Transport, the LED street lighting replacement project is a significant one-off renewals investment early in the 10 year plan.	The value of renewals undertaken is expected to increase until at least 2048 based on the increasing age of assets and inflation.  The ability for 3 Waters to efficiently prioritise and package renewals will influence the effectiveness of the programme to reduce: maintenance and operating expenditure and; the risk of deteriorating service levels, including issues such as drinking water discolouration and wastewater overflows.	The value of renewals undertaken is expected to flat line at its long term sustainable level after 2068.  The design and delivery of renewals will become more effective in maintaining service levels over the longer term, as internal and external capacity to deliver is increased.
	3 Waters renewals funding is lower in 2021 -2023 to balance the limitations on capacity to deliver, while planning for delivery of strategic upgrades such as South Dunedin Flood Alleviation and the Green Island Wastewater Treatment Plant upgrade is underway	The renewals programme will be regularly reviewed to determine whether strategic upgrades would be preferable.	

Options	1-10 years (2028)	10-30 years (2048)	30-50 years (2068)
Renewals delivery increased over time as internal and external capacity to deliver is increased.	As above, however renewals delivery could be gradually increased year by year as internal and external delivery capacity allows.  For 3 Waters in particular, this would allow strategic upgrades to be undertaken at the same time as renewals, without any temporary reduction in the renewals programme.	As above, however the renewals programme will be more effective in reducing maintenance and operating expenditure, and the risk of deteriorating service levels (including issues such as fire hydrant flows and wastewater overflows).  Non-critical issues, or those that affect a limited number of customers, can be addressed more quickly than they otherwise would.	As above, however infrastructure risk profiles will be reduced as delivery of the renewals programme begins to outpace the rate at which asset age and condition deteriorates.  Operations and maintenance costs can be reduced and issues will become less prevalent.

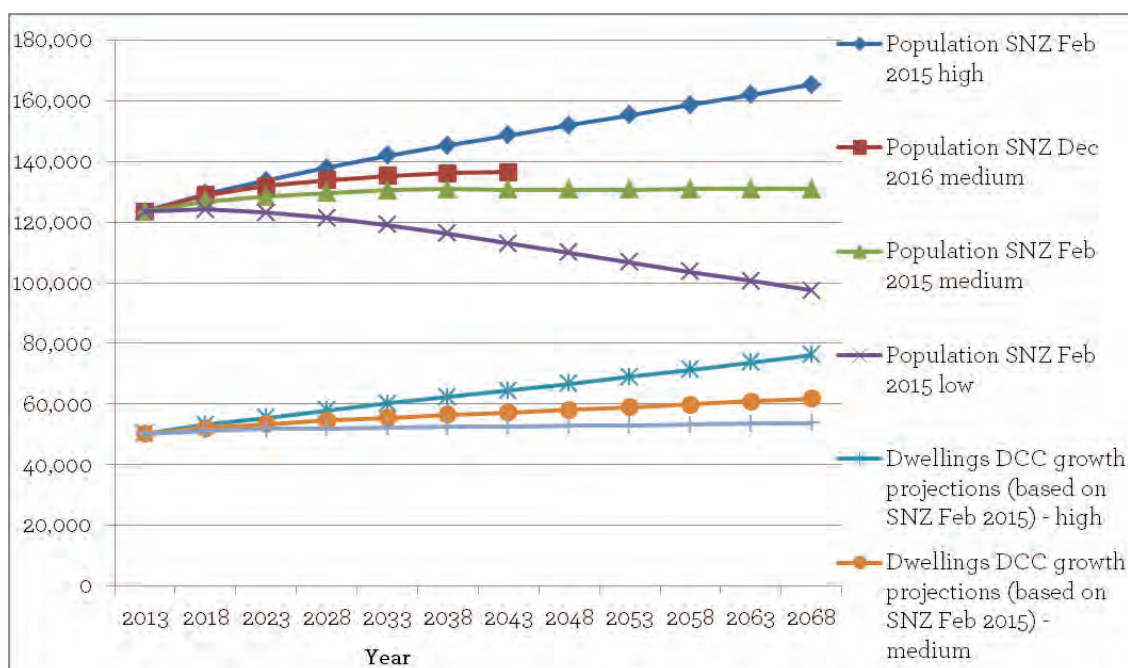
### 3.2 Responses to growth or decline in demand

#### Projected changes in demand for infrastructure

##### Population growth

After a period of relatively slow growth between 2006 and 2013, there are signs of stronger population and economic growth in recent years. The DCC growth projections prepared by Rationale Limited indicate Dunedin's population will be somewhere between 97,530 and 165,350, but 'most likely' to be 130,945, by 2068.

#### Statistics New Zealand and DCC recent growth projection series



The actual population could be at the lower end of projected values given the ageing population or at the higher end if there is strong net migration into Dunedin. Other factors, like the rate and type of economic growth, the rate of growth in dwelling numbers and where future development occurs, for example, in new subdivisions or infilling current suburbs, will impact on the demand for infrastructure.

##### Planning for growth in housing and business development

Under the National Policy Statement for Urban Development Capacity, Dunedin is categorised as a 'medium' growth area. This brings into effect a range of provisions relating to the amount of residential land serviced with infrastructure (see Table 1).

**Table 1 National Policy Statement on Urban Development Capacity: Requirements**

Term	Requirements
Short-term (within 3 years)	Development capacity must be feasible, zoned and serviced with development infrastructure.
Medium-term (3 - 10 years)	Development capacity must be feasible, zoned and either: serviced with development infrastructure or the funding for the development infrastructure required to service that development capacity must be identified in a 10 year plan required under the LGA 2002.
Long-term (10 - 30 years)	Development capacity must be feasible, identified in relevant plans and the development infrastructure required to service it must be identified in the relevant Infrastructure Strategy required under LGA2002.

**Growth is not consistent across the city**

Some parts of the city are expected to grow and some to decline in population over the next 50 years. Where forecast growth might occur across Dunedin is likely to depend on decisions about where future development can occur under the 2GP.

**Dwelling growth**

The rate of dwelling growth over 50 years is significantly higher than the rate of population growth. The number of homes is projected to grow from 52,090 in 2018 to 61,810 in 2068, as a result of an ageing population and the changing make up of families and households.

**Economic and visitor growth**

Dunedin's economy is growing. The economy grew 2.4 percent in the year to June 2017, a significantly higher rate of growth than over the previous decade<sup>8</sup>. Some water intensive industries have been in decline, while other knowledge and tourist based industries are growing. Dunedin's successful tourism push, which is attracting large cruise ships and major stadium events, mean Dunedin is projected to see 30,800 visitors on a 'peak day' within the next 10 years. The changing make up and rate of growth in the economy may impact on demand for network infrastructure.

**Principal options and implications**

Option	10-years (2028)	10-30 years (2048)	30-50 years (2068)
Plan and invest for a <u>low</u> growth scenario. This is a less likely scenario in the shorter term given current indications of strengthening net migration.	Demand is estimated at fewer than 1,000 new dwellings by 2028. Existing network infrastructure capacity will be generally adequate in currently serviced areas but limited in specific areas. The majority of infrastructure spending remains targeted at lifecycle renewals. If actual growth is higher than the low growth scenario, there is a significant risk that infrastructure may not meet demand by 2028, which may impede the city's strategic goals.	Demand is estimated at around 1,500 new dwellings by 2048. Existing network infrastructure capacity will be generally adequate in currently serviced areas, if augmented in localised areas. The majority of infrastructure spending remains targeted at lifecycle renewals with some upgrades. If actual growth is higher than the low growth scenario, infrastructure will more quickly reach capacity and there is a risk of insufficient infrastructure in areas where assets are at or near capacity.	Demand is estimated at approximately 2,500 new dwellings by 2068. Existing network infrastructure capacity will be generally adequate in currently serviced areas, if augmented in localised areas. The majority of the 3 Waters renewal programme will be complete, resulting in a lower average age for assets and increased network capacity. Major assets will be due for replacement or modernisation at this time. A decline in population may have funding consequences.

<sup>8</sup> Infometrics Quarterly Economic Monitor, June 2017 quarter



Option	10-years (2028)	10-30 years (2048)	30-50 years (2068)
<p><b>Plan and invest for a medium growth scenario.</b> This is the ‘most likely scenario’ on present indications, and reflects external forces and citywide strategies working to encourage net migration.</p>	<p>Demand is estimated at 2,500 new dwellings by 2028. Existing network infrastructure capacity will be somewhat adequate in currently serviced areas, with augmentation required in localised areas. Wastewater diversion to Green Island and the Green Island Wastewater Treatment Plant upgrade will contribute to increased capacity to provide for future growth. If actual growth is higher than the medium scenario, infrastructure will more quickly reach capacity and there is a risk of insufficient infrastructure in areas where assets are at or near capacity. Decisions on where and how to augment infrastructure in localised areas in response to growth will occur in 2018; following decisions on where new development is planned for under the 2GP.</p>	<p>Demand is estimated at 6,000 new dwellings by 2048. Existing network infrastructure capacity will need to be augmented in localised areas in both current and newly serviced areas. If actual growth is higher than the medium scenario, infrastructure capacity will be exceeded in localised areas and require additions to the capacity of some major assets.</p>	<p>Demand is estimated at 10,000 new dwellings by 2048. Existing network infrastructure capacity will need to be significantly augmented in both current and newly serviced areas. Major assets will be due for replacement at this time, and moderate population growth will help to fund any necessary increases in capacity. Technological change may improve asset efficiency.</p>
<p><b>Plan and invest for a high growth scenario.</b> This scenario assumes a high and sustained level of net migration, which if not appropriately planned, may have consequences for citywide strategic goals.</p>	<p>Demand is estimated at 4,000 new dwellings by 2028. Existing network infrastructure capacity will be generally adequate in localised areas with significant augmentation required, and/or some greenfield areas will require new infrastructure to be funded by higher development contributions and/or general rates. There is a risk in planning and investing for the high growth scenario that, if the high growth does not occur, more infrastructure than necessary will be provided with cost implications for existing residents.</p>	<p>Demand is estimated at 14,000 new dwellings by 2048. Existing network infrastructure capacity will not be adequate in localised areas unless augmented, and some greenfield areas will require new infrastructure to be funded by higher development contributions and/or general rates. There is a risk in planning and investing for the high growth scenario that, if the high growth is not sustained, more infrastructure than necessary will be provided, including additions to the capacity of major assets, with cost implications for existing residents.</p>	<p>Demand is estimated at 20,000 new dwellings by 2068. Existing network infrastructure capacity will not be adequate in localised areas unless augmented, and some greenfield areas will require new infrastructure to be funded by higher development contributions and/or general rates. High population growth will help to fund significant necessary increases in capacity. Technological change may improve asset efficiency.</p>

### 3.3 Public health and environmental outcomes

The 3 Waters and transport networks provide important public health benefits to the community and deliver services which can impact on the natural environment. The provision of drinking water, wastewater and stormwater services directly affect public health and environmental outcomes through safe drinking water and wastewater and stormwater discharges.

## Drinking water

The Health (Drinking Water) Amendment Act 2007 requires drinking water suppliers to take 'all practicable steps' to comply with the criteria set out in the Drinking Water Standards for New Zealand (DWSNZ). The recently completed upgrade of the Outram water treatment plant was the final capital upgrade of DCC's water treatment plants required to meet current standards. All 11 DCC water treatment plants comply with the DWSNZ requirements for public water supplies. Further changes to the drinking water standards are likely in the short to medium term as a result of the Government's Havelock North Drinking Water Inquiry. This may require additional new capital expenditure to ensure the DCC treatment plants continue to comply with DWSNZ standards.

In April 2016, legislative changes were proposed to allow district health boards to direct local authorities to fluoridate community water supplies in their areas. The proposed Health (Fluoridation of Drinking Water) Amendment Bill would implement these changes by amending Part 2A (Drinking-Water) of the Health Act 1956. At present, the DCC's two largest treatment plants (serving 89% of residents who receive treated water) include fluoridation as part of the treatment process. If passed, the Bill would allow the Southern District Health Board to direct the DCC to fluoridate at the other nine treatment plants. At the time of writing, the Bill has not been passed into law, and no direction has been made by the District Health Board, therefore no allowance has been made within long term plan budgets for the installation of fluoridation dosing equipment and associated plant for the remaining nine supplies.

## Wastewater overflows

The DCC currently has six constructed wastewater overflows consented by the Otago Regional Council. These overflows are designed to manage the public health risk in heavy rainfall events by allowing discharge of diluted wastewater at specific points of the network, rather than in an uncontrolled manner at low points in the network (including into private property). The consented overflows are signposted to alert the public to the potential risk of exposure to diluted wastewater in the event of heavy rainfall. As wastewater assets are renewed, these overflows will activate less often with smaller discharges. The DCC also has discharge consents for our wastewater treatment plants for discharge of treated wastewater to land and the sea. The first consent to expire is for the Seacliff plant in 2018 and the last consent expires in 2048 for the Tahuna plant.

In the future, sea level rise, increased frequency and severity of storm surges and rising groundwater may increase the risk of flooding in some low-lying coastal communities. Communities in these areas serviced by septic tanks (rather than a reticulated wastewater system) may be at higher risk of groundwater contamination during flood events. These issues will be investigated as part of the Water and Sanitary Services assessments which will assess water supply, wastewater and stormwater systems for communities that are not serviced by a reticulated scheme.

## Stormwater overflows

DCC stormwater assets capture rainfall from impervious surfaces, for example, roads, rooftops and mud tanks, and carry it in pipes until it is discharged to waterways or the sea. Where rainfall exceeds the capacity of the stormwater system, flooding of roads, homes and properties may occur. Capital works are proposed to bring areas of the network with capacity issues up to design standards which have shown significant change since infrastructure was constructed in some areas. In addition to meeting current design standards, allowances for growth and climate change will also be included in the design process. This should provide a stormwater network that can deal with design events both now and into the future.

## Transport

Dunedin has a poor record in road safety. Both collective risk and the personal risk on the roads are high in comparison to other regions of New Zealand. Collective risk is the risk of death or serious injury involving more than one vehicle. Personal risk is the risk of death or serious injury involving one vehicle. In addition, serious injuries and fatalities have not reduced in the three years from 2013/14 to 2015/16. However, the trend over the six year period from 2010/11 to 2015/16 has shown modest improvements on secondary collector and low volume roads.

Dunedin's poor road safety record is largely due to having a diverse network ranging from busy urban roads through to quiet rural roads. In some cases, the transition between urban and rural is very abrupt. Also, the central city is compact and needs to cater for a wide range of user groups, such as cyclists, pedestrians, cars and heavy freight vehicles. The University of Otago, Otago Polytechnic and the business district are located in the central city with State Highway 1 running through the middle.

An analysis of crash statistics indicate factors which contribute to Dunedin's safety record are: intersections; young drivers; older drivers; and distractions.

Improving network safety is a key issue to be addressed through specific safety improvement programmes, major capital projects and in considering safety improvements when undertaking renewal works.

### Principal options and implications

Option	10-years (2028)	10-30 years (2048)	30-50 years (2068)
Existing public health and environmental impacts are not prioritised	<p>Compliance with DWSNZ is not prioritised and water treatment plants are not upgraded in a timely manner to keep pace with modern standards.</p> <p>Incidence of wastewater discharges to environment, and the volume of discharges will increase.</p> <p>Incidence of habitable floor flooding will continue.</p> <p>No specific investment to decrease the number of serious injuries or deaths on the Dunedin road network.</p>	<p>Water treatment plants are not upgraded to meet DWSNZ changes and treatment processes fall well short of modern standards.</p> <p>Wastewater discharges to the environment and the volume of discharges continue to increase.</p> <p>Consents required to continue to discharge to environment would be unlikely to be renewed resulting in prosecution and fines.</p> <p>Incidence of habitable floor flooding will increase.</p> <p>No specific investment to decrease the number of serious injuries or deaths on the Dunedin road network.</p>	<p>Water treatment plants are not upgraded to meet DWSNZ changes and treatment plant processes become so outdated that compliance would not be able to be achieved without significant widespread large scale capital works.</p> <p>Wastewater discharges to environment likely to become the norm with the associated degradation of receiving waters.</p> <p>Discharges likely to have no consents and incur fines in each instance where a discharge occurs.</p> <p>No decrease in the number of serious injuries or deaths on the Dunedin road network.</p> <p>No specific investment to decrease the number of serious injuries or deaths on the Dunedin road network.</p>

Option	10-years (2028)	10-30 years (2048)	30-50 years (2068)
Improve public health outcomes by investing in road safety and addressing other public health and environment concerns through existing renewals programmes	<p>Water treatment plants continue to meet DWSNZ standards.</p> <p>As a result of the Havelock North contamination event, at the time of writing public health authorities may require additional treatment measures for bore fed water supplies and continued supply from the Mosgiel bores may become technically unfeasible. Wastewater discharges reduce as renewals remove inflow and infiltration from wastewater networks.</p> <p>Specific works planned to address wastewater discharges are focused primarily in North East and Kaikorai Valleys as these areas provide the greatest net benefit city-wide.</p> <p>Transport investments by both the Council and NZTA are focussed on reducing deaths and serious injury in high risk transport corridors, including: Peninsula road safety improvement project; central city upgrade intervention; and tertiary precinct upgrade.</p>	<p>Water treatment plants continue to meet DWSNZ measures and are updated as required to meet any changes in standards.</p> <p>Consented wastewater overflows either addressed in full so no longer discharging or discharging only in very severe events.</p>	<p>Water treatment plants continue to meet DWSNZ measures and are updated as required to meet any changes in standards.</p> <p>Consented wastewater overflows fully addressed.</p>
Prioritise public health and environmental concerns over other considerations.	<p>Improvements to wastewater discharges addressed more quickly. Due to increased focus on wastewater renewals only, projects can be planned and delivered quicker than currently where all 3 waters are addressed at once.</p> <p>Other infrastructure issues do not receive the same investment due to focus on removing inflow and infiltration from wastewater networks and may experience decreases in levels of service.</p> <p>Potential lost opportunities to benefit from the synergies obtained through aligning cross-network renewals.</p> <p>Increased disruption to residents due to construction projects not being aligned across 3 waters and transport assets.</p> <p>Reduce number of deaths and serious injury by further investment in road safety.</p>	<p>Consented overflows fully addressed. Due to increased focus on wastewater renewals only, projects can be planned and delivered quicker than currently where all 3 waters are addressed at once.</p> <p>Reduce number of deaths and serious injury by further investment in road safety.</p>	<p>Consented overflows fully addressed. Due to increased focus on wastewater renewals only, projects can be planned and delivered quicker than currently where all 3 waters are addressed at once.</p> <p>Reduce number of deaths and serious injury by further investment in road safety.</p>

### 3.4 Resilience to natural hazards

Natural hazards pose a risk to a resilient infrastructure network. We are working to improve our understanding of natural hazards and to develop options for a resilient infrastructure network into the future. Flooding, landslides, rising groundwater and the risk of liquefaction in the event of an earthquake pose the most significant risks to Dunedin's infrastructure. It is anticipated these risks will increase over time as a result of climate change.

Climate change impacts include more extreme rainfall events, storms and flooding. Rising groundwater in low-lying areas is the most significant risk from climate change. High groundwater can cause a number of problems such as increased frequency of flooding, more boggy ground and surface ponding, damage to infrastructure and buildings, and a risk of liquefaction in earthquakes. Dunedin has significant low-lying areas that are within 0.5m of the current spring high tide mark (estimated at 2,684 Dunedin homes, 116 business and 35km of roads)<sup>9</sup>. Prolonged periods of drought also pose a risk to Dunedin's water supply. Older people and vulnerable populations find it more challenging to manage the impacts of natural hazards.

This section looks at natural hazards, their likely impacts on infrastructure and potential options to address the risks.

**Table 2: Identified natural hazards to DCC network infrastructure**

Hazard	Description
Flooding and landslides due to heavy rainfall	Some parts of Dunedin are susceptible to flooding and landslides during heavy rainfall events. Flooding and landslides can damage homes, business and infrastructure. Flood risks are due to a number of factors including: <ul style="list-style-type: none"> <li>o Rainfall events exceeding design (10% Annual Exceedance Probability (AEP) rainfall event) tolerances.</li> <li>o Limited available capacity in parts of the wastewater network as a result of infiltration of the wastewater network from ageing and cracked pipes and inflow to the wastewater network from private stormwater connections</li> <li>o Low-lying areas where the groundwater is close to the surface so rainwater cannot drain away.</li> <li>o Sea level rise, more extreme rainfall events and storm surges increasing the frequency of flood events in the future.</li> </ul>
Flooding and landslides due to heavy rainfall	Communities in low-lying coastal communities serviced by septic tanks (rather than a reticulated wastewater system) may be at higher risk of groundwater contamination during flood events. More extreme rainfall events and storm surges may lead to larger and more frequent slips and damage to 3 Waters and transport infrastructure including sea walls, bridges and culverts.

### Principal options and implications

Options	10-years (2028)	10-30 years (2048)	30-50 years (2068)
Planned renewals and projects will reduce some risks arising from natural hazards.	Renewing pipes and other infrastructure in flood prone areas will reduce some risks arising from natural hazards. Continuing to fund projects in the Security of Water Supply Strategy will improve the resilience of the water supply network. AF8 (Alpine fault quake resilience) <sup>10</sup> and Lifelines resilience projects will improve resilience of 3 Waters network. Existing transport infrastructure renewed at existing capacity. Significant weather events will remain a problem for isolated areas of the network; largely in coastal, slip prone and low lying areas.	Renewing pipes and other infrastructure in flood prone areas will reduce some risks arising from natural hazards. Existing transport infrastructure renewed at existing capacity. Significant weather events will remain a problem for isolated areas of the network; largely in coastal, slip prone and low lying areas.	Natural hazard risks fully considered when renewals are planned. Updated design tolerances incorporated into asset renewals. Existing transport infrastructure renewed at existing capacity. Significant weather events will remain a problem for isolated areas of the network; largely in coastal, slip prone and low lying areas.

<sup>9</sup> Parliamentary Commissioner for the Environment (2015) Rising Seas

<sup>10</sup> DCC is an active participant in the Alpine fault quake resilience (AF8) programme. This is a scenario based planning project, managed by the Ministry of Civil Defence and Emergency Management, with the intention of preparing plans in response to a major earthquake on the Alpine Fault.

Options	10-years (2028)	10-30 years (2048)	30-50 years (2068)
Invest in new capital to specifically reduce the risk arising from natural hazards.	<p>Invest in specific new projects to minimise the risk of flooding in low-lying areas. Includes South Dunedin flood alleviation, Kaikorai Valley wastewater diversion to upgraded Green Island WWTP, upgrades to Mosgiel stormwater pump stations and the Peninsula Connection road safety improvement project to contribute to resilient transport network.</p> <p>Investing in the Ross Creek to Mount Grant pipeline continues the Security of Supply programme aimed at improving resilience of the metropolitan water supply to a significant earthquake, drought, catchment fire or asset failure.</p> <p>Investing in the Peninsula connection project will mitigate risks from flooding and/or coastal erosion.</p>	<p>New capital incorporated into renewals where a known hazard requires mitigation.</p> <p>Deep Creek and Deep Stream pipeline renewals will incorporate seismic and geotechnical assessments and be constructed of seismically resilient materials where necessary.</p>	<p>New capital incorporated into renewals where a known hazard requires mitigation.</p>

### 3.5 Planned increases or decreases in levels of service

The DCC upgrades assets in response to growth or higher service demands such as making improvements to roads to improve safety. We have completed some capital projects to upgrade our water and wastewater treatment capacity, which means drinking water looks and tastes better, discharges to waterways are cleaner and there is some treatment capacity to accommodate growth. An important part of good asset management is undertaking investments that address both service levels and future capacity at the same time where possible, while taking opportunities to rationalise the complexity of networks that have grown over many decades, which can also reduce future repair and maintenance costs.

Rising groundwater in low-lying parts of Dunedin will make it more difficult to meet current stormwater levels of service. As groundwater rises, additional investment will be required in wastewater and stormwater infrastructure to maintain existing service levels. To support this, the DCC will remain focused on the renewal of assets with new projects to address areas where levels of service issues currently exist. Following recent floods, investment in an expanded stormwater network, in addition to focused improvements in the most heavily affected areas (South Dunedin, Mosgiel), is anticipated.

There are some infrastructure issues that are affecting the level of service we provide. The footpath renewal programme has been slowed while Chorus complete ultrafast broadband cabling work. In 3 Waters, ageing pipes and sewers are creating 'nuisance' level problems for residents.

The Dunedin transport network is constrained by topography, narrow road corridors and singular access routes (routes with no alternatives). This limits the possibilities for heavy vehicles and bus routes as well as limiting the development of routes for alternative modes of transport. Dunedin has an over-reliance on cars which has constrained the development of alternative modes of travel. The availability of alternative modes of transport will become more important with the ageing population, to provide other ways for older people who can no longer drive to get around.

**Principal options and implications**

<b>Option</b>	<b>10-years (2028)</b>	<b>10-30 years (2048)</b>	<b>30-50 years (2068)</b>
Plan and invest to maintain or service levels.	Focus on renewing network infrastructure to reduce the risk of declining service levels.  Includes South Dunedin flood alleviation, Kaikorai Valley wastewater diversion to upgraded Green Island Wastewater Treatment Plant, Northern Wastewater Scheme upgrades, Peninsula Connection and LED Street lighting.	Maintains a high capacity to manage risk however no increases in service levels may undermine growth in future.	Demographically driven decline in population may mean costs directly linked to service level delivery are borne by fewer residents if growth does not occur.
Plan and invest to maintain and increase some strategic service levels.	Renew infrastructure to reduce the risk of declining service levels and to increase resilience, while also investing in improving strategic service levels as planning and delivery capacity allows.  Includes South Dunedin flood alleviation, Kaikorai Valley wastewater diversion to upgraded Green Island Wastewater Treatment Plant, Northern Wastewater Scheme upgrades investment in an expanded stormwater network, Peninsula connection, LED Street lighting.  <b>Additional projects</b> Central city upgrade, city to waterfront connection, tertiary precinct upgrade.  Create a more-friendly environment for walking and cycling.	Balance our ability to manage future demands, with strategic investments aimed at encouraging growth through improved service levels.	If investing in infrastructure to attract more people to live and study in Dunedin results in higher than projected growth, this may balance an otherwise declining population, and may improve on going affordability of service level increases.
Plan and invest to increase some strategic service levels through enhanced projects.	Renew infrastructure to reduce the risk of declining service levels and to increase resilience, while investing strongly in significantly improving strategic service levels through new and enhanced projects.  Includes South Dunedin flood alleviation, Kaikorai Valley wastewater diversion to upgraded Green Island Wastewater Treatment Plant, Northern Wastewater Scheme upgrades, Peninsula connection, LED Street lighting, Central city upgrade, city to waterfront connection, tertiary precinct upgrade.  <b>Additional projects</b> Major centre upgrades	If strong growth does not occur, a higher cost will be borne by existing residents. This may limit the ability to manage changes to service levels	If investing in infrastructure to attract more people to live and study in Dunedin results in higher than projected growth, this may balance an otherwise declining population, and may improve on going affordability of service level increases.

**4 What we need to do - Dunedin's most likely infrastructure scenario**

This section summarises the DCC's most likely infrastructure scenario over the next 50 years. The significant forecasting assumptions, such as assumptions about the life cycle of significant infrastructure assets, climate change, growth and changes in levels of service that underpin the most likely scenario are set out in Section 4.3.



### **Plan and invest for a medium growth scenario**

This will require enlarging and extending infrastructure in localised areas in the short, medium and longer term. Specific decisions on where and how to add to the network to respond to growth will occur in 2018, following decisions on where new development is allowed under the 2GP.

### **Renewals delivery will maintain service levels within a generally acceptable level of risk**

Renewals funding is lower in 2021-2023 to balance the DCC's capacity to deliver renewals with the need to deliver strategic upgrades, such as, South Dunedin flood alleviation work and the Green Island Wastewater Treatment Plant upgrade. Short term focuses are renewing 3 Waters assets in Kaikorai Valley/North East Valley and renewals to ensure northern wastewater schemes (Waikouaiti, Seacliff and Warrington) are able to meet effluent quality targets under new consent conditions. In the medium term, the DCC's ability to meet levels of service, allow for growth, comply with increasingly strict consent conditions and respond to natural hazards will be dependent on delivering increased renewals.

It is anticipated that by this stage, long term growth areas will be further defined and risks to infrastructure networks from climate change will be better understood locally, nationally and globally, so we will be better able to define focus areas for renewals and upgrades.

Locally, we will monitor risk by recording asset failures accurately and use these to determine the ability of assets to meet levels of service required of that asset type. Where concerns arise, the condition of the asset will be assessed to confirm the risk level, with replacement of the asset planned based on this condition assessment.

Address public health and environment concerns through existing renewals programmes and increased budgets

In the short term, water treatment plants will continue to meet DWSNZ measures and wastewater discharges will be compliant as renewals remove inflow and infiltration from wastewater networks. In the medium to long term, water treatment plants continue to meet DWSNZ measures and are updated as required to meet any changes in measures. The aim with consented wastewater overflows is that they will either not be required, or only needed in very severe events.

### **Invest in new capital to specifically reduce the risks arising from natural hazards**

In the short term, the DCC will invest in flood alleviation in South Dunedin and Mosgiel, divert wastewater from Kaikorai Valley to an upgraded Green Island WWTP and fund the Peninsula Connection to contribute to a resilient transport network. Over the medium to longer term, new capital will be incorporated into renewals to mitigate known hazards and construct the Deep Creek and Deep Stream pipeline.

### **Plan and invest to maintain and increase some strategic service levels**

Investing in renewals and specific projects to address the risks arising from natural hazards will maintain service levels across the network. We also plan to invest in some additional projects to attract people to the city and enhance amenity levels, such as the Central City Plan, waterfront connection and transport safety and accessibility improvements in the tertiary precinct. In order to reduce the risk from ageing 3 Waters networks, both internal staffing and external delivery capacity will be increased so that planned work can be delivered cost effectively and on time. We intend to improve the way we present projects for tender so we can increase the capacity of Dunedin's relatively small contracting base and when needed attract contractors from outside the city.

### **Engage at a national level to stay up to date with infrastructure issues**

The DCC will continue to invest in relationships with professional and local government bodies such as Water New Zealand, Local Government New Zealand, Society of Local Government Managers, Institute of Public Works Engineers Australasia and Central Government to avoid duplication of effort and identify approaches used by other groups that can be applied in a local context.

#### 4.1 Major projects and decisions

This section shows the major infrastructure projects and key infrastructure decisions over the next 50 years. Significant future decisions are subject to the DCC's Policy on Significance and Engagement, and significance will be determined by the Council in the context of decisions about the 10 year plan.

Major projects and key decisions	Issues in response to	Description	Options	Type	Cost	Expected timing
<b>Network infrastructure</b>						
The need for new capital expenditure will be reassessed following decisions on areas for new development in the 2GP	Response to growth in demand	<p>Using a medium growth scenario, demand is estimated at 2,500 new dwellings between 2018 and 2028 and 10,000 new dwellings by 2068.</p> <p>Over the 10 years, existing network infrastructure capacity will be somewhat adequate to meet demand in currently serviced areas however augmentation will be required in localised areas. Over the longer term, existing network infrastructure capacity will need to be significantly augmented in both new and existing areas.</p> <p>Decisions on where and when augmentation of infrastructure will be required are dependent on where growth is expected to occur under the second generation District Plan (2GP).</p> <p>Capital expenditure budgets will be assessed to ensure funding is available to increase infrastructure capacity to service growth when the 2GP is released in 2018.</p>	Options for responding to increase in demand will be developed once the 2GP is completed in 2018	To be determined	Costs are yet to be determined, growth related capital expenditure will be debt financed and funded by development contributions where appropriate	2018
Capital expenditure will be re-evaluated following a review of the 2007 Water and Sanitary Services assessment	Public health and environmental outcomes	<p>The Water and Sanitary Services Assessment is a district-wide assessment of the provision of water and sanitary services (such as wastewater, stormwater, public toilets and cemeteries). The assessment reviews the adequacy of existing systems in serviced communities and any health risks arising from the absence of systems in un-serviced communities.</p> <p>The most recent assessment was completed in 2007. When the review is next completed, the capital expenditure budget will be assessed to ensure infrastructure is adequate to meet public health outcomes.</p>	This will depend on the results from the Water and Sanitary Services assessment	To be determined	Costs will be determined based on the results of the Water and Sanitary Services Assessments	2018-2021

Major projects and key decisions	Issues in response to	Description	Options	Type	Cost	Expected timing
<b>Water supply</b>						
Connect Ross Creek raw water reservoir to Mt Grand water treatment plant	Resilience to natural hazards	Connect Ross Creek to Mt Grand via a pipeline and pump station so water from refurbished Ross Creek reservoir is able to be transferred to Mt Grand Water Treatment Plant for treatment and distribution	Work is underway, with an estimated completion date of 2021.	New capital	\$4.4 million	2020-22
Port Chalmers water supply rationalisation	Response to growth in demand	Investigate options to supply water to Port Chalmers year-round from the metropolitan supply. Funding is based on this being feasible, however, if not, it will be redirected towards renewal/upgrade of Port Chalmers water supply infrastructure to meet demand.	Options report to be developed 2018-19	New capital	\$2.6 million	2020-22
Network renewals Kaikorai Valley / North East Valley	Renewing and replacing assets Response to growth in demand	Renew water network assets to improve water supply fire flows.	This is an ongoing process. Renewals will be focused on areas with aged assets, high break rates and customer complaints.	Renewals	\$17.0 million (over water supply and wastewater renewals)	Ongoing
Water treatment plant membrane replacement	Renewing and replacing assets Public health and environmental outcomes	Replacement of filtration membranes at West Taieri and Waikouaiti water treatment plants to ensure delivery of safe drinking water from the plants	The assets are at the end of their life and are experiencing increasing maintenance costs. Replacement required to meet drinking water standards	Renewals	\$1.2 million	2018-19
Northern water scheme	Renewing and replacing assets	Renewals of township and rural water network pipe to improve water supply for fire flows and reduce operational costs of repairing burst water mains.	Karitane Township renewals 2018-19. Strategic assessment of other townships in 2018-19	Renewals	\$6.3 million	Karitane 2018-19 and timing of remainder planned for 2024-25 onwards.

Major projects and key decisions	Issues in response to	Description	Options	Type	Cost	Expected timing
Mount Grant water treatment plan mid-life upgrade	Renewing and replacing assets Response to growth in demand	Upgrade and update of the Mount Grant water treatment plant	Specific assets will be identified by asset condition assessment prior to work being undertaken	New capital and renewals	\$8.4 million	2024-25
Deep Stream and Deep Creek raw water pipeline renewals	Renewing and replacing assets Response to growth in demand Resilience to natural hazards	Renew Deep Creek and Deep Stream pipeline to Mt Grand Water Treatment plant (which provides majority of Dunedin's water) to increase resilience and renew ageing pipes.	Timing of project will be confirmed by a formal condition assessment closer within the next 5 years. The renewal date will be brought forward if the pipe condition warrants it.	Option dependent	\$80 million	2035-40
Southern Water Treatment Plant refurbishment	Renewing or replacing assets Public health and environmental outcomes	Renewal of aged and poor condition assets at Southern Water Treatment Plant. Will include upgrade/update of equipment where applicable	Options will be investigated	New capital and renewals	The approximate scale or extent of costs not known at this time	The likely timing of this project is not known at this time
<b>Wastewater</b>						
New Green Island Pressure main	Response to growth in demand Public health and environmental outcomes	Install new wastewater main to transport increased flows from Kaikorai Valley to Green Island Wastewater Treatment Plant. Together with network renewals this will address wastewater flooding issues in both Kaikorai Valley and South Dunedin.	Do nothing: GIWWTP will still require upgrade regardless and will not address wastewater flooding in South Dunedin  Construction: will improve use of GIWWTP and address flooding in South Dunedin.	New capital and renewals	\$7.3 million	2022-24

Major projects and key decisions	Issues in response to	Description	Options	Type	Cost	Expected timing
Green Island Wastewater Treatment Plant Upgrade and Update	Response to growth in demand Public health and environmental outcomes Renewing and replacing assets Planned increase in levels of service	Upgrade Green Island Wastewater Treatment Plant, reconfigure the treatment process to account for changes in the nature of influent waste, increase plant capacity to receive more flow from Kaikorai Valley and replace aging assets.	Preliminary investigations and design are proposed for 2018/19 and 2019/20, with a subsequent four-year construction period likely for the resulting design.	New capital and renewals	\$44.0 million	2019-2026
Network renewals Kaikorai Valley / North East Valley	Response to growth in demand Public health and environmental outcomes Renewing or replacing assets	Renew wastewater network assets to reduce inflow and infiltration in the wastewater network.	Further analysis and condition assessment required to define focus areas in Kaikorai Valley	Renewals	\$17.0 million (over water supply and wastewater renewals)	Ongoing
Northern wastewater schemes	Public Health and environmental outcomes Renewing or replacing assets Planned increase in levels of service	Upgrades to Seacliff, Warrington and Waikouaiti wastewater treatment plants.	Planning for Seacliff WWTP renewal is underway. Options for Warrington and Waikouaiti will be developed as plant consents become due in 2024 and 2027 respectively.	New capital and renewals	\$4.9 million	2018-27
Mosgiel Wastewater Treatment Plant update and renewals	Renewing or replacing assets Public health and environmental outcomes	Renewal of aged and poor condition assets at Mosgiel Wastewater Treatment Plant. Will include upgrade/update of equipment where applicable. Preliminary investigative work is underway with capital works proposed for 2019/20	Some works already undertaken. Preliminary investigative work is underway with capital works proposed for 2019/20.	New capital and renewals	\$2.8 million	2019-22

Major projects and key decisions	Issues in response to	Description	Options	Type	Cost	Expected timing
Renew or replace assets at Musselburgh pump station	Renewing or replacing assets Public health and environmental outcomes	Works to renew or replace plant and civil assets at Musselburgh pump station and increase resilience to natural hazards	Some preliminary investigations have been undertaken, design yet to be completed	New capital and renewals	\$3.0 million	2019-21
Tahuna wastewater treatment plant mid-life upgrade	Renewing or replacing assets Public health and environmental outcomes	Renewal of aged and poor condition assets at Tahuna Wastewater Treatment Plant. Will include upgrade/update of equipment where applicable.	Options will be investigated	New capital and renewals	\$25.0 million	2050-2054
<b>Stormwater</b>						
South Dunedin Flood Alleviation	Public health and environmental outcomes Planned increases in levels of service Renewing or replacing assets Response to growth in demand	Catchment wide flood alleviation to meet service level of a 10% Annual Exceedance Probability (AEP*) rainfall event resulting in no predicted ponding greater than 100mm (with exception of green spaces and intentionally flooded areas) * The likelihood of a rainfall event of particular severity occurring in a given year.	Options are currently under investigation. The options will be consulted on once they have been developed.	New capital and renewals	\$35.0 million	2018 - 2028
Portobello Road stormwater improvements	Public health and environmental outcomes Renewing or replacing assets	Targeted work is proposed to address a localised issue in Portobello Road near the junction of Andersons Bay Road.	Options are currently being scoped.	New capital	\$1.0 million	2019-20
Mosgiel stormwater network improvements	Public health and environmental outcomes Renewing or replacing assets	Targeted work is proposed to address localised issues in Mosgiel's stormwater catchment. Work includes new, larger pumps on Carlyle Road and Reid Avenue and pipe renewals in networks upstream of these pumps.	Options are currently being scoped	Renewals	\$3.0 million	2018-20
<b>Transport</b>						
Central City upgrade	Public health and environmental outcomes Planned increases in levels of service	Improve safety, accessibility and amenity in the central city area and contribute to a more vibrant and thriving central city environment.	There are several cost options that will be consulted during 10 year plan process.	New capital and renewals	\$60. million	2018 -28

Major projects and key decisions	Issues in response to	Description	Options	Type	Cost	Expected timing
Peninsula connection	Public health and environmental outcomes Planned increase in levels of service Resilience to natural hazards	Complete the series of road improvements to Portobello Road and Harrington Point Road to improve road safety for all road users, provide for walking and cycling, improve resilience to high tide and weather events and improve efficiency and travel time.	Public consultation complete and work will be underway in 2018. Funding of the balance of the project to be considered during the 10 year plan process.	New capital and renewals	\$44 million	Oct 2017-21
LED streetlight replacement	Renewing or replacing assets	One-to-one replacement of existing high pressure sodium lights with LED lights to save energy and reduce maintenance costs.	Change to LED streetlights due to around 40% saving in electricity costs and the likely international phase out of existing alternatives e.g. high pressure sodium. Consulted with Dark Skies Advisory Panel on the type and intensity of LED alternatives.	Renewals	\$12 million	2018 - 21
Dunedin urban cycle ways	Public health and environmental outcomes Planned increase in levels of service	A focus on road safety and encouraging cycling uptake.	A range of design options subject to negotiation with NZTA to ensure co-funding is maximised.	New capital	\$23 million	2018 -26
Tertiary precinct improvement	Public health and environmental outcomes Planned increase in levels of service	Improve the safety and accessibility of the Tertiary precinct, particularly the streetscape and pedestrian/cycling environment.	A range of design and timing options will be available for the new capital components of this project.	New capital and renewals	\$20 million	2018-23



Major projects and key decisions	Issues in response to	Description	Options	Type	Cost	Expected timing
City to waterfront cycling / pedestrian connection	Public health and environmental outcomes Planned increase in levels of service	Improve the cycling and pedestrian connection between the city centre and waterfront. Existing links (i.e. level crossing at St Andrews Street, heritage pedestrian over bridge behind Railway Station and route across Castle and Wharf Street have a number of issues including accessibility for cyclists and mobility impaired users, directness of route and safety issues.	A range of design and timing options will be available.	New capital	\$20 million	2018 - 22
Major centres upgrade	Public health and environmental outcomes Planned increase in levels of service	Improve the safety and accessibility of main streets within Dunedin's commercial shopping centres.	A range of design and timing options will be available.	New capital and renewals	\$8.5 million	2023 -28
Capital renewal programme	Renewing or replacing assets	Planned renewals to pavements, seawalls, retaining walls, footpaths and kerb and channel to main existing levels of service in the transport network.	Range of design options subject to alignment with NZTA's One Network Road Classification system.	Renewals	\$161 million	2018 - 28

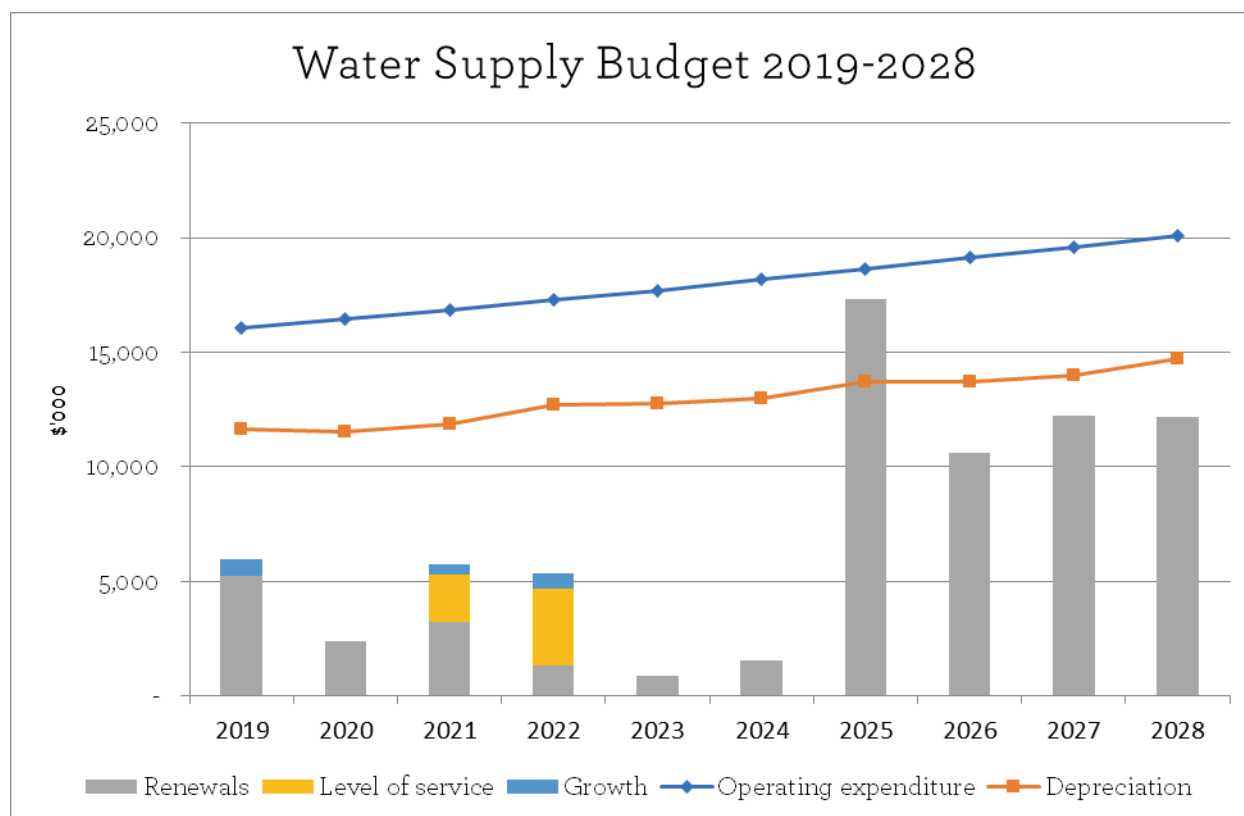
## 4.2 Approach to delivering the new capital and renewals programme

The Infrastructure Strategy is closely linked to the Financial Strategy. The Financial Strategy considers affordability for ratepayers and the Council as a whole. The Council has attempted to balance the competing tensions of affordability, maintaining assets and investing for the future, while addressing the financial challenges of increasing costs, delivering large capital projects and increasing network renewals.

The Financial Strategy provides strategic financial limits for rates and debt and discusses other funding sources. The budgets increase rates and debt requirements, but do not exceed the limits over the next ten years.

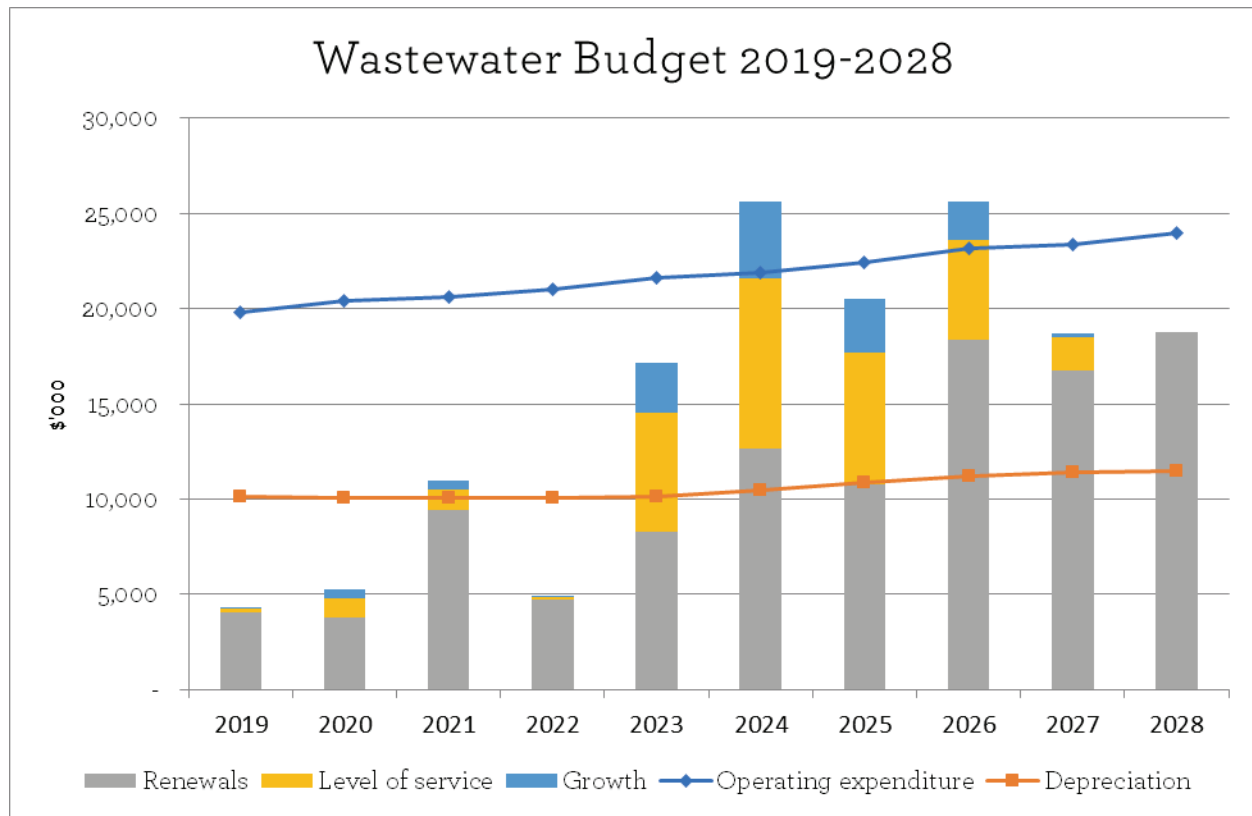
This section shows the planned capital, operating expenditure and depreciation for the first ten years.

### Water supply



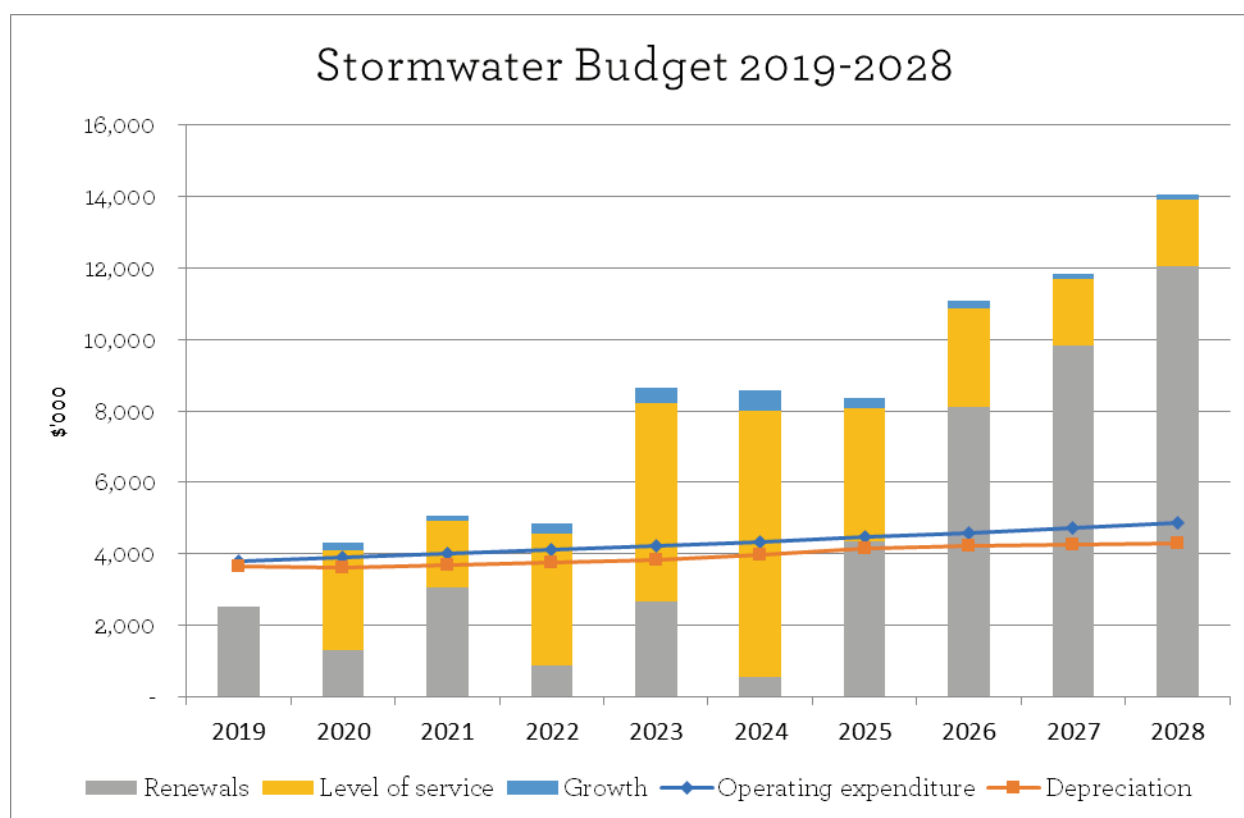
### Water supply capital and operating expenditure budget

\$ million	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Operating expenditure	16.1	16.5	16.9	17.3	17.7	18.2	18.6	19.1	19.6	20.1	180.1
Depreciation	11.7	11.5	11.9	12.7	12.7	13.0	13.7	13.7	14.0	14.7	129.6
Total operating expenditure	27.8	28.0	28.8	30.0	30.4	31.2	32.3	32.8	33.6	34.8	309.7
Renewals	5.2	2.4	3.2	1.3	0.9	1.5	17.3	10.6	12.2	12.1	66.7
Level of service	-	-	2.1	3.3	-	-	-	-	-	-	5.4
Growth	0.7	-	0.4	0.6	-	-	-	-	-	-	1.7
Total capital expenditure	5.9	2.4	5.7	5.2	0.9	1.5	17.3	10.6	12.2	12.1	73.8

**Wastewater****Wastewater capital and operating expenditure budget**

\$ Million	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Operating expenditure	19.8	20.4	20.6	21.0	21.6	21.9	22.4	23.1	23.4	23.9	218.1
Depreciation	10.1	10.0	10.1	10.1	10.2	10.5	10.9	11.2	11.4	11.5	106.0
Total operating expenditure	<b>29.9</b>	<b>30.4</b>	<b>30.7</b>	<b>31.1</b>	<b>31.8</b>	<b>32.4</b>	<b>33.3</b>	<b>34.3</b>	<b>34.8</b>	<b>35.4</b>	<b>324.1</b>
Renewals	4.0	3.8	9.4	4.7	8.3	12.6	10.8	18.4	16.8	18.8	107.6
Level of service	0.2	1.1	1.1	0.1	6.3	9.0	6.9	5.2	1.7	-	31.6
Growth	-	0.5	0.4	-	2.7	4.1	2.8	2.1	0.2	-	12.8
Total capital expenditure	<b>4.2</b>	<b>5.4</b>	<b>10.9</b>	<b>4.8</b>	<b>17.3</b>	<b>25.7</b>	<b>20.5</b>	<b>25.7</b>	<b>18.7</b>	<b>18.8</b>	<b>152.0</b>

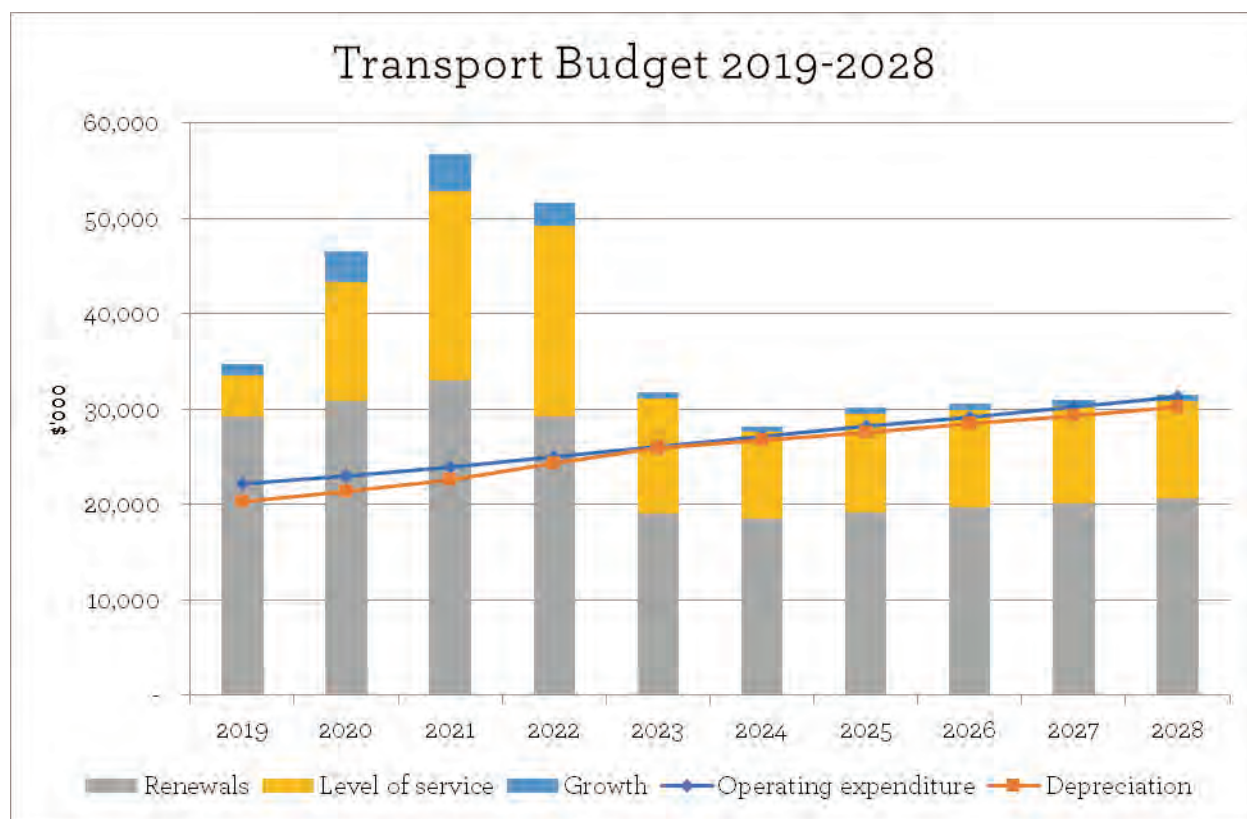
## Stormwater



### Stormwater capital and operating expenditure budget

\$ Million	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Operating expenditure	3.8	3.9	4.0	4.1	4.2	4.3	4.5	4.6	4.7	4.9	43.0
Depreciation	3.6	3.6	3.7	3.7	3.8	4.0	4.1	4.2	4.3	4.3	39.3
<b>Total operating expenditure</b>	<b>7.4</b>	<b>7.5</b>	<b>7.7</b>	<b>7.8</b>	<b>8.0</b>	<b>8.3</b>	<b>8.6</b>	<b>8.8</b>	<b>9.0</b>	<b>9.2</b>	<b>82.3</b>
Renewals	2.5	1.3	3.1	0.9	2.7	0.6	4.4	8.1	9.8	12.1	45.5
Level of service	-	2.8	1.9	3.7	5.6	7.4	3.7	2.8	1.9	1.9	31.7
Growth	-	0.2	0.1	0.3	0.4	0.6	0.3	0.2	0.1	0.1	2.3
<b>Total capital expenditure</b>	<b>2.5</b>	<b>4.3</b>	<b>5.1</b>	<b>4.9</b>	<b>8.7</b>	<b>8.6</b>	<b>8.4</b>	<b>11.1</b>	<b>11.8</b>	<b>14.1</b>	<b>79.5</b>

## Transport



### Transport capital and operating expenditure budget

\$ Million	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Operating expenditure	22.2	23.0	23.9	25.0	26.1	27.1	28.2	29.2	30.3	31.3	266.3
Depreciation	20.3	21.3	22.6	24.3	26.0	26.8	27.6	28.4	29.3	30.2	256.8
Total operating expenditure	<b>42.5</b>	<b>44.3</b>	<b>46.5</b>	<b>49.3</b>	<b>52.1</b>	<b>53.9</b>	<b>55.8</b>	<b>57.6</b>	<b>59.6</b>	<b>61.5</b>	<b>523.1</b>
Renewals	29.2	30.8	32.9	29.2	19.0	18.5	19.2	19.6	20.1	20.6	239.1
Level of service	4.3	12.5	20.0	20.0	12.1	9.2	10.2	10.2	10.2	10.2	118.9
Growth	1.2	3.2	3.8	2.5	0.7	0.6	0.7	0.7	0.7	0.7	14.8
Total capital expenditure	<b>34.7</b>	<b>46.5</b>	<b>56.7</b>	<b>51.7</b>	<b>31.8</b>	<b>28.3</b>	<b>30.1</b>	<b>30.5</b>	<b>31.0</b>	<b>31.5</b>	<b>372.8</b>

The DCC plans to increase internal and external capacity to deliver the capital programme. This will include:

- o employing more staff and carrying out more training
- o having dedicated staff for major projects
- o having better information on condition and critical assessments for assets
- o taking strategic approaches to procurement, i.e. packaging work into larger projects to attract contractors from outside Dunedin and increase the attractiveness of our work to larger contractors
- o exploring options to undertake infrastructure projects with other large infrastructure organisations.

### 4.3 The 50 year plan for network infrastructure

The refurbishment of the Tahuna Wastewater Treatment Plant and replacement of the Deep Creek and Deep Stream raw water pipelines (including replacing the Taieri River pipe bridge) are planned for the medium term. The replacement of the two raw water pipelines is particularly significant as both carry significant risk in terms of the DCC's ability to supply water. Failure to address these assets in this timeframe would expose the assets to increasing risk of total failure denying the city of its two primary water sources.

Large scale projects are difficult to anticipate in the long term due to an increasing number of unknowns. However, within

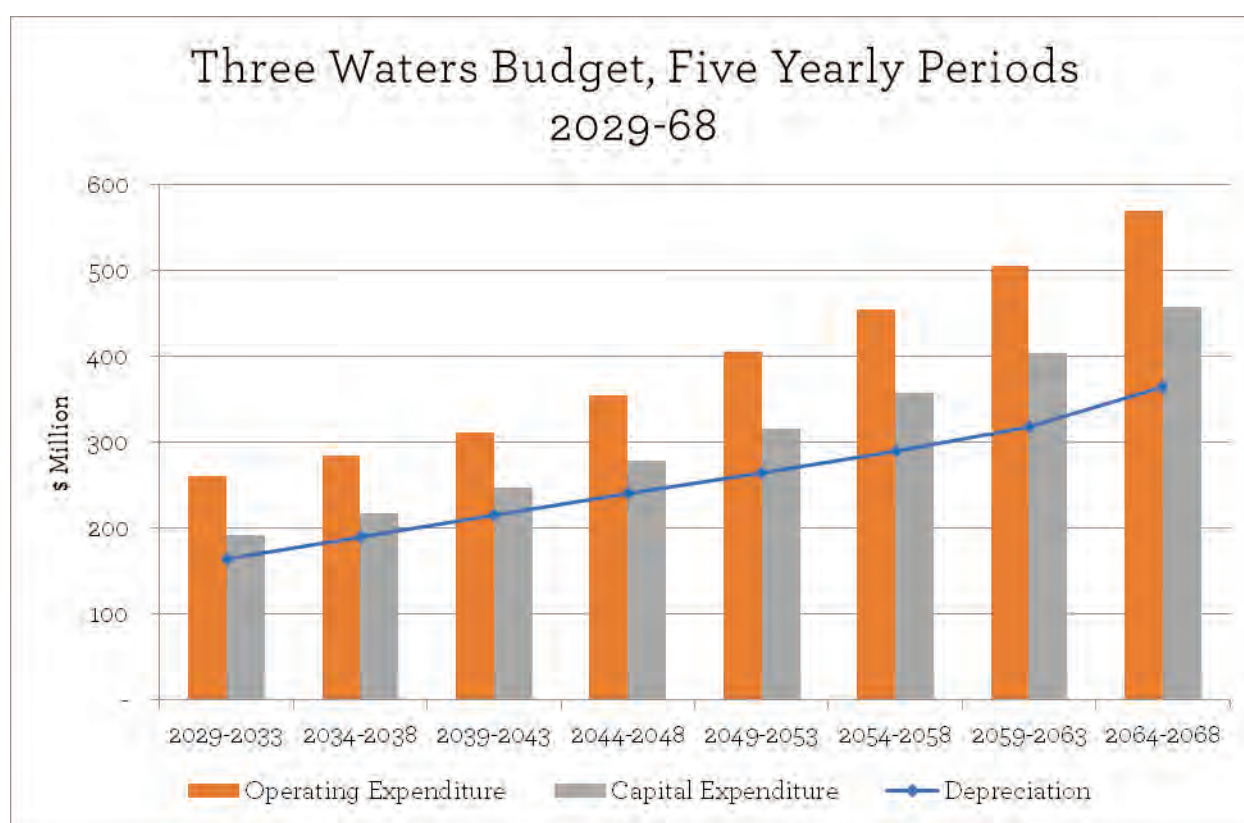
this timeframe most 3 Waters buildings and structures will require replacement or significant upgrades to ensure service levels are maintained. Further changes to the 3 Waters networks may also be required depending on demographic changes within the city.

Transport renewals will remain focused on maintaining the road network to appropriate levels of service. Investment decisions will be backed by condition assessments and prioritised according to the function of the road. In the short to medium term, improved planning and increased investment is required for assets such as sea walls, retaining walls and drainage assets in light of changing weather patterns. Larger projects look to address safety issues, improve the networks capacity to deal with different user modes, reducing an over-reliance on vehicle use and create a more connected city. The nature and extent of capital programmes required over the longer term is more uncertain, however the impacts of climate change are likely to place pressure on the network's capacity to remain resilient in coastal, flood-prone, low-lying areas and will likely require some mitigation.

Delivering the planned capital programme is likely to be challenging given current internal capacity to package and procure work and the existing capacity of external contractors. This shows the delivery of actual renewals and new capital for 2015 to 2017 and planned renewals and new capital from 2019 to 2028 with renewals being based on expected useful life of assets.

### 3 Waters

This graph shows the projected 3 Waters capital and operating expenditure in 5 year bands for the 11 to 50 year period.

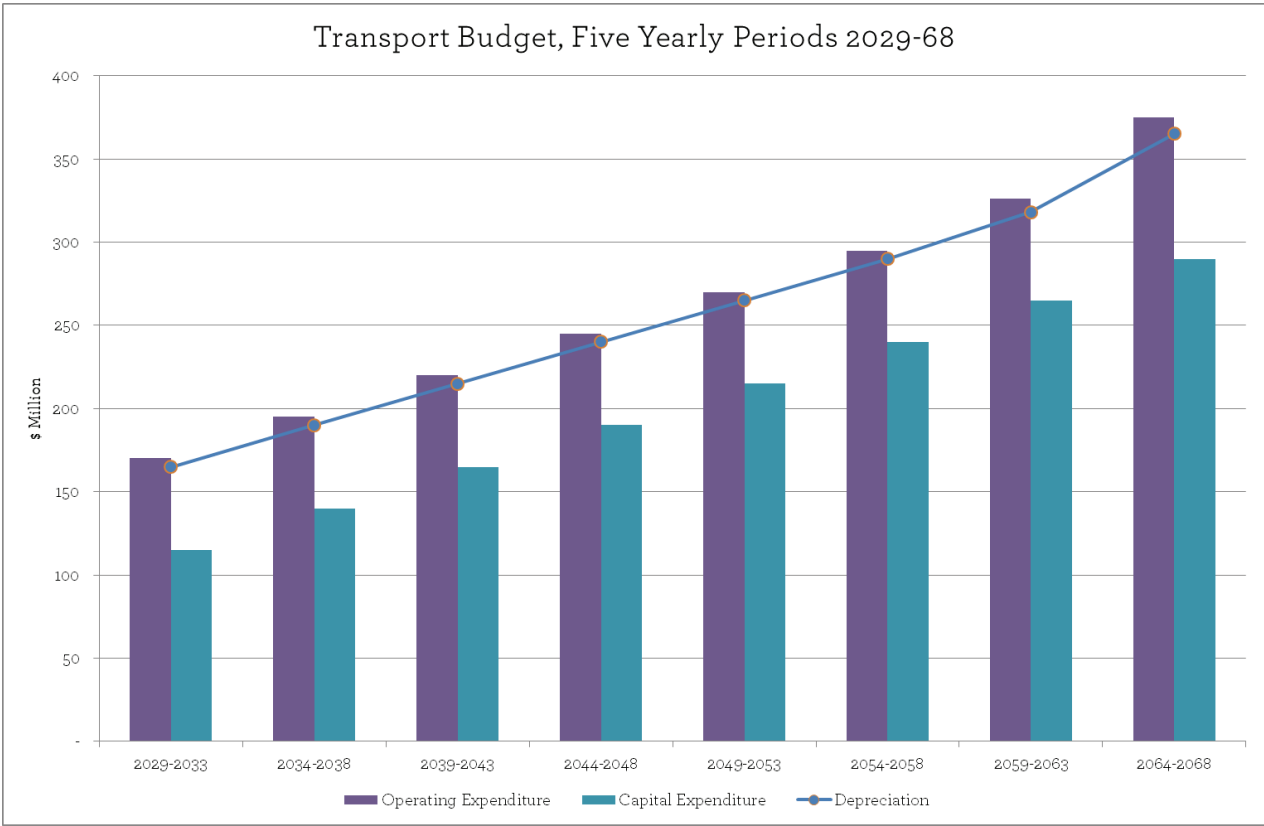


#### 3 Waters capital and operating expenditure budget, five year bands for the 11 to 50 year period

\$ million	2029-2033	2034-2038	2039-2043	2044-2048	2049-2053	2054-2058	2059-2063	2064-2068	Total
Depreciation	165	190	215	240	265	290	318	365	2,048
Operating Expenditure	260	285	311	355	405	455	505	570	3,146
Capital Expenditure	193	218	247	279	316	357	404	458	2472

Transport

This graph shows the projected Transport capital and operating expenditure in 5 year bands for the 11 to 50 year period.



Transport capital and operating expenditure budget, five year bands for the 11 to 50 year period

\$ million	2029-2033	2034-2038	2039-2043	2044-2048	2049-2053	2054-2058	2059-2063	2064-2068	Total
Depreciation	165	190	215	240	265	290	318	365	2,048
Operating Expenditure	170	195	220	245	270	295	326	375	2,096
Capital Expenditure	115	140	165	190	215	240	265	290	1,620



## Section 3:

# Services and activities He ratoka, he mahi

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### 3 Services and activities | He ratoka, he mahi

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

- o How the services and activities contribute to our community outcomes;
- o How performance is measured; and
- o The costs for providing the services and activities.

Information on 'significant negative effects' for the services and activities can be found in Appendix 1.

The services and activities the DCC provides are grouped into 12 groups of activity based on the community outcomes that they mainly contribute to. The group structure has been revised since the LTP 2015-25 to better align the activities with outcomes and purpose/function.

The activity group structure for the 10 year plan 2018-28 is as follows:

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

## 3.1 Roothing and footpaths | Kā huanui me kā ara hīkoi

### Services and activities

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

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

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

### Community outcomes

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

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



### Measuring performance

Measure	Data Source	Actual 2016/17	Targets for 2018/19 to 2027/28
<b>Level of service: The transport network facilitates efficient travel</b>			
Percentage of residents satisfied with overall roading and maintenance*	ROS	47%	≥60%
Average travel time by vehicle on five key urban routes at peak time (7.30-9.00am)	Route 1-St Clair to Octagon	9 min	<15 minutes
	Route 2-Normanby to Octagon	9 min	<15 minutes
	Route 3-Mosgiel to Octagon	17 min	<22 minutes
	Route 4-Brockville to Octagon	7.41 min	<15 minutes
	Route 5-Waverley to Octagon	9 min	<15 minutes
<b>Level of service: The transport network facilitates active travel</b>			
Percentage of residents satisfied with the suitability of the road network for cyclists throughout the city	ROS	28%	≥30%**
Percentage of residents satisfied with condition of footpaths throughout the city	ROS	51%	≥60%
Percentage of residents satisfied with the ease of pedestrian access throughout the city	ROS	72%	≥65%
Percentage of residents satisfied with condition of the streetlights throughout the city	ROS	68%	≥75%
<b>Level of service: The transport network facilitates accessibility</b>			
Percentage of residents satisfied with parking availability in the central city	ROS	33%	≥45%

Measure	Data Source	Actual 2016/17	Targets for 2018/19 to 2027/28
<b>Level of service: The transport network facilitates safe travel</b>			
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network expressed as number (DIA measure)	NZTA Dunedin City Road Safety Report	7 fewer fatalities and serious injury crashes (than previous year)	Reducing
<b>Level of service: The transport network facilitates comfortable travel</b>			
The average quality of ride on local sealed road network measured by smooth travel exposure (DIA measure)	RAMM, NZTA	80%	Smooth travel exposure ≥80%
<b>Level of service: The transport network facilitates sustainable maintenance</b>			
Percentage of sealed road network that is resurfaced (DIA measure)	Work achieved reports	4.33% of the network	Target (m <sup>2</sup> ) equating to 6% of network
Percentage of footpaths within the level of service standard adopted by the Council in its Asset Management Plan (DIA measure)	RAMM Rating	22.5%	<15% of network is rated poor or very poor
<b>Level of service: The network is maintained in a responsive manner</b>			
Percentage of service requests relating to roads and footpaths to which the response is provided within five working days (DIA measure)	Customer Service Agency Records	86%	≥90%

\* This measure was previously “Percentage of residents satisfied with condition of roads throughout the city”.

\*\* This target was previously “>28%”.



## Roading and footpaths group - Income statement for the years ending 30 June 2018 - 2028

	Annual Plan 2018 \$000	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000
<b>Revenue</b>											
Rates revenue	13,467	13,960	14,644	15,303	15,992	16,728	17,487	18,274	19,096	19,803	20,536
External revenue	648	817	835	853	873	893	915	938	963	989	1,016
Grants and subsidies revenue	28,664	26,953	30,211	32,588	30,279	22,345	21,473	22,286	22,748	23,238	23,755
Development contributions revenue	224	224	224	224	224	224	224	224	224	224	224
Internal revenue	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>43,003</b>	<b>41,954</b>	<b>45,914</b>	<b>48,968</b>	<b>47,368</b>	<b>40,190</b>	<b>40,099</b>	<b>41,722</b>	<b>43,031</b>	<b>44,254</b>	<b>45,531</b>
<b>Expenditure</b>											
Personnel costs	3,185	3,837	3,914	3,992	4,072	4,153	4,236	4,320	4,407	4,495	4,585
Operations and maintenance	12,627	12,932	13,513	14,290	15,238	16,114	16,931	17,790	18,618	19,448	20,226
Occupancy costs	1,076	1,103	1,127	1,152	1,179	1,206	1,237	1,268	1,301	1,337	1,374
Consumables and general	1,442	1,350	1,380	1,410	1,443	1,476	1,513	1,551	1,591	1,634	1,680
Grants and subsidies	-	-	-	-	-	-	-	-	-	-	-
Internal charges	1,742	1,788	1,826	1,866	1,907	1,951	1,996	2,043	2,093	2,145	2,201
Depreciation and amortisation	19,336	20,320	21,332	22,601	24,347	25,958	26,792	27,576	28,438	29,314	30,205
Interest	1,191	1,191	1,191	1,191	1,191	1,191	1,191	1,191	1,191	1,191	1,191
<b>Total expenditure</b>	<b>40,599</b>	<b>42,521</b>	<b>44,283</b>	<b>46,502</b>	<b>49,377</b>	<b>52,049</b>	<b>53,896</b>	<b>55,739</b>	<b>57,639</b>	<b>59,564</b>	<b>61,462</b>
<b>Net surplus (deficit)</b>	<b>2,404</b>	<b>(567)</b>	<b>1,631</b>	<b>2,466</b>	<b>(2,009)</b>	<b>(11,859)</b>	<b>(13,797)</b>	<b>(14,017)</b>	<b>(14,608)</b>	<b>(15,310)</b>	<b>(15,931)</b>
<b>Expenditure by activity</b>											
Transport	40,599	42,521	44,283	46,502	49,377	52,049	53,896	55,739	57,639	59,564	61,462
<b>Total expenditure</b>	<b>40,599</b>	<b>42,521</b>	<b>44,283</b>	<b>46,502</b>	<b>49,377</b>	<b>52,049</b>	<b>53,896</b>	<b>55,739</b>	<b>57,639</b>	<b>59,564</b>	<b>61,462</b>

[illegible]

## 3.2 Water supply | He putaka wai

### Services and activities

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

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

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

### Community outcomes

The water supply group contributes to the following community outcomes:

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



### Measuring performance

Measure		Data Source	Actual 2016/17	Targets for 2018/19 to 2027/28
Level of service: The water tastes and looks pleasant is supplied at adequate pressure				
Percentage of residents satisfied with water pressure and quality		ROS	74%	≥70%
Level of service: The water is safe to drink				
The extent to which local authority's drinking water supply complies with:	a) Part 4 of drinking water standards (bacteria compliance criteria)	Internal reporting	95%	100%
	b) Part 5 of drinking water standards (protozoa compliance criteria)		99%	100%
Level of service: Service calls are responded to promptly				
Where the local authority attends a call out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured.	a) Attendance for urgent call outs: from the time that the local authority receives notification to the time that the service personnel reach the site	Internal reporting	37 minutes	<60 minutes
	b) Resolution of urgent call outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption		108 minutes	<240 minutes
	c) Attendance for non-urgent callouts: from the time that the local authority receives notification to the time that the service personnel reach the site		0.86 days (1,238 minutes)	<1 day (1,440 minutes)
	d) Resolution of non-urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption		1.27 days (1,828 minutes)	<1.67 days (2,400 minutes)



Measure		Data Source	Actual 2016/17	Targets for 2018/19 to 2027/28
The total number of complaints received by the local authority about any of the following:	Level of service: The water tastes and looks pleasant			<15 per 1000 connections
	Drinking water clarity	Internal reporting	85 complaints	
	Drinking water taste		5 complaints	
	Drinking water odour		9 complaints	
	Level of service: Water is supplied at adequate pressure			
	The total number of complaints received by the local authority about drinking water pressure or flow	Internal reporting	124 complaints	
	Level of service: The water supply is reliable			
	The total number of complaints received by the local authority about continuity of supply	Internal reporting	351 complaints	
	Level of service: The Council is responsive to customer concerns			
	The local authority's response to any of these issues per 1000 connections to the local authority's networked reticulation system	Internal reporting	15 complaints	
	Total complaints expressed per 1000 connections to the local authority's networked reticulation system		13.16 per 1000 connections	
Level of service: Water resources are used efficiently and sustainably				
The average consumption of drinking water per day per resident within the territorial authority district		Internal reporting	227 litres per day	<240 litres
The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology to calculate this)			19%	Less than or equal to 20%

\* This is a new performance measure.

## Water supply group - Income statement for the years ending 30 June 2018 - 2028

	Annual Plan 2018 \$000	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000
<b>Revenue</b>											
Rates revenue	20,189	20,206	21,161	22,113	23,109	24,172	25,269	26,406	27,594	28,471	29,374
External revenue	5,384	5,976	6,125	6,260	6,410	6,564	6,728	6,903	7,090	7,288	7,492
Grants and subsidies revenue	-	-	-	-	-	-	-	-	-	-	-
Development contributions revenue	180	117	117	117	117	117	117	117	117	117	117
Internal revenue	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>25,753</b>	<b>26,299</b>	<b>27,403</b>	<b>28,490</b>	<b>29,636</b>	<b>30,853</b>	<b>32,114</b>	<b>33,426</b>	<b>34,801</b>	<b>35,876</b>	<b>36,983</b>
<b>Expenditure</b>											
Personnel costs	3,249	3,616	3,688	3,761	3,836	3,913	3,991	4,070	4,151	4,234	4,319
Operations and maintenance	4,813	5,830	5,975	6,107	6,253	6,403	6,564	6,734	6,916	7,110	7,309
Occupancy costs	3,559	3,185	3,330	3,472	3,621	3,781	3,944	4,115	4,293	4,435	4,581
Consumables and general	267	449	460	470	481	493	505	518	532	547	563
Grants and subsidies	-	-	-	-	-	-	-	-	-	-	-
Internal charges	1,476	1,412	1,441	1,473	1,505	1,540	1,575	1,613	1,652	1,693	1,737
Depreciation and amortisation	11,665	11,650	11,545	11,856	12,695	12,727	12,977	13,714	13,720	13,969	14,706
Interest	1,575	1,575	1,575	1,575	1,575	1,575	1,575	1,575	1,575	1,575	1,575
<b>Total expenditure</b>	<b>26,604</b>	<b>27,717</b>	<b>28,014</b>	<b>28,714</b>	<b>29,966</b>	<b>30,432</b>	<b>31,131</b>	<b>32,339</b>	<b>32,839</b>	<b>33,563</b>	<b>34,790</b>
<b>Net surplus (deficit)</b>	<b>(851)</b>	<b>(1,418)</b>	<b>(611)</b>	<b>(224)</b>	<b>(330)</b>	<b>421</b>	<b>983</b>	<b>1,087</b>	<b>1,962</b>	<b>2,313</b>	<b>2,193</b>
<b>Expenditure by Activity</b>											
Water supply	26,604	27,717	28,014	28,714	29,966	30,432	31,131	32,339	32,839	33,563	34,790
<b>Total expenditure</b>	<b>26,604</b>	<b>27,717</b>	<b>28,014</b>	<b>28,714</b>	<b>29,966</b>	<b>30,432</b>	<b>31,131</b>	<b>32,339</b>	<b>32,839</b>	<b>33,563</b>	<b>34,790</b>

[illegible]

## 3.3 Sewerage and sewage | Pūnaha parakaika me te parawai

### Services and activities

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

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

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

### Community outcomes

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

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



### Measuring performance

Measure	Data Source	Actual 2016/17	Targets for 2018/19 to 2027/28
Level of service: Sewage is managed without adversely affecting the quality of the receiving environment			
The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	Internal reporting	0.062	0
Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of abatement notices, infringement notices, enforcement orders and convictions.		0	0
Level of service: Service calls are responded to promptly			
Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times are measured:	Internal reporting		
a) Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site; and		34 minutes	<60 minutes
b) Resolution time: from the time that the territorial authority receives notification to the time that the service personnel confirm resolution of the blockage or fault		108 minutes	<240 minutes

Measure		Data Source	Actual 2016/17	Targets for 2018/19 to 2027/28
<b>Level of service: The wastewater service is reliable and the Council is responsive to customer concerns</b>				
Percentage of residents satisfied with the sewerage system*		ROS	67%	≥65%
The total number of complaints received by the territorial authority about any of the following:	Sewage odour	Internal reporting	9	<5 per 1000 connections
	Sewerage system faults		15	
	Sewerage system blockages		192	
	The territorial authority's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system		0	
	All of the above complaints expressed per 1000 connections to the territorial authority's sewerage system.		4.47 per 1000 connections	

\* This is a new performance measure.

## Sewerage and sewage group - Income statement for the years ending 30 June 2018 - 2028

	Annual Plan 2018 \$000	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000
<b>Revenue</b>											
Rates revenue	26,666	29,550	31,026	32,421	33,879	35,436	37,044	38,710	40,450	42,067	43,749
External revenue	339	358	367	375	384	393	403	414	425	437	449
Grants and subsidies revenue	17	20	20	20	21	21	21	22	22	23	24
Development contributions revenue	167	188	188	188	188	188	188	188	188	188	188
Internal revenue	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>27,189</b>	<b>30,116</b>	<b>31,601</b>	<b>33,004</b>	<b>34,472</b>	<b>36,038</b>	<b>37,656</b>	<b>39,334</b>	<b>41,085</b>	<b>42,715</b>	<b>44,410</b>
<b>Expenditure</b>											
Personnel costs	3,145	3,544	3,615	3,687	3,760	3,835	3,911	3,989	4,069	4,150	4,233
Operations and maintenance	4,340	4,449	4,730	4,661	4,773	5,069	4,964	5,140	5,522	5,377	5,578
Occupancy costs	3,911	4,432	4,602	4,760	4,929	5,107	5,292	5,486	5,690	5,888	6,093
Consumables and general	328	548	561	574	588	602	617	633	650	668	687
Grants and subsidies	-	-	-	-	-	-	-	-	-	-	-
Internal charges	2,145	2,221	2,267	2,317	2,368	2,423	2,479	2,538	2,599	2,664	2,733
Depreciation and amortisation	10,139	10,126	10,035	10,074	10,079	10,157	10,483	10,883	11,183	11,380	11,458
Interest	4,613	4,613	4,613	4,613	4,613	4,613	4,613	4,613	4,613	4,613	4,613
<b>Total expenditure</b>	<b>28,621</b>	<b>29,933</b>	<b>30,423</b>	<b>30,686</b>	<b>31,110</b>	<b>31,806</b>	<b>32,359</b>	<b>33,282</b>	<b>34,326</b>	<b>34,740</b>	<b>35,395</b>
<b>Net surplus (deficit)</b>	<b>(1,432)</b>	<b>183</b>	<b>1,178</b>	<b>2,318</b>	<b>3,362</b>	<b>4,232</b>	<b>5,297</b>	<b>6,052</b>	<b>6,759</b>	<b>7,975</b>	<b>9,015</b>
<b>Expenditure by activity</b>											
Wastewater	28,621	29,933	30,423	30,686	31,110	31,806	32,359	33,282	34,326	34,740	35,395
<b>Total expenditure</b>	<b>28,621</b>	<b>29,933</b>	<b>30,423</b>	<b>30,686</b>	<b>31,110</b>	<b>31,806</b>	<b>32,359</b>	<b>33,282</b>	<b>34,326</b>	<b>34,740</b>	<b>35,395</b>

[illegible]



## 3.4 Stormwater | Wai marakai

### Services and activities

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

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

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

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

### Community outcomes

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

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



### Measuring performance

Measure		Data Source	Actual 2016/17	Targets for 2018/19 to 2027/28
Level of service: Stormwater services perform adequately and reliably				
Percentage of residents satisfied with the stormwater system*		ROS	49%	≥50%
System and adequacy	The number of flooding events that occur in a territorial authority district	Internal reporting	2	0
	For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the territorial authority’s stormwater system)	Internal reporting	Not Measured	0
Level of service: Stormwater is managed without adversely affecting the quality of the receiving environment				
Compliance with the territorial authority’s resource consents for discharge from its stormwater system, measured by the number of:	Abatement notices	Internal reporting	0	0
	Infringement notices		0	0
	Enforcement orders		0	0
	Successful prosecutions		0	0
Level of service: Service calls are responded to promptly				
The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site		Internal reporting	50 minutes	<60 minute
The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority’s stormwater system		Internal reporting	0.31 complaints per 1,000 connections	<1 per 1,000 connections

\* This is a new performance measure.

## Stormwater group - Income statement for the years ending 30 June 2018 - 2028

	Annual Plan 2018 \$000	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000
<b>Revenue</b>											
Rates revenue	5,673	5,673	5,957	6,225	6,505	6,804	7,113	7,433	7,768	8,079	8,402
External revenue	38	90	92	94	97	99	101	104	107	110	113
Grants and subsidies revenue	-	-	-	-	-	-	-	-	-	-	-
Development contributions revenue	-	17	17	17	17	17	17	17	17	17	17
Internal revenue	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>5,711</b>	<b>5,780</b>	<b>6,066</b>	<b>6,336</b>	<b>6,619</b>	<b>6,920</b>	<b>7,231</b>	<b>7,554</b>	<b>7,892</b>	<b>8,206</b>	<b>8,532</b>
<b>Expenditure</b>											
Personnel costs	752	889	906	924	943	962	981	1,000	1,020	1,041	1,062
Operations and maintenance	987	1,025	1,051	1,074	1,100	1,126	1,154	1,184	1,216	1,251	1,286
Occupancy costs	960	1,126	1,176	1,224	1,273	1,326	1,381	1,438	1,498	1,554	1,613
Consumables and general	94	172	177	180	185	189	194	199	204	210	216
Grants and subsidies	-	-	-	-	-	-	-	-	-	-	-
Internal charges	481	492	503	514	525	537	549	563	576	590	606
Depreciation and amortisation	3,644	3,639	3,606	3,672	3,742	3,845	3,987	4,133	4,212	4,269	4,311
Interest	79	79	79	79	79	79	79	79	79	79	79
<b>Total expenditure</b>	<b>6,997</b>	<b>7,422</b>	<b>7,498</b>	<b>7,667</b>	<b>7,847</b>	<b>8,064</b>	<b>8,325</b>	<b>8,596</b>	<b>8,805</b>	<b>8,994</b>	<b>9,173</b>
<b>Net surplus (deficit)</b>	<b>(1,286)</b>	<b>(1,642)</b>	<b>(1,432)</b>	<b>(1,331)</b>	<b>(1,228)</b>	<b>(1,144)</b>	<b>(1,094)</b>	<b>(1,042)</b>	<b>(913)</b>	<b>(788)</b>	<b>(641)</b>
<b>Expenditure by activity</b>											
Stormwater	6,997	7,422	7,498	7,667	7,847	8,064	8,325	8,596	8,805	8,994	9,173
<b>Total expenditure</b>	<b>6,997</b>	<b>7,422</b>	<b>7,498</b>	<b>7,667</b>	<b>7,847</b>	<b>8,064</b>	<b>8,325</b>	<b>8,596</b>	<b>8,805</b>	<b>8,994</b>	<b>9,173</b>

**Dunedin City Council: Funding impact statement for the years ending 30 June 2018 – 2028 for stormwater**

	2018 Annual Plan \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000	2023 \$000	2024 \$000	2025 \$000	2026 \$000	2027 \$000	2028 \$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	5,673	5,673	5,957	6,225	6,505	6,804	7,113	7,433	7,768	8,079	8,402
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	38	90	92	94	97	99	101	104	107	110	113
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>5,711</b>	<b>5,763</b>	<b>6,049</b>	<b>6,319</b>	<b>6,602</b>	<b>6,903</b>	<b>7,214</b>	<b>7,537</b>	<b>7,875</b>	<b>8,189</b>	<b>8,515</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	2,793	3,212	3,310	3,403	3,501	3,603	3,710	3,822	3,939	4,056	4,176
Finance costs	79	79	79	79	79	79	79	79	79	79	79
Internal charges and overheads applied	481	492	503	514	525	537	549	563	576	590	606
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>3,353</b>	<b>3,783</b>	<b>3,892</b>	<b>3,996</b>	<b>4,105</b>	<b>4,219</b>	<b>4,338</b>	<b>4,464</b>	<b>4,594</b>	<b>4,725</b>	<b>4,861</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,358</b>	<b>1,980</b>	<b>2,157</b>	<b>2,323</b>	<b>2,497</b>	<b>2,684</b>	<b>2,876</b>	<b>3,073</b>	<b>3,281</b>	<b>3,464</b>	<b>3,654</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	17	17	17	17	17	17	17	17	17	17
Increase (decrease) in debt	943	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>943</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	295	-	215	143	286	430	573	286	215	143	143
- to improve the level of service	1,118	-	2,785	1,857	3,714	5,570	7,427	3,714	2,785	1,857	1,857
- to replace existing assets	2,312	2,526	1,316	3,066	859	2,656	557	4,362	8,093	9,819	12,062
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	(424)	(529)	(2,142)	(2,726)	(2,345)	(5,955)	(5,664)	(5,272)	(7,795)	(8,338)	(10,391)
<b>Total applications of capital funding (D)</b>	<b>3,301</b>	<b>1,997</b>	<b>2,174</b>	<b>2,340</b>	<b>2,514</b>	<b>2,701</b>	<b>2,893</b>	<b>3,090</b>	<b>3,298</b>	<b>3,481</b>	<b>3,671</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,358)</b>	<b>(1,980)</b>	<b>(2,157)</b>	<b>(2,323)</b>	<b>(2,497)</b>	<b>(2,684)</b>	<b>(2,876)</b>	<b>(3,073)</b>	<b>(3,281)</b>	<b>(3,464)</b>	<b>(3,654)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 3.5 Reserves and recreational facilities | Taunaha whenua, papa rēhia

### Services and activities

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

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

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

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

### Community outcomes

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

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



### Measuring performance

Measure	Data Source	Actual 2016/17	Targets for 2018/19 to 2027/28
<b>Level of service: Aquatic facilities are accessible to everyone</b>			
Percentage of residents who visit a DCC swimming pool at least once in a year*	ROS	56%	≥50%
Number of annual attendances at DCC swimming pools:	Moana Pool	587,385	≥600,000
	St Clair Hot Saltwater Pool	30,363	≥36,000
	Mosgiel Pool	36,837	≥35,000
	Port Chalmers Pool	16,982	≥14,500
<b>Level of service: Aquatic facilities are well maintained and meet the needs of users</b>			
Percentage of users satisfied with Moana Pool**	ROS	New measure	≥85%
Percentage of users satisfied with community swimming pools (St Clair Salt Water Pool, Mosgiel Pool and Port Chalmers Pool)*	ROS	New measure	≥85%
<b>Level of service: The Botanic Garden and its facilities are well maintained and meet the needs of users</b>			
Percentage of residents who visit the Botanic Garden at least once in a year*	ROS	78%	≥75%
Percentage of users satisfied with the Botanic Garden	ROS	95%	≥90%
<b>Level of service: Parks and reserves facilities are accessible to everyone</b>			
Percentage of respondents that agree sites and facilities are satisfactorily accessible	ROS	78%	≥80%

Measure	Data Source	Actual 2016/17	Targets for 2018/19 to 2027/28
<b>Level of service: Parks and reserves facilities are well maintained and meet the needs of users</b>			
Percentage of users satisfied with DCC playgrounds	ROS	77%	≥80%
Percentage of users satisfied with DCC sports playing fields	ROS	75%	≥80%
Percentage of users satisfied with DCC tracks	ROS	84%	≥80%
Percentage of users satisfied with DCC scenic, bush and coastal reserves	ROS	87%	≥80%
<b>Level of service: Cemetery and crematorium services meet the needs of funeral directors and the bereaved</b>			
Percentage of users satisfied with cemeteries***	ROS	76%	≥80%

\* This is a new performance measure.

\*\* This performance measure was previously “percentage of users satisfied with all swimming pools”.

\*\*\* This performance measure was previously “percentage of users satisfied with the range of services provided at, and the presentation of, Dunedin cemeteries managed by the DCC”.

## Reserves and recreational facilities group - Income statement for the years ending 30 June 2018 - 2028

	Annual Plan 2018 \$000	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000
<b>Revenue</b>											
Rates revenue	25,211	30,792	32,301	33,755	35,274	36,896	38,571	40,307	42,121	43,679	45,296
External revenue	5,187	5,196	5,300	5,724	5,844	5,973	6,104	6,244	6,394	6,548	6,718
Grants and subsidies revenue	422	639	646	654	663	672	682	699	717	736	757
Development contributions revenue	77	126	126	126	126	126	126	126	126	126	126
Internal revenue	9	9	9	9	10	10	10	10	11	11	11
<b>Total revenue</b>	<b>30,906</b>	<b>36,762</b>	<b>38,382</b>	<b>40,268</b>	<b>41,917</b>	<b>43,677</b>	<b>45,493</b>	<b>47,386</b>	<b>49,369</b>	<b>51,100</b>	<b>52,908</b>
<b>Expenditure</b>											
Personnel costs	6,319	6,959	7,097	7,608	7,760	7,915	8,074	8,237	8,403	8,572	8,746
Operations and maintenance	16,101	16,731	16,963	17,445	17,812	18,203	18,603	19,031	19,488	19,956	20,474
Occupancy costs	2,843	3,072	3,164	3,330	3,425	3,528	3,635	3,746	3,864	3,973	4,092
Consumables and general	874	1,041	1,062	1,084	1,107	1,131	1,156	1,183	1,211	1,240	1,273
Grants and subsidies	1,008	821	733	744	704	716	566	576	587	599	611
Internal charges	3,108	3,170	3,236	3,307	3,380	3,458	3,537	3,622	3,709	3,802	3,901
Depreciation and amortisation	3,676	4,240	4,146	4,313	4,424	4,855	4,860	4,866	4,871	4,876	4,881
Interest	729	729	729	729	729	729	729	729	729	729	729
<b>Total expenditure</b>	<b>34,658</b>	<b>36,763</b>	<b>37,130</b>	<b>38,560</b>	<b>39,341</b>	<b>40,535</b>	<b>41,160</b>	<b>41,990</b>	<b>42,862</b>	<b>43,747</b>	<b>44,707</b>
<b>Net surplus (deficit)</b>	<b>(3,752)</b>	<b>(1)</b>	<b>1,252</b>	<b>1,708</b>	<b>2,576</b>	<b>3,142</b>	<b>4,333</b>	<b>5,396</b>	<b>6,507</b>	<b>7,353</b>	<b>8,201</b>
<b>Expenditure by activity</b>											
Aquatic services	7,606	8,218	8,387	9,272	9,546	10,147	10,326	10,515	10,710	10,910	11,124
Dunedin Botanic Garden	3,089	2,967	2,878	2,938	2,998	3,062	3,128	3,196	3,268	3,342	3,421
Cemeteries and crematorium	1,575	1,579	1,599	1,629	1,662	1,696	1,731	1,768	1,808	1,848	1,892
Parks and recreation	22,388	23,999	24,266	24,721	25,135	25,630	25,975	26,511	27,076	27,647	28,270
<b>Total expenditure</b>	<b>34,658</b>	<b>36,763</b>	<b>37,130</b>	<b>38,560</b>	<b>39,341</b>	<b>40,535</b>	<b>41,160</b>	<b>41,990</b>	<b>42,862</b>	<b>43,747</b>	<b>44,707</b>

# Dunedin City Council: Funding impact statement for the years ending 30 June 2018 – 2028 for reserves and recreational facilities

	2018 Annual Plan \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000	2023 \$000	2024 \$000	2025 \$000	2026 \$000	2027 \$000	2028 \$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	14,022	19,426	20,378	21,295	22,253	23,276	24,333	25,428	26,572	27,556	28,575
Targeted rates	11,189	11,367	11,924	12,460	13,021	13,620	14,238	14,879	15,549	16,124	16,720
Subsidies and grants for operating purposes	654	639	646	654	663	672	682	699	717	736	757
Fees and charges	5,419	5,196	5,300	5,724	5,844	5,973	6,104	6,244	6,394	6,548	6,718
Internal charges and overheads recovered	9	9	9	9	10	10	10	10	11	11	11
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>31,293</b>	<b>36,637</b>	<b>38,257</b>	<b>40,142</b>	<b>41,791</b>	<b>43,551</b>	<b>45,367</b>	<b>47,260</b>	<b>49,243</b>	<b>50,975</b>	<b>52,781</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	27,145	28,624	29,018	30,210	30,808	31,494	32,034	32,772	33,552	34,340	35,196
Finance costs	729	729	729	729	729	729	729	729	729	729	729
Internal charges and overheads applied	3,108	3,170	3,236	3,307	3,380	3,458	3,537	3,622	3,709	3,802	3,901
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>30,982</b>	<b>32,523</b>	<b>32,983</b>	<b>34,246</b>	<b>34,917</b>	<b>35,681</b>	<b>36,300</b>	<b>37,123</b>	<b>37,990</b>	<b>38,871</b>	<b>39,826</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>311</b>	<b>4,114</b>	<b>5,274</b>	<b>5,896</b>	<b>6,874</b>	<b>7,870</b>	<b>9,067</b>	<b>10,137</b>	<b>11,253</b>	<b>12,104</b>	<b>12,955</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	126	126	126	126	126	126	126	126	126	126
Increase (decrease) in debt	524	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>524</b>	<b>126</b>	<b>126</b>	<b>126</b>	<b>126</b>	<b>126</b>	<b>126</b>	<b>126</b>	<b>126</b>	<b>126</b>	<b>126</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	12	3	3	3	3	3	3	3	3	3	3
- to improve the level of service	1,545	2,345	2,330	3,680	2,180	80	80	80	80	80	80
- to replace existing assets	998	4,442	10,009	5,954	5,037	4,462	4,507	5,028	5,025	5,184	6,766
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	(1,720)	(2,550)	(6,942)	(3,615)	(220)	3,451	4,603	5,152	6,271	6,963	6,232
<b>Total applications of capital funding (D)</b>	<b>835</b>	<b>4,240</b>	<b>5,400</b>	<b>6,022</b>	<b>7,000</b>	<b>7,996</b>	<b>9,193</b>	<b>10,263</b>	<b>11,379</b>	<b>12,230</b>	<b>13,081</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(311)</b>	<b>(4,114)</b>	<b>(5,274)</b>	<b>(5,896)</b>	<b>(6,874)</b>	<b>(7,870)</b>	<b>(9,067)</b>	<b>(10,137)</b>	<b>(11,253)</b>	<b>(12,104)</b>	<b>(12,955)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## 3.6 Property | Kā wāhi whenua

### Services and activities

The property group includes activities and services related to:

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

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

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

### Community outcomes

The property group contributes to the following community outcomes:

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



### Measuring performance

Measure	Data Source	Actual 2016/17	Targets for 2018/19 to 2027/28
<b>Level of service: The housing provided by the Council meets the needs of tenants and rental values will not exceed operating expenses</b>			
Percentage of tenants satisfied with Council provided rental housing	Tenant survey	83%	≥95%
Percentage occupancy of Council provided rental housing	Internal review	97%	≥94%
<b>Level of service: Council investment properties are appropriately managed*</b>			
Percentage overall occupancy of Council investment properties	Internal property records	94.8%	≥95%
<b>Level of service: Council operational properties are appropriately managed**</b>			
Percentage of service request response times met***	Internal property records	New measure	≥75%

\* This level of service statement was previously "The City Property Investment portfolio generates returns that can be offset against rates requirements".

\*\* This level of service statement was previously "Properties in the City Property Miscellaneous Portfolio are appropriately managed".

\*\*\* This performance measure was previously "Percentage of Miscellaneous property portfolio assets maintained and developed to the City Property quality standard."

## Property group - Income statement for the years ending 30 June 2018 - 2028

	Annual Plan 2018 \$000	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000
<b>Revenue</b>											
Rates revenue	4,360	4,148	4,351	4,547	4,751	4,970	5,195	5,429	5,674	5,883	6,101
External revenue	17,667	17,726	18,099	18,497	18,904	19,338	19,783	20,258	20,744	21,263	21,816
Grants and subsidies revenue	-	-	-	-	-	-	-	-	-	-	-
Development contributions revenue	-	-	-	-	-	-	-	-	-	-	-
Internal revenue	8,124	8,169	8,341	8,524	8,712	8,912	9,117	9,336	9,560	9,799	10,054
<b>Total revenue</b>	<b>30,151</b>	<b>30,043</b>	<b>30,791</b>	<b>31,568</b>	<b>32,367</b>	<b>33,220</b>	<b>34,095</b>	<b>35,023</b>	<b>35,978</b>	<b>36,945</b>	<b>37,971</b>
<b>Expenditure</b>											
Personnel costs	1,554	3,029	3,089	3,151	3,214	3,278	3,344	3,411	3,479	3,549	3,621
Operations and maintenance	5,373	6,298	6,430	6,571	6,716	6,870	7,028	7,197	7,869	8,154	8,501
Occupancy costs	6,130	6,846	7,028	7,215	7,407	7,614	7,826	8,048	8,279	8,508	8,749
Consumables and general	322	1,133	1,156	1,182	1,208	1,236	1,264	1,294	1,326	1,359	1,394
Grants and subsidies	109	120	122	124	126	128	130	133	135	138	141
Internal charges	2,879	2,923	2,984	3,050	3,117	3,189	3,262	3,340	3,421	3,506	3,597
Depreciation and amortisation	8,735	9,253	9,228	9,713	10,086	10,321	10,556	10,790	11,024	11,260	11,494
Interest	3,248	3,266	3,266	3,266	3,266	3,266	3,266	3,266	3,266	3,266	3,266
<b>Total expenditure</b>	<b>28,350</b>	<b>32,868</b>	<b>33,303</b>	<b>34,272</b>	<b>35,140</b>	<b>35,902</b>	<b>36,676</b>	<b>37,479</b>	<b>38,799</b>	<b>39,740</b>	<b>40,763</b>
<b>Net surplus (deficit)</b>	<b>1,801</b>	<b>(2,825)</b>	<b>(2,512)</b>	<b>(2,704)</b>	<b>(2,773)</b>	<b>(2,682)</b>	<b>(2,581)</b>	<b>(2,456)</b>	<b>(2,821)</b>	<b>(2,795)</b>	<b>(2,792)</b>
<b>Expenditure by activity</b>											
Community housing	5,813	6,412	6,498	6,676	6,887	7,046	7,208	7,377	7,547	7,727	7,915
Operational property	13,020	13,543	13,665	14,036	14,496	14,802	15,111	15,430	15,757	16,085	16,424
Miscellaneous property	3,167	4,150	4,200	4,432	4,436	4,530	4,627	4,726	4,828	4,930	5,035
Investment property	4,121	4,781	4,879	4,982	5,087	5,200	5,316	5,438	6,064	6,295	6,583
Property management & land advisory	2,229	3,982	4,061	4,146	4,234	4,324	4,414	4,508	4,603	4,703	4,806
<b>Total expenditure</b>	<b>28,350</b>	<b>32,868</b>	<b>33,303</b>	<b>34,272</b>	<b>35,140</b>	<b>35,902</b>	<b>36,676</b>	<b>37,479</b>	<b>38,799</b>	<b>39,740</b>	<b>40,763</b>

[illegible]

## 3.7 Libraries and museums | Kā wharepukapuka, kā whare taoka

### Services and activities

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

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

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

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

### Community outcomes

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

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



### Measuring performance

Measure	Data Source	Actual 2016/17	Targets for 2018/19 to 2027/28
<b>Level of service: Library facilities are accessible, and collections are maintained and updated to meet the needs of the community</b>			
Percentage of residents who visit Dunedin Public Libraries at least once in a year	ROS	68%	≥60%*
Percentage of residents who visited and were satisfied with Dunedin Public Libraries	ROS	93%	≥90%
Total number of visits to Dunedin Public Libraries annually	Electronic door counter	1,143,040	≥1,100,000
Number of participants in lifelong learning programmes conducted by the library annually	Monthly statistics	39,405	≥35,000**
<b>Level of service: The Dunedin Public Art Gallery provides access to a diverse visual art experience which meets the expectations of visitors and the collection is managed according to international best practice***</b>			
Percentage of residents who visit Dunedin Public Art Gallery at least once in a year****	ROS	60%	≥40%
Percentage of residents who visited and were satisfied with to their visit to Dunedin Public Art Gallery	ROS	90%	≥90%
Total number of visits to Dunedin Public Art Gallery annually	Electronic door counter	233,222	≥195,000
Level of visitor satisfaction with Dunedin Public Art Gallery	Visitor surveys	95%	≥90%

Measure	Data Source	Actual 2016/17	Targets for 2018/19 to 2027/28
Percentage of designated exhibition galleries that are committed to displays from the permanent collection (in order to provide access to the city's holding of nationally significant art)	Calculation based on floor areas versus time	66%	≥40%
<b>Level of service: The Toitū Otago Settlers Museum (Toitū) facilities provide a access to a diverse social history experience which meets the expectations of visitors</b>			
Percentage of residents who visit Toitū at least once a year	ROS	75%	≥75%
Percentage of residents who visited and were satisfied with their visit to their visit to Toitū	ROS	96%	≥95%
Total number of visits to Toitū annually	Electronic door counter	309,491	≥250,000
Number of special exhibitions, public programs and events staged per year at Toitū and the Dunedin Chinese Garden	Annual status analysis	198	≥100
Level of visitor satisfaction with Toitū****	Trip Advisor	New measure	≥4.5 out of 5 stars (as at 30 June each year)
<b>Level of service: Visitors enjoy an authentic Chinese architectural and cultural experience</b>			
Percentage of residents who visit the Dunedin Chinese Garden at least once a year	ROS	22%	≥15%
Percentage of residents who visited and were satisfied with their visit to Dunedin Chinese Garden	ROS	84%	≥85%*****
Total number of visits to Dunedin Chinese Garden annually	Manual count plus ticket sales	51,164	≥40,000
Level of visitor satisfaction with Dunedin Chinese Garden****	Trip Advisor	New measure	≥4.0 out of 5 stars (as at 30 June each year)
<b>Level of service: Visitors enjoy an authentic historical experience at Olveston*****</b>			
Percentage of residents who visit Olveston at least once a year****	ROS	12%	≥10%
Percentage of residents who visited and were satisfied with their visit to Olveston****	ROS	91%	≥90%
Total number of visits to Olveston annually****	Ticket sales	25,353	≥35,000
Level of visitor satisfaction with Olveston****	Trip Advisor	New measure	≥4.5 out of 5 stars (as at 30 June each year)

\* This performance target was previously “≥35%”.

\*\* This performance target was previously “45,000”.

\*\*\* This is a revised level of service statement from 2017/18.

\*\*\*\* This is a new performance measure.

\*\*\*\*\* This performance target was previously “≥90%”.

\*\*\*\*\* This is a new level of service statement for a major aspect of the libraries and museums group.

## Libraries and museums group - Income statement for the years ending 30 June 2018 - 2028

	Annual Plan 2018 \$000	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000
<b>Revenue</b>											
Rates revenue	23,965	24,734	25,945	27,113	28,333	29,636	30,982	32,376	33,833	35,085	36,383
External revenue	1,995	1,915	1,953	1,994	2,036	2,081	2,127	2,175	2,228	2,281	2,340
Grants and subsidies revenue	382	285	291	297	303	310	317	324	332	340	349
Development contributions revenue	-	-	-	-	-	-	-	-	-	-	-
Internal revenue	17	17	18	18	18	19	19	20	20	21	21
<b>Total revenue</b>	<b>26,359</b>	<b>26,951</b>	<b>28,207</b>	<b>29,422</b>	<b>30,690</b>	<b>32,046</b>	<b>33,445</b>	<b>34,895</b>	<b>36,413</b>	<b>37,727</b>	<b>39,093</b>
<b>Expenditure</b>											
Personnel costs	9,566	9,929	10,127	10,329	10,827	11,044	11,265	11,491	11,722	11,958	12,199
Operations and maintenance	1,424	1,567	1,598	1,632	1,736	1,774	1,813	1,855	1,900	1,945	1,996
Occupancy costs	1,079	1,054	1,078	1,103	1,161	1,189	1,218	1,248	1,280	1,313	1,349
Consumables and general	1,165	1,178	1,201	1,227	1,252	1,280	1,308	1,338	1,370	1,403	1,440
Grants and subsidies	4,036	4,146	4,288	4,357	4,352	4,426	4,506	4,587	4,674	4,763	4,858
Internal charges	6,051	6,374	6,508	6,651	6,797	6,954	7,114	7,284	7,459	7,646	7,844
Depreciation and amortisation	2,227	1,764	1,896	1,862	2,018	1,854	2,130	1,424	1,434	1,362	1,481
Interest	939	939	939	939	939	939	939	939	939	939	939
<b>Total expenditure</b>	<b>26,487</b>	<b>26,951</b>	<b>27,635</b>	<b>28,100</b>	<b>29,082</b>	<b>29,460</b>	<b>30,293</b>	<b>30,166</b>	<b>30,778</b>	<b>31,329</b>	<b>32,106</b>
<b>Net surplus (deficit)</b>	<b>(128)</b>	<b>-</b>	<b>572</b>	<b>1,322</b>	<b>1,608</b>	<b>2,586</b>	<b>3,152</b>	<b>4,729</b>	<b>5,635</b>	<b>6,398</b>	<b>6,987</b>
<b>Expenditure by activity</b>											
Dunedin Public Libraries	10,819	11,091	11,332	11,688	12,441	12,469	12,463	12,709	12,966	13,231	13,508
Dunedin Public Art Gallery	4,284	4,371	4,479	4,613	4,732	4,839	4,947	5,063	5,182	5,302	5,430
Toitū Otago Settlers Museum	5,936	5,785	5,947	5,775	5,810	5,944	6,558	5,950	6,062	6,187	6,421
Dunedin Chinese Garden	774	809	824	887	950	968	988	1,008	1,026	959	982
Oveston Historic Home	673	784	800	816	833	851	869	887	907	927	948
Otago Museum levy	4,001	4,111	4,253	4,321	4,316	4,389	4,468	4,549	4,635	4,723	4,817
<b>Total expenditure</b>	<b>26,487</b>	<b>26,951</b>	<b>27,635</b>	<b>28,100</b>	<b>29,082</b>	<b>29,460</b>	<b>30,293</b>	<b>30,166</b>	<b>30,778</b>	<b>31,329</b>	<b>32,106</b>

**Dunedin City Council: Funding impact statement for the years ending 30 June 2018 – 2028 for libraries and museums group**

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## 3.8 Regulatory services | Ratoka waeture

### Services and activities

The regulatory services group includes activities and services related to:

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

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

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



### Community outcomes

The regulatory services group contributes to the following community outcomes:

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

### Measuring performance

Measure	Data Source	Actual 2016/17	Targets for 2018/19 to 2027/28
<b>Level of service: Legislative standards and bylaws are enforced to protect the public</b>			
Percentage of residents satisfied with the control of roaming dogs	ROS	63%	≥60%
Percentage of "A" graded food premises	DCC internal reporting	84%	≥70%*
Percentage of residents satisfied with the control of noise**	ROS	65%	≥60%
<b>Level of service: Statutory timeframes for processing of building consent applications and certifications are met</b>			
Percentage of building consent applications processed in accordance with statutory timeframes	Internal processing analysis	93%	100%
Percentage of Code Compliance Certificates issued in accordance with statutory timeframes	Internal processing analysis	100%	100%
<b>Level of service: Monitoring of legislative standards and bylaws is undertaken to protect the public</b>			
Percentage of registered health premises inspected in accordance with statutory timeframes	DCC internal reporting	100%	100%
Number of alcohol licensing monitoring visits completed each quarter	DCC internal reporting	194 compliance visits	≥50 compliance visits per quarter
<b>Level of service: Car parking is available, meets the needs of users and parking regulations are enforced</b>			
Percentage of residents satisfied with availability of metered on-street parking in the central city	ROS	36%	≥40%

\* This performance target was previously "≥65%".

\*\* This is a new performance measure.

## Regulatory services group - Income statement for the years ending 30 June 2018 - 2028

	Annual Plan 2018 \$000	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000
<b>Revenue</b>											
Rates revenue	-	-	-	-	-	-	-	-	-	-	-
External revenue	14,811	15,885	16,090	16,300	16,514	16,744	16,988	17,239	17,506	17,780	18,072
Grants and subsidies revenue	-	-	-	-	-	-	-	-	-	-	-
Development contributions revenue	-	-	-	-	-	-	-	-	-	-	-
Internal revenue	91	92	94	96	98	100	102	105	107	110	113
<b>Total revenue</b>	<b>14,902</b>	<b>15,977</b>	<b>16,184</b>	<b>16,396</b>	<b>16,612</b>	<b>16,844</b>	<b>17,090</b>	<b>17,344</b>	<b>17,613</b>	<b>17,890</b>	<b>18,185</b>
<b>Expenditure</b>											
Personnel costs	6,475	7,073	7,304	7,450	7,598	7,750	7,905	8,063	8,224	8,389	8,557
Operations and maintenance	742	1,016	1,037	1,059	1,082	1,105	1,131	1,157	1,185	1,213	1,243
Occupancy costs	385	404	417	430	443	457	472	487	503	518	535
Consumables and general	1,031	1,156	1,221	1,205	1,273	1,257	1,331	1,316	1,394	1,380	1,463
Grants and subsidies	-	-	-	-	-	-	-	-	-	-	-
Internal charges	5,353	5,547	5,663	5,788	5,915	6,051	6,190	6,339	6,491	6,653	6,826
Depreciation and amortisation	296	466	472	497	520	547	510	313	322	517	565
Interest	72	72	72	72	72	72	72	72	72	72	72
<b>Total expenditure</b>	<b>14,354</b>	<b>15,734</b>	<b>16,186</b>	<b>16,501</b>	<b>16,903</b>	<b>17,239</b>	<b>17,611</b>	<b>17,747</b>	<b>18,191</b>	<b>18,742</b>	<b>19,261</b>
<b>Net surplus (deficit)</b>	<b>548</b>	<b>243</b>	<b>(2)</b>	<b>(105)</b>	<b>(291)</b>	<b>(395)</b>	<b>(521)</b>	<b>(403)</b>	<b>(578)</b>	<b>(852)</b>	<b>(1,076)</b>
<b>Expenditure by activity</b>											
Regulatory services	9,868	10,763	11,109	11,299	11,576	11,778	12,075	12,293	12,607	12,837	13,176
Parking operations	2,384	2,599	2,660	2,733	2,805	2,883	2,899	2,757	2,826	3,084	3,196
Parking services (enforcement)	2,102	2,372	2,417	2,469	2,522	2,578	2,637	2,697	2,758	2,821	2,889
<b>Total expenditure</b>	<b>14,354</b>	<b>15,734</b>	<b>16,186</b>	<b>16,501</b>	<b>16,903</b>	<b>17,239</b>	<b>17,611</b>	<b>17,747</b>	<b>18,191</b>	<b>18,742</b>	<b>19,261</b>

# Dunedin City Council: Funding impact statement for the years ending 30 June 2018 – 2028 for regulatory services

	2018 Annual Plan \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000	2023 \$000	2024 \$000	2025 \$000	2026 \$000	2027 \$000	2028 \$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	(2)	-	-	-	-	-	-	-	-	-	-
Targeted rates	1	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	12,672	13,616	13,819	14,026	14,238	14,464	14,705	14,953	15,217	15,487	15,775
Internal charges and overheads recovered	91	92	94	96	98	100	102	105	107	110	113
Local authorities fuel tax, fines, infringement fees, and other receipts	2,140	2,269	2,272	2,274	2,277	2,280	2,283	2,286	2,289	2,293	2,296
<b>Total operating funding (A)</b>	<b>14,902</b>	<b>15,977</b>	<b>16,185</b>	<b>16,396</b>	<b>16,613</b>	<b>16,844</b>	<b>17,090</b>	<b>17,344</b>	<b>17,613</b>	<b>17,890</b>	<b>18,184</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	8,632	9,650	9,980	10,144	10,396	10,570	10,838	11,023	11,306	11,500	11,797
Finance costs	72	72	72	72	72	72	72	72	72	72	72
Internal charges and overheads applied	5,353	5,547	5,663	5,788	5,915	6,051	6,190	6,339	6,491	6,653	6,826
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>14,057</b>	<b>15,269</b>	<b>15,715</b>	<b>16,004</b>	<b>16,383</b>	<b>16,693</b>	<b>17,100</b>	<b>17,434</b>	<b>17,869</b>	<b>18,225</b>	<b>18,695</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>845</b>	<b>708</b>	<b>470</b>	<b>392</b>	<b>230</b>	<b>151</b>	<b>(10)</b>	<b>(90)</b>	<b>(256)</b>	<b>(335)</b>	<b>(511)</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(43)	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(43)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	8	19	-	8	-	-	27	-	-	8
- to replace existing assets	335	252	366	225	302	395	325	308	500	585	322
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	467	448	85	167	(80)	(244)	(335)	(425)	(756)	(920)	(841)
<b>Total applications of capital funding (D)</b>	<b>802</b>	<b>708</b>	<b>470</b>	<b>392</b>	<b>230</b>	<b>151</b>	<b>(10)</b>	<b>(90)</b>	<b>(256)</b>	<b>(335)</b>	<b>(511)</b>
<b>Surplus (deficit) of capital funding(C-D)</b>	<b>(845)</b>	<b>(708)</b>	<b>(470)</b>	<b>(392)</b>	<b>(230)</b>	<b>(151)</b>	<b>10</b>	<b>90</b>	<b>256</b>	<b>335</b>	<b>511</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 3.9 Waste management | Rautaki para

### Services and activities

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

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

The DCC currently manages the collection and recycle-sorting contracts, two landfill facilities, one recovery store and three recycling stations to provide effective waste and recycling collection services, and waste disposal facilities in a way that protects public health, minimises impact on the environment and promotes waste minimisation.

### Community outcomes

The waste management group contributes to the following community outcomes:

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



### Measuring performance

Measure	Data Source	Actual 2016/17	Targets for 2018/19 to 2027/28
<b>Level of service: Refuse collection and kerbside recycling meet customer expectations</b>			
Overall satisfaction with rubbish disposal services*	ROS	72%	≥70%
<b>Level of service: Waste minimisation targets are met</b>			
The quantity and quality of diverted material collected via DCC's collection service for diverted material	Internal quarterly reports	(8,862.91 tonnes) 7,901.97 tonnes sold (89%) 3.9% decrease on 2015/16	>2% annual growth in diverted material sold

\* This performance measure was previously "Number of complaints regarding missed collections".

# Waste management group - Income statement for the years ending 30 June 2018 - 2028

	Annual Plan 2018 \$000	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000
<b>Revenue</b>											
Rates revenue	3,516	3,417	3,585	3,746	3,915	4,095	4,281	4,473	4,675	4,847	5,027
External revenue	10,313	14,232	13,838	12,909	13,267	13,233	13,024	12,940	12,884	12,857	12,843
Grants and subsidies revenue	-	-	-	-	-	-	-	-	-	-	-
Development contributions revenue	-	-	-	-	-	-	-	-	-	-	-
Internal revenue	1,139	982	1,002	1,024	1,047	1,071	1,095	1,122	1,149	1,177	1,208
<b>Total revenue</b>	<b>14,968</b>	<b>18,631</b>	<b>18,425</b>	<b>17,679</b>	<b>18,229</b>	<b>18,399</b>	<b>18,400</b>	<b>18,535</b>	<b>18,708</b>	<b>18,881</b>	<b>19,078</b>
<b>Expenditure</b>											
Personnel costs	551	790	806	822	838	855	872	889	907	925	944
Operations and maintenance	9,720	10,472	10,734	10,970	11,234	11,503	11,791	12,097	12,424	12,772	13,130
Occupancy costs	61	73	76	79	83	86	90	94	98	101	105
Consumables and general	940	1,020	1,558	1,593	1,095	1,121	1,149	1,179	1,211	1,244	1,279
Grants and subsidies	83	95	96	98	99	101	103	105	107	109	111
Internal charges	789	913	932	952	973	996	1,019	1,043	1,068	1,095	1,123
Depreciation and amortisation	593	516	511	553	583	627	707	731	743	750	753
Interest	179	179	179	179	179	179	179	179	179	179	179
<b>Total expenditure</b>	<b>12,916</b>	<b>14,058</b>	<b>14,892</b>	<b>15,246</b>	<b>15,084</b>	<b>15,468</b>	<b>15,910</b>	<b>16,317</b>	<b>16,737</b>	<b>17,175</b>	<b>17,624</b>
<b>Net surplus (deficit)</b>	<b>2,052</b>	<b>4,573</b>	<b>3,533</b>	<b>2,433</b>	<b>3,145</b>	<b>2,931</b>	<b>2,490</b>	<b>2,218</b>	<b>1,971</b>	<b>1,706</b>	<b>1,454</b>
<b>Expenditure by activity</b>											
Landfills	7,359	8,306	9,169	9,400	9,101	9,345	9,637	9,886	10,137	10,396	10,661
Waste strategy	359	502	512	523	534	545	557	569	582	595	609
Recycling	2,991	3,207	3,117	3,183	3,258	3,334	3,416	3,503	3,595	3,694	3,795
Refuse/litter collection	2,207	2,043	2,094	2,140	2,191	2,244	2,300	2,359	2,423	2,490	2,559
<b>Total expenditure</b>	<b>12,916</b>	<b>14,058</b>	<b>14,892</b>	<b>15,246</b>	<b>15,084</b>	<b>15,468</b>	<b>15,910</b>	<b>16,317</b>	<b>16,737</b>	<b>17,175</b>	<b>17,624</b>

**Dunedin City Council: Funding impact statement for the years ending 30 June 2018 – 2028 for waste management**

[illegible]

## 3.10 Community and planning | Te hāpori me te whakamahere kaupapa

### Services and activities

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

- o Community development and events
- o City development
- o Resource consents

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

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



### Community outcomes

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

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

### Measuring performance

Measure	Data Source	Actual 2016/17	Targets for 2018/19 to 2027/28
<b>Level of service: Advice and support is provided to the community and key stakeholders, and grants funding and contract support is appropriately administered and monitored</b>			
Percentage of customers satisfied with advice, support, and assistance provided by Community Development	Annual survey	100%	≥95%
<b>Level of service: Council funded events meet the needs of residents</b>			
Percentage of residents satisfied with city festivals and events	ROS	74%	≥70%
<b>Level of service: Residents are satisfied with the look and feel of the city</b>			
Percentage of residents satisfied with the overall look and feel of the city	ROS	78%	≥75%
<b>Level of service: Resource consents are processed efficiently and meet statutory timeframes and customer information needs are met</b>			
Percentage of resource consents processed within statutory timeframes	Internal processing analysis	99.6%	100%



## Community and planning group - Income statement for the years ending 30 June 2018 - 2028

	Annual Plan 2018 \$000	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000
<b>Revenue</b>											
Rates revenue	9,634	10,699	11,223	11,728	12,256	12,820	13,402	14,005	14,635	15,177	15,738
External revenue	1,295	1,262	1,375	1,315	1,433	1,372	1,498	1,436	1,570	1,506	1,648
Grants and subsidies revenue	120	143	146	149	152	156	159	163	167	171	175
Development contributions revenue	-	-	-	-	-	-	-	-	-	-	-
Internal revenue	174	252	257	263	269	275	281	288	295	303	310
<b>Total revenue</b>	<b>11,223</b>	<b>12,356</b>	<b>13,001</b>	<b>13,455</b>	<b>14,110</b>	<b>14,623</b>	<b>15,340</b>	<b>15,892</b>	<b>16,667</b>	<b>17,157</b>	<b>17,871</b>
<b>Expenditure</b>											
Personnel costs	4,300	4,600	4,692	4,786	4,881	4,979	5,078	5,179	5,283	5,389	5,496
Operations and maintenance	354	800	816	755	771	788	806	825	845	865	886
Occupancy costs	2	4	4	4	4	4	4	4	4	4	4
Consumables and general	1,023	909	943	875	983	912	1,028	955	1,077	1,001	1,130
Grants and subsidies	3,269	3,915	3,977	4,041	3,795	3,859	3,929	4,000	4,076	4,153	4,236
Internal charges	1,870	1,918	1,959	2,002	2,046	2,093	2,141	2,192	2,245	2,301	2,361
Depreciation and amortisation	-	1	366	488	550	630	650	558	103	100	100
Interest	209	209	209	209	209	209	209	209	209	209	209
<b>Total expenditure</b>	<b>11,027</b>	<b>12,356</b>	<b>12,966</b>	<b>13,160</b>	<b>13,239</b>	<b>13,474</b>	<b>13,845</b>	<b>13,922</b>	<b>13,842</b>	<b>14,022</b>	<b>14,422</b>
<b>Net surplus (deficit)</b>	<b>196</b>	<b>-</b>	<b>35</b>	<b>295</b>	<b>871</b>	<b>1,149</b>	<b>1,495</b>	<b>1,970</b>	<b>2,825</b>	<b>3,135</b>	<b>3,449</b>
<b>Expenditure by activity</b>											
City development	2,869	3,467	3,824	3,925	4,044	4,190	4,279	4,258	3,888	3,964	4,044
Community development and events	5,171	5,745	5,934	5,961	5,854	5,873	6,083	6,107	6,320	6,345	6,583
Resource consents	2,987	3,144	3,208	3,274	3,341	3,411	3,483	3,557	3,634	3,713	3,795
<b>Total expenditure</b>	<b>11,027</b>	<b>12,356</b>	<b>12,966</b>	<b>13,160</b>	<b>13,239</b>	<b>13,474</b>	<b>13,845</b>	<b>13,922</b>	<b>13,842</b>	<b>14,022</b>	<b>14,422</b>

**Dunedin City Council: Funding impact statement for the years ending 30 June 2018 – 2028 for community and planning**

	2018 Annual Plan \$000	2019 \$000	2020 \$000	2021 \$000	2022 \$000	2023 \$000	2024 \$000	2025 \$000	2026 \$000	2027 \$000	2028 \$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	9,634	10,699	11,223	11,728	12,256	12,820	13,402	14,005	14,635	15,177	15,738
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	120	143	146	149	152	156	159	163	167	171	175
Fees and charges	1,295	1,262	1,375	1,315	1,433	1,372	1,498	1,436	1,570	1,506	1,648
Internal charges and overheads recovered	174	252	257	263	269	275	281	288	295	303	310
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>11,223</b>	<b>12,356</b>	<b>13,001</b>	<b>13,455</b>	<b>14,110</b>	<b>14,623</b>	<b>15,340</b>	<b>15,892</b>	<b>16,667</b>	<b>17,157</b>	<b>17,871</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	8,946	10,227	10,433	10,460	10,434	10,542	10,845	10,963	11,284	11,412	11,753
Finance costs	209	209	209	209	209	209	209	209	209	209	209
Internal charges and overheads applied	1,870	1,918	1,959	2,002	2,046	2,093	2,141	2,192	2,245	2,301	2,361
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>11,025</b>	<b>12,354</b>	<b>12,601</b>	<b>12,671</b>	<b>12,689</b>	<b>12,844</b>	<b>13,195</b>	<b>13,364</b>	<b>13,738</b>	<b>13,922</b>	<b>14,323</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>198</b>	<b>2</b>	<b>400</b>	<b>784</b>	<b>1,421</b>	<b>1,779</b>	<b>2,145</b>	<b>2,528</b>	<b>2,929</b>	<b>3,235</b>	<b>3,548</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,003	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>1,003</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	1,650	1,238	375	203	375	75	75	75	75	75	75
- to replace existing assets	-	412	125	67	125	25	25	25	25	25	25
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	(449)	(1,648)	(100)	514	921	1,679	2,045	2,428	2,829	3,135	3,448
<b>Total applications of capital funding (D)</b>	<b>1,201</b>	<b>2</b>	<b>400</b>	<b>784</b>	<b>1,421</b>	<b>1,779</b>	<b>2,145</b>	<b>2,528</b>	<b>2,929</b>	<b>3,235</b>	<b>3,548</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(198)</b>	<b>(2)</b>	<b>(400)</b>	<b>(784)</b>	<b>(1,421)</b>	<b>(1,779)</b>	<b>(2,145)</b>	<b>(2,528)</b>	<b>(2,929)</b>	<b>(3,235)</b>	<b>(3,548)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 3.11 Economic development | Te whakatupu ohaoha

### Services and activities

The economic development group includes activities and services related to:

- o Business development
- o Marketing Dunedin
- o Visitor Centre (i-Site)

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

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

### Community outcomes

The economic development group contributes to the following community outcomes:

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



### Measuring performance

Measure	Data Source	Actual 2016/17	Targets for 2018/19 to 2027/28
<b>Level of service: Enterprise Dunedin provides business sector support and coordinates the marketing of the city for tourism and education and attracting investment and skilled migrants</b>			
Percentage of residents satisfied with the Council's support for economic development*	ROS	50%	≥50%
Percentage growth in Dunedin's total visitor nights	Commercial accommodation monitor	0.7% decrease on 2015/16	≥1.6% increase on previous year
Dunedin's market share of total NZ convention capacity (percentage increase on previous year)	Convention activity survey	3% market share to Dec 2016	≥5% increase on previous year
<b>Level of service: The i-Site Visitor Centre provides an accessible, accurate tourism information and booking service</b>			
Percentage of external customers satisfied with the i-Site Visitor Centre experience	Independent external survey**	New measure	≥90%***

\* This performance measure was previously "Percentage of clients satisfied with the work of the Economic Development Unit" and the data source was an internal survey.

\*\* This data source was previously an internal survey.

\*\*\* This performance target was previously "≥95%".

## Economic development group - Income statement for the years ending 30 June 2018 - 2028

	Annual Plan 2018 \$000	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000
<b>Revenue</b>											
Rates revenue	4,805	5,145	5,397	5,640	5,893	6,164	6,444	6,734	7,037	7,298	7,568
External revenue	1,163	1,220	1,245	1,273	1,300	1,330	1,360	1,393	1,426	1,462	1,500
Grants and subsidies revenue	-	-	-	-	-	-	-	-	-	-	-
Development contributions revenue	-	-	-	-	-	-	-	-	-	-	-
Internal revenue	-	2	2	2	2	2	2	2	2	3	3
<b>Total revenue</b>	<b>5,968</b>	<b>6,367</b>	<b>6,644</b>	<b>6,915</b>	<b>7,195</b>	<b>7,496</b>	<b>7,806</b>	<b>8,129</b>	<b>8,465</b>	<b>8,763</b>	<b>9,071</b>
<b>Expenditure</b>											
Personnel costs	2,514	2,584	2,635	2,688	2,742	2,796	2,852	2,909	2,967	3,026	3,087
Operations and maintenance	1,295	1,778	1,713	1,751	1,790	1,831	1,873	1,918	1,964	2,013	2,065
Occupancy costs	4	15	15	16	16	16	17	17	18	18	18
Consumables and general	1,104	883	902	922	942	964	986	1,009	1,034	1,060	1,087
Grants and subsidies	-	-	-	-	-	-	-	-	-	-	-
Internal charges	1,050	1,086	1,109	1,133	1,158	1,185	1,212	1,241	1,271	1,302	1,336
Depreciation and amortisation	21	21	44	44	28	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditure</b>	<b>5,988</b>	<b>6,367</b>	<b>6,418</b>	<b>6,554</b>	<b>6,676</b>	<b>6,792</b>	<b>6,940</b>	<b>7,094</b>	<b>7,254</b>	<b>7,419</b>	<b>7,593</b>
<b>Net surplus (deficit)</b>	<b>(20)</b>	<b>-</b>	<b>226</b>	<b>361</b>	<b>519</b>	<b>704</b>	<b>866</b>	<b>1,035</b>	<b>1,211</b>	<b>1,344</b>	<b>1,478</b>
<b>Expenditure by activity</b>											
Marketing Dunedin	2,863	3,351	3,414	3,489	3,562	3,639	3,720	3,802	3,890	3,978	4,071
Economic development	1,839	1,648	1,605	1,638	1,668	1,684	1,720	1,759	1,798	1,840	1,884
Visitor Centre	1,286	1,368	1,399	1,427	1,446	1,469	1,500	1,533	1,566	1,601	1,638
<b>Total expenditure</b>	<b>5,988</b>	<b>6,367</b>	<b>6,418</b>	<b>6,554</b>	<b>6,676</b>	<b>6,792</b>	<b>6,940</b>	<b>7,094</b>	<b>7,254</b>	<b>7,419</b>	<b>7,593</b>

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## 3.12 Governance and support services | Ratoka whakahaere, ratoka tautoko

### Services and activities

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

- o Business information services
- o Civic and administration
- o Corporate leadership
- o Corporate policy
- o Customer services agency
- o Council communications & marketing
- o Finance
- o Fleet operations
- o Human resources
- o Investment account
- o Waipori Fund
- o Warm Dunedin

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

### Community outcomes

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

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



### Measuring performance

Measure	Data Source	Actual 2016/17	Targets for 2018/19 to 2027/28
<b>Level of service: The information required to participate in the democratic process is appropriately available</b>			
Percentage of non-public material that is assessed for proactive release to the public during each Council Committee meeting round	Internal assessment of Committee	100%	100%
Percentage of LGOIMA official information requests that are responded to within 20 working days	Internal analysis of LGOIMA processing	100%	100%
Percentage of residents satisfied with the amount of public consultation undertaken	ROS	49%	≥50%

Measure	Data Source	Actual 2016/17	Targets for 2018/19 to 2027/28
<b>Level of service: The information residents require is appropriately available*</b>			
Percentage of residents satisfied with the Council's website**	ROS	67%	≥65%
<b>Level of service: Staff communicate with residents appropriately*</b>			
Percentage of residents satisfied with how staff communicate**	ROS	66%	≥80%
<b>Level of service: The Waipori Fund achieves the annual target for non-rates income for offsetting against rates requirements (Note: target excludes inflation adjustment)</b>			
Cash received from the Waipori Fund	Annual financial reporting	\$3.76 million	≥\$3.27 million***
<b>Level of service: The Investment Account receives budgeted dividend*</b>			
Dividend received from Dunedin City Holdings Limited (all paid as Interest on Shareholder's Advance)	Annual financial reporting	\$5.9million	\$5.902 million

\* This is a new level of service statement for a major aspect of the governance and support services group.

\*\* This is a new performance measure.

\*\*\* This target is inflation adjusted annually – see the significant forecasting assumptions in section 4.3 for the annual percentage change.




## Governance and support services group - Income statement for the years ending 30 June 2018 - 2028

	Annual Plan 2018 \$000	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000
<b>Revenue</b>											
Rates revenue	542	524	573	528	584	950	772	731	755	696	685
External revenue	12,059	13,485	13,698	13,626	13,739	14,053	13,977	14,100	14,433	14,351	14,486
Grants and subsidies revenue	-	-	-	-	-	-	-	-	-	-	-
Development contributions revenue	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Internal revenue	24,102	24,921	25,444	26,005	26,575	27,187	27,814	28,480	29,164	29,891	30,670
<b>Total revenue</b>	<b>39,203</b>	<b>41,430</b>	<b>42,215</b>	<b>42,659</b>	<b>43,398</b>	<b>44,690</b>	<b>45,063</b>	<b>45,811</b>	<b>46,852</b>	<b>47,438</b>	<b>48,341</b>
<b>Expenditure</b>											
Personnel costs	13,594	13,160	14,207	14,603	15,054	15,559	15,991	16,482	17,029	17,497	18,025
Operations and maintenance	4,885	4,738	5,025	4,963	5,052	5,370	5,307	5,414	5,757	5,704	5,832
Occupancy costs	64	68	70	70	73	76	76	80	81	84	86
Consumables and general	8,724	9,647	10,159	10,455	10,476	10,508	10,750	10,667	11,238	11,514	11,476
Grants and subsidies	76	74	77	77	80	81	82	83	85	85	87
Internal charges	6,712	6,600	6,739	6,888	7,040	7,199	7,366	7,545	7,724	7,918	8,125
Depreciation and amortisation	1,711	1,392	1,502	1,860	2,218	2,524	2,844	3,199	3,553	3,907	4,232
Interest	1,286	85	322	851	1,793	2,412	2,584	3,148	3,961	4,572	4,847
<b>Total expenditure</b>	<b>37,052</b>	<b>35,764</b>	<b>38,101</b>	<b>39,767</b>	<b>41,786</b>	<b>43,729</b>	<b>45,000</b>	<b>46,618</b>	<b>49,428</b>	<b>51,281</b>	<b>52,710</b>
<b>Net surplus (deficit)</b>	<b>2,151</b>	<b>5,666</b>	<b>4,114</b>	<b>2,892</b>	<b>1,612</b>	<b>961</b>	<b>63</b>	<b>(807)</b>	<b>(2,576)</b>	<b>(3,843)</b>	<b>(4,369)</b>
<b>Expenditure by activity</b>											
Business information services	11,191	11,523	11,806	12,475	12,942	13,519	14,220	14,714	15,318	16,065	16,554
Civic and administration	3,859	3,692	4,232	3,835	3,917	4,513	4,092	4,186	4,828	4,383	4,491
Civil defence	411	155	158	162	166	170	174	179	184	189	194
Corporate leadership	3,889	3,983	4,059	4,320	4,229	4,318	4,599	4,505	4,602	4,907	4,808
Council communications & marketing	2,941	3,091	3,138	3,204	3,271	3,342	3,414	3,490	3,567	3,648	3,733
Customer services agency	2,735	2,968	3,069	3,134	3,198	3,215	3,244	3,315	3,387	3,462	3,541
Finance	5,568	5,607	5,721	5,841	5,964	6,093	6,224	6,361	6,501	6,648	6,802
Fleet operations	1,347	1,362	1,421	1,465	1,510	1,555	1,603	1,649	1,696	1,744	1,793
Human resources	1,576	1,821	1,858	1,895	1,934	1,974	2,015	2,057	2,101	2,146	2,193
Investment account	1,841	(296)	688	1,382	2,503	2,765	3,114	3,868	4,873	5,684	6,171
Policy Analyst Team	972	1,132	1,155	1,179	1,203	1,228	1,254	1,280	1,307	1,335	1,364
Waipori Fund	209	209	213	218	223	228	233	239	245	251	257
Warm Dunedin	513	517	583	657	726	809	814	775	819	819	809
<b>Total expenditure</b>	<b>37,052</b>	<b>35,764</b>	<b>38,101</b>	<b>39,767</b>	<b>41,786</b>	<b>43,729</b>	<b>45,000</b>	<b>46,618</b>	<b>49,428</b>	<b>51,281</b>	<b>52,710</b>

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## Section 4: Finances Tahua

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## Dunedin City Council statement of other comprehensive revenue and expense for the years ending 30 June 2018 - 2028

	Annual Plan 2018 \$000	Forecast 2018 \$000	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000
<b>Other comprehensive revenue and expense</b>												
Gain/(loss) on property plant and equipment revaluations	-	40,938	37,500	38,438	50,000	40,384	41,394	55,000	43,490	44,577	60,000	46,834
Gain/(loss) on property plant and equipment transfers	-	(3,062)	-	-	-	-	-	-	-	-	-	-
Gain/(loss) of cash flow hedges at fair value through other comprehensive revenue and expense	750	3,972	3,053	2,031	864	263	-	-	-	-	-	-
<b>Total other comprehensive revenue and expense</b>	<b>750</b>	<b>41,848</b>	<b>40,553</b>	<b>40,469</b>	<b>50,864</b>	<b>40,647</b>	<b>41,394</b>	<b>55,000</b>	<b>43,490</b>	<b>44,577</b>	<b>60,000</b>	<b>46,834</b>
Net surplus/(deficit) for the year	1,683	(4,525)	4,212	7,984	9,431	7,062	46	686	3,762	5,374	6,636	7,968
<b>Total comprehensive revenue and expense for the year</b>	<b>2,433</b>	<b>37,323</b>	<b>44,765</b>	<b>48,453</b>	<b>60,295</b>	<b>47,709</b>	<b>41,440</b>	<b>55,686</b>	<b>47,252</b>	<b>49,951</b>	<b>66,636</b>	<b>54,802</b>
<b>Attributable to:</b>												
Dunedin City Council and Group	2,433	37,323	44,765	48,453	60,295	47,709	41,440	55,686	47,252	49,951	66,636	54,802
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-

## Dunedin City Council statement of changes in equity for the years ending 30 June 2018 - 2028

	Annual Plan 2018 \$000	Forecast 2018 \$000	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000
<b>Movements in equity</b>												
Opening equity	2,868,703	2,933,438	2,970,761	3,015,526	3,063,979	3,124,274	3,171,983	3,213,423	3,269,109	3,316,361	3,366,312	3,432,948
Total comprehensive revenue and expense	2,433	37,323	44,765	48,453	60,295	47,709	41,440	55,686	47,252	49,951	66,636	54,802
<b>Closing equity</b>	<b>2,871,136</b>	<b>2,970,761</b>	<b>3,015,526</b>	<b>3,063,979</b>	<b>3,124,274</b>	<b>3,171,983</b>	<b>3,213,423</b>	<b>3,269,109</b>	<b>3,316,361</b>	<b>3,366,312</b>	<b>3,432,948</b>	<b>3,487,750</b>

## Dunedin City Council statement of financial position for the years ending 30 June 2019 - 2028

	Annual Plan 2018 \$000	Forecast 2018 \$000	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000
<b>Current assets</b>												
Cash and cash equivalents	1,374	1,008	1,220	1,220	1,220	920	962	1,149	1,199	1,249	1,149	949
Other current financial assets	5,829	5,118	5,226	5,326	5,427	5,530	5,635	5,741	5,848	5,957	6,068	6,180
Trade and other receivables	11,687	17,045	13,945	14,878	15,536	15,354	13,941	13,953	14,414	14,826	15,183	15,592
Taxation refund receivable	1,021	527	450	450	450	450	450	450	450	450	450	450
Inventories	302	260	260	260	260	260	260	260	260	260	260	260
Non-current assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Prepayments	667	511	511	511	511	511	511	511	511	511	511	511
<b>Total current assets</b>	<b>20,880</b>	<b>24,469</b>	<b>21,612</b>	<b>22,645</b>	<b>23,404</b>	<b>23,025</b>	<b>21,759</b>	<b>22,064</b>	<b>22,682</b>	<b>23,253</b>	<b>23,621</b>	<b>23,942</b>
<b>Non-current assets</b>												
Other non-current financial assets	193,942	191,792	193,384	195,008	196,657	198,329	200,026	201,746	203,492	205,264	207,061	208,883
Shares in subsidiary companies	115,939	121,039	123,589	126,139	128,689	131,239	133,789	136,339	138,889	141,439	143,989	146,539
Intangible assets	2,514	1,882	1,882	1,882	1,882	1,882	1,882	1,882	1,882	1,882	1,882	1,882
Investment property	90,315	91,448	91,448	91,448	91,448	91,448	91,448	91,448	91,448	91,448	91,448	91,448
Property, plant and equipment	2,709,551	2,790,235	2,835,133	2,900,488	2,989,619	3,047,187	3,094,564	3,155,742	3,216,314	3,278,148	3,349,416	3,409,464
<b>Total non-current assets</b>	<b>3,112,261</b>	<b>3,196,396</b>	<b>3,245,436</b>	<b>3,314,965</b>	<b>3,408,295</b>	<b>3,470,085</b>	<b>3,521,709</b>	<b>3,587,157</b>	<b>3,652,025</b>	<b>3,718,181</b>	<b>3,793,796</b>	<b>3,858,216</b>
<b>Total assets</b>	<b>3,133,141</b>	<b>3,220,865</b>	<b>3,267,048</b>	<b>3,337,610</b>	<b>3,431,699</b>	<b>3,493,110</b>	<b>3,543,468</b>	<b>3,609,221</b>	<b>3,674,707</b>	<b>3,741,434</b>	<b>3,817,417</b>	<b>3,882,158</b>
<b>Current liabilities</b>												
Trade and other payables	20,449	28,065	24,333	25,184	25,768	26,010	26,593	27,178	27,733	28,675	29,324	30,047
Revenue received in advance	3,651	3,256	3,256	3,299	3,340	3,384	3,432	3,479	3,528	3,580	3,624	3,669
Employee entitlements	5,733	5,222	5,282	5,441	5,578	5,715	5,834	5,949	6,071	6,199	6,324	6,455
Current portion of term loans	13,988	-	-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>43,821</b>	<b>36,543</b>	<b>32,871</b>	<b>33,924</b>	<b>34,686</b>	<b>35,109</b>	<b>35,859</b>	<b>36,606</b>	<b>37,332</b>	<b>38,454</b>	<b>39,272</b>	<b>40,171</b>
<b>Non-current liabilities</b>												
Term loans	197,414	198,789	206,955	230,047	263,950	277,499	285,675	295,002	312,517	328,176	336,710	345,754
Provisions	8,481	8,332	8,309	8,304	8,297	8,290	8,282	8,275	8,268	8,263	8,258	8,254
Derivative financial instruments	12,058	6,211	3,158	1,127	263	-	-	-	-	-	-	-
Other non-current liabilities	231	229	229	229	229	229	229	229	229	229	229	229
<b>Total non-current liabilities</b>	<b>218,184</b>	<b>213,561</b>	<b>218,651</b>	<b>239,707</b>	<b>272,739</b>	<b>286,018</b>	<b>294,186</b>	<b>303,506</b>	<b>321,014</b>	<b>336,668</b>	<b>345,197</b>	<b>354,237</b>
<b>Equity</b>												
Accumulated funds	1,809,030	1,673,170	1,677,424	1,685,247	1,694,523	1,701,427	1,701,313	1,701,836	1,705,433	1,710,639	1,717,105	1,724,899
Revaluation reserves	1,064,031	1,294,012	1,331,512	1,369,950	1,419,950	1,460,334	1,501,728	1,556,728	1,600,218	1,644,795	1,704,795	1,751,629
Restricted reserves	10,128	9,790	9,748	9,909	10,064	10,222	10,382	10,545	10,710	10,878	11,048	11,222
Cash flow hedge reserves	(12,053)	(6,211)	(3,158)	(1,127)	(263)	-	-	-	-	-	-	-
<b>Total equity</b>	<b>2,871,136</b>	<b>2,970,761</b>	<b>3,015,526</b>	<b>3,063,979</b>	<b>3,124,274</b>	<b>3,171,983</b>	<b>3,213,423</b>	<b>3,269,109</b>	<b>3,316,361</b>	<b>3,366,312</b>	<b>3,432,948</b>	<b>3,487,750</b>
<b>Total liabilities and equity</b>	<b>3,133,141</b>	<b>3,220,865</b>	<b>3,267,048</b>	<b>3,337,610</b>	<b>3,431,699</b>	<b>3,493,110</b>	<b>3,543,468</b>	<b>3,609,221</b>	<b>3,674,707</b>	<b>3,741,434</b>	<b>3,817,417</b>	<b>3,882,158</b>

## Dunedin City Council statement of cash flows for the years ending 30 June 2018 - 2028

	Annual Plan 2018 \$000	Forecast 2018 \$000	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000
<b>Cashflow from Operating Activities</b>												
<i>Cash was provided from operating activities:</i>												
Rates received	138,026	137,850	148,658	156,061	163,022	170,388	178,557	186,450	194,762	203,516	210,981	218,751
Other revenue	90,638	92,463	98,255	98,310	101,100	101,161	95,687	94,262	95,718	97,809	99,380	101,425
Interest received	8,500	8,500	8,192	8,220	8,250	8,280	8,310	8,340	8,372	8,403	8,435	8,468
Divided received	1,487	1,487	1,487	1,509	1,531	1,553	1,575	1,598	1,621	1,645	1,669	1,693
Taxation refund received	527	931	527	450	450	450	450	450	450	450	450	450
<i>Cash was applied to:</i>												
Supplies and employees	(163,436)	(171,393)	(181,579)	(182,818)	(187,839)	(192,512)	(197,371)	(202,080)	(207,069)	(213,709)	(219,103)	(224,882)
Interest paid	(14,120)	(12,587)	(12,937)	(13,174)	(13,703)	(14,645)	(15,264)	(15,436)	(16,000)	(16,813)	(17,424)	(17,699)
<b>Net cash inflow (outflow) from operations</b>	<b>61,622</b>	<b>57,251</b>	<b>62,603</b>	<b>68,558</b>	<b>72,811</b>	<b>74,675</b>	<b>71,944</b>	<b>73,584</b>	<b>77,854</b>	<b>81,301</b>	<b>84,388</b>	<b>88,206</b>
<b>Cashflow from Investing Activities</b>												
<i>Cash was provided from investing activities:</i>												
Sale of assets	60	60	60	60	60	60	60	60	60	60	60	60
Reduction in loans and advances	72	50	221	-	-	-	-	-	-	-	-	-
Reduction in investments	-	-	-	-	-	-	-	-	-	-	-	-
<i>Cash was applied to:</i>												
Increases in loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
Increase in investments	(2,551)	(5,202)	(2,550)	(2,550)	(2,550)	(2,550)	(2,550)	(2,550)	(2,550)	(2,550)	(2,550)	(2,550)
Capital expenditure	(65,681)	(51,981)	(68,286)	(89,160)	(104,224)	(86,034)	(77,588)	(80,234)	(92,829)	(94,420)	(90,532)	(94,960)
<b>Net cash inflow (outflow) from investing activity</b>	<b>(68,100)</b>	<b>(57,073)</b>	<b>(70,555)</b>	<b>(91,650)</b>	<b>(106,714)</b>	<b>(88,524)</b>	<b>(80,078)</b>	<b>(82,724)</b>	<b>(95,319)</b>	<b>(96,910)</b>	<b>(93,022)</b>	<b>(97,450)</b>
<b>Cashflow from Financing Activities</b>												
<i>Cash was provided from financing activities:</i>												
Loans raised	15,698	12,696	17,424	23,092	33,903	13,549	8,176	9,327	17,515	15,659	8,534	9,044
<i>Cash was applied to:</i>												
Loans repaid	(12,696)	(16,326)	(9,260)	-	-	-	-	-	-	-	-	-
<b>Net cash inflow (outflow) from financing activity</b>	<b>3,002</b>	<b>(3,630)</b>	<b>8,164</b>	<b>23,092</b>	<b>33,903</b>	<b>13,549</b>	<b>8,176</b>	<b>9,327</b>	<b>17,515</b>	<b>15,659</b>	<b>8,534</b>	<b>9,044</b>
<b>Net increase/(decrease) in cash held</b>	<b>(3,476)</b>	<b>(3,452)</b>	<b>212</b>	<b>-</b>	<b>-</b>	<b>(300)</b>	<b>42</b>	<b>187</b>	<b>50</b>	<b>50</b>	<b>(100)</b>	<b>(200)</b>
Opening cash balance	4,850	4,460	1,008	1,220	1,220	1,220	920	962	1,149	1,199	1,249	1,149
<b>Closing cash balance</b>	<b>1,374</b>	<b>1,008</b>	<b>1,220</b>	<b>1,220</b>	<b>1,220</b>	<b>920</b>	<b>962</b>	<b>1,149</b>	<b>1,199</b>	<b>1,249</b>	<b>1,149</b>	<b>949</b>

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



## Statement of accounting policies

### 1 Reporting entity

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

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

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

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

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

The Council has designated itself as a public benefit entity (PBE) for financial reporting purposes.

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

The forecast financial statements are for the years ended 30 June 2018 to 2028. They were approved by Council on 26 June 2018.

### 2 Significant accounting policies

#### Basis of accounting

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

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards. These financial statements comply with PBE Standards.

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

#### Prospective financial statements

The financial statements are forecast using the best information available at the time they were prepared.

#### Non-current assets held for sale

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

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

#### Revenue recognition

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

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

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

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

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

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

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

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

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

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

### **Construction contracts**

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

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

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

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

### **Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee whether or not title is eventually transferred. All other leases are classified as operating leases.

### **Borrowing costs**

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

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

### **Employee entitlements**

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

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

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

### **Goods and services tax (GST)**

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

### **Taxation**

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

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

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

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

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

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

### **The Council property, plant and equipment**

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

#### ***The Council assets***

**Operational assets** - These include land, buildings, improvements, library books, plant and equipment, and motor vehicles.

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

**Restricted assets** - Restricted assets are parks and reserves owned by the Council which cannot be disposed of because of legal or other restrictions, and provide a benefit or service to the community.

**Heritage assets** - These include, but are not limited to, assets held by the Council subject to deeds of agreement, terms and conditions of bequests, donations, trusts or other restrictive legal covenants. The Council's control of these assets is restricted to a management/custodial role.

## **Property, plant and equipment**

### ***Operational assets***

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

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

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

**Office equipment** - Office equipment and fittings are stated at cost less any subsequent accumulated depreciation and any accumulated impairment losses.

**Library collection** - Library collections are stated at cost less any subsequent accumulated depreciation and any impairment losses.

### ***Infrastructural assets***

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

Landfill assets being earthworks, plant and machinery and the estimate of site restoration, are stated at cost less any accumulated depreciation and any accumulated impairment losses. The useful life of the landfill is considered to be the period of time to the expiring of the resource consent in 2023.

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

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

Fixed plant has been stated at its revalued amounts being fair value based on depreciated replacement cost as at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Fixed plant is valued on a yearly cycle by an independent valuer. Additions are recorded at cost and depreciated.

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

### ***Vested assets***

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

### ***Restricted assets***

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

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

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

Playground and soft-fall areas are stated at revalued amounts being fair value at date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed by an independent valuer on a four yearly cycle.

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

Additions are recorded at cost and depreciated.

### **Heritage assets**

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

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

### **Revaluations**

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

Revaluation increases and decreases relating to individual assets within a class of assets are offset. Revaluation increases and decreases in respect of assets in different classes are not offset.

Where the carrying amount of a class of assets is increased as a result of a revaluation, the net revaluation increase is credited to the revaluation reserve. The net revaluation increase shall be recognised in the surplus or deficit to the extent that it reverses a net revaluation decrease of the same class of assets previously recognised in the surplus or deficit. A net revaluation decrease for a class of assets is recognised in the surplus or deficit, except to the extent it reverses a revaluation increase previously recognised in the revaluation reserve to the extent of any credit balance existing in the revaluation reserve in respect of the same class of asset.

### **Depreciation**

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

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

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

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

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

Depreciation rates and methods used are as follows:

	Rate	Method
<b>Council operational assets</b>		
Buildings	1% to 10%	SL
Fixed plant and equipment	10% to 15%	SL
Motor vehicles	20%	SL
Office equipment and fittings	7.5% to 20%	SL
Library collections	10% to 50%	SL
<b>Infrastructure assets</b>		
Roadways and bridges	0.5% to 10%	SL
Life cycle used: kerb and channel	80 years	
Life cycle used: shape corrections	80 years	
Life cycle used: reseals	11 years	
Footpaths	13.5 years	
Water treatment plants and facilities	1% to 15%	SL
Sewerage treatment plants and facilities	1% to 15%	SL
Stormwater treatment plants and facilities	1% to 15%	SL
Water reticulation	0.5% to 3%	SL
Sewerage reticulation	0.5% to 3%	SL
Stormwater reticulation	0.5% to 3%	SL
Landfill	15 years	
Heritage assets	0.2%	
<b>Restricted assets</b>		
Buildings	1% to 4%	SL
Fixed plant and equipment	10% to 15%	SL
Hard surfaces	0.5% to 10%	SL
Playground and soft-fall areas	2% to 10%	SL

### Derecognition

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

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

### Investment property

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

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

### Intangible assets

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

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

Carbon credits purchased are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

### Research and development expenditure

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

**Patents and trademarks**

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

**Impairment of assets excluding goodwill**

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

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

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

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

**Value in use for non-cash-generating assets**

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

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

**Value in use for cash-generating assets**

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

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

**Inventories**

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

**Cash and cash equivalents**

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

**Financial instruments**

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

**Trade and other receivables**

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

**Loans and other receivables**

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



## Investments

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

### Investments in debt and equity securities

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

### Trade and other payables

Trade and other payables are stated at cost.

## Borrowings

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

## Financial liabilities and equity

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

### Derivative financial instruments and hedge accounting

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

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

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

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

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

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

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

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

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

### **Provisions**

A provision is recognised in the balance sheet when the Council has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for restructuring costs are recognised when the Council has a detailed formal plan for the restructuring that has been communicated to affected parties.

### **Carbon credits**

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

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

### **Standards issued but not yet effective**

Standards issued but not yet effective have not been early adopted. They have no effect on the Financial Statements of the Council.

### **Changes in accounting policy**

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

## Notes to the financial statements for the years ended 30 June 2019-2028

### 1. Separately disclosed revenue

	Annual Plan Budget 2018 \$000	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000
<b>Rates revenue by type</b>											
General rates	70,418	78,157	81,973	85,561	89,417	93,850	97,939	102,344	106,948	110,852	114,956
Community services rate	11,189	11,367	11,924	12,460	13,021	13,620	14,238	14,879	15,549	16,124	16,720
Kerbside recycling rate	2,821	2,841	2,981	3,115	3,255	3,405	3,559	3,719	3,887	4,031	4,180
Citywide water rate	20,189	20,206	21,196	22,150	23,147	24,212	25,311	26,450	27,640	28,663	29,723
Citywide drainage rate	32,313	35,202	36,927	38,588	40,325	42,179	44,094	46,078	48,151	49,933	51,780
Allanton drainage rate	20	19	19	19	19	19	19	19	19	19	19
Blanket Bay drainage rate	4	1	1	1	1	1	1	1	1	1	1
Curles Point drainage rate	3	1	1	1	1	1	1	1	1	1	1
Private street lighting rate	29	30	31	32	34	35	37	39	40	42	44
Tourism/economic development rate	500	500	525	549	573	599	626	654	684	709	735
Warm Dunedin rate	542	524	585	643	698	750	735	694	718	710	700
	<b>138,028</b>	<b>148,848</b>	<b>156,163</b>	<b>163,119</b>	<b>170,491</b>	<b>178,671</b>	<b>186,560</b>	<b>194,878</b>	<b>203,638</b>	<b>211,085</b>	<b>218,859</b>
<b>Rates revenue activity</b>											
Roading and Footpaths	13,467	13,960	14,644	15,303	15,992	16,728	17,487	18,274	19,096	19,803	20,536
Sewerage and Sewage	26,666	29,550	31,026	32,421	33,879	35,436	37,044	38,710	40,450	42,067	43,749
Stormwater	5,673	5,673	5,957	6,225	6,505	6,804	7,113	7,433	7,768	8,079	8,402
Water Supply	20,189	20,206	21,161	22,113	23,109	24,172	25,269	26,406	27,594	28,471	29,374
Waste Management	3,516	3,417	3,585	3,746	3,915	4,095	4,281	4,473	4,675	4,847	5,027
Reserves and Recreational Facilities	25,211	30,792	32,301	33,755	35,274	36,896	38,571	40,307	42,121	43,679	45,296
Property	4,360	4,148	4,351	4,547	4,751	4,970	5,195	5,429	5,674	5,883	6,101
Libraries and Museums	23,965	24,734	25,945	27,113	28,333	29,636	30,982	32,376	33,833	35,085	36,383
Regulatory Services	-	-	-	-	-	-	-	-	-	-	-
Community and Planning	9,634	10,699	11,223	11,728	12,256	12,820	13,402	14,005	14,635	15,177	15,738
Economic Development	4,805	5,145	5,397	5,640	5,893	6,164	6,444	6,734	7,037	7,298	7,568
Governance and Support Services	542	524	573	528	584	950	772	731	755	696	685
	<b>138,028</b>	<b>148,848</b>	<b>156,163</b>	<b>163,119</b>	<b>170,491</b>	<b>178,671</b>	<b>186,560</b>	<b>194,878</b>	<b>203,638</b>	<b>211,085</b>	<b>218,859</b>
<b>Subsidies and grants</b>											
New Zealand Transport Agency roading subsidies	27,334	26,025	29,263	31,619	29,288	21,331	20,433	21,220	21,654	22,115	22,600
Government and government agency grants	2,060	1,883	1,917	1,953	1,990	2,029	2,073	2,124	2,178	2,236	2,297
Other grants	210	132	134	136	140	144	146	150	154	157	163
	<b>29,604</b>	<b>28,040</b>	<b>31,314</b>	<b>33,708</b>	<b>31,418</b>	<b>23,504</b>	<b>22,652</b>	<b>23,494</b>	<b>23,986</b>	<b>24,508</b>	<b>25,060</b>

	Annual Plan Budget 2018 \$000	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000
<b>Financial revenue</b>											
Dividend received - Dunedin City Holdings Limited	-	-	-	-	-	-	-	-	-	-	-
Other dividends received	1,487	1,487	1,509	1,531	1,553	1,575	1,598	1,621	1,645	1,669	1,693
Interest received - Dunedin City Holdings Limited	6,185	5,902	5,902	5,902	5,902	5,902	5,902	5,902	5,902	5,902	5,902
Other interest received	2,315	3,990	4,043	4,098	4,153	4,209	4,266	4,324	4,382	4,441	4,501
	<b>9,987</b>	<b>11,379</b>	<b>11,454</b>	<b>11,531</b>	<b>11,608</b>	<b>11,686</b>	<b>11,766</b>	<b>11,847</b>	<b>11,929</b>	<b>12,012</b>	<b>12,096</b>
<b>Other revenue</b>											
Profit on sale of property, plant and equipment	-	80	-	-	-	-	-	-	-	-	-
Rental from investment properties	8,546	8,232	8,405	8,590	8,779	8,981	9,187	9,408	9,634	9,874	10,131
Regulatory services rendered	3,095	3,506	3,580	3,655	3,732	3,814	3,902	3,991	4,087	4,185	4,290
Vested assets	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Other fees and charges	48,745	54,515	55,128	54,994	56,232	57,142	57,703	58,448	59,670	60,351	61,526
	<b>62,886</b>	<b>68,833</b>	<b>69,613</b>	<b>69,739</b>	<b>71,243</b>	<b>72,437</b>	<b>73,292</b>	<b>74,347</b>	<b>75,891</b>	<b>76,910</b>	<b>78,447</b>

## 2. Separately disclosed expenditure

	Annual Plan Budget 2018 \$000	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000
<b>Fees paid to Audit New Zealand for</b>											
Financial statements	173	177	180	184	188	193	197	202	207	212	217
Long Term Plan audit	136	-	-	159	-	-	169	-	-	182	-
	<b>309</b>	<b>177</b>	<b>180</b>	<b>343</b>	<b>188</b>	<b>193</b>	<b>366</b>	<b>202</b>	<b>207</b>	<b>394</b>	<b>217</b>
<b>Financial expenses</b>											
Overdraft interest	180	190	190	190	190	190	190	190	190	190	190
Interest paid to subsidiaries	13,940	12,747	12,984	13,513	14,455	15,074	15,246	15,810	16,623	17,234	17,509
	<b>14,120</b>	<b>12,937</b>	<b>13,174</b>	<b>13,703</b>	<b>14,645</b>	<b>15,264</b>	<b>15,436</b>	<b>16,000</b>	<b>16,813</b>	<b>17,424</b>	<b>17,699</b>

	Annual Plan Budget 2018 \$000	Budget 2019 \$000	Budget 2020 \$000	Budget 2021 \$000	Budget 2022 \$000	Budget 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000
<b>Depreciation/amortisation</b>											
Roading and Footpaths	19,336	20,320	21,332	22,601	24,347	25,958	26,792	27,576	28,438	29,314	30,205
Sewerage and Sewage	10,139	10,126	10,035	10,074	10,079	10,157	10,483	10,883	11,183	11,380	11,458
Stormwater	3,644	3,639	3,606	3,672	3,742	3,845	3,987	4,133	4,212	4,269	4,311
Water Supply	11,665	11,650	11,545	11,856	12,695	12,727	12,977	13,714	13,720	13,969	14,706
Waste Management	593	516	511	553	583	627	707	731	743	750	753
Reserves and Recreational Facilities	3,676	4,240	4,146	4,313	4,424	4,855	4,860	4,866	4,871	4,876	4,881
Property	8,735	9,253	9,228	9,713	10,086	10,321	10,556	10,790	11,024	11,260	11,494
Libraries and Museums	2,227	1,764	1,896	1,862	2,018	1,854	2,130	1,424	1,434	1,362	1,481
Regulatory Services	296	466	472	497	520	547	510	313	322	517	565
Community and Planning	-	1	366	488	550	630	650	558	103	100	100
Economic Development	21	21	44	44	28	-	-	-	-	-	-
Governance and Support Services	1,711	1,392	1,502	1,860	2,218	2,524	2,844	3,199	3,553	3,907	4,232
	<b>62,043</b>	<b>63,388</b>	<b>64,683</b>	<b>67,533</b>	<b>71,290</b>	<b>74,045</b>	<b>76,496</b>	<b>78,187</b>	<b>79,603</b>	<b>81,704</b>	<b>84,186</b>
<b>Total group expenditure</b>											
Roading and Footpaths	40,599	42,521	44,283	46,502	49,377	52,049	53,896	55,739	57,639	59,564	61,462
Sewerage and Sewage	28,621	29,933	30,423	30,686	31,110	31,806	32,359	33,282	34,326	34,740	35,395
Stormwater	6,997	7,422	7,498	7,667	7,847	8,064	8,325	8,596	8,805	8,994	9,173
Water Supply	26,604	27,717	28,014	28,714	29,966	30,432	31,131	32,339	32,839	33,563	34,790
Waste Management	12,916	14,058	14,892	15,246	15,084	15,468	15,910	16,317	16,737	17,175	17,624
Reserves and Recreational Facilities	34,658	36,763	37,130	38,560	39,341	40,535	41,160	41,990	42,862	43,747	44,707
Property	28,350	32,868	33,303	34,272	35,140	35,902	36,676	37,479	38,799	39,740	40,763
Libraries and Museums	26,487	26,951	27,635	28,100	29,082	29,460	30,293	30,166	30,778	31,329	32,106
Regulatory Services	14,354	15,734	16,186	16,501	16,903	17,239	17,611	17,747	18,191	18,742	19,261
Community and Planning	11,027	12,356	12,966	13,160	13,239	13,474	13,845	13,922	13,842	14,022	14,422
Economic Development	5,988	6,367	6,418	6,554	6,676	6,792	6,940	7,094	7,254	7,419	7,593
Governance and Support Services	37,054	35,764	38,101	39,767	41,786	43,729	45,000	46,618	49,428	51,281	52,710
Total expenditure per activity	273,653	288,454	296,849	305,729	315,551	324,950	333,146	341,289	351,500	360,316	370,006
Less: Internal expenditure	(33,656)	(34,444)	(35,167)	(35,941)	(36,731)	(37,576)	(38,440)	(39,363)	(40,308)	(41,315)	(42,390)
<b>Total expenditure per financial statements</b>	<b>239,997</b>	<b>254,010</b>	<b>261,682</b>	<b>269,788</b>	<b>278,820</b>	<b>287,374</b>	<b>294,706</b>	<b>301,926</b>	<b>311,192</b>	<b>319,001</b>	<b>327,616</b>

### 3. Movement in reserves

Activity and output group	Purpose	Opening balance 2018 \$000	Inward transfers 2018-28 \$000	Outward transfers 2018-28 \$000	Closing balance 2028 \$000
<b>Roading and footpaths group</b>					
Transport	Roading property reserve for property purchases	148	22	-	170
<b>Sewerage and sewage group</b>					
Wastewater	Water development and operational reserves	41	6	-	47
<b>Waste management group</b>					
Landfills	Waste minimisation projects	538	4,178	(3,966)	750
<b>Reserves and recreational facilities group</b>					
Cemeteries and crematorium	To maintain cemeteries and specific burial plots and mausoleums	2,220	344	-	2,564
Botanic Garden	Aviary Bird Fund operations reserve	25	4	-	29
	Clive R. B. Lister Capital to maintain the Clive Lister Garden	231	36	-	267
	Mediterranean Garden development reserve	15	2	-	17
Parks and reserves	Reserve of development contributions for playgrounds, specific Parks and Subdivision reserves	(203)	7	(39)	(235)
	To maintain specific reserve areas	1,257	170	(187)	1,240
<b>Property group</b>					
Community housing	Operational housing reserve	1,989	308	-	2,297
Commercial property	Endowment property investment reserve	1,037	160	-	1,197
	Air Development to develop the Taieri aerodrome	358	55	-	413
<b>Libraries and museums group</b>					
Dunedin Public Art Gallery	Art Gallery funded operations reserves	1,093	170	-	1,263
Dunedin Public Libraries	To extend the Reed and other library collections	700	109	-	809
<b>Regulatory services group</b>					
Animal services	Dog control operations reserve	12	2	-	14
<b>Governance and support services group</b>					
Finance	Insurance reserve	298	46	-	344
Other	Hillary Commission General Subsidies Reserve	31	5	-	36
		<b>9,790</b>	<b>5,624</b>	<b>(4,192)</b>	<b>11,222</b>

## Prospective information

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

The main purpose of prospective financial statements in the 10 year plan 2018-28 is to provide users with information about the core services that the Council intends to provide ratepayers, the expected cost of those services and, as a consequence, how much the Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements of the Council.

The forecast financial statements have been prepared in accordance with the Local Government Act 2002. The Local Government Act 2002 requires a council to, at all times, have a 10 year plan (also known as a long term plan or LTP) under section 93, which covers a period of not less than ten consecutive financial years; and includes the information required by Part 1 of Schedule 10.

Under Section 93 of the Local Government Act 2002, the purpose of a 10 year plan is to:

- a) describe the activities of the local authority; and
- b) describe the community outcomes of the local authority's district or region; and
- c) provide integrated decision-making and co-ordination of the resources of the local authority; and
- d) provide a long-term focus for the decisions and activities of the local authority; and
- e) provide a basis for accountability of the local authority to the community.

The Council adopted the 10 year plan 2018-28 on 26 June 2018.

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

## Nature of prospective information

The forecast financial statements are prepared in accordance with Tier 1 Public Benefit Entity Financial Reporting Standard 42. They are prepared on the basis of best-estimate assumptions as to future events, which the Council expects to take place in June 2018.

## Cautionary note

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

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

- o Natural disasters or catastrophic events – natural disasters may affect levels of service or require uninsured or unbudgeted capital and/ or operating expenditure. This could lead to additional rates revenue and/or debt to the extent that budgets cannot be reprioritised.

## Extent to which prospective information incorporates actual results

The period covered by the 10 year plan 2018-28 contains no actual operating results, but the forecast balance sheet is extrapolated from the audited Statement of Financial Position included in the Dunedin City Council Annual Report as at 30 June 2017.

## Basis of underlying assumptions

The 10 year plan 2018-28 brings together summary information from several vastly detailed and comprehensive strategic planning processes. There are a number of Council strategies, plans and policies that guide the Council's decision-making and influence the content of this plan.

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



## 10 year plan disclosure statement for the period commencing 1 July 2018

### What is the purpose of this Statement?

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

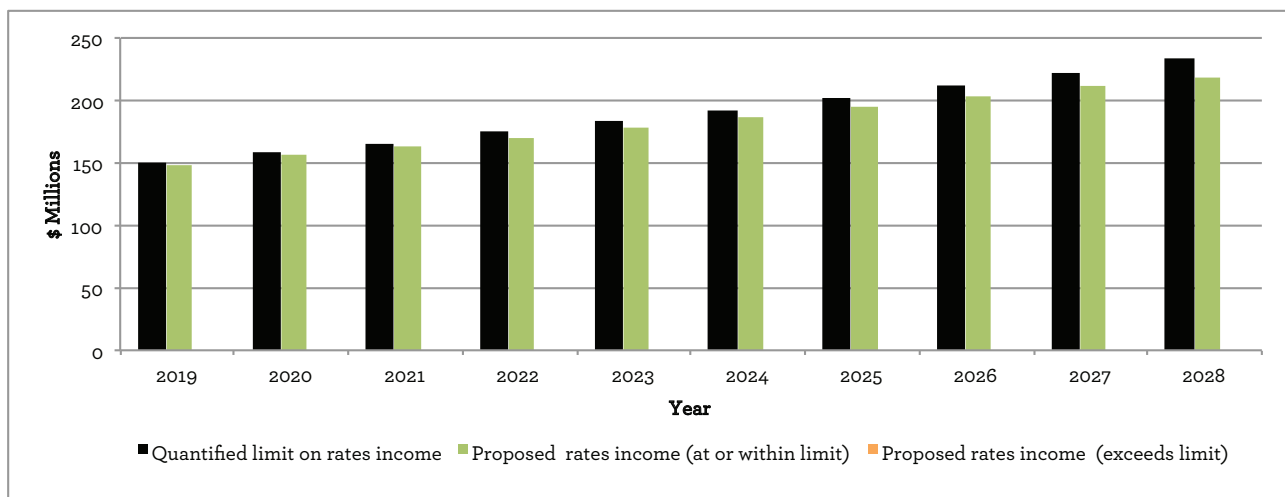
### Rates Affordability Benchmark

The Council meets the rates affordability benchmark if –

- Its planned rates income equals or is less than each quantified limit on rates; and
- Its actual rates increases equal or are less than each quantified limit on rates increases.

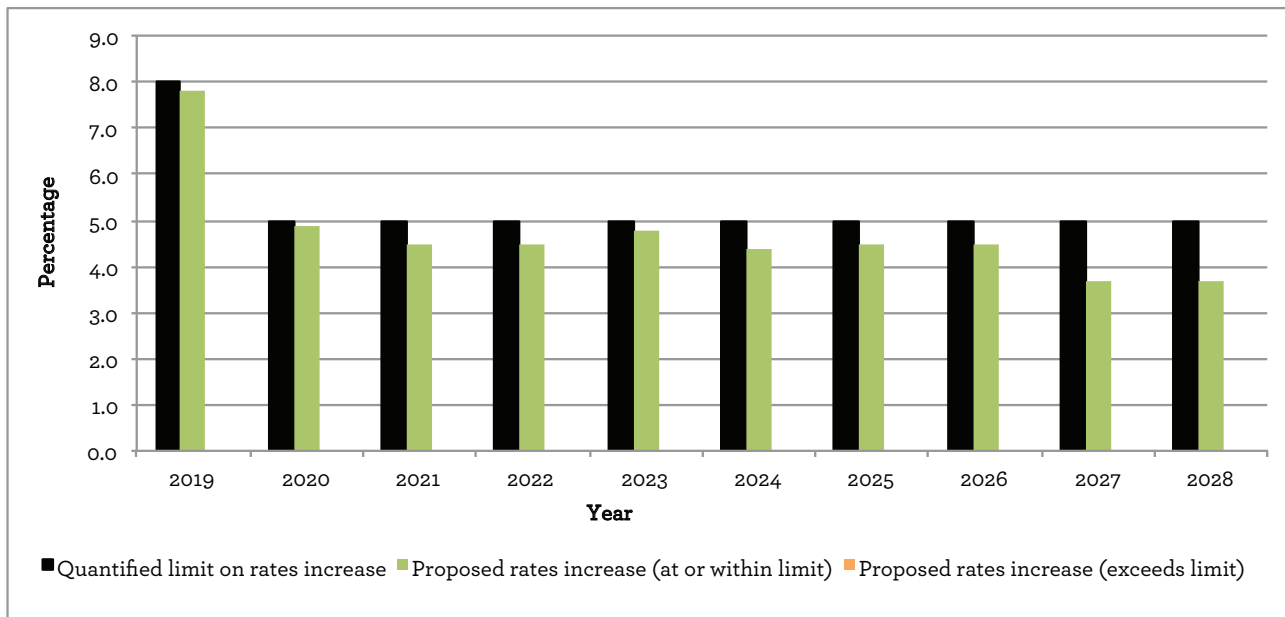
### Rates (Income) Affordability

The following graph compares the Council's planned rates with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. The quantified limit is \$149 million for the 2018/19 year. Please refer to the financial strategy for the quantified limits for the remaining nine years.



### ***Rates (Increases) Affordability***

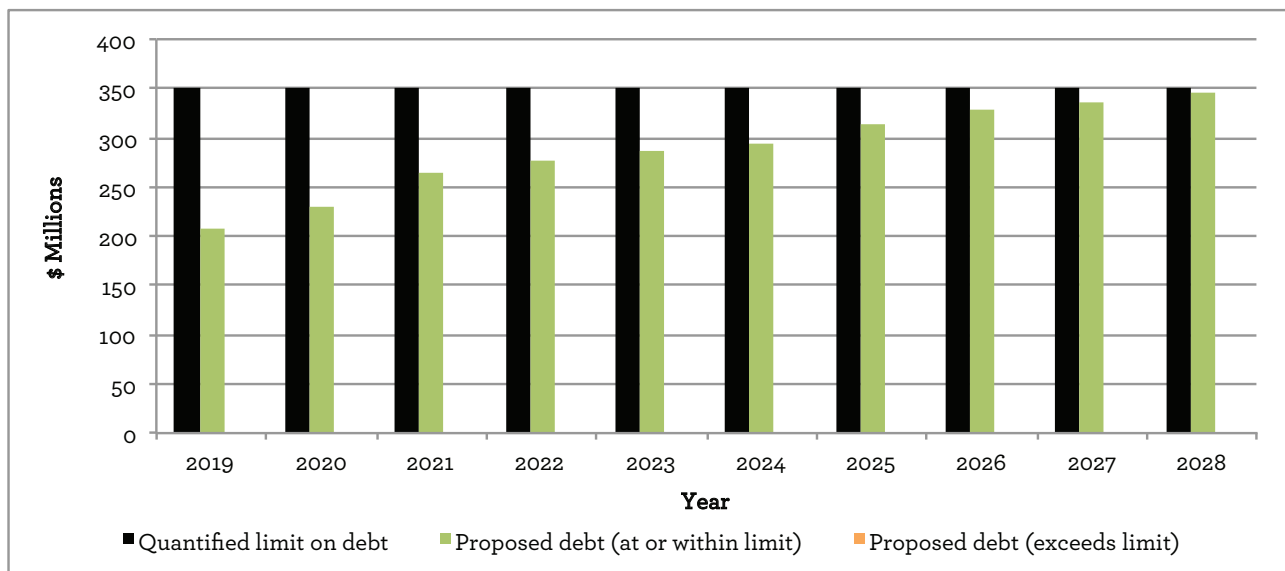
The following graph compares the Council's planned rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long term plan. The quantified limit is 8.0% for the 2018/19 year. Please refer to the financial strategy for the quantified limits for the remaining nine years.



### ***Debt Affordability Benchmark***

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

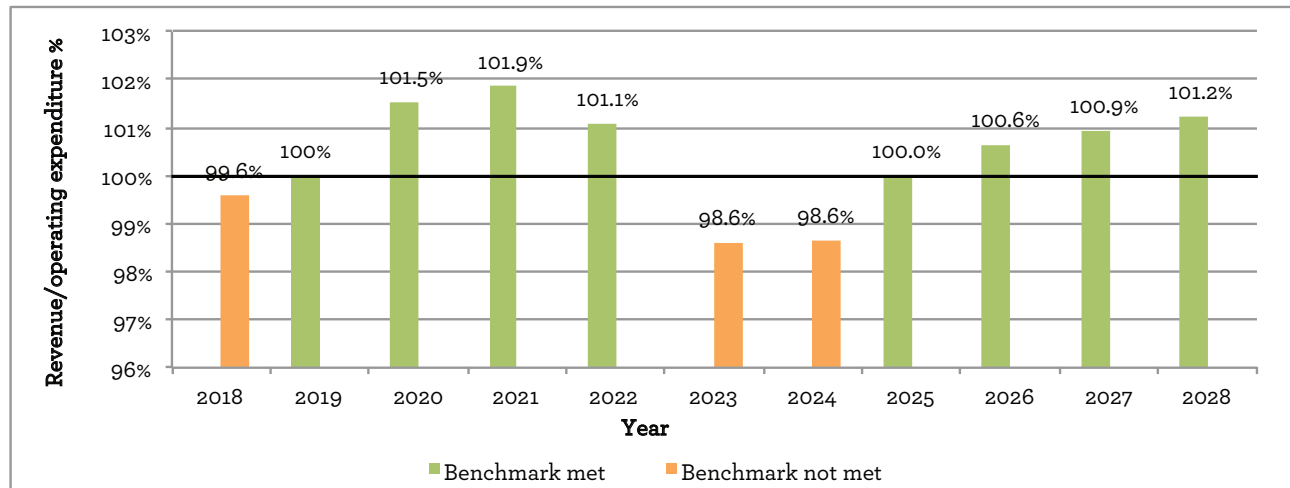
The following graph compares the Council's planned debt with a quantified limit on borrowing statement in the financial strategy contained in the Council's long term plan. The quantified limit is \$350 million.



### Balanced Budget Benchmark

The following graph displays the Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

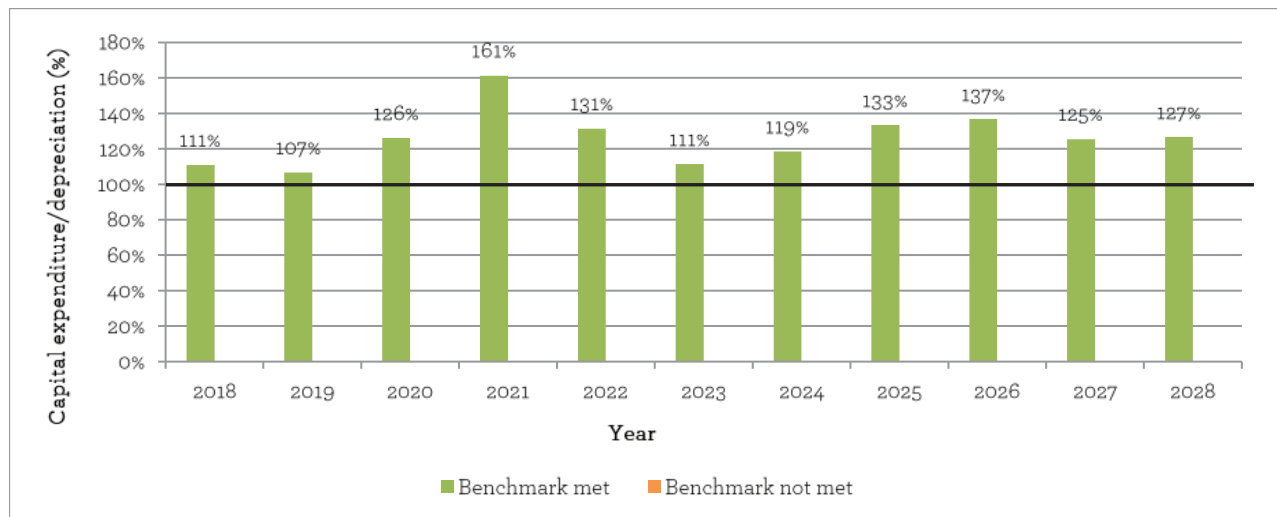
The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



### Essential Services Benchmark

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

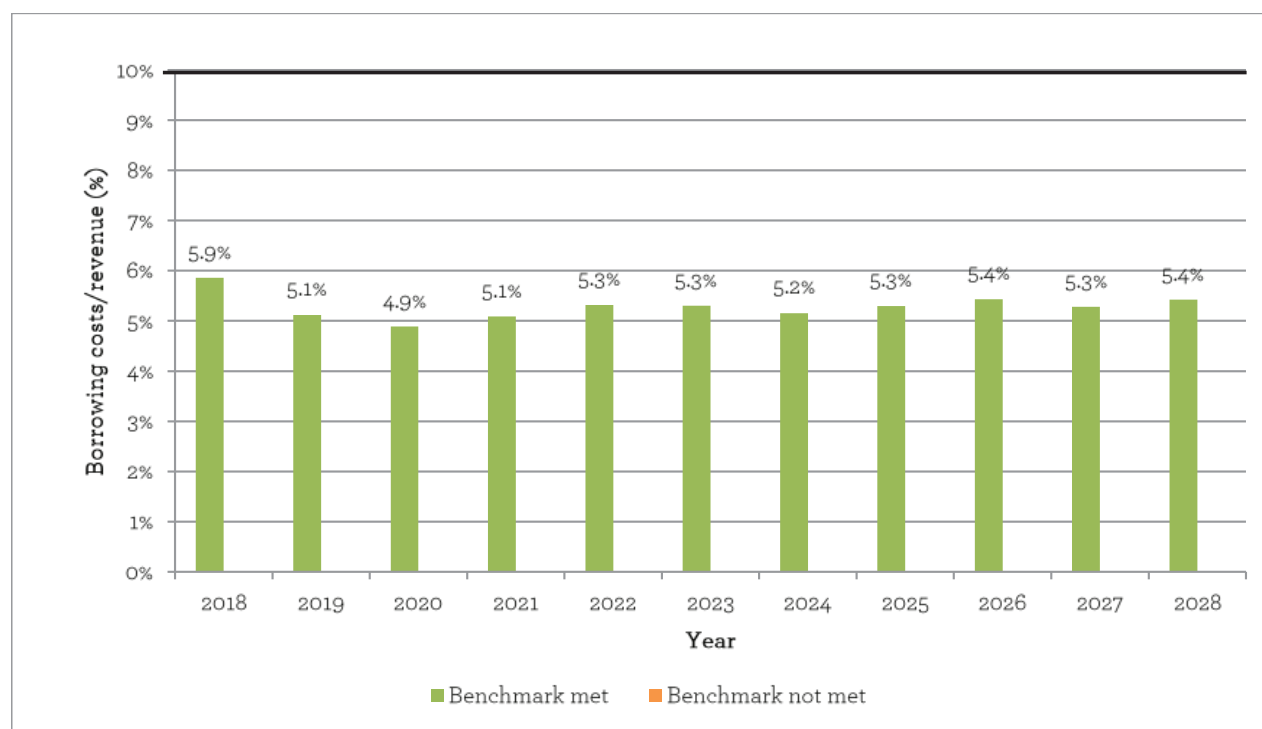
The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



### Debt Servicing Benchmark

The following graph displays the Council's planned borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

Because Statistics New Zealand projects the Council's population will grow more slowly than the national population is expected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its revenue.



### Additional information or comment

The Balanced Budget Benchmark is met if planned revenue equals or is greater than planned operating expenses. This is not the case in two years of the 10 year plan, 2022/23 and 2023/24. As discussed in the Financial Strategy, the Council will budget to meet this measure over the 10 year period, recognising that, due to the impact of external funding for major capital expenditure projects, this measure can vary in particular years hence a longer term view is considered to be more appropriate.

## 4.2 10 year capital expenditure programme | Hōtaka haupū rawa 10 tau

Dunedin City Council capital expenditure budget for the years ending 30 June 2019 - 2028

Group of activity	2019 \$000	2020 \$000	2021 \$000	2022 \$000	2023 \$000	2024 \$000	2025 \$000	2026 \$000	2027 \$000	2028 \$000	Total \$000
Community and planning	1,650	500	270	500	100	100	100	100	100	100	3,520
Governance and support services	3,900	3,352	3,378	3,380	3,408	3,435	3,410	3,438	3,465	3,494	34,660
Libraries and Museums	1,610	2,093	2,629	1,591	2,141	1,362	1,491	1,381	1,481	1,801	17,580
Property	5,000	10,700	8,750	5,555	5,611	5,667	5,733	5,791	5,848	5,897	64,552
Regulatory services	260	385	225	310	395	325	335	500	585	330	3,650
Reserves and recreational facilities	6,790	12,341	9,638	7,219	4,544	4,589	5,112	5,108	5,267	6,849	67,457
Roading and footpaths	34,735	46,487	56,690	51,653	31,800	28,189	30,094	30,528	30,991	31,468	372,635
Three waters	12,759	11,970	21,732	15,066	26,691	35,745	46,178	47,314	42,715	44,971	305,141
Waste management	1,582	1,332	912	760	2,898	822	376	260	80	50	9,072
<b>Total</b>	<b>68,286</b>	<b>89,160</b>	<b>104,224</b>	<b>86,034</b>	<b>77,588</b>	<b>80,234</b>	<b>92,829</b>	<b>94,420</b>	<b>90,532</b>	<b>94,960</b>	<b>878,267</b>

## Community and planning group capital expenditure budget for the years ending 30 June 2019 - 2028

Activity	Project	2019 \$000	2020 \$000	2021 \$000	2022 \$000	2023 \$000	2024 \$000	2025 \$000	2026 \$000	2027 \$000	2028 \$000	Total \$000
<b>City development (urban design)</b>												
<b>New capital</b>	Caversham BBQ / picnic hub	50										50
	Minor amenity centres upgrades	100	400	100	400							1,000
	Street trees and furniture	100	100	100	100	100	100	100	100	100	100	1,000
	Warehouse precinct upgrades	1,400										1,400
<b>Total new capital</b>		<b>1,650</b>	<b>500</b>	<b>200</b>	<b>500</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>3,450</b>
<b>Total city development (urban design)</b>		<b>1,650</b>	<b>500</b>	<b>200</b>	<b>500</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>3,450</b>
<b>Community development and events</b>												
<b>New capital</b>	Christmas tree			70								70
<b>Total new capital</b>				<b>70</b>								<b>70</b>
<b>Total community development and events</b>				<b>70</b>								<b>70</b>
<b>Total community and planning group</b>		<b>1,650</b>	<b>500</b>	<b>270</b>	<b>500</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>3,520</b>

## Governance and support services group capital expenditure budget for the years ending 30 June 2019 - 2028

Activity	Project	2019 \$000	2020 \$000	2021 \$000	2022 \$000	2023 \$000	2024 \$000	2025 \$000	2026 \$000	2027 \$000	2028 \$000	Total \$000
<b>Business information services</b>												
New capital	ICT systems and services	650	650	650	650	650	650	650	650	650	650	6,500
<b>Total new capital</b>		<b>650</b>	<b>650</b>	<b>650</b>	<b>650</b>	<b>650</b>	<b>650</b>	<b>650</b>	<b>650</b>	<b>650</b>	<b>650</b>	<b>6,500</b>
Renewal	ICT renewals	2,300	2,323	2,346	2,370	2,394	2,417	2,442	2,466	2,490	2,516	24,063
<b>Total renewal</b>		<b>2,300</b>	<b>2,323</b>	<b>2,346</b>	<b>2,370</b>	<b>2,394</b>	<b>2,417</b>	<b>2,442</b>	<b>2,466</b>	<b>2,490</b>	<b>2,516</b>	<b>24,063</b>
<b>Total business information services</b>		<b>2,950</b>	<b>2,973</b>	<b>2,996</b>	<b>3,020</b>	<b>3,044</b>	<b>3,067</b>	<b>3,092</b>	<b>3,116</b>	<b>3,140</b>	<b>3,166</b>	<b>30,563</b>
<b>Customer services agency</b>												
New capital	CSA self-service kiosk		25	25								50
<b>Total new capital</b>			<b>25</b>	<b>25</b>								<b>50</b>
<b>Total customer services agency</b>			<b>25</b>	<b>25</b>								<b>50</b>
<b>Fleet operations</b>												
New capital	Book bus replacement	600										600
<b>Total new capital</b>		<b>600</b>										<b>600</b>
Renewal	Fleet replacement	350	354	357	360	364	368	318	322	325	328	3,447
<b>Total renewal</b>		<b>350</b>	<b>354</b>	<b>357</b>	<b>360</b>	<b>364</b>	<b>368</b>	<b>318</b>	<b>322</b>	<b>325</b>	<b>328</b>	<b>3,447</b>
<b>Total fleet operations</b>		<b>950</b>	<b>354</b>	<b>357</b>	<b>360</b>	<b>364</b>	<b>368</b>	<b>318</b>	<b>322</b>	<b>325</b>	<b>328</b>	<b>4,047</b>
<b>Total governance and support services group</b>		<b>3,900</b>	<b>3,352</b>	<b>3,378</b>	<b>3,380</b>	<b>3,408</b>	<b>3,435</b>	<b>3,410</b>	<b>3,438</b>	<b>3,465</b>	<b>3,494</b>	<b>34,660</b>



## Libraries and museums group capital expenditure budget for the years ending 30 June 2019 - 2028

Activity	Project	2019 \$000	2020 \$000	2021 \$000	2022 \$000	2023 \$000	2024 \$000	2025 \$000	2026 \$000	2027 \$000	2028 \$000	Total \$000
<b>Dunedin Public Art Gallery</b>												
<b>New capital</b>	Acquisitions - donation funded	35	35	35	35	35	35	35	35	35	35	350
	Acquisitions - DPAG Society funded	30	30	30	30	30	30	30	30	30	30	300
	Acquisitions - rates funded	60	70	80	90	100	110	120	130	140	150	1,050
	Art in public places			100				100				200
	Basement store			204								204
	Collection store painting racks				50							50
	Minor capital works	20	20	20	20	20	20	20	20	20	20	200
<b>Total new capital</b>		<b>145</b>	<b>155</b>	<b>469</b>	<b>225</b>	<b>185</b>	<b>195</b>	<b>305</b>	<b>215</b>	<b>225</b>	<b>235</b>	<b>2,354</b>
<b>Renewal</b>	Chilled water pipe replacement		140									140
	Exhibition lighting		10	10	10	10	10	10	10	10	10	90
	Goods lift renewal		400									400
	Heating and ventilation system	17	177	313	30	30	30	30	30	30	30	717
	Security cameras	30	30									60
<b>Total renewal</b>		<b>47</b>	<b>756</b>	<b>323</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>1,407</b>
<b>Total Dunedin Public Art Gallery</b>		<b>192</b>	<b>911</b>	<b>792</b>	<b>265</b>	<b>225</b>	<b>235</b>	<b>345</b>	<b>255</b>	<b>265</b>	<b>275</b>	<b>3,761</b>
<b>Dunedin Public Libraries</b>												
<b>New capital</b>	Heritage collection purchases - rates funded	56	56	56	56	56	56	56	56	56	56	560
	Heritage collection purchases - trust funded	10	10	10	10	10	10	10	10	10	10	100
<b>Total new capital</b>		<b>66</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>660</b>
<b>Renewal</b>	Acquisitions - operational collection	898	898	915	915	915	915	915	915	915	915	9,116
	Minor capital equipment	55	55	55	55	55	55	55	55	55	55	550
<b>Total renewal</b>		<b>953</b>	<b>953</b>	<b>970</b>	<b>970</b>	<b>970</b>	<b>970</b>	<b>970</b>	<b>970</b>	<b>970</b>	<b>970</b>	<b>9,666</b>
<b>Total Dunedin Public Libraries</b>		<b>1,019</b>	<b>1,019</b>	<b>1,036</b>	<b>1,036</b>	<b>1,036</b>	<b>1,036</b>	<b>1,036</b>	<b>1,036</b>	<b>1,036</b>	<b>1,036</b>	<b>10,326</b>
<b>Oveston</b>												
<b>Renewal</b>	Minor capital works	49	43	51	70	20	20	40	20	20	20	353
<b>Total renewal</b>		<b>49</b>	<b>43</b>	<b>51</b>	<b>70</b>	<b>20</b>	<b>20</b>	<b>40</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>353</b>
<b>Total Oveston</b>		<b>49</b>	<b>43</b>	<b>51</b>	<b>70</b>	<b>20</b>	<b>20</b>	<b>40</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>353</b>
<b>Toitū Otago Settlers Museum</b>												
<b>New capital</b>	Acquisitions - rates funded	50	50	50	50	50	50	50	50	50	50	500
	Minor capital works	20	20	20	20	20	20	20	20	20	20	200
<b>Total new capital</b>		<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>700</b>

Activity	Project	2019 \$000	2020 \$000	2021 \$000	2022 \$000	2023 \$000	2024 \$000	2025 \$000	2026 \$000	2027 \$000	2028 \$000	Total \$000
Renewal	Gallery furniture and office					500						500
	HVAC and building management	50	50	80								180
	LED lighting replacement										300	300
	Minor equipment renewals	170				190				90		450
	Plant renewal	60		100	150	100					100	510
Total renewal		280	50	180	150	790				90	400	1,940
Total Toitū Otago Settlers Museum		350	120	250	220	860	70	70	70	160	470	2,640
Dunedin Chinese Garden												
Renewal	Plant and furniture renewals			500								500
Total renewal				500								500
Total Dunedin Chinese Garden				500								500
Total libraries and museums group		1,610	2,093	2,629	1,591	2,141	1,361	1,491	1,381	1,481	1,801	17,580

# Property group capital expenditure budget for the years ending 30 June 2019 - 2028

Activity	Project	2019 \$000	2020 \$000	2021 \$000	2022 \$000	2023 \$000	2024 \$000	2025 \$000	2026 \$000	2027 \$000	2028 \$000	Total \$000
<b>Property</b>												
<b>New capital</b>	Sammy's Building	1,000	4,000									5,000
	South Dunedin Community Hub		2,000	3,250								5,250
	Other property upgrades	200						10	10	10		230
	Central Library refurbishment	650	1,275	1,925								3,850
<b>Total new capital</b>		<b>1,850</b>	<b>7,275</b>	<b>5,175</b>				<b>10</b>	<b>10</b>	<b>10</b>		<b>14,330</b>
<b>Renewal</b>	Commercial and operational renewals	2,650	1,425	3,075	5,050	5,101	5,152	5,203	5,255	5,307	5,361	43,579
	Housing renewals	500	2,000	500	505	510	515	520	526	531	536	6,643
<b>Total renewal</b>		<b>3,150</b>	<b>3,425</b>	<b>3,575</b>	<b>5,555</b>	<b>5,611</b>	<b>5,667</b>	<b>5,723</b>	<b>5,781</b>	<b>5,838</b>	<b>5,897</b>	<b>50,222</b>
<b>Total property</b>		<b>5,000</b>	<b>10,700</b>	<b>8,750</b>	<b>5,555</b>	<b>5,611</b>	<b>5,667</b>	<b>5,733</b>	<b>5,791</b>	<b>5,848</b>	<b>5,897</b>	<b>64,552</b>
<b>Total property group</b>		<b>5,000</b>	<b>10,700</b>	<b>8,750</b>	<b>5,555</b>	<b>5,611</b>	<b>5,667</b>	<b>5,733</b>	<b>5,791</b>	<b>5,848</b>	<b>5,897</b>	<b>64,552</b>

## Regulatory services group capital expenditure budget for the years ending 30 June 2019 - 2028

Activity	Project	2019 \$000	2020 \$000	2021 \$000	2022 \$000	2023 \$000	2024 \$000	2025 \$000	2026 \$000	2027 \$000	2028 \$000	Total \$000
<b>Compliance solutions</b>												
<b>New capital</b>	Animal services body worn cameras	10			10			10			10	40
	Radio telephone system		25					25				50
<b>Total new capital</b>		<b>10</b>	<b>25</b>		<b>10</b>			<b>35</b>			<b>10</b>	<b>90</b>
<b>Renewal</b>	Noise meter renewals					20					20	40
<b>Total renewal</b>						<b>20</b>					<b>20</b>	<b>40</b>
<b>Total compliance solutions</b>		<b>10</b>	<b>25</b>		<b>10</b>	<b>20</b>		<b>35</b>			<b>30</b>	<b>130</b>
<b>Parking operations</b>												
<b>Renewal</b>	Parking buildings parking meter renewals	200	260						200	260		920
	Parking meter renewals	50	100	200	300	300	300	300	300	300	300	2,450
<b>Total renewal</b>		<b>250</b>	<b>360</b>	<b>200</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>500</b>	<b>560</b>	<b>300</b>	<b>3,370</b>
<b>Total parking operations</b>		<b>250</b>	<b>360</b>	<b>200</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>500</b>	<b>560</b>	<b>300</b>	<b>3,370</b>
<b>Parking services</b>												
<b>Renewal</b>	Body worn camera renewals			25			25			25		75
	Electronic ticket writers renewals					75						75
<b>Total renewal</b>				<b>25</b>		<b>75</b>	<b>25</b>			<b>25</b>		<b>150</b>
<b>Total parking services</b>				<b>25</b>		<b>75</b>	<b>25</b>			<b>25</b>		<b>150</b>
<b>Total regulatory services group</b>		<b>260</b>	<b>385</b>	<b>225</b>	<b>310</b>	<b>395</b>	<b>325</b>	<b>335</b>	<b>500</b>	<b>585</b>	<b>330</b>	<b>3,650</b>

## Reserves and recreational facilities group capital expenditure budget for the years ending 30 June 2019 - 2028

Activity	Project	2019 \$000	2020 \$000	2021 \$000	2022 \$000	2023 \$000	2024 \$000	2025 \$000	2026 \$000	2027 \$000	2028 \$000	Total \$000
<b>Aquatic services</b>												
<b>New capital</b>	Moana Pool improvements	20	20	20	20	20	20	20	20	20	20	200
	Mosgiel Pool (DCC contribution only)	3,000	3,000	4,800								10,800
<b>Total new capital</b>		<b>3,020</b>	<b>3,020</b>	<b>4,820</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>11,000</b>
<b>Renewal</b>	Hydroslide renewal		4,040									4,040
	Moana Pool renewals	1,025	1,681	868	619	625	631	1,118	1,074	1,085	1,095	9,821
	Mosgiel Pool renewals		404	20	21	104	105	106	107	217	219	1,303
	Port Chalmers Pool renewals	25	66	224	52	52	53	53	54	54	55	688
	St Clair Pool renewals	50	51	87	52	52	53	53	54	54	55	561
<b>Total renewal</b>		<b>1,100</b>	<b>6,242</b>	<b>1,199</b>	<b>744</b>	<b>833</b>	<b>842</b>	<b>1,330</b>	<b>1,289</b>	<b>1,410</b>	<b>1,424</b>	<b>16,413</b>
<b>Total aquatic services</b>		<b>4,120</b>	<b>9,262</b>	<b>6,019</b>	<b>764</b>	<b>853</b>	<b>862</b>	<b>1,350</b>	<b>1,309</b>	<b>1,430</b>	<b>1,444</b>	<b>27,413</b>
<b>Cemeteries and crematorium</b>												
<b>New capital</b>	City wide beam expansion	40	40	40	40	40	40	40	40	40	40	400
	Mosgiel Cemetery expansion	20			2,800							2,820
<b>Total new capital</b>		<b>60</b>	<b>40</b>	<b>40</b>	<b>2,840</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>3,220</b>
<b>Renewal</b>	Structures renewals	20	20	20	21	21	21	21	21	22	22	209
<b>Total renewal</b>		<b>20</b>	<b>20</b>	<b>20</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>22</b>	<b>22</b>	<b>209</b>
<b>Total cemeteries and crematorium</b>		<b>80</b>	<b>60</b>	<b>60</b>	<b>2,861</b>	<b>61</b>	<b>61</b>	<b>61</b>	<b>61</b>	<b>62</b>	<b>62</b>	<b>3,429</b>
<b>Parks and reserves</b>												
<b>New capital</b>	Track network development	50	50	50	50	50	50	50	50	50	50	500
<b>Total new capital</b>		<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>500</b>
<b>Renewal</b>	Greenspace renewals	300	303	306	309	312	315	318	322	325	1,859	4,669
	Playground renewals	640	646	653	659	666	673	679	686	693	700	6,695
	Recreation facilities renewals	1,600	2,020	2,550	2,576	2,602	2,628	2,654	2,680	2,707	2,734	24,751
<b>Total renewal</b>		<b>2,540</b>	<b>2,969</b>	<b>3,509</b>	<b>3,544</b>	<b>3,580</b>	<b>3,616</b>	<b>3,651</b>	<b>3,688</b>	<b>3,725</b>	<b>5,293</b>	<b>36,115</b>
<b>Total parks and reserves</b>		<b>2,590</b>	<b>3,019</b>	<b>3,559</b>	<b>3,594</b>	<b>3,630</b>	<b>3,666</b>	<b>3,701</b>	<b>3,738</b>	<b>3,775</b>	<b>5,343</b>	<b>36,615</b>
<b>Total reserves and recreational facilities group</b>		<b>6,790</b>	<b>12,341</b>	<b>9,638</b>	<b>7,219</b>	<b>4,544</b>	<b>4,589</b>	<b>5,112</b>	<b>5,108</b>	<b>5,267</b>	<b>6,849</b>	<b>67,457</b>

### Roading and footpaths group capital expenditure budget for the years ending 30 June 2019 - 2028

Activity	Project	2019 \$000	2020 \$000	2021 \$000	2022 \$000	2023 \$000	2024 \$000	2025 \$000	2026 \$000	2027 \$000	2028 \$000	Total \$000
<b>Transport</b>												
<b>New capital</b>	Central city upgrade	1,000	3,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	60,000
	City to waterfront connection	1,000	5,000	7,000	7,000							20,000
	Dunedin urban cycleways	500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	23,000
	LED streetlights	4,000	4,000	4,000								12,000
	Major centres upgrade						500	2,000	2,000	2,000	2,000	8,500
	Minor improvements	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000
	Mosgiel East Plan change areas		110	490	608							1,208
	Mosgiel West Plan change areas		1,400	1,400								2,800
	Peninsula connection	11,000	11,000	11,000	11,000							44,000
	Tertiary precinct upgrade	1,000	2,500	6,000	6,000	4,500						20,000
<b>Total new capital</b>		<b>20,500</b>	<b>31,510</b>	<b>41,390</b>	<b>36,108</b>	<b>16,000</b>	<b>12,000</b>	<b>13,500</b>	<b>13,500</b>	<b>13,500</b>	<b>13,500</b>	<b>211,508</b>
<b>Renewal</b>	Footpath renewals	2,500	2,555	2,610	2,670	2,623	2,688	2,755	2,827	2,904	2,983	27,115
	Gravel road re-metaling	1,125	1,150	1,175	1,202	1,230	1,260	1,292	1,325	1,361	1,398	12,518
	Major drainage control	1,500	1,962	2,004	2,051	2,099	2,150	2,204	2,262	2,323	2,387	20,942
	Pavement rehabilitations	2,200	2,248	2,297	2,350	2,405	2,464	2,526	2,592	2,662	2,735	24,479
	Pavement renewals	4,800	4,906	5,011	5,126	5,246	5,376	5,510	5,654	5,808	5,966	53,403
	Structure component replacement	1,550	1,584	1,618	1,655	1,694	1,736	1,779	1,826	1,876	1,927	17,245
	Traffic services renewal	560	572	585	491	503	515	528	542	557	572	5,425
<b>Total renewal</b>		<b>14,235</b>	<b>14,977</b>	<b>15,300</b>	<b>15,545</b>	<b>15,800</b>	<b>16,189</b>	<b>16,594</b>	<b>17,028</b>	<b>17,491</b>	<b>17,968</b>	<b>161,127</b>
<b>Total transport</b>		<b>34,735</b>	<b>46,487</b>	<b>56,690</b>	<b>51,653</b>	<b>31,800</b>	<b>28,189</b>	<b>30,094</b>	<b>30,528</b>	<b>30,991</b>	<b>31,468</b>	<b>372,635</b>
<b>Total roading and footpaths group</b>		<b>34,735</b>	<b>46,487</b>	<b>56,690</b>	<b>51,653</b>	<b>31,800</b>	<b>28,189</b>	<b>30,094</b>	<b>30,528</b>	<b>30,991</b>	<b>31,468</b>	<b>372,635</b>

### Three waters group capital expenditure budget for the years ending 30 June 2019 - 2028

Activity	Project	2019 \$000	2020 \$000	2021 \$000	2022 \$000	2023 \$000	2024 \$000	2025 \$000	2026 \$000	2027 \$000	2028 \$000	Total \$000
<b>Water supply</b>												
<b>New capital</b>	Gladstone Road water main stage 2	733										733
	Port Chalmers water supply			1,290	1,290							2,580
	Ross Creek to Mount Grand transfer line			1,480	2,960							4,440
<b>Total new capital</b>		<b>733</b>		<b>2,770</b>	<b>4,250</b>							<b>7,753</b>
<b>Renewal</b>	Water Treatment Plant membrane replacement	1,200										1,200
	Karitane water main renewals	1,200										1,200
	Mount Grand mid-life upgrade							4,162	4,204			8,366
	Other water renewals	2,803	2,362	2,953	1,061	857	1,544	13,169	6,385	12,207	12,147	55,488
<b>Total renewal</b>		<b>5,203</b>	<b>2,362</b>	<b>2,953</b>	<b>1,061</b>	<b>857</b>	<b>1,544</b>	<b>17,331</b>	<b>10,589</b>	<b>12,207</b>	<b>12,147</b>	<b>66,254</b>
<b>Total water supply</b>		<b>5,936</b>	<b>2,362</b>	<b>5,723</b>	<b>5,311</b>	<b>857</b>	<b>1,544</b>	<b>17,331</b>	<b>10,589</b>	<b>12,207</b>	<b>12,147</b>	<b>74,007</b>
<b>Wastewater</b>												
<b>New capital</b>	Green Island pressure main					3,300	4,000					7,300
	Green Island Wastewater Treatment Plant		1,000	1,900		6,500	12,000	12,000	8,600			42,000
	Northern Wastewater Treatment Plants	350	250		200	1,200			400	2,500		4,900
	Burns Street Pumpstation		520									520
<b>Total new capital</b>		<b>350</b>	<b>1,770</b>	<b>1,900</b>	<b>200</b>	<b>11,000</b>	<b>16,000</b>	<b>12,000</b>	<b>9,000</b>	<b>2,500</b>		<b>54,720</b>
<b>Renewal</b>	Green Island Wastewater Treatment Plant				2,020							2,020
	Mosgiel Wastewater Treatment Plant	525		1,250	1,263							3,038
	Other wastewater renewals	3,422	1,297	6,293	1,414	6,178	9,644	8,484	16,632	16,188	18,762	88,314
	Musselburgh Pumpstation		1,500	1,500								3,000
	Wastewater Pumpstation renewals		725									725
<b>Total renewal</b>		<b>3,947</b>	<b>3,522</b>	<b>9,043</b>	<b>4,697</b>	<b>6,178</b>	<b>9,644</b>	<b>8,484</b>	<b>16,632</b>	<b>16,188</b>	<b>18,762</b>	<b>97,097</b>
<b>Total wastewater</b>		<b>4,297</b>	<b>5,292</b>	<b>10,943</b>	<b>4,897</b>	<b>17,178</b>	<b>25,644</b>	<b>20,484</b>	<b>25,632</b>	<b>18,688</b>	<b>18,762</b>	<b>151,817</b>
<b>Stormwater</b>												
<b>New capital</b>	South Dunedin flood alleviation		2,000	2,000	4,000	6,000	8,000	4,000	3,000	2,000	2,000	33,000
	Portobello Road stormwater improvements		1,000									1,000
<b>Total new capital</b>			<b>3,000</b>	<b>2,000</b>	<b>4,000</b>	<b>6,000</b>	<b>8,000</b>	<b>4,000</b>	<b>3,000</b>	<b>2,000</b>	<b>2,000</b>	<b>34,000</b>
<b>Renewal</b>	South Dunedin flood alleviation					2,040						2,040
	Mosgiel Stormwater Pumpstations and network	1,960	1,000									2,960
	Other stormwater renewals	566	316	3,066	858	616	557	4,363	8,093	9,820	12,062	40,317
<b>Total renewal</b>		<b>2,526</b>	<b>1,316</b>	<b>3,066</b>	<b>858</b>	<b>2,656</b>	<b>557</b>	<b>4,363</b>	<b>8,093</b>	<b>9,820</b>	<b>12,062</b>	<b>45,317</b>
<b>Total stormwater</b>		<b>2,526</b>	<b>4,316</b>	<b>5,066</b>	<b>4,858</b>	<b>8,656</b>	<b>8,557</b>	<b>8,363</b>	<b>11,093</b>	<b>11,820</b>	<b>14,062</b>	<b>79,317</b>
<b>Total three waters group</b>		<b>12,759</b>	<b>11,970</b>	<b>21,732</b>	<b>15,066</b>	<b>26,691</b>	<b>35,745</b>	<b>46,178</b>	<b>47,314</b>	<b>42,715</b>	<b>44,971</b>	<b>305,141</b>

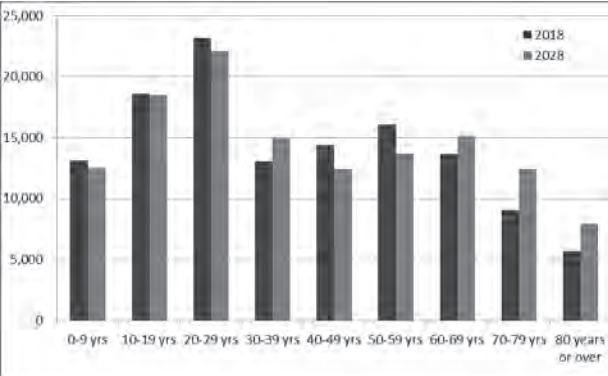
## Waste management group capital expenditure budget for the years ending 30 June 2019 - 2028

Activity	Project	2019 \$000	2020 \$000	2021 \$000	2022 \$000	2023 \$000	2024 \$000	2025 \$000	2026 \$000	2027 \$000	2028 \$000	Total \$000
<b>Waste and environmental solutions</b>												
<b>New capital</b>	City recycling facilities	180	180									360
	Forrester Park leachate system		90									90
	Green Island Landfill aftercare					2,088						2,088
	Green Island Landfill and Transfer Station	484	642	216	360	234	392		210			2,538
	Landfill gas collection system	380		230		150						760
	Middlemarch Landfill and Transfer Station		20	90								110
	Sawyers Bay cap						30			30		60
	Waikouaiti Transfer Station	150				50						200
<b>Total new capital</b>		<b>1,194</b>	<b>932</b>	<b>536</b>	<b>360</b>	<b>2,522</b>	<b>422</b>		<b>210</b>	<b>30</b>		<b>6,206</b>
<b>Renewal</b>	Bin replacements	50	75	50	75	50	75	50	50	50	50	575
	Green Island Landfill renewals	338	325	326	325	326	325	326				2,291
<b>Total renewal</b>		<b>388</b>	<b>400</b>	<b>376</b>	<b>400</b>	<b>376</b>	<b>400</b>	<b>376</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>2,866</b>
<b>Total waste and environmental solutions</b>		<b>1,582</b>	<b>1,332</b>	<b>912</b>	<b>760</b>	<b>2,898</b>	<b>822</b>	<b>376</b>	<b>260</b>	<b>80</b>	<b>50</b>	<b>9,072</b>
<b>Total waste management group</b>		<b>1,582</b>	<b>1,332</b>	<b>912</b>	<b>760</b>	<b>2,898</b>	<b>822</b>	<b>376</b>	<b>260</b>	<b>80</b>	<b>50</b>	<b>9,072</b>



## 4.3 Assumptions | Kā whakapae

Assumption	Level of uncertainty	Reason for uncertainty	Impact of uncertainty										
Projected usually resident population growth													
<div>Based on Statistics New Zealand medium (2015 February) projections</div> <table><tr><th>2013</th><th>2018</th><th>2028</th><th>2048</th><th>2068</th></tr><tr><td>123,510</td><td>126,820</td><td>129,740</td><td>130,725</td><td>130,945</td></tr></table> <div>This is an annual average growth rate of<ul style="list-style-type: none"><li>0.2%/year between 2018 and 2028</li><li>0.1%/year between 2018 and 2048</li><li>0.06%/year between 2018 and 2068</li></ul>Source: <i>DCC growth projections</i> (2017), Rationale Limited</div>	2013	2018	2028	2048	2068	123,510	126,820	129,740	130,725	130,945	Low/ Medium	Statistics New Zealand has consistently over-estimated Dunedin’s population in the last three inter-census periods. However recent indicators of growth such as statistics on house prices, resource consents and economic growth suggest more positive signs of growth.	The potential impacts of higher than anticipated population growth are: pressure on regulatory services to process resource and building consents; increased demand for services; more demand for new infrastructure; and a larger than anticipated rating base to fund the renewals programme.
2013	2018	2028	2048	2068									
123,510	126,820	129,740	130,725	130,945									
The rate of population growth varies by community													
It is expected that population growth will vary by community across the city. Statistics New Zealand projects future population growth by census area unit and the DCC growth projections include population, dwelling and rating units growth by communities and census area units.	Medium	Statistics New Zealand area unit based projections are based on historic area unit growth rates and any information provided by the DCC on new zoning decisions or large new businesses or industries that are under development in the city. Historic population growth by community may not be a good predictor of future growth; future population growth by area may depend on future zoning decisions in the 2GP, planned for release in 2018.	The potential impact of area unit projections not matching actual growth is that infrastructure and services are not provided where actual growth will occur.										

Assumption	Level of uncertainty	Reason for uncertainty	Impact of uncertainty										
Projected dwelling growth													
DCC growth projections, medium scenario	Low/ Medium	The projected dwelling counts are based on Statistics New Zealand household and projections and projections of household size. While Statistics New Zealand has over-estimated population growth in the last 3 inter-census periods there are some indications that Dunedin is experiencing a period of growth.	The potential impacts of higher than anticipated dwelling growth are: pressure on regulatory services to process resource and building consents; increased demand for services; more demand for new infrastructure; and a larger rating base to fund the renewals programme.										
<table><tr><th>2013</th><th>2018</th><th>2028</th><th>2048</th><th>2068</th></tr><tr><td>50,215</td><td>52,090</td><td>54,515</td><td>58,070</td><td>61,810</td></tr></table>				2013	2018	2028	2048	2068	50,215	52,090	54,515	58,070	61,810
2013				2018	2028	2048	2068						
50,215	52,090	54,515	58,070	61,810									
This is an annual average growth rate of <ul style="list-style-type: none"><li>0.5%/year between 2018 and 2028</li><li>0.4%/year between 2018 and 2048</li><li>0.4%/year between 2018 and 2068</li></ul> The number of dwellings is projected to grow at a faster rate than population growth because of the changing make up of families and households. The average household size is declining due to an increase in the number of one-person households and one-parent families.													
Source: DCC growth projections (2017) Rationale Limited													
Growth in rating units													
DCC growth projections, medium scenario	Low/ Medium	The projected rating counts are based on dwellings projections for residential properties and projected numbers of people working in industry sectors for commercial properties. While Statistics New Zealand has over-estimated population growth in the last 3 inter-census periods there are some indications that Dunedin is experiencing a period of growth.	The potential impact of higher than anticipated rating growth is a larger rating base to fund the renewals programme.										
<table><tr><th>2018</th><th>2028</th><th>2048</th><th>2068</th></tr><tr><td>56,680</td><td>59,320</td><td>63,295</td><td>67,460</td></tr></table>				2018	2028	2048	2068	56,680	59,320	63,295	67,460		
2018				2028	2048	2068							
56,680	59,320	63,295	67,460										
This is an annual average growth rate of <ul style="list-style-type: none"><li>0.5%/year between 2018 and 2028</li><li>0.4%/year between 2018 and 2048</li><li>0.4%/year between 2018 and 2068</li></ul> The number of rating units is projected to growth at a faster rate than population growth due to a decline in average household size resulting in a higher rate of dwelling growth.													
Source: DCC growth projections (2017) Rationale Limited													
Ageing population													
Dunedin's population is ageing, with 22% of the population projected to be 65 years or over by 2028 (compared to 17% in 2018).	Low	There is a low level of uncertainty over the projected ageing population; however a significant increase in migrants, particularly younger migrants, could change the projected age composition of the Dunedin population.	The potential impacts of the population ageing at a faster rate than anticipated are: increased demand for services for older people; higher demand for housing suitable for an older population; and a higher than anticipated proportion of ratepayers on a fixed income.										
Source: Population Projections by Age Group (Census 2013 base) Statistics New Zealand													
Dunedin population by 10 year age groups, 2018 and 2028:													
													
Source: DCC growth projections (2017) Rationale Limited													

Assumption	Level of uncertainty	Reason for uncertainty	Impact of uncertainty												
<b>Economic growth</b>															
Dunedin has aspirational economic goals of: <ul style="list-style-type: none"><li>GDP growth of 2% per year 2013-23</li><li>Employment growth 2.5% per year 2013-2023</li></ul> Historic economic growth has been as follows (growth/annum): <table><tr><td></td><td><b>2013 to 2014</b></td><td><b>2014 to 2015</b></td><td><b>2005 to 2015</b></td></tr><tr><td><b>GDP</b></td><td>2.1%</td><td>2.3%</td><td>0.6%</td></tr><tr><td><b>Employment</b></td><td>2.0%</td><td>1.5%</td><td>0.2%</td></tr></table> Source: <i>BERL, 2015 Economic Profile of the Dunedin City and Otago Region</i>		<b>2013 to 2014</b>	<b>2014 to 2015</b>	<b>2005 to 2015</b>	<b>GDP</b>	2.1%	2.3%	0.6%	<b>Employment</b>	2.0%	1.5%	0.2%	Low/ Medium	The goals in the Economic Development Strategy are aspirational goals. The extent of future economic growth will be dependent on a number of factors.	The potential impacts of higher than anticipated economic growth are: pressure on regulatory services to process resource and building consents; increased demand for services; more demand for new infrastructure; and a larger commercial rating base to fund the renewals programme.
	<b>2013 to 2014</b>	<b>2014 to 2015</b>	<b>2005 to 2015</b>												
<b>GDP</b>	2.1%	2.3%	0.6%												
<b>Employment</b>	2.0%	1.5%	0.2%												
<b>Growth in visitor numbers (on a peak day)</b>															
DCC growth projections, medium scenario <table><tr><td><b>2013</b></td><td><b>2018</b></td><td><b>2028</b></td><td><b>2048</b></td><td><b>2068</b></td></tr><tr><td>23,405</td><td>27,125</td><td>30,800</td><td>33,285</td><td>61,810</td></tr></table> This is an annual average growth rate of <ul style="list-style-type: none"><li>1.3%/year between 2018 and 2028</li><li>0.8%/year between 2018 and 2048</li><li>0.6%/year between 2018 and 2048</li></ul> Source: <i>DCC growth projections</i> (2017) Rationale Limited	<b>2013</b>	<b>2018</b>	<b>2028</b>	<b>2048</b>	<b>2068</b>	23,405	27,125	30,800	33,285	61,810	Medium	Dunedin’s peak day visitor numbers are based on national tourism forecasts and a range of assumptions about the number of visitors to the city.	The <u>potential</u> impact of lower or higher than anticipated visitor growth are impacts on the timing/demand for tourism infrastructure such as: public toilets; signage; roading; and hotels and other visitor accommodation.		
<b>2013</b>	<b>2018</b>	<b>2028</b>	<b>2048</b>	<b>2068</b>											
23,405	27,125	30,800	33,285	61,810											

Assumption	Level of uncertainty	Reason for uncertainty	Impact of uncertainty																																				
Climate change projections																																							
These climate change projections are based on the Ministry for the Environment (2016) Climate Change Projections for New Zealand report. The Ministry for the Environment are yet to release updated sea level rise projections and associated guidance for coastal hazards based on the 5 <sup>th</sup> IPCC assessment report. In the interim, until updated sea level rise projections are released, the sea level rise projections are from the current DCC Climate Change Predictions Policy. Projections for extreme wind and precipitation were provided by NIWA specifically for Dunedin.	Medium/ High	The climate change projections are based on the 2016 Ministry for the Environment (MfE) Climate Change Projections localised (where possible) for Dunedin and Otago. There is considerable uncertainty around the amount of change that will occur particularly over the longer term. The extent of climate change will depend in part on global efforts to reduce carbon emissions and on the accuracy of forecasting the impact of carbon emissions on future climate change. The projections for sea level rise remain based on the 2011 DCC Climate Change Projections Policy until updated projections are released by MfE.	The potential impact of higher than anticipated sea level rise or storm surge events could mean the city would need to accelerate plans and action to adapt to the impacts of climate change.																																				
<table><tr><th>Climate variable</th><th>2040</th><th>2090</th></tr><tr><td>Mean temperature change<sup>1</sup></td><td>+0.6 to +0.9°C</td><td>+0.6 to +2.8°C</td></tr><tr><td>Sea level rise<sup>2</sup></td><td>+0.3m</td><td>+0.8 to +1.6m</td></tr><tr><td>Annual rainfall change [min, max]<sup>1</sup></td><td>-3% to +7%</td><td>-1% to +14%</td></tr><tr><td>Average number of hot days per year [maximum temperature ≥25°C]<sup>1</sup></td><td>+21.9 to +23.9</td><td>+21.4 to +42.3</td></tr><tr><td>Average number of cold nights per year [minimum temperature ≤0°C]<sup>1</sup></td><td>+51.0 to +45.0</td><td>+51.3 to +20.1</td></tr><tr><td>Extreme rainfall (change in the 99<sup>th</sup> percentile)<sup>3</sup></td><td>+3.2% to +8.5%</td><td>+2.6% to +24.5%</td></tr><tr><td>Drought<sup>1</sup></td><td colspan="2">Expected to increase due to increase in potential evapotranspiration deficit (a measure for lack of soil moisture)</td></tr><tr><td>Waves and storm surge<sup>1</sup></td><td colspan="2">Maximum wind speed is projected to increase while mean sea level pressure (at least in winter and spring) is projected to decrease, both having the potential to lead to stronger storm surges</td></tr><tr><td>Average wind<sup>1</sup></td><td colspan="2">Summer and autumn months are projected to show more north-easterly flows. Winter and spring months are projected to show stronger mean westerly winds</td></tr><tr><td>Strong/extreme wind (change in the 99<sup>th</sup> percentile)<sup>4</sup></td><td colspan="2">No significant change is expected in level of extreme winds</td></tr><tr><td>Snow days<sup>1</sup></td><td colspan="2">Expect a reduction in number of snow days per year</td></tr></table>	Climate variable	2040	2090	Mean temperature change <sup>1</sup>	+0.6 to +0.9°C	+0.6 to +2.8°C	Sea level rise <sup>2</sup>	+0.3m	+0.8 to +1.6m	Annual rainfall change [min, max] <sup>1</sup>	-3% to +7%	-1% to +14%	Average number of hot days per year [maximum temperature ≥25°C] <sup>1</sup>	+21.9 to +23.9	+21.4 to +42.3	Average number of cold nights per year [minimum temperature ≤0°C] <sup>1</sup>	+51.0 to +45.0	+51.3 to +20.1	Extreme rainfall (change in the 99 <sup>th</sup> percentile) <sup>3</sup>	+3.2% to +8.5%	+2.6% to +24.5%	Drought <sup>1</sup>	Expected to increase due to increase in potential evapotranspiration deficit (a measure for lack of soil moisture)		Waves and storm surge <sup>1</sup>	Maximum wind speed is projected to increase while mean sea level pressure (at least in winter and spring) is projected to decrease, both having the potential to lead to stronger storm surges		Average wind <sup>1</sup>	Summer and autumn months are projected to show more north-easterly flows. Winter and spring months are projected to show stronger mean westerly winds		Strong/extreme wind (change in the 99 <sup>th</sup> percentile) <sup>4</sup>	No significant change is expected in level of extreme winds		Snow days <sup>1</sup>	Expect a reduction in number of snow days per year				
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<div><div>1. MfE 2016, Climate Change Projections for New Zealand</div><div>2. DCC Climate Change Predictions Policy 2011</div><div>3. NIWA: Dunedin specific data for precipitation: 99 percentile percentage change i.e. expected change on the wettest day, 2017 (unpublished)</div><div>4. NIWA Dunedin specific data for surface wind speed, 99 percentile percentage change i.e. expected change on the windiest days, 2017 (unpublished)</div></div>																																							

Assumption	Level of uncertainty	Reason for uncertainty	Impact of uncertainty
<b>Natural disasters or catastrophic events</b>			
No major natural disasters or catastrophic events will occur which cause widespread or significant damage to Dunedin's infrastructure.	High	Natural disasters are inherently unpredictable, and forecast to become more frequent where weather related as a result of climate change.	Natural disasters may affect levels of service or require uninsured or unbudgeted capital and/or operating expenditures.
<b>Legislative and regulatory change</b>			
There will be no significant changes to legislation or regulatory arrangements which affect the nature or extent of services provided.	Medium	Local government reforms have been on-going. Unexpected regulatory changes may arise from national or international events.	New or amended legislation may require changes to levels of service or unbudgeted capital and/or operating expenditures.
<b>Waste disposal facilities</b>			
<p>Green Island landfill's resource consent is scheduled to expire in 2023. Provision has been made for the operating costs of securing a possible extension to this resource consent if necessary and practicable.</p> <p>Capacity issues mean a new landfill or alternative waste disposal facility will be required to accommodate Dunedin's residual waste in future, whether by Council/s, the private sector or as a joint venture. No capital expenditure provision has been made for a new waste disposal facility.</p> <p>A formal joint review of waste management is being undertaken with other Otago councils under section 17A of the Local Government Act, and will assess regional options for the future management of waste, including possible joint venture or council controlled organisation structures.</p>	Medium	<p>The ability to secure a resource consent extension for the Green Island landfill is uncertain (see also the assumption regarding 'resource consents' above).</p> <p>The lead time for the development of a new landfill or alternative waste disposal facility is significant.</p>	Future unbudgeted capital expenditure may be required if no alternative is identified.
<b>Emissions Trading Scheme</b>			
Waste disposal facility compliance costs under the New Zealand Emissions Trading Scheme (ETS) will be recovered through waste disposal fees and charges.	Low/Medium	Generally, the Council can determine fees and charges, subject to market forces and any legislative and regulatory changes.	Operating costs may increase if not recoverable through fees and charges.
<b>Legislative and regulatory compliance</b>			
Legislation and regulatory requirements are not be seriously breached.	Low /Medium	Processing timeframes and assessment and monitoring expectations will not always be achievable. Regulatory changes may not be able to be implemented immediately.	Serious breaches of obligations may require changes to levels of service and/or unbudgeted capital and/or operating expenditures.
<b>Capital expenditure budget for renewals</b>			
The levels of renewals budgeted for in this 10 year plan and 50 year Infrastructure Strategy will ensure the long term integrity of infrastructure assets.	Low/Medium	Generally, the Council can determine budgets for renewals, subject to market forces, and legislative and regulatory changes.	Long term deferral of renewals poses a risk of asset deterioration and compromise of network integrity and requires unbudgeted capital and/or operating expenditures.

Assumption	Level of uncertainty	Reason for uncertainty	Impact of uncertainty
<b>Internal capacity and capability</b>			
Ongoing improvements to work and procurement practices will allow delivery of operational and capital expenditure programmes and projects.	Low/Medium	Generally, the Council can determine resourcing for programme and project delivery, subject to market forces.	Failure to adequately resource capital expenditure programmes and projects may impact on delivery, which may result in future unbudgeted capital and/or operating expenditures.
<b>External capacity and capability</b>			
Sufficient design, engineering and construction capacity, including availability of construction materials, exists to undertake contracted operational and capital expenditure programmes.	Low/Medium	That other large-scale national or local projects (e.g. Christchurch or Dunedin Hospital rebuilds) impact on local on industry capacity and capability.	Issues with the availability of contractors may cause delays or require unbudgeted capital and/or operating expenditures.
<b>Levels of service</b>			
Existing levels of service will be maintained unless otherwise stated for the duration of this 10 year plan.	Low	Generally, the Council can determine levels of service, subject to legislative and regulatory changes.	Unplanned improvements to service levels require unbudgeted capital and/or operating expenditures.
<b>Resource consents</b>			
Where resource consents are required for operating or capital expenditure programmes or projects, the conditions of those resource consents will not significantly alter the operating or capital expenditure required to undertake the programmes or projects.	Low	Advance advice of any resource consent conditions is likely to be provided.	Unexpected resource consent conditions may require unbudgeted capital and/or operating expenditures.
<b>Useful lives of significant assets</b>			
The useful lives of significant assets shown in accounting policies and asset management plans have been appropriately assessed.	Low	Appropriate practices are followed.	An unexpected failure of an asset due to an inadequate assessment of the remaining useful life may require unbudgeted capital and/or operating expenditures.
<b>Fixed asset valuations</b>			
Scheduled revaluations of assets and forecast carrying values shown in budget estimates are based on the Council's valuation policies which are consistent with accounting standards for Public Benefit Entities.	Low	Revaluations are scheduled regularly to ensure minimal variation of carrying values between valuations. The Council's Statement of Accounting policies describes how potential variances are managed within the financial statements.	Scheduled revaluations produce significant variances from forecasts.

Assumption	Level of uncertainty	Reason for uncertainty	Impact of uncertainty
<b>Inflation</b>			
Inflation adjusters are applied as per the price level adjusters schedule provided below.	Low	Inflation levels and prices may vary from those projected.	Unexpected inflation may require unbudgeted capital and/or operating expenditures.
<b>Borrowing Costs</b>			
Interest on existing and new debt is calculated at 5.1% per annum for floating debt and 7.62 – 7.77% for hedged debt.	Low	A proportion of existing and forecast debt is hedged. There is uncertainty on the floating rate debt but the expectation is that interest rates will stay relatively low for a considerable period.	Interest rates may vary from those projected and require unbudgeted financing expenditures.
<b>New Zealand Transport Agency subsidy rates</b>			
<p>Revenue from the New Zealand Transport Agency (NZTA) is calculated at the normal funding assistance rates. These are 56% for 2018/19, 55% for 2019/20, 54% for 2020/21, 53% for 2021/22, 52% for 2022/23 and 51% per annum from the 2023/24 year.</p> <p>The NZTA subsidy assumption has been reduced for some projects, particularly where there is a large amenity component. These include:</p> <ul style="list-style-type: none"> <li>• City to waterfront connection – maximum subsidy \$5.5m</li> <li>• Tertiary precinct – maximum subsidy \$5.0m</li> <li>• Central city plan and major centres upgrades – 50% of the cost at normal subsidy rates</li> </ul>	Low	Subsidy levels may vary from those projected.	Subsidy revenue may be less than expected and require changes to levels of service and/or unbudgeted capital and expenditures.
<b>Forecast return on investments</b>			
<p>Refer to the Financial Strategy for information on returns from Council-owned companies, the Waipori Fund and the Investment property portfolio.</p> <p>The annual target from Council-owned companies and the Waipori Fund is specified in the group statements of service provision.</p> <p>The target from the Waipori Fund is inflation adjusted using the price level adjuster provided below. The return from Council-owned companies is not inflation adjusted.</p>	Low	Income from investments may vary from those projected.	Investment income may be less than expected requiring changes to levels of service and/or an increase in revenue.
<b>Sources of funds for future replacement of significant assets</b>			
<p>The Revenue and Financing Policy outlines the funding sources for capital expenditure.</p> <p>The Financial Strategy outlines the use of debt and other sources to deliver the capital programme while limiting debt to \$350 million.</p>	Low	The timing and/or cost of the capital expenditure programme may vary.	Variation to the timing and/or cost of the capital expenditure programme may require changes to levels of service and/or an increase in revenue.

## Price level adjustors schedule

	2020	2021	2022	2023	2024	2025	2026	2027	2028	
<b>Operating revenue and expenditure</b>										
Planning and regulation	1.021	1.021	1.021	1.022	1.023	1.023	1.024	1.024	1.025	BERL
Roading	1.022	1.022	1.023	1.023	1.025	1.025	1.026	1.027	1.028	BERL
Community activities	1.020	1.021	1.021	1.022	1.022	1.023	1.024	1.024	1.026	BERL
Water and environmental/solid waste	1.025	1.022	1.024	1.024	1.025	1.026	1.027	1.028	1.028	BERL
Overall Local Government Cost Index	1.021	1.022	1.022	1.023	1.023	1.024	1.024	1.025	1.026	BERL
<b>Other Indices</b>										
Salary, superannuation and ACC	1.020	1.020	1.020	1.020	1.020	1.020	1.020	1.020	1.020	
CPI	1.016	1.016	1.017	1.017	1.018	1.018	1.019	1.019	1.020	BERL
<b>Revenue</b>										
Waipori Fund	1.015	1.015	1.015	1.015	1.015	1.015	1.015	1.015	1.015	DCTL
NZTA operating revenue	1.012	1.012	1.013	1.013	1.015	1.025	1.026	1.027	1.028	
Rates	1.050	1.045	1.045	1.046	1.045	1.045	1.045	1.040	1.040	
<b>Capital expenditure</b>										
Capital expenditure (1% pa)	1.010	1.010	1.010	1.010	1.010	1.010	1.010	1.010	1.010	
Roading	1.022	1.022	1.023	1.023	1.025	1.025	1.026	1.027	1.028	BERL
Capital expenditure (1% pa from 2022)	1.000	1.000	1.010	1.010	1.010	1.010	1.010	1.010	1.010	

### General inflator categories

Internal charges/revenue	LGCI
Development contributions	No inflation
External revenue	BERL Activities
Personnel costs	2% pa for salary, superannuation and ACC. All other staff costs CPI
Operations & maintenance	BERL Activities
Occupancy (excludes rates)	BERL Activities
Rates expense	Rates increase
Consumables and general	BERL Activities
Grants and subsidies	LGCI/CPI
Depreciation and amortisation	CAPEX LGCI
Interest	No inflation
Parking infringements and court fines	No inflation

### Activity breakdown

Roading and footpaths	Roading
Sewerage and sewage	Water and Environmental
Property	LGCI
Libraries and museums	Community Activities
Regulatory services	Planning and Regulation
Community and planning	Planning and Regulation
Economic development	LGCI
Governance and support services	LGCI

### Capital expenditure breakdown

Roading and footpaths	Roading
Three waters	Capital expenditure (1% pa from 2022)
Property	Capital expenditure (1% pa from 2022)
Governance and support services	Capital expenditure (1% pa)
Reserves and recreational facilities	Capital expenditure (1% pa)

The budgets allocated to all other renewals projects are not expected to be influenced by inflation rates in the 10 year plan.

### New capital

Large capital budgets in Roothing and Footpaths and Three waters incorporate an element of inflation, along with contingencies, therefore no additional inflator has been applied.

The budgets allocated to other projects are not expected to be influenced by inflation rates in the 10 year plan.

### Infrastructure strategy (from year 2029)

Depreciation	2.4% pa from year 2029
Operating expenditure	2.4% pa from year 2029
Capital expenditure	2.5% pa from year 2029



## Rating unit projections

The projections have been developed to comply with Schedule 10 15A of the LGA 2002 and to allow DCC to use these projections in their long term planning process.

Rating unit categories	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Residential and lifestyle	50,118	50,355	50,593	50,833	51,074	51,316	51,559	51,803	52,049	52,296	52,544
Non-residential	4,455	4,476	4,497	4,518	4,539	4,560	4,581	4,603	4,624	4,646	4,668
Other	2,106	2,106	2,106	2,106	2,106	2,106	2,106	2,106	2,106	2,106	2,106
<b>Total rating units</b>	<b>56,679</b>	<b>56,937</b>	<b>57,196</b>	<b>57,457</b>	<b>57,719</b>	<b>57,982</b>	<b>58,246</b>	<b>58,512</b>	<b>58,779</b>	<b>59,048</b>	<b>59,318</b>

The average annual increase in total rating units for the 10 year plan 2018-28 period is just under 265 rating units per year, approximately 0.5% per year. The approach differs for each type of rating unit, which is discussed below. The growth projection data used is from Rationale's 2017 growth study.

**Residential and Lifestyle** - the assumption is that each new dwelling creates a new rating unit. This means that in the long term, the current provision of vacant properties will be replenished as they are utilised. This is done at the census area unit level with the allocation of dwelling growth to the two residential rating unit categories based on the existing proportion.

**Commercial Rating Units** - The future demand for Commercial rating units is based on the projected number of people working within the applicable industry sectors. This is done at the city level based on the last 12 years of employment data across a range of industry sectors. The allocation of growth from city level to census area unit is based on a combination of historical local employment growth and the existing proportion of Commercial rating units in each census area unit.

The historical data shows that the number of people working in commercial jobs in the city has increased by over 2,100 jobs or 0.6% per year. The data represents the workplace address, and not the place of residence of the working population. The workplace address of the jobs makes it more relevant to the demand for Commercial rating units in the city.

The historical employment growth rate is greater than the resident population growth rate over this time. Therefore, it is not considered appropriate to simply align the growth in Commercial rating units to the resident population.

This is considered the simplest and most appropriate way to project future demand for business related land within the city. A 'sense check' is included to ensure that projected employment demand can be serviced by the labour force in the city. This includes consideration of factors such as the working age population and people commuting into the city for work from elsewhere.

**Other rating units** - The remaining rating unit categories (Farmland, Churches, Residential Institutions, Schools, Residential Heritage Bed and Breakfasts and Forsyth Barr Stadium) make up less than 4% of the total rating units. For simplicity, these rating units are assumed to remain the same.

## 4.4 Rating information | Pūroko rēti

### Rating Method

The rating method refers to the ways that the Council uses the rating system to allocate rates among groups of ratepayers, and how the liability for rates will be distributed within each group.

When considering the rating method, the Council takes into consideration the funding principles provided at the end of this section.

The rating method for 2018/19 incorporates the following changes:

- An increase in the community services targeted rate (increase 1.5%).
- An increase in the Forsyth Barr Stadium differential rates (increase 1.5%).

### Changes

#### *Community Services Targeted Rate*

In the 2015/16 year, the Council agreed that the community services targeted rate should be increased annually by the Local Government Cost Index (LGCI). An allowance for the June 2017 LGCI of 1.5% increases this from \$230.00 to \$233.50 for the 2018/19 year.

#### *Forsyth Barr Stadium Differentiated Rates*

In the 2013/14 year, the differentiated Forsyth Barr Stadium rates have been inflation adjusted annually. For the 2018/19 year, these rates are increased by the June 2017 LGCI of 1.5%.

### Rating Review

The Council established the Rates and Funding Advisory Panel (the Panel) to review and provide advice on matters relating to the rating method. The initial work of the panel during the 2017 year was focused on issues identified during the last two Annual Plan processes.

The Panel considered the following matters:

- Rating method for residential properties with multiple studio rooms; no changes were recommended because the status quo was considered to be appropriate.
- General rate differentials; no changes were recommended because the status quo was considered to be appropriate.
- Rates Rebate (Retirement Village Residents) Amendment Bill
- A draft Rate Remission Policy regarding Maori freehold land
- North Dunedin targeted rate scheme; the Council has agreed to continue with additional street cleaning in the North Dunedin area but not to progress a targeted rate. The Panel will consider at a later date targeted rate options for recycling and refuse collections in the North Dunedin campus area.
- It was agreed to continue the Warm Dunedin targeted rate scheme.
- Rating differential for rental properties; no changes were recommended.
- Tourism targeted rates: further work is being undertaken on tourism targeted rates as well as the rating of residential properties being used for short-term commercial accommodation.

# Dunedin City Council - Funding income statement for the years ending 30 June 2018 – 2028 (whole of Council)

	Annual Plan										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	71,047	78,877	82,709	86,312	90,186	94,635	98,742	103,167	107,790	111,717	115,842
Targeted rates	67,610	70,691	74,189	77,558	81,073	84,821	88,622	92,534	96,690	100,232	103,903
Subsidies and grants for operating purposes	10,665	9,898	10,021	10,146	10,283	10,421	10,582	10,846	11,127	11,426	11,744
Fees and charges	58,020	63,253	64,014	64,119	65,602	66,772	67,605	68,635	70,154	71,146	72,653
Interest and dividends from investments	9,987	11,379	11,454	11,531	11,608	11,686	11,766	11,847	11,929	12,012	12,096
Local authorities fuel tax, fines, infringement fees, and other receipts	3,086	3,200	3,223	3,247	3,272	3,297	3,325	3,354	3,385	3,418	3,453
<b>Total operating funding (A)</b>	<b>220,415</b>	<b>237,298</b>	<b>245,610</b>	<b>252,913</b>	<b>262,024</b>	<b>271,632</b>	<b>280,642</b>	<b>290,383</b>	<b>301,075</b>	<b>309,951</b>	<b>319,691</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	162,714	177,686	183,825	188,553	192,885	198,065	202,775	207,739	214,776	219,874	225,731
Finance costs	14,120	12,937	13,174	13,703	14,645	15,264	15,436	16,000	16,813	17,424	17,699
Other operating funding application	722	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>177,556</b>	<b>190,623</b>	<b>196,999</b>	<b>202,256</b>	<b>207,530</b>	<b>213,329</b>	<b>218,211</b>	<b>223,739</b>	<b>231,589</b>	<b>237,298</b>	<b>243,430</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>42,859</b>	<b>46,675</b>	<b>48,611</b>	<b>50,657</b>	<b>54,494</b>	<b>58,303</b>	<b>62,431</b>	<b>66,644</b>	<b>69,486</b>	<b>72,653</b>	<b>76,261</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	18,338	17,302	20,434	22,684	20,237	12,164	11,128	11,683	11,869	12,066	12,270
Development and financial contributions	425	672	672	672	672	672	672	672	672	672	672
Increase (decrease) in debt	3,002	8,164	23,092	33,903	13,549	8,176	9,327	17,515	15,659	8,534	9,044
Gross proceeds from sale of assets	60	60	60	60	60	60	60	60	60	60	60
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>21,825</b>	<b>26,198</b>	<b>44,258</b>	<b>57,319</b>	<b>34,518</b>	<b>21,072</b>	<b>21,187</b>	<b>29,930</b>	<b>28,260</b>	<b>21,332</b>	<b>22,046</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	1,649	2,008	3,880	4,817	3,414	3,785	5,191	3,785	2,949	1,044	816
- to improve the level of service	27,768	11,065	24,997	32,685	30,812	26,670	26,764	21,814	19,272	14,713	12,998
- to replace existing assets	36,264	55,213	60,283	66,722	51,808	47,133	48,279	67,230	72,199	74,775	81,146
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	(997)	4,587	3,709	3,752	2,978	1,787	3,384	3,745	3,326	3,453	3,347
<b>Total applications of capital funding (D)</b>	<b>64,684</b>	<b>72,873</b>	<b>92,869</b>	<b>107,976</b>	<b>89,012</b>	<b>79,375</b>	<b>83,618</b>	<b>96,574</b>	<b>97,746</b>	<b>93,985</b>	<b>98,307</b>
<b>Surplus (deficit) of capital funding</b>	<b>(42,859)</b>	<b>(46,675)</b>	<b>(48,611)</b>	<b>(50,657)</b>	<b>(54,494)</b>	<b>(58,303)</b>	<b>(62,431)</b>	<b>(66,644)</b>	<b>(69,486)</b>	<b>(72,653)</b>	<b>(76,261)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Rating policy

This rating policy should be read in conjunction with the Revenue and Financing Policy and the Funding Principles. Figures in this policy are GST inclusive.

The following rates will be set by the Council for the financial year commencing 1 July 2018 and ending 30 June 2019.

### General Rate

A general rate based on the capital value of each rating unit in the district. The general rate will be set on a differential basis based on land use (the categories are “residential”, “lifestyle”, “commercial”, “farmland”, “residential heritage bed and breakfasts” and “Forsyth Barr Stadium”).

The rates (in cents per dollar of capital value) for the 2018/19 year are:

Table 1: General Rates

Categories	Rates, Cents in \$ per Capital Value	Factor	Revenue Sought \$	General Rate Share
Residential	0.3181	1.00	49,388,000	54.9%
Lifestyle	0.3022	0.95	4,294,000	4.8%
Commercial	0.7795	2.45	31,850,000	35.4%
Farmland	0.2543	0.80	4,213,000	4.7%
Residential Heritage Bed and Breakfasts	0.5567	1.75	27,000	0.03%
Forsyth Barr Stadium	0.0600	0.19	109,000	0.12%

The objective of the differential rate is to provide a mechanism to charge general rates to the six differential categories in a way that best achieves the 11 funding principles provided at the end of this section.

The Council uses the ‘factor method’ of setting the general rate differential. Under this method, a general rate factor is established which is simply the degree to which the rate (the cents in the dollar) on each category of property is higher or lower than residential property. In other words, the Council determines the degree to which the rate on a category of property is higher or lower than residential property.

The practical effect of the differential is that commercial properties pay more rates than would be expected under a “pure, undifferentiated” capital value (CV) system, and lifestyle, farmland and residential property owners pay less.

In October 2017, the Rate and Funding Advisory Panel reviewed the six general rate differential categories. The review considered the changes to these differential categories over time, submissions that have been received during prior year Annual Plans, a comparison to other Councils and the community services targeted rate. No changes to the general rate differentials were made because the status quo was felt to be appropriate.

### Uniform Annual General Charge

The Council will not be using a Uniform Annual General Charge.

### Targeted Rates

#### Community Services

A targeted rate for community services of \$233.50. This rate will be set on a differential basis based on land use (the categories are “residential, residential heritage bed and breakfasts, lifestyle and farmland” and “commercial and Forsyth Barr Stadium”). The rate will be charged on the following basis:

Table 2: Targeted Rate – Community Services

Categories	Rate/Liability Calculated	Revenue Sought \$
Residential, Residential Heritage Bed and Breakfasts, Lifestyle and Farmland	\$233.50 per separately used or inhabited part of a rating unit	12,420,000
Commercial and Forsyth Barr Stadium	\$233.50 per rating unit	652,000

The community services targeted rate will be used to fund part of the Parks and Reserves activity and the Botanic Garden.

### Kerbside Recycling Collection

A targeted rate for a kerbside recycling collection service. This rate will be set on a differential basis based on land use (the categories are “residential, residential heritage bed and breakfasts, lifestyle and farmland” and “commercial”). This rate applies to all separately used or inhabited parts of a rating unit or rating units that receive a kerbside recycling collection service. The rate for the 2018/19 year is:

Table 3: Targeted Rate – Kerbside Recycling Collection

Liability Calculated	Rate/Liability Calculated	Revenue Sought \$
Residential, Residential Heritage Bed and Breakfasts, Lifestyle and Farmland	\$66.30 per separately used or inhabited part of a rating unit	3,254,000
Commercial	\$66.30 per rating unit	13,000

### Drainage

A targeted rate for drainage. Drainage is a combined targeted rate for sewage disposal and stormwater. Sewage disposal makes up 83.9% of the drainage rate, and stormwater makes up 16.1%. This rate will be set on a differential basis based on the provision of service (with the categories being “connected” and “serviceable”) and on land use (with the categories being “residential, residential heritage bed and breakfasts, lifestyle and farmland”, “commercial, residential institutions, schools and Forsyth Barr Stadium” and “churches”). The rate will be charged on the following basis:

Table 4: Targeted Rate – Drainage Categories

Categories	Liability Calculated	Revenue Sought \$
Residential, Residential Heritage Bed and Breakfasts, Lifestyle and Farmland	Per separately used or inhabited part of a rating unit	25,299,000
Commercial, Residential Institutions, Schools and Forsyth Barr Stadium	Per rating unit	1,556,000
Churches	Per rating unit	12,000

The rates for the 2018/19 year are:

Table 5: Targeted Rate – Drainage Rates

<b>Residential, Residential Heritage Bed and Breakfasts, Lifestyle and Farmland</b>	<b>Rates \$</b>
Connected	535.00
Serviceable	267.50
<b>Commercial, Residential Institutions, Schools and Forsyth Barr Stadium</b>	<b>Rates \$</b>
Connected	535.00
Serviceable	267.50
<b>Churches</b>	<b>Rates \$</b>
Connected	102.25

Non-rateable land will not be liable for the stormwater component of the drainage targeted rate. Rates demands for the drainage targeted rate for non-rateable land will therefore be charged at 83.9%.

Rating units which are not connected to the scheme, and which are not serviceable, will not be liable for this rate.

### Commercial Drainage – Capital Value

In addition, a capital value-based targeted rate for drainage on a differential basis based on land use (the categories are “commercial and residential institutions”, “schools” and “Forsyth Barr Stadium”) and the provision of services (the categories being “connected” and “serviceable”). This rate shall not apply to properties in Karitane, Middelmarsh, Seacliff, Waikouaiti and Warrington.

This rate shall not apply to churches.

The rates for the 2018/19 year are:

Table 6: Targeted Rate – Commercial Drainage Rates

<b>Categories</b>	<b>Rates, Cents in \$ per Capital Value</b>		<b>Revenue Sought \$</b>	
	<i>Connected</i>	<i>Serviceable</i>	<i>Connected</i>	<i>Serviceable</i>
Commercial and Residential Institutions	0.2881	0.1441	12,779,000	172,000
Schools	0.2161	0.1081	618,000	5,000
Forsyth Barr Stadium	0.0225	N/A	41,000	N/A

Non-rateable land will not be liable for the stormwater component of the drainage targeted rate. Rates demands for the drainage targeted rate for non-rateable land will therefore be charged at 83.9%.

### Water

A targeted rate for water supply per separately used or inhabited part of a rating unit on all property either connected, or for which connection is available, to receive an ordinary supply of water within the meaning of the Dunedin City bylaws, excepting properties in Karitane, Merton, Rocklands/Pukerangi, Seacliff, Waitati, Warrington, East Taieri, West Taieri and North Taieri. This rate will be set on a differential basis based on the availability of service (the categories are “connected” and “serviceable”).

Rating units which are not connected to the scheme, and which are not serviceable, will not be liable for this rate.

The rates for the 2018/19 year are:

*Table 7: Targeted Rate – Water (Ordinary)*

Categories	Rate/Liability Calculated	Revenue Sought \$
Connected	\$387.00 per separately used or inhabited part of a rating unit	17,975,000
Serviceable	\$193.50 per separately used or inhabited part of a rating unit	200,000

A targeted rate for water supply that is based on the volume of water made available to all separately used or inhabited parts of a rating unit in Karitane, Merton, Seacliff, Waitati, Warrington, East Taieri, West Taieri and North Taieri. This rate will be set on a differential basis based on the availability of service (the categories are “connected” and “serviceable”).

The rates for the 2018/19 year are:

*Table 8: Targeted Rate – Water (Volume of Water)*

Categories	Rate/Liability Calculated	Revenue Sought \$
Connected	\$387.00 per unit of water being one cubic metre (viz 1,000 litres) per day made available at a constant rate of flow during a full 24-hour period	968,000
Serviceable	\$193.50 per separately used or inhabited part of a rating unit (note this rate shall not apply to the availability of water in Merton, Karitane or Seacliff)	8,000

### Fire Protection

A targeted rate for rating units that receive a water supply for the provision of a fire protection service. The rate will be set on a differential basis based on land use on certain categories of property (“commercial”, “residential institutions” and “Forsyth Barr Stadium”).

This rate will be based on capital value. This rate shall not apply to churches.

The rates for the 2018/19 year are:

*Table 9: Targeted Rate – Fire Protection Capital Value*

Categories	Rates, Cents in \$ per Capital Value	Revenue Sought \$
Commercial	0.0800	3,788,000
Residential Institutions	0.0600	262,000
Forsyth Barr Stadium	0.0090	16,000

A targeted rate for water supply for the provision of a fire protection service for each separately used or inhabited part of a rating unit within the “residential, residential heritage bed and breakfasts, lifestyle and farmland” categories that are not receiving an ordinary supply of water within the meaning of the Dunedin City bylaws.

The rate for the 2018/19 year is:

*Table 10: Targeted Rate – Fire Protection*

Categories	Rate/Liability Calculated	Revenue Sought \$
Residential, Residential Heritage Bed and Breakfasts, Lifestyle and Farmland	\$116.10 per separately used or inhabited part of a rating unit	20,000

**Water – Quantity of Water**

A targeted rate for the quantity of water provided, reconnection fee and special reading fee, to any rating unit fitted with a water meter, being an extraordinary supply of water within the meaning of the Dunedin City bylaws, according to the following scale of charges:

*Table: 11: Targeted Rate – Quantity of Water*

<b>Annual Meter Rental Charge \$</b>	
20mm nominal diameter	148.00
25mm nominal diameter	190.00
30mm nominal diameter	211.00
40mm nominal diameter	239.00
50mm nominal diameter	484.00
80mm nominal diameter	598.00
100mm nominal diameter	631.00
150mm nominal diameter	907.00
300mm nominal diameter	1,177.00
Hydrant Standpipe	586.00
Reconnection Fee	397.00
Special Reading Fee	54.00

<b>Backflow Prevention Charge \$</b>	
Backflow Preventer Test Fee	98.00
Rescheduled Backflow Preventer Test Fee	56.00
Backflow Programme – incomplete application fee (hourly rate)	40.00

<b>Water Charge \$</b>	
Merton, Hindon and individual farm supplied Bulk Water	0.11 per cubic metre
All other treated water per cubic metre	1.60 per cubic metre
Disconnection of Water Supply (AWSCI to excavate)	221.00
Disconnection of Water Supply (DCC contractor to excavate)	900.00

Where the supply of a quantity of water is subject to this Quantity of Water Targeted Rate, the rating unit will not be liable for any other targeted rate for the supply of the same water.



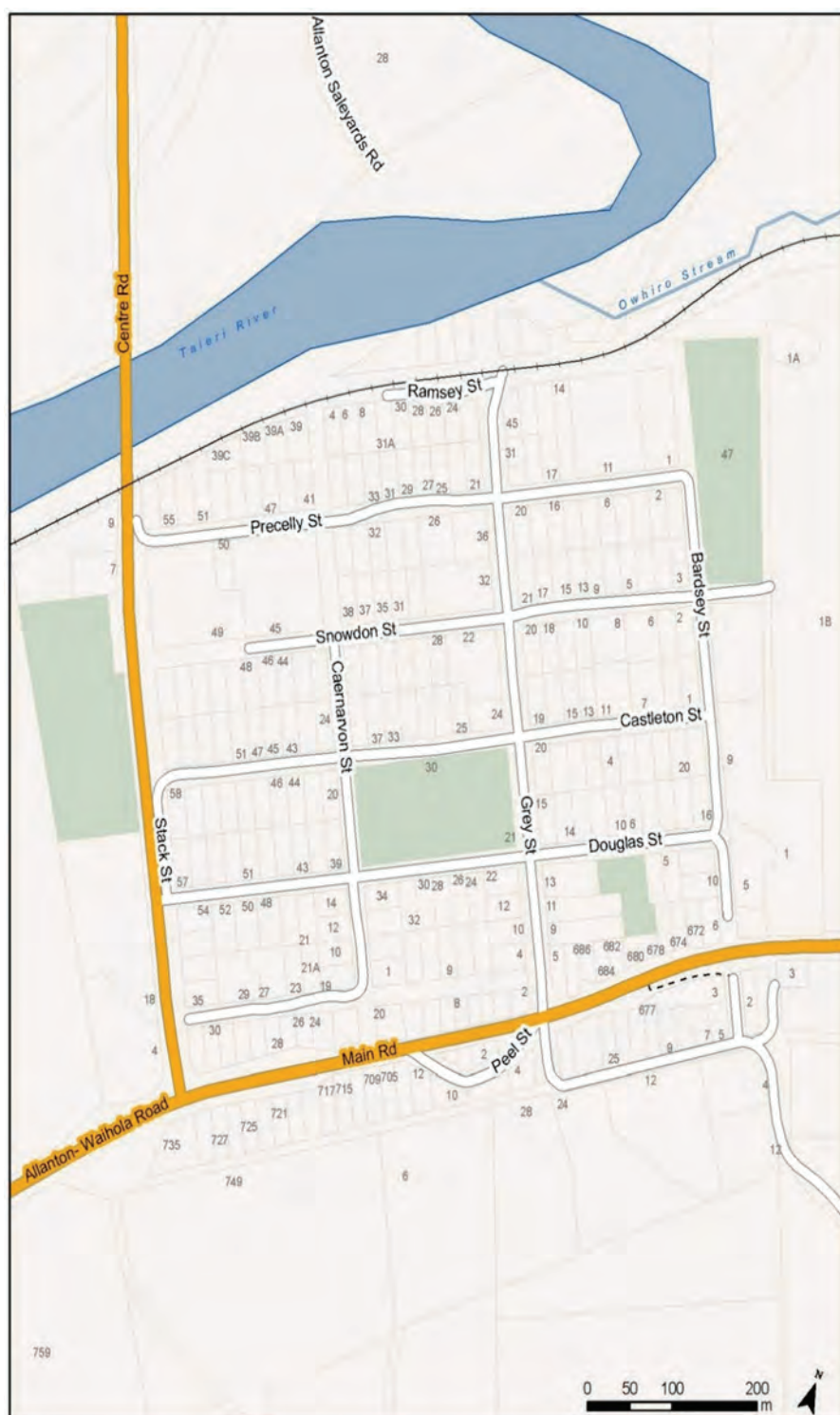
### Allanton Drainage

A targeted rate for rating units within the Allanton area that are paying the capital contribution towards the Allanton Wastewater Collection System, as a targeted rate over 20 years. Liability for the rate is on the basis of the provision of service to each rating unit.

The rate for the 2018/19 year is:

Liability Calculated	Rate	Revenue Sought \$
Per rating unit	\$411.00	22,000

The Allanton area is shown in the map below:



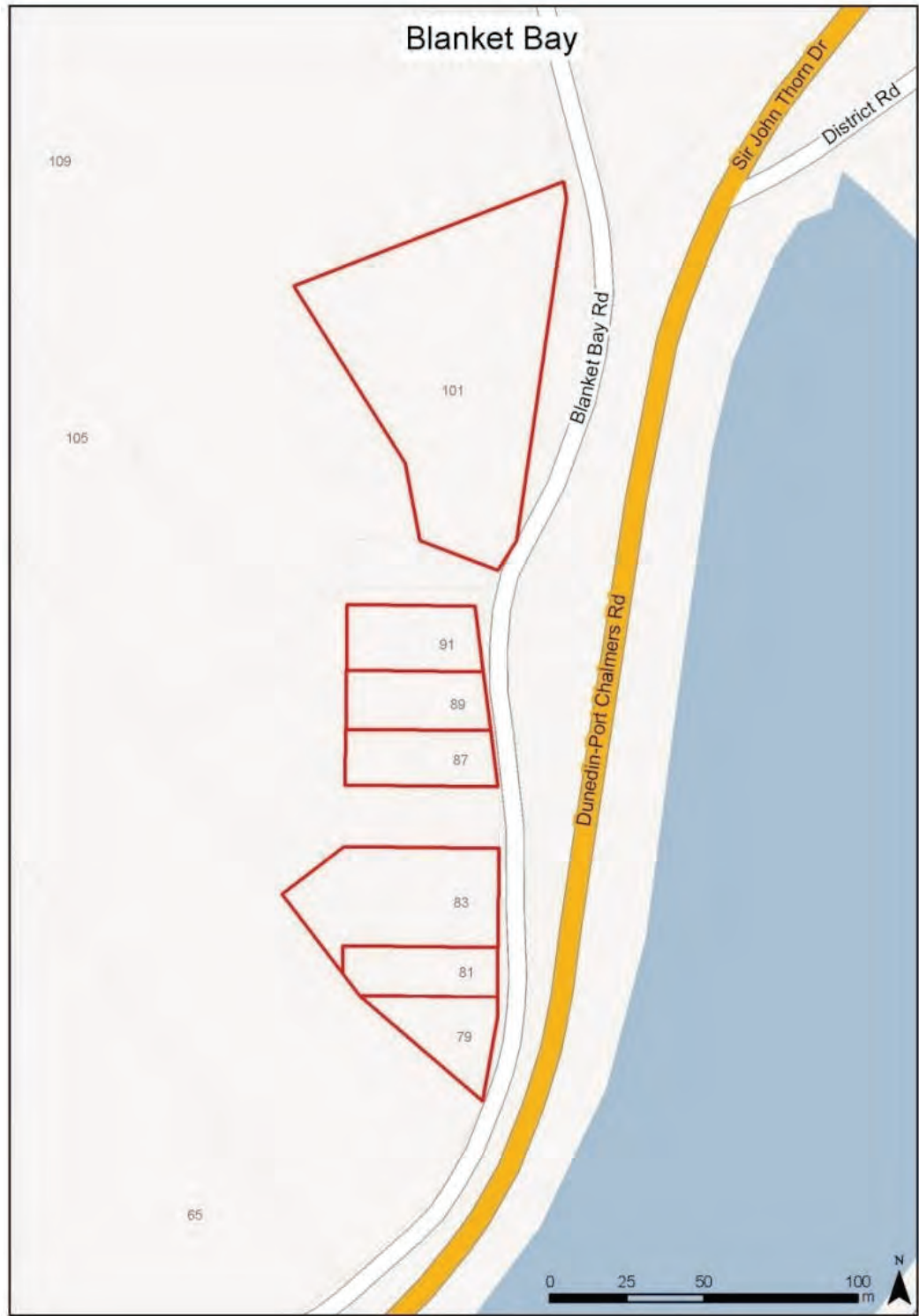
**Blanket Bay Drainage**

A targeted rate for rating units within the Blanket Bay area that are paying the capital contribution towards the Blanket Bay Drainage system, as a targeted rate over 20 years. Liability for the rate is on the basis of the provision of the service to each rating unit.

The rate for the 2018/19 year is:

Liability Calculated	Rate	Revenue Sought \$
Per rating unit	\$636.00	1,000

The Blanket Bay area is shown in the map below:



### Curles Point Drainage

A targeted rate for rating units within the Curles Point area that are paying the capital contribution towards the Curles Point Drainage System, as a targeted rate over 20 years. Liability for the rate is on the basis of the provision of the service to each rating unit.

The rate for the 2018/19 year is:

Liability Calculated	Rate	Revenue Sought \$
Per rating unit	\$749.00	1,000

The Curles Point area is shown in the map below:



### Tourism/Economic Development

A capital value-based targeted rate for all commercial properties. The rate will be set on a differential basis based on land use (the categories are “commercial” and “Forsyth Barr Stadium”).

The rate for the 2018/19 year will be charged on the following basis:

Table 12: Targeted Rate – Tourism/Economic Development

Categories	Rates, cents in \$ per Capital Value	Revenue Sought \$
Commercial	0.0142	573,000
Forsyth Barr Stadium	0.0013	2,000

The Tourism/Economic Development targeted rate will be used to fund part of the Economic Development budget.

### Warm Dunedin Targeted Rate Scheme

A targeted rate for each rating unit in the Warm Dunedin Targeted Rate Scheme. The revenue sought from this targeted rate is \$603,000. The targeted rate scheme provides a way for homeowners to install insulation and/or clean heating. The targeted rate covers the cost and an annual interest rate. The interest rates have been and will be:

- o Rates commencing 1 July 2013 and 1 July 2014 8%;
- o Rates commencing 1 July 2015 and 1 July 2016 8.3%;
- o Rates commencing 1 July 2017 7.8%;
- o Rates commencing 1 July 2018 7.2%.

Table 13: Targeted Rate – Warm Dunedin Targeted Rate Scheme

Liability Calculated	Revenue Sought \$
Per rating unit	603,000

### Private Street Lighting

A targeted rate for street lighting in the private streets to which the Council supplies a private street lighting service. The targeted rate will be set on a differential basis based on land use (the categories are “residential”, “lifestyle” and “commercial”).

The rate for the 2018/19 year will be charged on the following basis:

Table 14: Targeted Rate – Private Street Lighting

Categories	Liability Calculated	Rate \$	Revenue Sought \$
Residential and Lifestyle	For each separately used or inhabited part of a rating unit in a private street the sum calculated on the formula of \$149.40 per street light in a private street divided by the number of separately used or inhabited parts of a rating unit in the private street.	149.40 for each street light	31,000
Commercial	For each rating unit in a private street the sum calculated on the formula of \$149.40 per street light in a private street divided by the number of rating units in the private street.	149.40 for each street light	4,000

The private street addresses are as follows:

1-10	Achilles Avenue
1	Alton Avenue
2	Alton Avenue
2A	Alton Avenue
3	Alton Avenue
4	Alton Avenue
5	Alton Avenue
6	Alton Avenue
7	Alton Avenue
8	Alton Avenue
9	Alton Avenue
7	Angle Avenue
9	Angle Avenue
11	Angle Avenue
20	Angle Avenue
22	Angle Avenue
24	Angle Avenue
43	Arawa Street
47	Arawa Street
17	Awa Toru Drive
19	Awa Toru Drive
21	Awa Toru Drive
23	Awa Toru Drive
25	Awa Toru Drive
27	Awa Toru Drive
29	Awa Toru Drive
31	Awa Toru Drive
33	Awa Toru Drive
35	Awa Toru Drive
37	Awa Toru Drive
39	Awa Toru Drive
41	Awa Toru Drive
43	Awa Toru Drive
60A	Balmacewen Road
60B	Balmacewen Road
62	Balmacewen Road

64	Balmacewen Road
1	Balmoral Avenue
2	Balmoral Avenue
3	Balmoral Avenue
4	Balmoral Avenue
5	Balmoral Avenue
6	Balmoral Avenue
7	Balmoral Avenue
8	Balmoral Avenue
9	Balmoral Avenue
10	Balmoral Avenue
11	Balmoral Avenue
12	Balmoral Avenue
16	Balmoral Avenue
17	Balmoral Avenue
19	Barclay Street
211	Bay View Road
211A	Bay View Road
211B	Bay View Road
1	Beaufort Street
3	Beaufort Street
119	Belford Street
12	Bell Crescent
14	Bell Crescent
24	Bell Crescent
26	Bell Crescent
7	Bishop Verdon Close
9	Bishop Verdon Close
10	Bishop Verdon Close
11	Bishop Verdon Close
12	Bishop Verdon Close
8	Bonnington Street
8a	Bonnington Street
10	Bonnington Street
20K	Brighton Road
20J	Brighton Road

20H	Brighton Road
20G	Brighton Road
20F	Brighton Road
20E	Brighton Road
20D	Brighton Road
20C	Brighton Road
20B	Brighton Road
20A	Brighton Road
20	Brighton Road
34	Burgess Street
36	Burgess Street
38	Burgess Street
40	Burgess Street
42	Burgess Street
44	Burgess Street
46	Burgess Street
48	Burgess Street
50	Burgess Street
181	Burt Street
183	Burt Street
185	Burt Street
7	Bush Road, Mosgiel
64	Caldwell Street
66	Caldwell Street
80	Caldwell Street
82	Caldwell Street
1	Campbell Lane
4	Campbell Lane
5	Campbell Lane
6	Campbell Lane
7	Campbell Lane
8	Campbell Lane
9	Campbell Lane
10	Campbell Lane
11	Campbell Lane
12	Campbell Lane
13	Campbell Lane

14	Campbell Lane
15	Campbell Lane
30	Cardigan Street, North East Valley
32	Cardigan Street, North East Valley
34	Cardigan Street, North East Valley
36	Cardigan Street, North East Valley
22	Centennial Avenue, Fairfield
24	Centennial Avenue, Fairfield
26	Centennial Avenue, Fairfield
28	Centennial Avenue, Fairfield
150	Chapman Street
150A	Chapman Street
152	Chapman Street
12	Clearwater Street
14	Clearwater Street
16	Clearwater Street
18	Clearwater Street
20	Clearwater Street
22	Clearwater Street
24	Clearwater Street
26	Clearwater Street
28	Clearwater Street
30	Clearwater Street
32	Clearwater Street
34	Clearwater Street
36	Clearwater Street
22	Cole Street
11	Corstorphine Road
11A	Corstorphine Road
13	Corstorphine Road
15	Corstorphine Road
17	Corstorphine Road
21	Corstorphine Road
23	Corstorphine Road
25	Corstorphine Road
11	Craighall Crescent
15	Craighall Crescent

1	Dalkeith Road, Port Chalmers
2	Dalkeith Road, Port Chalmers
4	Dalkeith Road, Port Chalmers
6	Dalkeith Road, Port Chalmers
8	Dalkeith Road, Port Chalmers
10	Dalkeith Road, Port Chalmers
12	Dalkeith Road, Port Chalmers
21	Davies Street
22	Davies Street
1	Devon Place
2	Devon Place
3	Devon Place
4	Devon Place
5	Devon Place
6	Devon Place
7	Devon Place
9	Devon Place
10	Devon Place
11	Devon Place
12	Devon Place
13	Devon Place
14	Devon Place
15	Devon Place
16	Devon Place
17	Devon Place
18	Devon Place
19	Devon Place
20	Devon Place
139b	Doon Street
139a	Doon Street
139	Doon Street
141	Doon Street
143	Doon Street
145	Doon Street
149	Doon Street
151	Doon Street
5	Dorset Street

7	Dorset Street
10	Dorset Street
11	Dorset Street
12	Dorset Street
14	Dorset Street
16	Dorset Street
18	Dorset Street
20	Dorset Street
21	Dorset Street
17	Duckworth Street
19	Duckworth Street
21	Duckworth Street
35	Duckworth Street
37	Duckworth Street
39	Duckworth Street
39a	Duckworth Street
41	Duckworth Street
47	Duckworth Street
49	Duckworth Street
53	Duckworth Street
	Dunedin Airport
1 - 31	Eastbourne Street
2 - 31	Eastbourne Street
3 - 31	Eastbourne Street
4 - 31	Eastbourne Street
5 - 31	Eastbourne Street
6 - 31	Eastbourne Street
7 - 31	Eastbourne Street
8 - 31	Eastbourne Street
9 - 31	Eastbourne Street
10 - 31	Eastbourne Street
11 - 31	Eastbourne Street
12 - 31	Eastbourne Street
13 - 31	Eastbourne Street
14 - 31	Eastbourne Street
15 - 31	Eastbourne Street
16 - 31	Eastbourne Street



17 - 31	Eastbourne Street
18 - 31	Eastbourne Street
19 - 31	Eastbourne Street
20 - 31	Eastbourne Street
21 - 31	Eastbourne Street
22 - 31	Eastbourne Street
23 - 31	Eastbourne Street
24 - 31	Eastbourne Street
25 - 31	Eastbourne Street
26 - 31	Eastbourne Street
27 - 31	Eastbourne Street
28 - 31	Eastbourne Street
29 - 31	Eastbourne Street
30 - 31	Eastbourne Street
31 - 31	Eastbourne Street
32 - 31	Eastbourne Street
33 - 31	Eastbourne Street
34 - 31	Eastbourne Street
35 - 31	Eastbourne Street
36 - 31	Eastbourne Street
37 - 31	Eastbourne Street
38 - 31	Eastbourne Street
39 - 31	Eastbourne Street
40 - 31	Eastbourne Street
41 - 31	Eastbourne Street
42 - 31	Eastbourne Street
43 - 31	Eastbourne Street
46 - 31	Eastbourne Street
47 - 31	Eastbourne Street
50 - 31	Eastbourne Street
51 - 31	Eastbourne Street
8	Echovale Avenue
10	Echovale Avenue
12	Echovale Avenue
2	Elbe Street
202	Elgin Road
204	Elgin Road

206	Elgin Road
208	Elgin Road
1	Eton Drive
4	Eton Drive
5	Eton Drive
6	Eton Drive
7	Eton Drive
8	Eton Drive
9	Eton Drive
10	Eton Drive
11	Eton Drive
12	Eton Drive
13	Eton Drive
14	Eton Drive
15	Eton Drive
16	Eton Drive
17	Eton Drive
18	Eton Drive
19	Eton Drive
20	Eton Drive
2	Everton Road
3	Everton Road
4	Everton Road
64	Every Street
66	Every Street
68	Every Street
70	Every Street
76	Every Street
7	Fern Road, Ravensbourne
9	Fern Road, Ravensbourne
11	Fern Road, Ravensbourne
13	Fern Road, Ravensbourne
15	Fern Road, Ravensbourne
17	Fern Road, Ravensbourne
19	Fern Road, Ravensbourne
21	Fern Road, Ravensbourne
19	Ferntree Drive



21	Ferntree Drive
23	Ferntree Drive
25	Ferntree Drive
45	Forfar Street
47	Forfar Street
47a	Forfar Street
49	Forfar Street
51	Forfar Street
53	Forfar Street
53a	Forfar Street
1 – 80	Formby Street
5 – 80	Formby Street
6 – 80	Formby Street
7 – 80	Formby Street
8 – 80	Formby Street
10 – 80	Formby Street
14 – 80	Formby Street
15 – 80	Formby Street
16 – 80	Formby Street
17 – 80	Formby Street
18 – 80	Formby Street
19 – 80	Formby Street
20 – 80	Formby Street
248	George Street
558	George Street
150A	Gladstone Road North
150B	Gladstone Road North
150C	Gladstone Road North
150D	Gladstone Road North
150E	Gladstone Road North
152B	Gladstone Road North
152C	Gladstone Road North
152D	Gladstone Road North
152E	Gladstone Road North
154A	Gladstone Road North
214	Gladstone Road North
216	Gladstone Road North

218	Gladstone Road North
220	Gladstone Road North
222	Gladstone Road North
224	Gladstone Road North
226	Gladstone Road North
228	Gladstone Road North
230	Gladstone Road North
232	Gladstone Road North
234	Gladstone Road North
39	Glenbrook Drive, Mosgiel
41	Glenbrook Drive, Mosgiel
45	Glenbrook Drive, Mosgiel
47	Glenbrook Drive, Mosgiel
49	Glenbrook Drive, Mosgiel
57	Glenbrook Drive, Mosgiel
1	Glenfinnan Place
3	Glenfinnan Place
4	Glenfinnan Place
4A	Glenfinnan Place
5	Glenfinnan Place
6	Glenfinnan Place
7	Glenfinnan Place
8A	Glenfinnan Place
8B	Glenfinnan Place
9A	Glenfinnan Place
9B	Glenfinnan Place
10A	Glenfinnan Place
10B	Glenfinnan Place
1	Glengarry Court
2	Glengarry Court
3	Glengarry Court
4	Glengarry Court
5	Glengarry Court
6	Glengarry Court
7	Glengarry Court
8	Glengarry Court
9	Glengarry Court

10	Glengarry Court
11	Glengarry Court
12	Glengarry Court
13	Glengarry Court
14	Glengarry Court
15	Glengarry Court
16	Glengarry Court
17	Glengarry Court
18	Glengarry Court
19	Glengarry Court
20	Glengarry Court
21	Glengarry Court
22	Glengarry Court
23	Glengarry Court
24	Glengarry Court
48	Glenross Street
50	Glenross Street
54	Glenross Street
56	Glenross Street
58	Glenross Street
60	Glenross Street
110	Glenross Street
114	Glenross Street
116	Glenross Street
230	Gordon Road
229	Gordon Road
34	Grandview Crescent
10	Halsey Street
1	Hampton Grove
2	Hampton Grove
3	Hampton Grove
4	Hampton Grove
5	Hampton Grove
6	Hampton Grove
7	Hampton Grove
8	Hampton Grove
9	Hampton Grove

10	Hampton Grove
11	Hampton Grove
12	Hampton Grove
14	Hampton Grove
15	Hampton Grove
16	Hampton Grove
17	Hampton Grove, Mosgiel
18	Hampton Grove, Mosgiel
19	Hampton Grove, Mosgiel
20	Hampton Grove, Mosgiel
21	Hampton Grove, Mosgiel
22	Hampton Grove, Mosgiel
23	Hampton Grove, Mosgiel
24	Hampton Grove, Mosgiel
25	Hampton Grove, Mosgiel
26	Hampton Grove, Mosgiel
4	Harold Street
12	Harold Street
70a	Hazel Avenue
70	Hazel Avenue
72	Hazel Avenue
215a	Helensburgh Road
217a	Helensburgh Road
217b	Helensburgh Road
219	Helensburgh Road
219a	Helensburgh Road
219b	Helensburgh Road
221	Helensburgh Road
223	Helensburgh Road
49	Highcliff Road
49A	Highcliff Road
51	Highcliff Road
57	Highcliff Road
295	Highcliff Road
297	Highcliff Road
313	Highcliff Road
315a	Highcliff Road

315b	Highcliff Road
317	Highcliff Road
16	Highgate
18	Highgate
20	Highgate
34a	Highgate
34	Highgate
216	Highgate
218	Highgate
144A	Highgate
144B	Highgate
146	Highgate
146A	Highgate
148	Highgate
11	Irmo Street
12	Irmo Street
9	Kilgour Street
11	Kilgour Street
15	Kilgour Street
20	Kinvig Street
22	Kinvig Street
2	Koremata Street
4	Koremata Street
12	Koremata Street
3	Lawson Street
4	Leithton Close
6	Leithton Close
9	Leithton Close
10	Leithton Close
11	Leithton Close
14	Leithton Close
15	Leithton Close
18	Leithton Close
19	Leithton Close
21	Leithton Close
22	Leithton Close
23	Leithton Close

26	Leithton Close
27	Leithton Close
28	Leithton Close
29	Leithton Close
32	Leithton Close
33	Leithton Close
36	Leithton Close
5	Leven Street
2	Leyton Terrace
21-67	Lock Street
23a	London Street
25	London Street
1-25	London Street
2-25	London Street
3-25	London Street
8	Lynwood Avenue
10	Lynwood Avenue
12c	Lynwood Avenue
12b	Lynwood Avenue
12a	Lynwood Avenue
12	Lynwood Avenue
14	Lynwood Avenue
3	McAllister Lane, Mosgiel
5	McAllister Lane, Mosgiel
7	McAllister Lane, Mosgiel
9	McAllister Lane, Mosgiel
11	McAllister Lane, Mosgiel
13	McAllister Lane, Mosgiel
15	McAllister Lane, Mosgiel
17	McAllister Lane, Mosgiel
19	McAllister Lane, Mosgiel
210	Main South Road, Green Island
340	Main South Road, Green Island
380	Main South Road, Green Island
1	Mallard Place, Mosgiel
2	Mallard Place, Mosgiel
3	Mallard Place, Mosgiel

4	Mallard Place, Mosgiel
5	Mallard Place, Mosgiel
6	Mallard Place, Mosgiel
7	Mallard Place, Mosgiel
8	Mallard Place, Mosgiel
9	Mallard Place, Mosgiel
10	Mallard Place, Mosgiel
11	Mallard Place, Mosgiel
12	Mallard Place, Mosgiel
13	Mallard Place, Mosgiel
14	Mallard Place, Mosgiel
15	Mallard Place, Mosgiel
11	Malvern Street
15	Malvern Street
17a	Malvern Street
30	Marne Street
32	Marne Street
42	Marne Street
44	Marne Street
46	Marne Street
48	Marne Street
50	Marne Street
2	Meldrum Street
10	Meldrum Street
33	Melville Street
14	Middleton Road
16	Middleton Road
18	Middleton Road
20	Middleton Road
22	Middleton Road
24	Middleton Road
26	Middleton Road
28	Middleton Road
30	Middleton Road
37	Middleton Road
37a	Middleton Road
39	Middleton Road

43	Middleton Road
47a	Middleton Road
19	Montague Street
21	Montague Street
23	Montague Street
29	Moray Place
415	Moray Place
72	Newington Avenue
37	Norwood Street
41	Norwood Street
39	Pacific Street
1	Pembrey Street
2	Pembrey Street
3	Pembrey Street
4	Pembrey Street
5	Pembrey Street
6	Pembrey Street
7	Pembrey Street
8	Pembrey Street
10	Pembrey Street
11	Pembrey Street
264	Pine Hill Road
264a	Pine Hill Road
266B	Pine Hill Road
266A	Pine Hill Road
268A	Pine Hill Road
268B	Pine Hill Road
270	Pine Hill Road
272	Pine Hill Road
274	Pine Hill Road
278A	Pine Hill Road
278B	Pine Hill Road
390	Pine Hill Road
409	Pine Hill Road
411	Pine Hill Road
5	Pinfold Place, Mosgiel
6	Pinfold Place, Mosgiel

8	Pinfold Place, Mosgiel
9	Pinfold Place, Mosgiel
10	Pinfold Place, Mosgiel
11	Pinfold Place, Mosgiel
12	Pinfold Place, Mosgiel
13	Pinfold Place, Mosgiel
14	Pinfold Place, Mosgiel
15	Pinfold Place, Mosgiel
19	Queen Street
19A	Queen Street
223	Ravensbourne Road
87	Riselaw Road
89	Riselaw Road
89a	Riselaw Road
91	Riselaw Road
91a	Riselaw Road
93	Riselaw Road
93a	Riselaw Road
21	Rosebery Street
16	Selkirk Street
11	Shand Street, Green Island
14	Sheen Street
6	Silver Springs Boulevard, Mosgiel
8	Silver Springs Boulevard, Mosgiel
10	Silver Springs Boulevard, Mosgiel
12	Silver Springs Boulevard, Mosgiel
14	Silver Springs Boulevard, Mosgiel
16	Silver Springs Boulevard, Mosgiel
20	Silver Springs Boulevard, Mosgiel
22	Silver Springs Boulevard, Mosgiel
24	Silver Springs Boulevard, Mosgiel
26	Silver Springs Boulevard, Mosgiel
28	Silver Springs Boulevard, Mosgiel
1-27	St Albans Street
2-27	St Albans Street
3.27	St Albans Street
4-27	St Albans Street

5-27	St Albans Street
6-27	St Albans Street
7-27	St Albans Street
8-27	St Albans Street
9-27	St Albans Street
10-27	St Albans Street
11-27	St Albans Street
12-27	St Albans Street
13-27	St Albans Street
4	Stanley Square
5	Stanley Square
6	Stanley Square
7	Stanley Square
8	Stanley Square
9	Stanley Square
10	Stanley Square
11	Stanley Square
12	Stanley Square
365	Stuart Street
367	Stuart Street
367a	Stuart Street
55	Sunbury Street
57	Sunbury Street
59	Sunbury Street
59a	Sunbury Street
67	Tahuna Road
67A	Tahuna Road
67B	Tahuna Road
69	Tahuna Road
69A	Tahuna Road
69B	Tahuna Road
69C	Tahuna Road
1	Taupo Lane
2	Taupo Street
1	Thomas Square
2	Thomas Square
3	Thomas Square

4	Thomas Square
5	Thomas Square
6	Thomas Square
7	Thomas Square
8	Thomas Square
9	Thomas Square
4A	Totara Street, Ravensbourne
44	Turnbull Street
46	Turnbull Street
85A	Victoria Road
85B	Victoria Road
85C	Victoria Road
85D	Victoria Road
85G	Victoria Road
85H	Victoria Road
85I	Victoria Road
85J	Victoria Road
85K	Victoria Road
85L	Victoria Road
85M	Victoria Road
85N	Victoria Road
85O	Victoria Road
85P	Victoria Road
85Q	Victoria Road
85R	Victoria Road
146	Victoria Road
44	Waimea Avenue
46	Waimea Avenue
48	Waimea Avenue
50	Waimea Avenue
58/60	Waimea Avenue
62/64	Waimea Avenue
16	Warwick Street
18	Warwick Street
23	Warwick Street
1	Wenlock Square
2	Wenlock Square

3	Wenlock Square
4	Wenlock Square
5	Wenlock Square
6	Wenlock Square
7	Wenlock Square
8	Wenlock Square
9	Wenlock Square
10	Wenlock Square
11	Wenlock Square
12	Wenlock Square
14	Wenlock Square
15	Wenlock Square
17	Wenlock Square
18	Wenlock Square
19	Wenlock Square
20	Wenlock Square
21	Wenlock Square
33	Wickliffe Street
19	Woodside Terrace
20	Woodside Terrace
22	Woodside Terrace
23	Woodside Terrace
24	Woodside Terrace
25	Woodside Terrace
25a	Woodside Terrace
26	Woodside Terrace
27	Woodside Terrace
29	Woodside Terrace

## Differential Matters and Categories

Where councils assess rates on a differential basis, the definition of differential categories is limited to the list of matters specified in Schedule 2 of the Local Government (Rating) Act 2002. The Council is required to state which matters will be used for definition of the categories, and the category or categories of any differentials.

The differential categories are determined in accordance with the Council's land use codes and the provision or availability of services. The land use code for each property is available from the Council's Customer Services Agency and on the website (on a property by property basis) at [www.dunedin.govt.nz/services/rates-information](http://www.dunedin.govt.nz/services/rates-information).

The Council's land use codes are based on the land use codes set under the Rating Valuation Rules 2008, which are set out below:

Land Use Code	Land Use Description	Differential Category
0	Multi-use: Vacant/Indeterminate	Commercial
1	Multi-use: Rural Industry	Farmland
2	Multi-use: Lifestyle	Lifestyle
3	Multi-use: Transport	Commercial
4	Multi-use: Community Services	Commercial
5	Multi-use: Recreational	Commercial
6	Multi-use: Utility Services	Commercial
7	Multi-use: Industrial	Commercial
8	Multi-use: Commercial	Commercial
9	Multi-use: Residential	Residential
10	Rural: Multi-use within Rural Industry	Farmland
11	Rural: Dairy	Farmland
12	Rural: Stock Finishing	Farmland
13	Rural: Arable Farming	Farmland
14	Rural: Store Livestock	Farmland
15	Rural: Market Gardens and Orchards	Farmland
16	Rural: Specialist Livestock	Farmland
17	Rural: Forestry	Farmland
18	Rural: Mineral Extraction	Commercial
19	Rural: Vacant	Farmland
20	Lifestyle: Multi-use within Lifestyle	Lifestyle
21	Lifestyle: Single Unit	Lifestyle
22	Lifestyle: Multi-unit	Lifestyle
29	Lifestyle: Vacant	Lifestyle
30	Transport: Multi-use within Transport	Commercial
31	Transport: Road Transport	Commercial
32	Transport: Parking	Commercial
33	Transport: Rail Transport	Commercial

Land Use Code	Land Use Description	Differential Category
34	Transport: Water Transport	Commercial
35	Transport: Air Transport	Commercial
39	Transport: Vacant	Commercial
40	Community Services: Multi-use within Community Services	Commercial
41	Community Services: Educational	Commercial
42	Community Services: Medical and Allied	Commercial
43	Community Services: Personal and Property Protection	Commercial
44	Community Services: Religious	Commercial
45	Community Services: Defence	Commercial
46	Community Services: Halls	Commercial
47	Community Services: Cemeteries and Crematoria	Commercial
49	Community Services: Vacant	Commercial
50	Recreational: Multi-use within Recreational	Commercial
51	Recreational: Entertainment	Commercial
52	Recreational: Active Indoor	Commercial
53	Recreational: Active Outdoor	Commercial
54	Recreational: Passive Indoor	Commercial
55	Recreational: Passive Outdoor	Commercial
59	Recreational: Vacant	Commercial
60	Utility Services: Multi-use within Utility Services	Commercial
61	Utility Services: Communications	Commercial
62	Utility Services: Electricity	Commercial
63	Utility Services: Gas	Commercial
64	Utility Services: Water Supply	Commercial
65	Utility Services: Sanitary	Commercial
66	Utility Services: Other	Commercial
67	Utility Services: Post Boxes	Commercial
69	Utility Services: Vacant	Commercial
70	Industrial: Multi-use within Industrial	Commercial
71	Industrial: Food, Drink and Tobacco	Commercial
72	Industrial: Textiles, Leather and Fur	Commercial
73	Industrial: Timber Products and Furniture	Commercial
74	Industrial: Building Materials Other than Timber	Commercial
75	Industrial: Engineering, Metalworking, Appliances and Machinery	Commercial
76	Industrial: Chemicals, Plastics, Rubber and Paper	Commercial
77	Industrial: Other Industries – including Storage	Commercial



Land Use Code	Land Use Description	Differential Category
78	Industrial: Depots, Yards	Commercial
79	Industrial: Vacant	Commercial
80	Commercial: Multi-use within Commercial	Commercial
81	Commercial: Retail	Commercial
82	Commercial: Services	Commercial
83	Commercial: Wholesale	Commercial
84	Commercial: Offices	Commercial
85	Commercial: Carparking	Commercial
89	Commercial: Vacant	Commercial
90	Residential: Multi-use within Residential	Residential
91	Residential: Single Unit excluding Bach/Crib	Residential
92	Residential: Multi-unit	Residential
93	Residential: Public Communal – Unlicensed	Commercial
94	Residential: Public Communal – Licensed	Commercial
95	Residential: Special Accommodation	Residential
96	Residential: Communal Residence Dependent on Other Use	Residential
97	Residential: Bach/Crib	Residential
98	Residential: Carparking	Residential
99	Residential: Vacant	Residential

In addition to the categories set out above, the Council has established categories for residential institutions, residential heritage bed and breakfasts, the Forsyth Barr Stadium, churches, and schools.

## 1 Differentials Based on Land Use

The Council uses this matter to:

- o differentiate the General Rate
- o differentiate the Community Services Rate
- o differentiate the Kerbside Recycling Collection Rate
- o differentiate the Private Street Lighting Rate
- o differentiate the Tourism/Economic Development Rate
- o differentiate the Fire Protection Rate.

The differential categories based on land use are:

**Residential** – includes all rating units used for residential purposes including single residential, multi-unit residential, multi-use residential, residential special accommodation, residential communal residence dependent on other use, residential bach/cribs, residential carparking and residential vacant land.

**Lifestyle** – includes all rating units with Council land use codes 2, 20, 21, 22 and 29.

**Commercial** – includes all rating units with land uses not otherwise categorised as Residential, Lifestyle, Farmland, Forsyth Barr Stadium or Residential Heritage Bed and Breakfasts.

**Farmland** – includes all rating units used solely or principally for agricultural or horticultural or pastoral purposes.

**Residential Heritage Bed and Breakfasts** – includes all rating units meeting the following description:

1. Bed and breakfast establishments; and
2. Classified as commercial for rating purposes due to the number of bedrooms (greater than 4); and
3. Either:
  - a. the majority of the establishment is at least 80 years old; or
  - b. the establishment has Heritage New Zealand Pouhere Taonga Registration; or
  - c. the establishment is a Dunedin City Council Protected Heritage Building, as identified in the District Plan; and
4. The bed and breakfast owner lives at the facility.

Forsyth Barr Stadium – this includes land at 130 Anzac Avenue, Dunedin, Assessment 4026695, Valuation reference 27190-01403.

## **2 Differentials Based on Land Use and Provision or Availability of Service**

The Council uses these matters to differentiate the drainage rate and commercial drainage rate.

The differential categories based on land use are:

Residential – includes all rating units used for residential purposes including single residential, multi-unit residential, multi-use residential, residential special accommodation, residential communal residence dependent on other use, residential bach/cribs, residential carparking and residential vacant land.

Lifestyle – includes all rating units with Council land use codes 2, 20, 21, 22 and 29.

Farmland – includes all rating units used solely or principally for agricultural or horticultural or pastoral purposes.

Commercial – includes all rating units with land uses not otherwise categorised as Residential, Lifestyle, Farmland, Forsyth Barr Stadium, Residential Heritage, Bed and Breakfasts, Residential Institutions, Churches or Schools.

Forsyth Barr Stadium – this includes land at 130 Anzac Avenue, Dunedin, Assessment 4026695, Valuation reference 27190-01403.

Residential Heritage Bed and Breakfasts – includes all rating units meeting the following description:

1. Bed and breakfast establishments; and
2. Classified as commercial for rating purposes due to the number of bedrooms (greater than 4); and
3. Either:
  - a. the majority of the establishment is at least 80 years old; or
  - b. the establishment has Heritage New Zealand Pouhere Taonga Registration; or
  - c. the establishment is a Dunedin City Council Protected Heritage Building, as identified in the District Plan; and
4. The bed and breakfast owner lives at the facility.

Residential Institutions – includes only rating units with Council land use codes 95 and 96.

Churches – includes all rating units used solely or principally as places of religious worship.

Schools – includes only rating units used for schools that do not operate for profit.

The differential categories based on provision or availability of service are:

Connected – any rating unit that is connected to a public sewerage drain.

Serviceable – any rating unit that is not connected to a public sewerage drain but is capable of being connected to the sewerage system (being a property situated within 30 metres of a public drain).

### 3 Differentials Based on Provision or Availability of Service

The Council uses these matters to differentiate the water rates.

The differential categories based on provision or availability of service are:

- o Connected – any rating unit that is supplied by the water supply system
- o Serviceable – any rating unit that is not supplied but is capable of being supplied by the water supply system (being a rating unit situated within 100 metres of the nearest water supply).

#### Minimum Rates

Where the total amount of rates payable in respect of any rating unit is less than \$5.00, the rates payable in respect of the rating unit shall be such amount as the Council determines, but not exceeding \$5.00.

#### Low Value Rating Units

Rating units with a capital value of \$3,500 or less will only be charged the general rate.

#### Separately Used or Inhabited Part of a Rating Unit

A separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner/a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.

For the purpose of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'.

For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.

#### Lump Sum Contributions

No lump sum contributions will be sought for any targeted rate.

#### Rating by Instalments

All rates to be collected by the Council will be payable by four instalments according to the following schedule.

The City is divided into four areas based on Valuation Roll Numbers, as set out below:

Table 15: Rating Areas

Area 1	Area 2	Area 3	Area 3 continued
<b>Valuation Roll Numbers:</b>			
26700	26990	26500	27550
26710	27000	26520	27560
26760	27050	26530	27600
26770	27060	26541	27610
26850	27070	26550	27760
26860	27080	26580	27770
26950	27150	26590	27780
26960	27350	26620	27790
26970	27360	26640	27811

Area 1	Area 2	Area 3	Area 3 continued
<b>Valuation Roll Numbers:</b>			
26980	27370	26651	27821
27160	27380	26750	27822
27170	27500	26780	27823
27180	27510	27250	27831
27190	27520	27260	27841
27200	27851	27270	27871
	27861	27280	27911
	27880	27450	27921
	27890	27460	27931
	27901	27470	27941
	28000		
	28010		
	28020		

Area 4 comprises ratepayers with multiple assessments who pay on a schedule.

#### Due Dates for Payments of Rates

All rates, with the exception of water rates which are charged based on water meter consumption, will be payable in four instalments, due on the dates shown below:

Table 16: Due Dates

Due Dates	Area 1	Areas 2 and 4	Area 3
Instalment 1	24/08/2018	31/08/2018	14/09/2018
Instalment 2	16/11/2018	30/11/2018	14/12/2018
Instalment 3	08/02/2019	22/02/2019	08/03/2019
Instalment 4	03/05/2019	17/05/2019	31/05/2019

Water meter invoices are sent separately from other rates at intervals depending on the quantity of water consumed.

## Sample Rate Accounts

	Capital Value	2017/18 Rates	2018/19 Rates	Increase	Increase %
<b>Residential</b>					
Lower Quartile	225,000	1,831	1,938	107	5.8%
Mode	245,000	1,889	2,001	112	5.9%
Median Value	285,000	2,005	2,128	123	6.2%
Average	326,800	2,126	2,261	135	6.4%
Upper Quartile	380,000	2,280	2,431	151	6.6%
Sample	450,000	2,482	2,653	171	6.9%
Sample	490,000	2,598	2,780	182	7.0%
Sample	540,000	2,743	2,940	197	7.2%
<b>Commercial</b>					
Lower Quartile	185,000	2,708	2,918	210	7.8%
Median Value	390,000	4,905	5,300	395	8.0%
Upper Quartile	900,000	10,371	11,225	855	8.2%
Average	1,307,000	14,733	15,954	1,222	8.3%
Sample	2,000,000	22,160	24,005	1,845	8.3%
Sample	5,000,000	54,312	58,860	4,548	8.4%
Sample	10,200,000	110,043	119,275	9,232	8.4%
<b>Farmland (General and Community Services Rates only)</b>					
Median Value	430,000	1,231	1,327	96	7.8%
Average	1,157,000	2,924	3,176	252	8.6%
Upper Quartile	1,260,000	3,163	3,438	275	8.7%
Sample	1,950,000	4,770	5,192	422	8.9%
Sample	7,500,000	17,690	19,306	1,616	9.1%
Sample	10,500,000	24,674	26,935	2,261	9.2%
<b>Lifestyle (General and Community Services Rates only)</b>					
Lower Quartile	370,000	1,248	1,352	104	8.3%
Median Value	542,000	1,721	1,871	150	8.8%
Average	561,000	1,773	1,929	156	8.8%
Upper Quartile	710,000	2,183	2,379	196	9.0%
<b>Residential Heritage Bed and Breakfasts</b>					
Sample	650,000	4,218	4,569	351	8.3%

### Definitions

Mode – this is the most frequently occurring capital value.

Median – this capital value is the one in the middle of the list of individual capital values. Half of the values are above this amount, and half below.

Average – this is the capital value calculated if the whole value in each category was divided by the number of properties in each category.

Sample – these properties provide additional example rate accounts.

### Mix of Funding Mechanisms by Group Activity

The following funding mechanisms are applied to the Council's group activities. All mechanisms that have been used are in accordance with the Revenue and Financing Policy.

	General Rate	Community Services Rate	Kerbside Recycling Rate	City-wide Water Rates	City-wide Drainage Rates	Allanton Drainage Rate	Blanket Bay Drainage Rate	Curles Point Drainage Rate	Private Street Lighting Rate	Tourism/Economic Development Rate	Warm Dunedin Rate	Revenue <sup>*</sup>	Loans Raised	Sale of Assets	Reduction in Loans and Advances	Dunedin City Holdings Limited Interest and Dividend	NZTA Income	Cash	Development Contributions
Reserves and Recreational Facilities																			
Community and Planning																			
Libraries and Museums																			
Water Supply																			
Waste Management																			
Sewerage and Sewage																			
Stormwater																			
Property																			
Regulatory Services																			
Economic Development																			
Roading and Footpaths																			
Governance and Support Services																			

<sup>\*</sup> Revenue includes fees and charges, subsidies, capital revenue, interest and dividends (other than Dunedin City Holdings Limited dividends). Revenue also includes water rates based on quantity of water and any lump sum payments for the Blanket Bay and Curles Point drainage system.

## Funding Principles

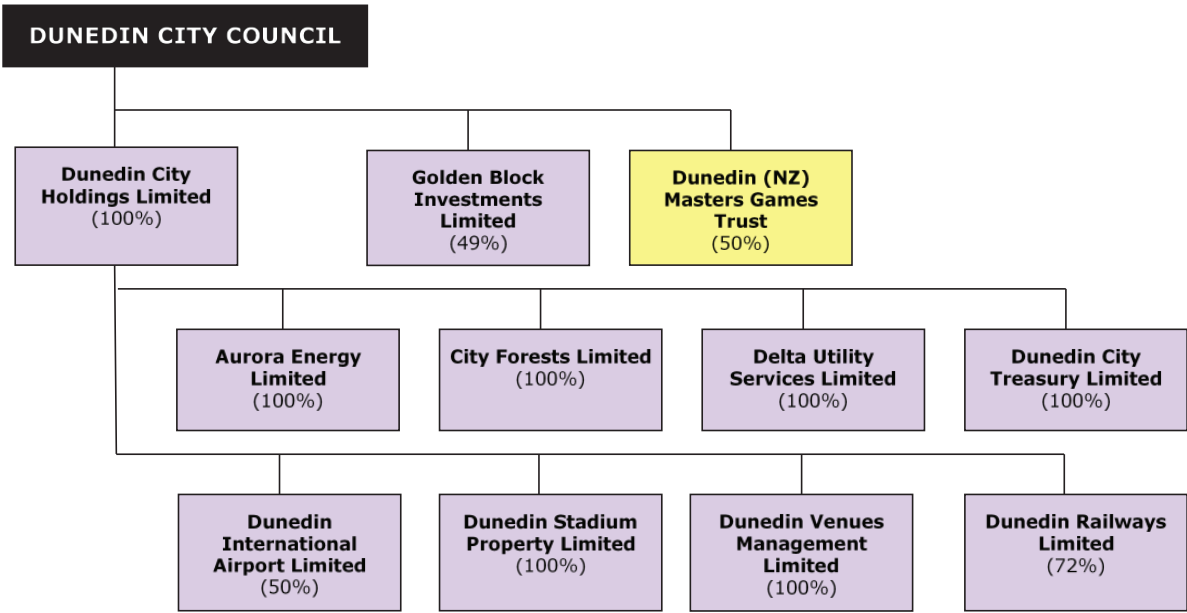
The Dunedin City Council, in adopting the rating method, takes into consideration the following funding principles:

- 1 That, in so far as possible, the rating method should be simple, efficient and understandable.
- 2 People who benefit (including secondary beneficiaries) should contribute to costs.
- 3 Capital value is the primary method of determining the rating method. Capital value is based on market value and reflects the property valuation.
- 4 Property rates are a mechanism, which contains principles of public benefit taxation. Rates are not a user-pays mechanism.
- 5 The application of funding mechanisms should not distort markets.
- 6 The funding of activities and services should have regard to the interests of residents and ratepayers, including future ratepayers.
- 7 The funding of services and activities should not make these unaffordable.
- 8 People who pollute or damage the environment should bear the cost of redress.
- 9 To promote fairness and equity in rating, fixed charges may be used.
- 10 Where changes are contemplated to the rating method, transition arrangements may be used.
- 11 Specific rating areas may be considered on a case-by-case basis.

# 4.5 Council controlled organisations | He ohu nā te Kaunihera

In order to achieve key strategic objectives for Dunedin, the Council maintains a number of Council Controlled Organisations (CCOs). These CCOs manage facilities, assets and/or deliver significant services on behalf of the Council and the wider Dunedin community. There are three kinds of CCOs – Council Controlled Trading Organisations (CCTOs); not-for-profit CCOs; and non-trading CCOs. Each of the trading CCOs prepares a “Statement of Intent” which sets out its mission, objectives and performance targets for each financial year.

The following diagram illustrates the current structure and ownership of the CCOs.



Note: Two CCOs have been renamed. As of 15 December 2016, Dunedin Venues Limited is known as Dunedin Stadium Property Limited and as of 1 December 2017 Taieri Gorge Railway Limited is known as Dunedin Railways Limited

## Dunedin City Holdings Limited and subsidiaries

Dunedin City Holdings Limited (DCHL) is the parent company of many of the Council Controlled Trading Organisations, and has the primary role of monitoring the operating performance of its subsidiary and associated companies to ensure each company provides the maximum advantages in all respects to the Council.

The Statement of Intent for DCHL identifies specific objectives and performance targets for 2018/19.

The following table sets out the key financial targets for DCHL.

	Interest and dividends provided to DCC
2017/18	\$ 5.9 million
2018/19	\$ 5.9 million
2019/20	\$ 5.9 million

Each of DCHL’s subsidiary companies prepares a Statement of Intent, which is considered by DCHL, which then makes recommendations for acceptance by the Council. It should be noted that each CCTO has financial, social, and environmental performance measures.



The following table lists DCHL's subsidiary and associated companies and outlines their main activities.

Nature and scope of activities	Objectives	Key performance measures*
<b>Aurora Energy Limited</b>		
The company undertakes activities related to the development and ownership of electricity distribution assets and other infrastructural assets	To operate as a successful business having regard, among other things, to the desirability of ensuring the efficient use of energy.	<p>To maximise the utilisation of electricity distribution assets while ensuring that service quality meets the needs of users.</p> <p>To deliver electricity supplies to consumers on the Aurora network of a reliability standard that meets the service level targets in the company's 2017-2027 Asset Management Plan.</p> <p>Engage with the Shareholder annually on opportunities for the Company to contribute, or assist where possible, with Council's community outcomes (as listed in the Annual Plan) and the Ministers' expectations.</p>
<b>City Forests Limited</b>		
The company forests are principally located in the Coastal Otago Region while the products produced from its activities are sold on local and international markets. The company's activities include expansion of opportunities in forest ownership and activities across the value chain.	Managing the forest estate in a sustainable way so that the long term productive capacity of the estate is maintained or enhanced, protecting and enhancing environmental values including water quality, flora and fauna, supporting appropriate recreational activities within the estate and supporting local wood processing industries.	<p>The Company will achieve a 6% return (or greater) on Shareholders' funds measured on a post-tax 3 year rolling average basis.</p> <p>The Company will realise financial opportunities from the sales of carbon stored in the Company forests in compliance with its Carbon Policy.</p> <p>The company will meet its annual supply commitment to domestic customers taking into account any mutually agreed variations.</p> <p>Opportunities for expanding the Company's scale will continue to be investigated including joint ventures.</p> <p>The company will report annually on the hectares of land acquired / divested including joint ventures.</p>
<b>Delta Utility Services Limited</b>		
The company's principal activities are the management, construction, operation and maintenance of infrastructural utility assets and the provision of contracting and related services.	To achieve the objective of its shareholder, both commercial and non-commercial, as specified in the statement of intent; and be a good employer (as per clause 36 of Schedule 7 LGA); and exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and conduct its affairs in accordance with sound business practice	<p>To target a long term after tax return to Shareholders on their investment in the Company of 6% and to maximise the long term sustainable financial return to Shareholders.</p> <p>Bring to the attention of the Shareholder any strategic or operational matters where there may be conflict between the Council's community outcomes and/or the Ministers' expectations and those of the Company and seek the Shareholder's view on these.</p>

Nature and scope of activities	Objectives	Key performance measures*
<b>Dunedin City Treasury Limited</b>		
The company provides the Dunedin City Council Group with treasury management services. The company identifies and manages financial risks and manages the liquidity of the Dunedin City Council Group to ensure that adequate funds are available to meet ongoing obligations. Financing costs are minimised and the return on surplus funds is maximised within acceptable levels of risk.	Providing funds management, cost effective funding and treasury management services to entities within the Dunedin City Council Group.	Maintain the Company's economic sustainability through the mitigation of business risk.  Manage the liquidity risk of the DCC Group and ensure the availability of sufficient funds to meet the financial commitments in a timely manner.  Securely invest surplus cash available from within the DCC Group.  Manage interest rate risk for the DCC Group and provide appropriate customer service.  Manage special purpose funds such as the 'Waipori Fund' for the DCC.
<b>Dunedin International Airport Limited</b>		
The company operates the Dunedin International Airport for aviation users. The company is responsible for the design, provision and maintenance of runways, taxiways, turnouts and aprons, and for managing assets which may be used in the future, e.g., land held for airport expansion and environmental control purposes.	To make safety and security a priority.  To be environmentally responsible.  To optimise commercial return to our shareholders.  Increase passenger numbers.  To develop and strengthen our partnerships.  To provide the best customer service experience.	Maintaining operations, high quality standards of service and certifications.  Implementing initiatives to improve performance of aeronautical and non-aeronautical activities and achieve increased revenues.  Produce quarterly reports from continuous customer satisfaction surveys.  No delays to regular scheduled passenger operations.
<b>Dunedin Stadium Property Limited</b>		
The principal activity of the Company is to provide a fit for purpose stadium for use for public and private events.	Ensure assets are maintained at an operational level and reduce Company's debt.	Asset maintenance compliant with asset management timetable and debt is reduced over time.
<b>Dunedin Railways Limited (Formerly Taieri Gorge Railway Ltd)</b>		
The company operates train services as a tourist, charter and community oriented enterprise. The company also operates a retail and booking office based at the Dunedin Railway Station.	To safely and viably provide outstanding visitor experience with a focus on railways.  To diversify and grow our business by seeking new visitor experience and rail opportunities.	Carry at least 80,000 passengers on no fewer than 700 trips per annum.  Monitor Trip Advisor to ensure customer satisfaction levels of 85% or better.  No recorded significant delays to regular scheduled passenger operations.  Domestic and international income earned maintained or grows per annum.

Nature and scope of activities	Objectives	Key performance measures*
<b>Dunedin Venues Management Limited (DVML)</b>		
The company manages the Forsyth Barr Stadium, the Dunedin Centre (incorporating the Dunedin Town Hall) and the Porters Lounge (at the Dunedin Railway Station). The company's activities include: securing events; planning, hosting and delivering events to a high standard; managing the assets and facilities for which it is responsible; and providing community access to the venues for which it is responsible.	DVML will contribute to the growth and vitality of Dunedin City by driving strong and sustainable business performance, building a reputation for innovation and excellence in venue management and demonstrating our commitment to the delivery of outstanding event experiences at every turn.	<p>Achieve budget results and a 15:1 return on investment of the Event Attraction Fund.</p> <p>Work with suppliers for improved contribution to DVML's financial performance and reputation for service excellence.</p> <p>Increasing the number and value of hire days in DVML's venues.</p> <p>Conduct a confidential staff survey, achieve 80% satisfaction and improvements/recommendations are implemented.</p> <p>Achieve a minimum of \$5m visitor spend per each major event (&gt;10,000 pax) for DVML and Dunedin City.</p> <p>Achieve minimum 80% satisfaction rating through surveys of all major events (&gt;10,000 pax).</p> <p>60% of attendees of all major events (&gt;10,000 pax) to come from outside of Dunedin City.</p>

\* the key performance measures are from the 2017/18 Statement of Intent for each company and are reviewed annually.

### Council Controlled Organisations (not for profit)

Not-for-profit organisations are also considered Council Controlled Organisations if the Council and other local authorities have the power to appoint 50% of the trustees to the Board.

### Small organisations

#### Dunedin (New Zealand) Masters Games Trust

On 10 August 2011, the Council granted an exemption under section 7 of the Local Government Act 2002 after consideration of the size of the organisation and the nature and scope of the Trust activities. This exemption was reconfirmed on 31 October 2017.

### Minority Shareholdings

#### Golden Block Investments Limited

Golden Block Investments Limited owns and manages a retail property in central Dunedin with the Council being a 49% shareholder. Major tenants include Starbucks, Fisher and Paykel, Millers and Barkers.





## Section 5:

### Policies

### Kaupapa here

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## 5.1 Revenue and financing policy | Kaupapa here whiwhika, tahua

### 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 which 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 Long Term Plan (LTP) 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 LTP.

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 outcome 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 interests of the community.

### Policy

#### 1. Policy details

- 1.1. 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: 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. By contrast, the provision of dog walking parks (a capital expenditure) would be funded to the same extent that dog registration fees provide the funding of the dog control service (an operating expenditure)
  - b) While debt may sometimes be used to provide the immediate funding needed to acquire an asset, its repayment will be made from the same sources in the same ratio as for operating expenditure.

#### 2. Options for funding Council services

- 2.1. The Council uses the following sources of funding:

### General rates

- 2.2. 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 indicate that this is the most appropriate way to fund an activity.
- 2.3. 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. The Council will not be using a Uniform Annual General Charge.
  - a) Capital Value is comprised of land value and the value of improvements on the land.

### Targeted rates

- 2.4. 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 service. 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

- 2.5. User charges are direct charges to identifiable users or groups of users who use certain Council services such as dog control, swimming pools and building inspection. In these instances an identifiable benefit exists to clearly identifiable people 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

- 2.6. Development contributions may be required for developments if the effect of the development is to require new or additional reserves, network infrastructure and community infrastructure of increased capacity and, as a consequence, the Council incurs capital expenditure.

### Grants and subsidies

- 2.7. Grants and subsidies apply to some activities when income from external agencies is received to support an activity. This is mostly made up from government subsidies such as New Zealand Transport Agency subsidies for roading services.

### Rents, interest and dividends

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

**Borrowing**

- 2.9. 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. In short the actual borrowing is a mechanism only; the revenue and financing policy applies to its repayment and servicing.

**Proceeds from sale of assets**

- 2.10. The Council receives proceeds from the sale of assets.

**Summary of funding options**

	Operating Expenditure	Capital Expenditure
General Rates	✓	✓
Targeted Rates	✓	✓
Revenue	✓	✓
New Zealand Transport Agency Income	✓	✓
Investment Income	✓	✓
Debt		✓
Proceeds from asset sales		✓
Development Contributions		✓
Grants and Subsidies	✓	✓
Working Capital	✓	✓
Investments	✓	✓

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

- 3.1. The Council has approved the New Reticulated Utility Services (Water, Wastewater or Stormwater) Policy funding policy. The key components of this policy are as follows:
- 3.2. 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.
- 3.3. 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.
- 3.4. If a new system is installed by the Council, 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.
- 3.5. 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:
- 3.6. For all existing residential units, 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.



- 3.7. For all future new residential units 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.

#### 4. Revenue and financing policy – funding schedule

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

This table is updated in each Annual Plan to reflect the actual budget funding for the year concerned.

**Table 1: Revenue and financing policy funding schedule**

	2018-2028 Policy		2018/19 Budgets	
Activity	Rates Revenue %	Other Revenue %	Rates Revenue %	Other Revenue %
<b>Roading and footpaths group</b>				
Transport	62%	38%	60%	40%
<b>Three Waters</b>				
Water supply	80%	20%	77%	23%
Waste water	98%	2%	98%	2%
Stormwater	98%	2%	98%	2%
<b>Waste management group</b>				
Landfills	1%	99%	1%	99%
Refuse/recycling collection and clean ups days	62%	38%	62%	38%
Waste minimisation	0%	100%	0%	100%
<b>Reserves and recreational facilities group</b>				
Aquatic services	55%	45%	57%	43%
Cemeteries (parks and burials)	50%	50%	56%	44%
Crematorium	0%	100%	0%	100%
Dunedin Botanic Garden	98%	2%	99%	1%
Parks and reserves	96%	4%	94%	6%
<b>Property group</b>				
Community housing	0%	100%	0%	100%
<b>Libraries and museums group</b>				
Dunedin Public Art Gallery	85%	15%	84%	16%
Dunedin Public Libraries	95%	5%	97%	3%
Oveston	33%	67%	33%	67%
Toitū Otago Settlers Museum	92%	8%	93%	7%
Chinese Garden	75%	25%	73%	27%
Otago Museum Levy	100%	0%	100%	0%
<b>Regulatory services group</b>				
Animal Services	20%	80%	17%	83%
Building Services	33%	67%	28%	72%
Environmental Health	65%	35%	63%	37%
Liquor Licensing	35%	65%	33%	67%
Parking Operations	0%	100%	0%	100%
Parking services (enforcement)	2%	98%	2%	98%

	2018-2028 Policy		2018/19 Budgets	
Activity	Rates Revenue %	Other Revenue %	Rates Revenue %	Other Revenue %
<b>Economic development group</b>				
Enterprise Dunedin	90%	10%	90%	10%
Visitor centre (i-Site)	55%	45%	56%	44%
<b>Community and planning group</b>				
Community development and events	95%	5%	95%	5%
City development	100%	0%	100%	0%
Resource consents	60%	40%	65%	35%
<b>Governance and support services group</b>				
Civic & governance support services	100%	0%	100%	0%
Corporate support services	77%	23%	77%	23%
Investment Account and Waipori Fund	0%	100%	0%	100%
Warm Dunedin	100%	0%	100%	0%

## 5. Revenue and Financing Policy – Analysis by activity

Table 2 provides a summary analysis of the Revenue and Financing Policies for the Council' activity sorted by Group of Activity.

**Table 2: 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
<b>Roading and footpaths group</b>							
Transport	A supportive city with caring communities and a great quality of life A successful city with a diverse, innovative and productive economy A compact city with a vibrant CBD and thriving suburban and rural centres An active city with quality and accessible recreational spaces and opportunities	The whole community benefits. All people use some form of transport.	Planning for future transportation needs is an ongoing task as our society evolves. The Roding network will be maintained indefinitely.	There are no actions or inactions of particular individuals or groups that contributed to the need to undertake this activity.	Central government contribution via NZTA subsidy Development Contributions to fund growth portion of Capital Expenditure. Debt to fund some capital expenditure. Intergenerational equity.	62% general rates.  38% external funding.	This activity is largely public good with limited scope for user charges and will therefore be funded by the capital value based general rate. Capital expenditure for some projects attracts subsidy from NZTA.
<b>Three waters group</b>							
Water	A healthy city with reliable and quality water, wastewater and stormwater systems A sustainable city with healthy and treasured natural environments	Users connected to the system The community benefits due to public health benefits and the availability of water to fight fires.	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. Noting however, that water supply requirements are directly attributable to usage levels by individuals.	Development Contributions to fund growth portion of Capital Expenditure. Debt to fund some capital expenditure. Intergenerational equity. Commercial and extraordinary supply customers pay by water meter.	80% targeted rate.  20% non-residential water sales  Currently meters are not installed for residential customers.	This activity is largely public good with limited scope for user charges and will therefore be funded by the capital value based general rate. Although there is a high degree of private benefit, charging by way of a fee is not currently implemented due to the cost of installing water meters for all users.

Activity	Community outcomes	Who benefits	Period of benefit	Whose acts create a need (actions or inactions)	Separate funding	Funding sources	Rationale
Wastewater	A healthy city with reliable and quality water, wastewater and stormwater systems A sustainable city with healthy and treasured natural environments	Users of waste water services. Community - There is a significant public health benefit to the community related to the provision of safe and effective wastewater services. There is also a benefit in terms of protecting the environment from pollution.	The Council has made a commitment to undertake this activity for the long term.	High usage customers place higher than average demands on system capacity. Industries providing high volumes of noxious wastewater are charged through trade waste charges.	Large degree of private benefit, but no ability to charge. Development Contributions to fund the growth portion of capital expenditure. Debt to fund some capital expenditure. Intergenerational equity.	98% rates (Comprised of 80% targeted rates and 20% commercial rates).  2% trade waste charges.	This activity is largely public good with limited scope for user charges and will therefore be funded by the capital value based general rule. Although there is a high degree of private benefit, charging by way of a fee is not practical.
Stormwater	A healthy city with reliable and quality water, wastewater and stormwater systems A sustainable city with healthy and treasured natural environments	Individuals. There is also public health benefits related to effective stormwater networks. Wider city benefit through protection of private property and infrastructure.	The Council has made a commitment to undertake this activity for the long term.	Stormwater requirements are directly attributable to individuals for whom the service is available.	Development Contributions to fund the growth portion of capital expenditure.	98% rates (comprised of 80% targeted rates and 20% commercial rates.)  2% external charges. Although there is a high degree of private benefit, charging by way of a fee is not practical.	This activity is largely public good with limited scope for user charges and will therefore be funded by the capital value based general rate. Although there is a high degree of private benefit, charging by way of a fee is not practical.

Activity	Community outcomes	Who benefits	Period of benefit	Whose acts create a need (actions or inactions)	Separate funding	Funding sources	Rationale
<b>Waste management group</b>							
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 transfer stations. Users of landfills. There is also a public health benefit through the safe and appropriate disposal of rubbish There is a public health and environmental benefit in providing ongoing maintenance at closed landfills.	The Council has made a commitment to undertaking this activity for an ongoing period. This includes the consented period for the Green Island Landfill, until October 2023 or longer, if the consenting period is extended. Closed landfills require management in excess of 20 plus years for monitoring, surveying for soil movement and managing leachate and drainage issues.	The Landfill users require the Council to provide this facility. Transfer Station users in the area require the Council to provide these facilities. Previous users of the now closed landfills required the Council to provide this facility which includes the after-care monitoring and maintenance in order to manage any environmental concerns. It is not possible to identify previous users of closed landfills.	N/A	1% rates  99% fees and charges.  100% landfill aftercare provisions.  General rates subsidise rural transfer station activity due to the public good elements.	Users of the services provided are readily identifiable and the exacerbator-pays principal is relevant.

Activity	Community outcomes	Who benefits	Period of benefit	Whose acts create a need (actions or inactions)	Separate funding	Funding sources	Rationale
Refuse and Recycling Collection (includes 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. Users of the service benefit as recyclables are removed from general waste. There is also a public health benefit to the community through the minimisation of waste going to Landfill and ensuring that streets are kept clean and that public street litter bins are provided.	Indefinitely.	The collections are required as individuals and businesses create waste. However, through the use of bylaws and policies the Council is able to impose fines for littering and illegal dumping of refuse. The Waste Minimisation Act 2008 requires territorial authorities to minimise waste in their district.	N/A	62% general rates.  38% fees and charges.  General Rates cover the collection of street litter bins, ensuring that streets are kept clean. A targeted rate is applied to kerbside recycling Bag sales reflect the requirement to use Council bags for refuse collection.	Users of the refuse and recycling services are readily identifiable and the exacerbator-pays principal is relevant. User charges pay for the costs of disposal However the public good aspects of service provision are significant resulting in funding of recycling collection and street litter bins by the capital value based general rate.
Waste Management 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 and also contributes to other Council Strategic priorities	Indefinitely.	The Waste Minimisation Act 2008 requires territorial authorities to minimise waste in their district.	N/A	100% external revenue which comes from Ministry for the Environment's Waste Levy, charged at \$10 per tonne at the landfill, 50% of which is returned to the Council.	External funding is provided for this activity.

Activity	Community outcomes	Who benefits	Period of benefit	Whose acts create a need (actions or inactions)	Separate funding	Funding sources	Rationale
<b>Reserves and recreational facilities group</b>							
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 another option for exercise.	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.	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. However, as the service delivers community benefits general rate funding is also an appropriate funding source. It is important that user charges are not 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 closes cemeteries.	There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity.	N/A	50% fees and charges.  50% general rates.	User charges are placed on the burial services. However, because of the benefit to the community as a whole it is also appropriate to provide some general rate funding. The Council is also required to meet statutory compliance requirements.
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.	N/A	100% fees and charges.	User charges are placed on the use of cremation facilities. However, because of the benefit to the community as a whole it is also appropriate to provide some general rate funding if required.

Activity	Community outcomes	Who benefits	Period of benefit	Whose acts create a need (actions or inactions)	Separate funding	Funding sources	Rationale
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	The whole community benefits because the Botanic Garden adds to the environment and amenity values of Dunedin.	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.	N/A	98% community services rate.  2% 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
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 made a commitment to undertake this activity for the long term. See above in relation to Reserves under the Reserves Act.	There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity.	N/A	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.
<b>Property group</b>							
Community Housing	A supportive city with caring communities and a great quality of life	Tenants – predominantly elderly people and other people who meeting the means testing criteria benefit.	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.	N/A	100% fees and charges	A user pays policy needs to be balanced against affordability for the lower income tenants in the properties and the overall community benefit in ensuring that low income and potentially vulnerable people can access affordable housing.



Activity	Community outcomes	Who benefits	Period of benefit	Whose acts create a need (actions or inactions)	Separate funding	Funding sources	Rationale
<b>Libraries and museums group</b>							
Dunedin Public Art Gallery	<p>A creative city with a rich and diverse arts and culture scene</p> <p>A successful city with a diverse, innovative and productive economy</p> <p>A supportive city with caring communities and a great quality of life</p>	<p>Visitors to the gallery.</p> <p>The community also benefits through the custodial role the gallery fulfils and its role as a tourist attraction.</p>	<p>The Council has made a commitment to undertake this activity for the long term.</p>	<p>There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity.</p>	N/A	<p>85% general rates.</p> <p>15% fees and charges/ other external charges.</p>	<p>This activity is largely public good. While it is possible to charge an entry fee, a previous entry fee for non-residents has been abandoned and Council made the decision in February 2014 to continue not to charge at cultural institutions following a report by staff to assess feasibility. This decision does not preclude charging an entry fee to special exhibitions, retail items or for hiring the venue.</p>
Libraries	<p>A creative city with a rich and diverse arts and culture scene</p> <p>A successful city with a diverse, innovative and productive economy</p> <p>A supportive city with caring communities and a great quality of life</p>	<p>Borrowers and visitors who browse, read and research.</p>	<p>The Council has made a commitment to undertake this activity for the long term.</p>	<p>There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity.</p>	N/A	<p>95% general rates</p> <p>5% fees and charges</p>	<p>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.</p>

Activity	Community outcomes	Who benefits	Period of benefit	Whose acts create a need (actions or inactions)	Separate funding	Funding sources	Rationale
Olveston	A creative city with a rich and diverse arts and culture scene A successful city with a diverse, innovative and productive economy	Visitors to Olveston 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.	N/A	33% general rates  67% fees and charges	An entry fee and some user charges are applied. However, as the service delivers community benefits general rate funding is also an appropriate funding source. It is important that user charges are not set so high as to create a barrier to entry.
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. 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.	N/A	92% general rates  8% fees and charges	This activity is largely public good. While it is possible to charge an entry fee, a previous entry fee for non-residents has been abandoned and Council made the decision in February 2014 to continue not to charge at cultural institutions following a report by staff to assess feasibility. This decision does not preclude charging an entry fee to special exhibitions, retail items or for hiring the venue.

Activity	Community outcomes	Who benefits	Period of benefit	Whose acts create a need (actions or inactions)	Separate funding	Funding sources	Rationale
Dunedin 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. There is also a wider economic benefit to the Community 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.	N/A	75% general rates  25% fees and charges	An entry fee and some user charges are applied. However, as the service delivers community benefits general rate funding is also an appropriate funding source. It is important that user charges are not 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	Visitors to the museum. 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, 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.	N/A	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.

Activity	Community outcomes	Who benefits	Period of benefit	Whose acts create a need (actions or inactions)	Separate funding	Funding sources	Rationale
<b>Regulatory services group</b>							
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.	N/A	20% general rates  80% fees and charges  There is an increasing number of dogs and higher rates of registration in the city.	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. Comparison with charges by other Councils is carried out.
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, however 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.	N/A	33% general rates  67% 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 to 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.

Activity	Community outcomes	Who benefits	Period of benefit	Whose acts create a need (actions or inactions)	Separate funding	Funding sources	Rationale
Environmental Health	A supportive city with caring communities and a great quality of life.	Individual licensees. The community benefits through the contribution this activity makes to public health and safety in relation to licensing food premises, and complaints in respect to noise, rubbish and regulation of industries that impact on public health (e.g. tattooists, beauticians, funeral homes, hairdressers and mobile traders).	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.	N/A	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 for licensing and the exacerbator pays principle applies for infringements.
Liquor Licensing	A supportive city with caring communities and a great quality of life.	Premises that are licensed allowing them to trade. There is some public health benefit 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. In addition, penalties apply for licence infringements.	N/A	35% general rate.  65% fees and charges	The Council has a statutory responsibility to provide this service – to the extent that costs are not covered by licence fees the Council must meet the balance of the cost.
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.	Members of the community expect the provision of an effective 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.	N/A	100% fees and charges	Users of the services provided are readily identifiable and the exacerbator pays principal is relevant.

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.	N/A	2% general rates  98% fees and charges	Users of the services provided are readily identifiable and the exacerbator pays principal is relevant. Enforcement charges/fines are set by statute.
<b>Economic development group</b>							
Enterprise Dunedin	A successful city with a diverse, innovative and productive economy.	Businesses that contact the service benefit. The city and community benefits from work to encourage 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.	N/A	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.
Visitors Centre	A successful city with a diverse, innovative and productive economy.	There is a wider economic benefit for the city gained through encouraging spending within the city through 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.	N/A	55% general and tourism / economic development rates.  45% fees and charges	Users of the service pay fees for some of the services provided by this activity. 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.

Activity	Community outcomes	Who benefits	Period of benefit	Whose acts create a need (actions or inactions)	Separate funding	Funding sources	Rationale
<b>Community and planning group</b>							
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.	N/A	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 rule.
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.	N/A	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.

Activity	Community outcomes	Who benefits	Period of benefit	Whose acts create a need (actions or inactions)	Separate funding	Funding sources	Rationale
Resource Consents	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 ensuring that development occurs with minimal adverse environmental effect and maintains environmental, and amenities standards.	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. Noting however that costs for private plan changes are recovered.	N/A	60% general rates  40% fees and charges.	The Resource Consent team provides a mixture of public and private good work. The proportion of funding from fees and charges reflects the Council's decision for resource consents process to be undertaken on an actual cost recovery basis This activity is largely public good and the remaining proportion is funded from the capital value based general rate.
<b>Governance and support services group</b>							
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.	N/A	100% general rates	Funding through the capital value based general rate spreads the funding burden across the entire community including non-users.
Corporate Support Services	Indirect contribution to all community outcomes.	Effective support of Council activities and making information such as GIS data, Land Information data and Council's archives available 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.	N/A	77% general rates  23% 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 rate spreads the funding burden across the entire community including non-users.



Activity	Community outcomes	Who benefits	Period of benefit	Whose acts create a need (actions or inactions)	Separate funding	Funding sources	Rationale
Investment Account and Waipori Fund	Indirect contribution to all community outcomes.	No individual benefits. The benefits from the Council generating revenue from sources other than rates benefits the community as a whole.	The Council has made a commitment to undertake this activity for the long term. A two thirds majority decision is required before the Council can divest all or part of the Waipori Fund.	There are no actions or inactions of particular individuals or groups that have contributed to the need to undertake this activity.	N/A	100% external revenue	Revenue from these activities subsidises rates and therefore reduces the burden on community.
Warm Dunedin	A supportive city with caring communities and a great quality of life.	Residents of the city benefit by the provision of warm and healthy homes.	The Council has made a commitment to undertake this activity for the long term.	Owners of cold, damp homes will be able to upgrade their homes	N/A	100% contribution by user via targeted rates.	Individual applications are made by residents to access funding for improvements to insulation and heating in their home which is repaid via a targeted rate on their property.

## 5.2 Treasury risk management policy | Kaupapa here haumarū takotoraka pūtea

### Purpose

This policy document is the policy document for the Dunedin City Council (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:

- o Dunedin City Council
- o Dunedin City Holdings Limited
- o Dunedin City Treasury Limited
- o Dunedin Stadium Property Limited
- o Dunedin Venues Management Limited
- o City Forests Limited
- o Aurora Energy Limited
- o Delta Utility Services Limited
- o Taieri Gorge Railway Limited

This policy replaces all existing Treasury Policies within the DCC Group.

The purpose of this 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 following:

- o The Establishment Plan of DCTL dated 4 August 1992
- o The Statement of Intent of DCTL
- o Statutory requirements relating to DCC Liability Management and Investment Policy preparation
- o Relevant accounting standards in relation to hedge accounting

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

- o Operating efficiently in accordance with sound commercial practice;
- o Managing the cost of debt and treasury investment returns within an appropriate risk management framework;
- o Maximising the net worth of its assets; and
- o Producing sustainable returns to the DCC.

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

- o Operational Risk
- o Liquidity and Funding Risk
- o Interest Rate Risk
- o Credit Risk
- o Investment Risk
- o 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.

## Key terms and Definitions

"Cash forecasting" is the process of estimating the total of the cash inflows and outflows which will occur during various periods into the future for entities (or group of entities where a central treasury function is used) and calculating the projected net cash balance at the end of each of the various future periods.

"CFO" is the Chief Financial Officer.

"Counterparty" is the other party to a transaction entered into for example, if one party agrees to invest some money with a bank, then that bank is the counterparty in relation to that transaction.

"Credit risk" is the risk to one party that a counterparty, to a transaction entered into, will be unable to perform its side of the transaction. This could result in the loss of money invested with them, or could involve the cost of replacing the transaction at current market rates.

"DCC" is the body corporate Dunedin City Council, and includes its officers acting under delegated authority where the context so requires.

"DCC group" is comprised of DCC, DCHL plus all of the companies (other than Dunedin International Airport Limited) in which either DCC or DCHL owns some or all of the share capital.

"DCHL" is the Dunedin City Holdings Limited. This company holds the DCC's investment in the share capital of some of the DCC Group companies. Dunedin City Holdings Limited is 100% owned by DCC.

"DCTL" is the Dunedin City Treasury Limited. This company is responsible for funding the financial requirements of the DCC Group. To satisfy these funding requirements, DCTL borrows from and invests money with organisations inside and outside the DCC Group. In performing this task it is required to manage its own interest rate risk within defined limits set out in its Treasury Management Policy document.

"Facility" is a formal arrangement with another party to make available an agreed service on request (for example, an overdraft facility with a bank allows one party to overdraw the balance available in that bank account whenever required, up to the limit agreed in that facility).

"Foreign exchange risk" is the risk arising from a change in foreign exchange rates against the New Zealand dollar adversely affecting the New Zealand denominated value of an outstanding transaction, asset, or liability.

"Group TM" is the Group Treasury Manager.

"Interest rate risk" is the risk inherent in an adverse change in market interest rates. This risk can be reflected in the interest rate paid on new borrowings/rollover of existing borrowings, and the opportunity cost relating to interest rates agreed to on borrowings already raised.

"Liquidity" is having access to sufficient cash at the times necessary to make the required payments.

"Performance measurement" is the process of comparing what was actually achieved with the objectives and indicators set.

"Statement of Corporate Intent" is the document as defined in the Local Government Act 2002.

"Treasury management policy" is a document setting out guidelines within which treasury related activities (for example, borrowing and investment of money, working capital control, cash flow forecasting, interest risk rate risk management) will be conducted.

"Subsidiary/subsidiaries" refers to DCHL plus all of the companies in which DCHL owns some or all of the share capital but excluding Dunedin International Airport Limited.

"Working capital control" is the process of managing current assets (for example, cash debtors, stock - in its various stages) and current liabilities (for example, creditors) to produce the greatest net benefit relative to the net investment in working capital (current assets less current liabilities).

## Policy

### 1. Treasury structure – roles and responsibilities

- 1.1. The roles and responsibilities of the key parties involved in the treasury management process are detailed below. This is in addition to the specific delegations as noted in Appendix 1.
- 1.2. Currently the board of DCTL and DCHL are composed of the same board members.
- 1.3. The Dunedin City Council has responsibility for:
  - a) Overall performance of the DCC Group;
  - b) Approving the DCC treasury policy, on the recommendation of the DCHL Board;
  - c) Approving Council Liability Management and Investment policies on the recommendation of management and confirmation from the Council and the Group Chief Financial Officer that they are consistent with the risk management parameters contained in this policy;
  - d) Approving annual Council borrowing requirements through the annual plan;
  - e) Delegating authority to DCTL to undertake Treasury activities on behalf of the DCC;
  - f) Over viewing the DCC Group Treasury activities through regular DCHL reporting and compliance.
- 1.4. The DCHL Board has responsibility for:
  - a) Over viewing the operations of all subsidiaries under its supervision including treasury risk management activity;
  - b) Recommending that Council approve the DCC treasury policy, on the recommendation of the DCTL Board;
  - c) Monitoring the performance of DCTL against this policy by DCTL Board treasury reporting;
  - d) 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.
- 1.5. The DCTL Board has responsibility for:
  - a) Assisting the achievement of overall DCC objectives by promoting sound treasury management practices throughout the DCC Group;
  - b) Overseeing the operation and performance of DCTL ensuring that treasury activities within the DCC Group are conducted within agreed risk management parameters;
  - c) Recommending the DCC treasury policy and subsequent changes to the DCHL Board for submission to the Council for approval;
  - d) Assisting management through sound governance practices in achieving the risk management objectives set out in this policy as well as the annual objectives set out in the Statement of Intent prepared by the Group TM;
  - e) Monitoring the performance of the treasury operation through the review of regular reports;
  - f) Reviewing the opinions and needs of the DCC Group as users of treasury services provided by DCTL on an annual basis in conjunction with the relevant entities;

- g) Undertaking an annual internal review of this 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;
- h) Over viewing implementation of internal or external audit recommendations;
- i) Reviewing treasury activity through regular treasury reporting;
- j) Approving transactions, short term facilities or decisions outside the delegated authority of the Group TM;
- k) Reviewing performance against benchmarks;
- l) Reviewing and recommending instruments and techniques to manage risk outside the policy, to the DCHL Board and Council for approval.

1.6. The Group Treasury Manager (Group TM) has responsibility for:

- a) The management of all treasury risks within the DCC Group, excluding foreign exchange risk in those circumstances in which the DCHL Board has agreed that this will be managed at the subsidiary level;
- b) Exercising delegations as outlined in this policy;
- c) Notifying the DCTL Board of any breaches of the policy including a plan for remediation, as appropriate;
- d) Overseeing implementation of internal or external audit recommendations on treasury related issues after consultation with the DCTL Board;
- e) Managing and reporting to the DCTL Board the overall activities and results of DCTL;
- f) Negotiating and setting up facilities to ensure the availability of funding for the requirements of the DCC Group as identified;
- g) Formulating and implementing risk management strategies for DCTL and other DCC Group entities within the delegated limits;
- h) Developing and documenting appropriate operational procedures and ensuring an appropriate system of internal control is in place;
- i) Entering into financial market transactions with external parties on behalf of DCTL and the wider DCC Group within delegated limits;
- j) Over viewing net cash requirements as provided by the DCC Group and developing long term funding plans;
- k) Over viewing the operation of treasury information systems and preparing treasury management reports;
- l) Managing all external bank accounts and external financial market relationships;
- m) Advising the DCC Group entities on foreign exchange risk management policies, financial products and techniques as requested;
- n) Over viewing all internal relationships with DCTL clients;
- o) Recommending to the DCTL Board those transactions which fall outside the scope of the Group TM's delegated authority;
- p) Managing relationships with banks, rating agencies and lenders;
- q) Reporting to the DCTL Board on the overall activities and results of DCTL.

1.7. The Assistant Treasurer has responsibility for:

- a) Assisting in the management of all treasury risks within the DCC Group, excluding foreign exchange risk in those circumstances in which the DCHL Board as agreed that this will be managed at the subsidiary level;
- b) Exercising delegations as outlined in this policy;
- c) Assisting in negotiating and setting up facilities to ensure the availability of funding for the requirements of the DCC Group as identified;
- d) Assisting the Group TM in formulating and implementing risk management strategies for DCTL and other DCC Group entities within delegated limits;
- e) Entering into financial market transactions with external parties on behalf of DCTL and the wider DCC Group within delegated limits;

- f) Collating net cash requirements for DCC Group entities and managing day-to-day cashflow requirements of the DCC with internal and external parties;
  - g) Assisting in advising DCC Group entities on foreign exchange risk management policies, financial products and techniques as requested;
  - h) Day-to-day management of all treasury related internal relationships with other entities within the DCC Group and with external parties;
  - i) Processing the day to day Treasury related transactions including – interest payments;
  - j) Processing Treasury accounting entries.
- 1.8. The Council provided back office support has responsibility for:
- a) Assisting the Group TM to ensure appropriate operational controls are in place;
  - b) Providing accounting support to DCTL as agreed with the Group CFO of DCC;
  - c) Assisting in the preparation of Treasury reports to management and the Boards, to ensure alignment of reporting practices and procedures across the DCC Group;
  - d) Reconciling external transaction confirmations with internal records;
  - e) Escalating any discrepancies resulting from the reconciliations, to the attention of the Group TM and the Group CFO of DCC.
- 1.9. The Boards of the DCC Group Entities and the Council (as counterparties of DCTL) have responsibility for:
- a) Approving funding requirements as advised to DCTL on an annual basis;
  - b) Determining the capital structure of each individual organisation;
  - c) Ensuring the Finance Manager (or equivalent) provides information as required by this policy to DCTL;
  - d) Reviewing financing facilities set up with DCTL.
- 1.10. The Finance Managers (or equivalent) within the DCC Group Entities (as clients of DCTL) have responsibility for:
- a) Preparing Funding Requirement Budgets (FRB) on an annual basis for DCTL;
  - b) Assisting DCTL in achieving efficient working capital management;
  - c) Identifying and collating all cash and funding availability/requirements within the organisation on a daily basis;
  - d) Providing the Group TM or Assistant Treasurer with accurate, timely and relevant information as to cash requirements as specified in this policy;
  - e) Communicating all finance and other banking needs to DCTL;
  - f) Building a strong working relationship with DCTL;
  - g) Advising DCTL of any foreign currency hedging requirements to be entered into with third parties and providing monthly reports evidencing policy compliance.
- 1.11. The Audit Committee of DCTL has responsibility for ensuring the internal audit programme is carried out.
- 1.12. Any breaches of this policy are to be advised in the first instance to the Group CFO of DCC by the Group TM 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. This notification is to be escalated, if the breach is not rectified within 1 business day, as follows:
- a) The Board of DCTL and;
  - b) The Board of DCHL.
- 1.13. The DCTL Board, the DCHL Board, Audit and Risk Sub-committee of Council and Council will be notified of all breaches (whether rectified or not) no later than their next scheduled meetings.

## 2. Operational risk and internal control policy

### Purpose

- 2.1. 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

- 2.2. DCTL manages this exposure by:
- a) 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;
  - b) Ensuring the Treasury function has adequate systems in place for the management of financial risk;
  - c) Ensuring Treasury function employees are suitably qualified and trained so as to undertake and perform financial risk management activities; and
  - d) Ensuring legal enforceability of financial management contracts.
- 2.3. 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 paperflow, files, registers, internal controls and accounting treatment of all transactions. It also includes guidelines and precedent documents.
- 2.4. All DCC Group entities are responsible for implementing and reviewing their own appropriate operational and internal controls.
- 2.5. Delegated authorities for initiating financial transactions, appropriate dealing limits, and authorisation and settlement conditions are detailed in Appendix 1.

## 3. Interest rate risk policy

### Purpose

- 3.1. Interest rate risk is the risk of adverse changes in interest income or interest expense arising from fluctuations in interest rates that impact on the net income of the DCC and may have to be compensated through increasing rates or charges or decreasing services provided. The risk is that the DCC may not be able to increase rates or charges to fund this increased expense without incurring significant pushback from rate-payers and/or may not be able to materially decrease services delivered within an appropriate timeframe.
- 3.2. The majority of interest rate risk arises from borrowings. DCTL is also responsible for transacting interest bearing investments within the controls detailed in this policy.
- 3.3. DCTL understands there is a trade off when seeking to minimise the cost of debt or maximise return on investments between certainty (fixed rate) and participating in favourable movements in interest rates (floating rate). This policy recognises the conservative nature of the DCC and the desire for stability in interest expense and interest income over multiple reporting periods. In no circumstances can transactions be entered into that are of a speculative nature. All hedging transactions must relate to underlying physical exposures and must decrease the net exposure to financial market movements.
- 3.4. Interest rate risk is managed by setting minimum and maximum levels of floating rate risk over various timeframes for borrowings and investments.
- 3.5. Fixed rate debt or investment is defined as having a re-pricing or rollover date of more than 12 months into the future.

### Risk management approach

- 3.6. DCTL utilises a portfolio approach to manage interest rate risk.

- 3.7. Portfolio approach – A portfolio approach implies managing interest rate risk over multiple time frames within prescribed hedging parameters. This approach recognises the unacceptable levels of volatility that would be assumed if trying to pick market moves and predict interest rate changes over the long run, compared to the incremental approach that attempts to smooth volatility over time, implied by the portfolio approach.

#### **Management of interest rate risk**

- 3.8. Interest rate risk is managed by implementing the following:
- 3.9. An annual Funding Requirement Budget (FRB) is submitted to DCTL by each member of the DCC Group that will require debt funding at least 2 months before the start of the financial year. The FRB also includes projected debt requirements for as long as projected but for at least a further two years.
- 3.10. DCTL maintains an approved debt interest rate reset profile within the debt interest rate resetting profile detailed below:

<b>Fixed rate maturity profile limit</b>		
<b>Period*</b>	<b>Minimum cover</b>	<b>Maximum cover</b>
Year 1	50%	100%
Years 2 and 3	40%	90%
Years 4 and 5	30%	70%
Years 6 and 7	15%	50%
Years 8, 9 and 10	0%	40%
Years 11 – 15	0%	20%

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

- 3.11. Specified permitted debt instruments are detailed in section 5.
- 3.12. All interest rate hedges are entered into by DCTL with external counterparties.
- 3.13. Other DCC Group entities are precluded from entering into any financial transactions with external counterparties.

## **4. Liquidity and funding risk policy**

### **Liquidity risk**

- 4.1. 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.
- a) An unplanned reduction in revenue thus reducing cash receipts;
  - b) Unexpected business disruption;
  - c) Unplanned capital or operating expenditures;
  - d) External market liquidity.

### **Measurement of liquidity risk**

- 4.2. Liquidity management is the analysis of the DCC Group's cash flows, in both the short and long terms for all perceived requirements and contingencies, and arrangement of suitable sources of liquid resources.
- 4.3. Liquid resources are defined as:
- a) Unencumbered financial assets which can be readily converted to cash in a short space of time with no loss of principal value; and
  - b) Undrawn committed or standby facilities which can be accessed within a suitable time frame.
- 4.4. The DCC Group recognises three aspects to liquidity management:
- 4.4.1. *Short term operational liquidity management:* To be monitored and controlled by short term cash forecasts. This responsibility remains within each member of the DCC Group.



4.4.2. *Long term operational liquidity management:* To be monitored and controlled through the functioning of long term financial planning and long term cash forecasting. This management process is monitored through the annual budget preparation coordinated by DCHL.

4.4.3. *Contingency planning:* Maintenance of a liquidity buffer to be monitored through the long and short term planning processes and arrangement of liquidity sources sufficient to meet maximum forecast requirements.

4.5. Each DCC Group entity is responsible for identifying short term operational and long term liquidity planning in conjunction with the FRB process and communicating these to DCTL. Each DCC Group entity is also responsible for identifying contingent requirements and communicating those to DCTL.

4.6. DCTL is responsible for overall liquidity management based on the requirements identified by the DCC Group entities. Because of the credit quality of DCC and DCTL (currently AA, A-1+) liquidity is maintained through a commercial paper programme supported by committed, but unutilised, bank debt facilities. The quantum of committed bank facilities required is reviewed annually by the Group TM and approved by the Board of DCTL. This must be reviewed if DCC and/or DCTL are advised that they will be placed on negative credit watch or are downgraded.

### **Funding risk**

4.7. 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.

4.8. 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.

4.9. 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.

4.10. The risks for the DCC Group are as follows:

- a) If the majority of facilities are maturing at, or around, the same time there is a risk that it is an unfavourable time to be renewing facilities in the market due to high pricing/margins required from lenders;
- b) If the DCC Group is experiencing some difficulties, by having all facilities maturing at one time this may impact adversely on the DCC Group's ability to either renew the facility or receive favourable conditions; or
- c) There is a danger of saturating the market and negatively impacting on pricing and/or terms and conditions if all facilities are maturing at the same time.

4.11. 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.

4.12. The policy control in relation to funding risk is: No more than \$200 million can mature over the next 12 months or in any 12 month period thereafter and at least 20% of total debt must have a maturity greater than 5 years (but no more than 12 years without DCC approval).

### **Funding within the DCC Group**

4.13. DCTL provides all funding to all of the DCC Group entities with the exception of two specific external funding facilities in place in relation to the Forsyth Barr Stadium and City Forests Limited. This funding is excluded from this policy as it is not considered material but it is also expected that upon expiry these facilities will be replaced, if still required, with internal funding from DCTL.

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

4.14.1. *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 3 month BKBM FRA rate at the day of drawdown plus a pre-agreed margin detailed in the specific funding facility documentation for that entity.

4.14.2. *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.

- 4.15. 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.
- 4.16. 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.

## 5. Permitted debt instruments policy

### Purpose

- 5.1. 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 borrowing instruments

- 5.2. The list of permitted instruments for debt management is:
- a) Bank overdraft
  - b) Committed bank facilities
  - c) Commercial paper issuance
  - d) Fixed rate bonds, floating rate notes from the domestic debt capital markets
- 5.3. Borrowings via the Local Government Financing Authority (LGFA) are subject to approval from Council in relation to participation in the LGFA structure and analysis from DCTL that this would be a cost effective funding source.
- 5.4. Borrowings from international capital markets are subject to prior Council approval and analysis from DCTL that this would be a cost effective funding source. Any such borrowings must be in NZD.

### Permitted derivative instruments

- 5.5. The list of permitted instruments for debt management is:
- a) Forward interest rate agreements (FRA's)
  - b) Interest rate swaps
  - c) Interest rate options (purchase of caps or collars only)
  - d) Options on interest rate swaps
- 5.6. 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:
- a) All hedging transactions must relate to an underlying debt exposure and no speculative transactions can be undertaken;
  - b) 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

- c) 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.

5.7. Delegated authorities for initiating derivative transactions are detailed in Appendix 1.

## **6. Cash management policy**

### **Definition of policy purposes**

- 6.1. 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.
- 6.2. 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**

- 6.3. 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.
- 6.4. Responsibility for operating a cash efficient operation ultimately rests with the individual DCC 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**

- 6.5. 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. Wherever possible DCC Group entities should all have their transactional banking with the same financial institution.

### **Funding DCC accounts**

- 6.6. 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 to cover un-presented cheques. A maximum balance should be agreed between the Group TM and the Finance Manager or equivalent within each DCC Group entity on an annual basis. In any case, surplus balances should be monitored closely recognising the cost of having these funds earning little or no interest when compared to overall cost of funds for the DCC.

### **Cash collection and disbursement**

- 6.7. The cash cycle: 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 for accurate cash flow forecasts and efficient cash collection and disbursement mechanisms.
- 6.8. The cash collection: The policy is to optimise the earnings potential of cash inflows by shortening the cash collection cycle wherever possible.
- 6.9. Collection float is defined as the aggregate delay from the time the ratepayer or other debtor writes a cheque or commits to payment and when that payment is available as cleared funds.
- 6.10. The DCC seeks to promote collection methods which reduce processing requirements and provide more accurate value dating of receivables.

- 6.11. Cash disbursement: The policy is to optimise the earning potential of available cash by lengthening the cash disbursement cycle wherever possible.
- 6.12. DCTL encourages the use of electronic transactions and mechanisms to reduce uncertainty of value date and promote the minimisation of float.
- 6.13. All DCC entities ensure that DCTL is advised of the larger cash flows (both cash receivable and payable) in a timely manner.
- 6.14. The major cash flow items will include capital asset purchases, dividend flows, taxation payments and subvention payments.
- 6.15. The strategic and long term financial planning processes are to be supported by:
  - a) Three year forecast by year, prepared annually on a rolling basis.
  - b) Capital expenditure forecasts over a minimum 5 year period, prepared annually on a rolling basis.
- 6.16. This process forms part of the annual budget preparation undertaken by each DCC Group entity and is co-ordinated by DCHL.

## **7. Investment management policy**

### **Purpose**

- 7.1. 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**

- 7.2. 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 cashflow 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**

- 7.3. The following controls apply:
  - a) All investments are to be in accordance with the Permitted Investment Instruments policy (Section 8) and the Credit Risk Policy (Section 9);
  - b) Investments in risk-leveraged derivative instruments are not permitted; and
  - c) Investment performance is to be benchmarked against an appropriate index as agreed between the Group TM and the DCTL Board.

## **8. Permitted investment instruments policy**

### **Purpose**

- 8.1. 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**

- 8.2. The list of permitted instruments for investment are:

- a) Investments Instruments
- b) Bank deposits (maximum 365 days)
- c) Commercial paper (maximum 182 days)
- d) 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.

## 9. Credit risk policy

### Requirement for external credit limits

- 9.1. 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 outside counterparties.
- 9.2. 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

- 9.3. 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

- 9.4. *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 followed by Moody's and then Fitch rating assessments. 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 Section 9.10 All limits are to be approved by the DCTL Board.
- 9.5. *Unrated Organisations:* No limit will be established for unrated organisations without Council approval. The Group TM will provide a formal request in support of any application including the cost benefit of contemplating such a relationship.

### External credit limit operation

- 9.6. The Assistant Treasurer will ensure that information is available on total exposure to counterparties and that proposed transactions can be assessed against available limits. All transactions with external counterparties are to be recorded against the relevant counterparty based on approved risk weightings. No transaction is to be entered into without calculation of credit limit usage and confirmation that sufficient limit is available to accommodate the transaction.

### External credit limit operation

- 9.7. Credit ratings are reviewed by the Assistant Treasurer on an ongoing basis, especially in the event of notices of "credit-watch negative" and credit downgrades with credit limits and exposures adjusted accordingly. Credit ratings will be reviewed by the Group TM annually.
- 9.8. Counterparties exceeding limits must be reported to the Board of DCTL as soon as the policy breach is recognised with a plan for correction that must be approved by the Board.
- 9.9. The Group TM may recommend with immediate effect the termination or reduction in the limit of a counterparty at any time.

**External counterparty credit limits**

- 9.10. The following schedule confirms the approved limits:

Instrument	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-	\$50
All exposures	A to A+	\$30
Residual investments	BBB to A-	\$5

- 9.11. Exposures are to be calculated as follows: Cash/Bonds 100% of face value including accrued interest

Other Investments

- o FX forwards/options  $MTM + FV * \text{remaining tenor}(y) * 10\%$
- o Interest Rate Swaps  $MTM + FV * \text{remaining tenor}(y) * 2\%$
- o Interest Rate Options  $MTM + FV * \text{remaining tenor}(y) * 2\%$
- o CCIRS  $MTM + FV * \text{remaining tenor}(y) * 10\%$

(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).

- 9.12. 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.
- 9.13. The Assistant Treasurer will report monthly on actual credit usage by all of the DCC Group with all external counterparties against the approved limits.

**Internal credit risks**

- 9.14. The credit risk is managed as follows:

- a) 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 subject to final approval by the DCHL Board.
- b) No security arrangements are required for all entities that are ultimately 100% owned by the DCC.

**10. Foreign exchange risk policy****Purpose**

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

**Rationale**

- 10.2. The objective of the policy is to mitigate the potential for financial loss arising through unfavourable movements in exchange rates. This foreign exchange transaction risk can result in the DCC Group's cash flows being adversely affected by movements in exchange rates that will change the New Zealand dollar (NZD) value of foreign currency exposures.

**Permitted instruments**

- 10.3. 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.
- 10.4. 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**

- 10.5. The various DCC Group entities will monitor their net foreign exchange position in all currencies. Any foreign currency exposure greater than NZD\$50,000 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.
- 10.6. Net foreign currency exposures in excess of NZD\$50,000 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. Foreign exchange hedging must be conducted through an approved counterparty.
- 10.7. DCTL is provided with delegated authority as to the choice of hedging instrument.
- 10.8. The Assistant Treasurer will ensure that all hedges are supported by the acquisition of a physical asset, payment of a liability or a high degree of certainty that a potential foreign currency exposure or part thereof will become a firm commitment to purchase. That is, all hedges are to be physical hedges and not "trading" positions. Hedge accounting is implemented where possible.
- 10.9. DCTL will enter all FX transaction in the Treasury system, which records all foreign exchange hedges and the underlying exposures in all currencies.
- 10.10. Delegated authorities for initiating foreign exchange transactions are outlined in Appendix 1.

**Hedging at subsidiary level**

- 10.11. An individual DCC Group entity can manage its own foreign exchange exposures subject to approval from the DCHL 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.
- 10.12. 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.
- 10.13. 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.

**11. Commodity Risk Policy**

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

**Rationale**

- 11.2. 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.
- 11.3. At this stage there are not considered to be any material commodity exposures within the DCC Group but if material exposures that are ongoing are identified (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 for approval in accordance with this policy.
- 11.4. For clarity the trading in physical forest assets are not considered a commodity.
- 11.5. 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.

## 12. Reporting

### Definition for policy purposes

- 12.1. Management information is the basis for monitoring and reporting treasury activity. For this reason management must have access to information that is timely, accurate, relevant and complete. Characteristics of effective information for treasury management purposes are:
- a) Information that deals primarily with treasury activities; Information sources must be clearly identified;
  - b) Information must be timely and made available to appropriate levels of management;
  - c) Reports must be clearly presented, preferably on a summary basis; and
  - d) Reports must be internally consistent.

### Management reports

- 12.2. Management reports for the DCTL Board are produced on a monthly basis providing the following categories of information:
- a) Approved facility limits provided to DCC entities, and current utilisation.
  - b) External counterparty limit utilisation for the DCC Group.
  - c) Debt hedging profile against policy parameters. , funding profile against policy parameters and liquidity levels.
  - d) Details of DCC Group FX hedging against policy parameters.
  - e) Quarterly reporting that measures the actual interest cost against interest expense in the current Annual Plan and also current LTP.

### Reporting to DCTL Board

- 12.3. The DCTL Board will be provided with a monthly report of treasury activity. The report will include details of any exception to the policy and information supporting any decisions required of DCTL, DCHL or Council where authority has not been delegated to management.
- 12.4. The Group TM is responsible for preparing the report, with the format to be agreed on an ongoing basis with the DCTL Board. The report will include progress in relation to the approved Group TM implementation plans as detailed previously in this document.

## 13. Performance measurement

### Definition for policy purposes

- 13.1. 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

- 13.2. Performance indicators are established annually in the Statement of Intent. Performance indicators for the treasury functions must:
- a) be consistent with the objectives established for treasury management and be recast as changes occur in short or long term objectives;
  - b) have a time horizon chosen for measurement purposes which is relevant; and the targets must be achievable; and
  - c) 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.

### Performance measurement reporting

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



## Appendix 1: Delegations of authority

The following table lists individuals who have the authority to make recommendations, and approve transactions, plus any specific conditions applicable to the transaction.

Transaction type	Recommendation	Delegation to approve given to	Total value
Cash management (borrowing) Commercial paper, bank overdraft, bank facilities	From Treasury Manager	DCTL Board  Group Chief Financial Officer	\$100 million to 180 days \$50 million 181 to 365 days \$20 million to 180 days \$10 million 181 to 365 days
Foreign exchange and commodity price management including Carbon Credits	From Treasury Manager	DCTL Board	Total of exposure being hedged
Debt management via derivative transactions Includes FRA's, Interest Rate Swaps, Interest Rate Options, Options on Swaps The Treasury Manager has authority to enter into derivative transactions to maintain Policy compliance	From Treasury Manager	DCTL Board  Group Chief Financial Officer	\$100 million to 5 years \$75 million to 15 years \$20 million to 3 years \$10 million to 5 years  N/A
Investment Transactions Excludes the Waipori Fund	From Treasury Manager	Group Chief Financial Officer Treasury Manager	Over \$10 million to 180 days Over \$5 million to 365 days \$10 million to 180 days \$5 million to 365 days

The following table lists individuals who have the authority to Deal the above transactions for DCTL plus any other specific conditions applicable to the transaction.

Transaction type	Approval to deal given to	Dealing limit per week
Cash management (borrowing) Commercial paper, bank overdraft, bank facilities	Treasury Manager  Assistant Treasurer	\$100 million to 180 days \$50 million 181 to 365 days \$100 million to 180 days \$50 million 181 to 365 days
Long-term funding represented by new and maturing debt drawdown Includes Floating Rate Notes, Medium Term Notes and Committed Bank Facilities Documentation required includes Managers Certificate and Director Resolution	Treasury Manager  Group Chief Financial Officer	Total of debt being financed  Total of debt being financed
Foreign exchange and commodity price management including Carbon Credits	Treasury Manager  Assistant Treasurer	Total of exposure being hedged  Total of exposure being hedged
Debt management via derivative transactions Includes FRA's, Interest Rate Swaps, Interest Rate Options, Options on Swaps The Treasury Manager has authority to enter into derivative transactions to maintain Policy compliance	Treasury Manager  Assistant Treasurer	Total of exposure being hedged  Total of exposure being hedged as required by the Treasury Manager
Investment Transactions Excludes the Waipori Fund	Treasury Manager Assistant Treasurer	\$20 million to 180 days \$5 million to 365 days \$20 million to 180 days \$5 million to 365 days

In the absence of the Treasury Manager an active delegation is required to transfer the dealing limits of the Treasury Manager to the Assistant Treasurer.

The following table outlines individuals who have the authority to authorise payments and sign cheques for DCTL.

<b>Staff from the Finance Team as approved by the Group Chief Financial Officer</b>	
Financial Delegation	DCTL: payments for authorised transactions – must be signed by two authorised signatories
Signing Authority	Cheque signatories and authorities to operate Company Bank Accounts: authorised to sign cheques

The following table lists individuals who have the authority to make recommendations and approve transactions for the Waipori Fund.

<b>Transaction</b>	<b>Recommendation</b>	<b>Approver</b>
Equities	From External Advisor	DCTL Board
Bonds	From either External Advisor or Internal (Treasury Manager)	DCTL Board
Fixed Interest Term Deposits	From either External Advisor or Internal (Treasury Manager)	DCTL Board Treasury Manager/Group Chief Financial Officer \$1 - \$5m
Call Accounts	Automatic sweep function	Approval given to Treasury Manager to use automatic sweep function

An appropriate staff member of DCTL or DCC specifically involved in the operation of DCTL can Deal the above transactions for the Waipori Fund.

The following table outlines individuals who have the authority to authorise payments and sign cheques for the Waipori Fund.

<b>Staff from the Finance Team as approved by the Group Chief Financial Officer</b>	
Financial Delegation	Waipori Fund: payments for authorised transactions (see above) for Waipori Fund
Signing Authority	Cheque signatories and authorities to operate Company Bank Accounts: authorised to sign cheques

Note – For the DCC, the General Manager Finance and Commercial is the Group Chief Financial Officer (CFO).

## 5.3 Rates remission and postponement policy | Kaupapa here whakaheke rēti, whakakoreka

### Purpose

- o To support fairness and equity of the rating system.
- o To provide certainty about sources and levels of funding.
- o To provide financial assistance or support for ratepayers where they might otherwise have difficulty meeting their rate payment obligations.
- o 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 whose beneficial ownership has been determined by the Māori Land Court by freehold order.

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

"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 extreme 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 rates 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 extreme 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. 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 ratepayers 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 instalment 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, or the penalty refers to the previous rating year.
- 4.4 Business (Commercial) and Farmland Ratepayers are expected to be "business like" and to be organised to pay their rates on time.
- 4.5 Penalties will not be applied where a ratepayer has entered into a repayment agreement satisfactory to Council and makes the agreed regular rate payments.
- 4.6 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 one targeted rate 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.
- 5.4 The rating units must be owned by the same ratepayer.
- 5.5 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.
- 5.6 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 uniform annual charges on those rating units.
- 5.7 If a remission is approved, the ratepayer will only be charged one set of targeted rates each rating year.
- 5.8 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 five 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 one targeted rate may be received from ratepayers of rural land which is non-contiguous, farmed as a single entity and owned by the same ratepayer.
- 6.3 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.
- 6.4 The granting of this remission is subject to all of the following five 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 1<sup>st</sup> July from which the application is made until the occupier no longer meets the five criteria above.

## **7 Remission of rates on land voluntarily protected for conservation purposes**

### **Objective**

- 7.1 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."*
- 7.2 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**

- 7.3 On application by the ratepayer the Council may remit 100% of rates for any period where a rating unit meets the following criteria:
- 7.3.1 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
  - 7.3.2 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 land owner has agreed for the land to be so listed; and
  - 7.3.3 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.
- 7.4 When determining an application, the Council shall have regard to the following matters:
- 7.4.1 the desirability of preserving particular natural or historic or cultural features within the district

- 7.4.2 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
- 7.4.3 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
- 7.4.4 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
- 7.4.5 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;
- 7.4.6 such other matters as the Council considers relevant.
- 7.5 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*

## **8 Remission of rates following a natural disaster or calamity**

### **Objective**

- 8.1 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**

- 8.2 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.
- 8.3 The remission will apply only to each single event and to the rating unit affected by such an event.
- 8.4 The granting of this remission is subject to all of the following four conditions:
  - 8.4.1 The Government has established and approved a reimbursement scheme for rates remitted for such properties
  - 8.4.2 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.
  - 8.4.3 All applications must be made within three (3) months of the event.
  - 8.4.4 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.
- 8.5 Council may require other records, such as Insurance claims, as part of the approval process

## **9 Remission of rates on Māori freehold land**

### **Objective**

- 9.1 The objectives of this policy are to:
  - 9.1.1 Recognise situations where there is no occupier or person gaining an economic or financial benefit from the land.
  - 9.1.2 Recognise situations where land use is limited due to the physical accessibility of the land.
  - 9.1.3 Recognise situations where land use is limited due to the marginal quality of the land.
  - 9.1.4 Recognise situations where there are no practical means of enforcing the rates assessed due to the dispersion of multiple owners.
  - 9.1.5 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.

- 9.1.6 Encourage owners or trustees to use or develop the land.

#### **Conditions and Criteria**

- 9.2 Applications may be made to remit all or part of the rates (including penalties for unpaid rates) on Māori freehold land
- 9.3 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.
- 9.4 Rates may only be remitted where the rating unit has been entered onto the Register.
- 9.5 The criteria for eligibility for entry to the Register are as follows:
- 9.5.1 The land listed on the application must be Māori Freehold Land.
  - 9.5.2 The matters listed in Schedule 11 of the Local Government Act 2002 will be taken into account.
  - 9.5.3 The land must be unoccupied by any persons, with no place of residence built thereon.
  - 9.5.4 No income is derived from any use of the land.
- 9.6 The Council reserves the right to seek further information as the Council deems necessary.
- 9.7 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.
- 9.8 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.
- 9.9 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.
- 9.10 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 9.5.
- 9.11 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.

#### **10 Postponement of rates for Māori freehold land**

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



## 5.4 Development contributions policy | Kaupapa here takoha whakawhanaketaka

### 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.

The schedule of charges for the Mosgiel Plan Change areas is calculated using a different methodology to the other 'areas of benefit' defined in this Policy, as set out in the Development Contributions Policy contained in the Dunedin City Council Community Plan 2009/10 – 2018/19 and the latest schedule of charges is included in this Policy.

### 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:

- o 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.
- o 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.
- o The DCC may amend this Policy to require contributions for any development that creates additional units of demand:
  - o in areas that have been identified for growth through a change made to the District Plan after 19 April 2004; and
  - o 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 2018-28. For the purposes of this Policy, activities have been grouped into:

- o Reserves and Community Infrastructure
- o Utilities – Water Supply, Wastewater and Stormwater
- o Transportation – Rooding 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 (Rooding and Footpaths)	A connected city with safe, accessible and low-carbon transport systems
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**

<b>Reserves and Community Infrastructure</b>	<b>Utilities (Water supply, wastewater and stormwater)</b>	<b>Transportation</b>
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.
<b>Section 101(3)(a)(i) the community outcomes to which the activity primarily contributes;</b>		
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 safe, accessible and low-carbon transport systems
<b>Section 101(3)(a)(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;</b>		
<p><i>Existing community and growth community</i></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"> <li>o Growth</li> <li>o Level of Service</li> <li>o Renewal</li> </ul> <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><i>Areas of benefit</i></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>		

Reserves and Community Infrastructure	Utilities (Water supply, wastewater and stormwater)	Transportation
<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"> <li>Dunedin Metropolitan</li> <li>Dunedin Other</li> </ul> <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"> <li>Location of capital works</li> <li>Cross border benefit/utilisation between the two areas</li> </ul>	<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"> <li>Dunedin Central (Metropolitan, Mosgiel, Outram, Merton, Seaclyff, Waitati, Warrington)</li> <li>Rockland Rural</li> <li>Waikouaiti</li> <li>Karitane</li> <li>West Taieri</li> </ul> <p>Wastewater</p> <ul style="list-style-type: none"> <li>Dunedin Central (Green Island, Tahuna, Mosgiel)</li> <li>Middlemarch</li> <li>Seaclyff</li> <li>Waikouaiti / Karitane</li> <li>Warrington</li> </ul> <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, Rockland Rural, Seaclyff, 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"> <li>Dunedin Metropolitan</li> <li>Dunedin Other</li> </ul> <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"> <li>Location of capital works</li> <li>Cross border benefit / utilisation between the two areas</li> </ul>
<b>Section 101(3)(a)(iii) the period in or over which those benefits are expected to occur;</b>		
<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>		
<b>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;</b>		
<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>		
<p>Land Use Categories</p> <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>		

<b>Reserves and Community Infrastructure</b>	<b>Utilities (Water supply, wastewater and stormwater)</b>	<b>Transportation</b>
<p>The land use categories used for Reserves and Community Infrastructure (CI) are:</p> <p>Residential Rural Residential Visitor Accommodation Commercial (CI only) Farming Industrial (CI only) University/Polytechnic – Accommodation University/Polytechnic – Other (CI only)</p>	<p>The land use categories used for Utilities are:</p> <p>Residential Rural Residential Visitor Accommodation Commercial Farming Industrial Otago University/Polytechnic – Accommodation Otago University/Polytechnic – Other</p>	<p>The land use categories used for Transportation are:</p> <p>Residential Rural Residential Visitor Accommodation Commercial Farming Industrial Otago University/Polytechnic – Accommodation Otago University/Polytechnic – Other</p>
<p><b>Section 101(3)(a)(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities;</b></p>		
<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>		
<p><b>Section 101(3)(b) the overall impact of any allocation of liability for revenue needs on the community;</b></p>		
<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:

- o a Resource Consent is granted.
- o a Building Consent is granted.
- o 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
- o 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:

- o in the case of a development contribution required under section 198(1)(a),—

- o withhold a certificate under section 224(c) of the Resource Management Act 1991:
- o prevent the commencement of a resource consent under the Resource Management Act 1991:
  - o 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:
  - o in the case of a development contribution required under section 198(1)(b), withhold a certificate of acceptance under section 99 of the Building Act 2004:
- o in the case of a development contribution required under section 198(1)(c), withhold a service connection to the development:
- o in each case, register the development contribution under the Statutory Land Charges Registration Act 1928, 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. However one financial contribution currently provided for in the District Plan will remain in that document because it does not fall within the scope of the Local Government Act 2002 provisions for Development Contributions. The provision is: Section 10: Industrial Activities – Rule 10.6.2(vii) Industrial 2 Zone landscaping requirements.

If situations arise in future where contributions not allowed by the Local Government Act 2002 would be permissible within the Resource Management Act 1991 provisions, the DCC will consider whether or not the event is of sufficient frequency and value to justify a change to the District Plan introducing the financial contribution - for the avoidance, remediation or mitigation of adverse environmental effects.

### **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 2018.

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.

- o The latest Annual Plan/Long Term Plan – future capital expenditure
- o Historic financial reports – historic capital expenditure. Historic growth-related capital expenditure will only be included:
  - o Where there is a current debt balance, and
  - o 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:

- o Asset capacity.
- o Using design life of new assets to approximate growth percentage.
- o 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](http://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](http://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.

Development contributions for each activity shall be capped at \$5,000 per Equivalent Household Unit (EHU) in all areas of benefit, except:

- o The existing Mosgiel Plan Change Areas, which will be subject to 100% of the calculated development contribution being charged.

- o Any other Plan Change Areas where an application is lodged subsequent to 1 July 2014, which will be subject to 100% of the calculated development contribution being charged.

### Schedule of development contribution charges

The following tables indicate:

- o The areas of benefit where development contributions are to be sought.
- o The development contributions per equivalent household unit for each activity within each area.
- o The conversion factors for each activity and for each area of benefit.
- o The contributions have been rounded to the nearest \$10.
- o The contributions capped at \$5,000 per EHU are shown in italics.

The contributions below do not apply to the Mosgiel Plan Change areas. These are shown in Table 5.

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

Area of Benefit	Water Supply	Wastewater	Storm water	Transportation	Reserves	Community Infrastructure	Total Contribution by Area of Benefit
Allanton	\$0	\$0	\$0	\$950	\$350	\$10	\$1,310
Dunedin Central	\$2,170	\$4,410	\$600	\$950	\$350	\$10	\$8,490
Outram	\$2,170		\$600	\$950	\$350	\$10	\$4,080
Waitati	\$2,170		\$0	\$450	\$120	\$0	\$2,740
Warrington	\$2,170	\$5,000	\$0	\$450	\$120	\$0	\$7,740
Seacliff	\$2,170	\$5,000	\$0	\$450	\$120	\$0	\$7,740
Merton	\$2,170		\$0	\$450	\$120	\$0	\$2,740
Karitane	\$3,420	\$2,100	\$0	\$450	\$120	\$0	\$6,090
Waikouaiti	\$3,420	\$2,100	\$600	\$450	\$120	\$0	\$6,690
Middlemarch		\$170	\$600	\$450	\$120	\$0	\$1,340
Rockland Rural	\$0		\$0	\$450	\$120	\$0	\$570
West Taieri	\$5,000		\$0	\$450	\$120	\$0	\$5,570
All other Dunedin Metropolitan properties			\$600	\$950	\$350	\$10	\$1,910
All other Dunedin other properties			\$600	\$450	\$120	\$0	\$1,170

#### Notes to Table 2:

- o Dunedin Central includes Mosgiel and all Metropolitan areas connected to the main water supply and wastewater networks.
- o The table above excludes the Mosgiel Plan Change Areas.
- o 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:
  - o 7.5 percent of the land value of the additional allotments created by the subdivision (either cash or land equivalent); and
  - o The value equivalent of 20 square metres of land for each additional household unit created by the development.
- o The Areas of Benefit Maps section below 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
Family Flat	o EHU	o EHU	o EHU	o EHU	o EHU	o EHU	o EHU	o EHU	o EHU	o EHU
Rural Residential	0.86 EHU per dwelling	0.41 EHU per property	1.48 EHU per dwelling	0.34 EHU per 100m <sup>2</sup> 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 <sup>2</sup> GFA	0.93 EHU per property	0.99 EHU per 100m <sup>2</sup> GFA	0.34 EHU per 100m <sup>2</sup> ISA	0.29 EHU per 100m <sup>2</sup> GFA	0.37 EHU per 100m <sup>2</sup> GFA	0.30 EHU per 100m <sup>2</sup> GFA	0.30 EHU per 100m <sup>2</sup> GFA	0.66 EHU per 100m <sup>2</sup> GFA	0.60 EHU per 100m <sup>2</sup> GFA
Commercial	0.19 EHU per 100m <sup>2</sup> GFA	0.94 EHU per property	0.31 EHU per 100m <sup>2</sup> GFA	0.34 EHU per 100m <sup>2</sup> ISA	5.42 EHU per 100m <sup>2</sup> GFA	3.17 EHU per 100m <sup>2</sup> GFA			0.05 EHU per 100m <sup>2</sup> GFA	0.05 EHU per 100m <sup>2</sup> GFA
Farming	0.86 EHU per dwelling	0.41 EHU per property	1.48 EHU per dwelling	o EHU per 100m <sup>2</sup> 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 <sup>2</sup> GFA	0.90 EHU per property	0.58 EHU per 100m <sup>2</sup> GFA	0.34 EHU per 100m <sup>2</sup> ISA	2.75 EHU per 100m <sup>2</sup> GFA	3.48 EHU per 100m <sup>2</sup> GFA			0.03 EHU per 100m <sup>2</sup> GFA	0.03 EHU per 100m <sup>2</sup> GFA
Otago University / Polytechnic – Other	0.16 EHU per 100m <sup>2</sup> GFA	0.94 EHU per property	0.28 EHU per 100m <sup>2</sup> GFA	0.34 EHU per 100m <sup>2</sup> ISA	1.85 EHU per 100m <sup>2</sup> GFA				0.05 EHU per 100m <sup>2</sup> GFA	
Otago University / Polytechnic – Accommodation	0.61 EHU per 100m <sup>2</sup> GFA	0.93 EHU per property	1.09 EHU per 100m <sup>2</sup> GFA	0.34 EHU per 100m <sup>2</sup> ISA	0.69 EHU per 100m <sup>2</sup> GFA		0.60 EHU per 100m <sup>2</sup> GFA		0.82 EHU per 100m <sup>2</sup> GFA	

*Notes to Table 3:*

- o 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.
- o ISA means impermeable surface area.
- o 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:*

- o 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.
- o 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.

For some properties at the Burnside end of Kaikorai Valley Road and surrounding streets, the DCC will determine on the basis of line capacity whether to connect the property to the Tahuna or Green Island wastewater treatment plant. Where the DCC determines a property will connect to the Green Island wastewater plant, the Dunedin Metro WS – Green Island WW area of benefit charges will apply. Where the DCC determines a property will connect to the Tahuna wastewater plant, the Dunedin Metro WS – Tahuna WW area of benefit charges will apply.

**Schedule of development contribution charges – Mosgiel Plan Change Areas**

The methodology for calculating charges for the Mosgiel Plan Change Areas remains as per the DCC's 2009/10 Development Contributions Policy. The schedule of charges for 2018/19 is shown in Table 5 below. All schedules of charges in this Policy will be updated annually to reflect changes to the actual and budgeted cost of capital expenditure. The City-wide Reserves contribution is the only contribution common across all of the Mosgiel areas of benefit.

The area of benefit maps can be found in the final section of this policy. Further details on these calculations can be found in the Detailed Supporting Document available from the DCC website [www.dcc.govt.nz](http://www.dcc.govt.nz) or on request from the DCC Customer Services Agency, Civic Centre, 50 The Octagon.

**Table 5: Mosgiel Plan Change Areas – Schedule of Charges**

<b>Area of Benefit</b>	<b>Reserves – City Wide</b>	<b>Reserves – Local</b>	<b>Water Supply</b>	<b>Waste Water</b>	<b>Storm Water</b>	<b>Transportation Network</b>	<b>Total Contribution per Unit of Demand (excluding GST)</b>
Variation 9B			\$3.33 per m <sup>2</sup> site area				\$3.33 per m <sup>2</sup> site area
Plan Change 15 – Mosgiel East Area	\$350.00 per lot	\$3,270.00 per lot		\$810.00 per lot	\$2,940.00 per lot	\$940.00 per lot	\$8,310.00 per lot
Plan Change 15 – Mosgiel West Area	\$350.00 per lot	\$2.67 per m <sup>2</sup> site area	\$4.03 per m <sup>2</sup> site area	\$1.00 per m <sup>2</sup> site area		\$5.70 per m <sup>2</sup> site area	\$350.00 per lot area + \$13.40 per m <sup>2</sup> site area
Plan Change 15 – Mosgiel West Area – Access Road to Riccarton Road Area						\$1.82 per m <sup>2</sup> site area	\$1.82 per m <sup>2</sup> site area
Plan Change 15 – Mosgiel East Area C	\$350.00 per lot		\$2.50 per m <sup>2</sup> site area	\$1.31 per m <sup>2</sup> site area			\$350.00 per lot + \$3.81 per m <sup>2</sup> site area

## 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 5.3% has been applied.

Development contributions are calculated on capital expenditure projections in the 10 year plan 2018-28.

## 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.

- o Dunedin City Council Population projections – DCC Growth Projections 2018 to 2068, Rationale Limited, May 2017.
- o Site Specific Projections – One-off studies completed by the DCC for specific projects.
- o BERL Otago Regional and Sub-Regional Economic Profile 2008 – 2009, March 2010.

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 6: EHU Growth over ten years by Activity**

Activity	Ten-Year Growth in Equivalent Household Units (2019-2028)
Water supply	2,462
Wastewater	2,705
Stormwater	2,622
Transportation	5,658
Community Infrastructure	2,697
Reserves	2,542

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](http://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:

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

## Credits

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

- o The following principles will apply to all development contribution credit assessments:
- o 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).
- o 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.
- o 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.
- o 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.
- o Credits are to be site specific (not transferable) and non-refundable unless the refund provisions of the Local Government Act 2002 apply.
- o 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.
- o 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:

- o 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.
- o 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.
- o 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.
- o 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:
  - o 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
  - o 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:

- o Be a condition of a resource consent
- o Be able to be challenged through the provisions of the Resource Management Act 1991.

- o 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:
- o Subdivision Consent – Prior to the issue of the section 224 completion certificate.
- o Land Use Consent – Prior to commencement of the consent.
- o Building Consent – Prior to issuing the code of compliance.
- o Certificate of acceptance – Prior to issuing the certificate of acceptance.
- o 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:

- o Water Supply connection
- o Stormwater connection
- o 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:

- o the development contribution was incorrectly calculated or assessed under the territorial authority's development contributions policy; or
- o the DCC incorrectly applied its development contributions policy; or
- o 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](http://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:

- o 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



- o Where the applicant will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure
- o Where the projects indicated in this policy are no longer to be undertaken
- o 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.

- o Defer using Local Government Act 2002 parameters – allow payment to be made later in the sequence of development (for example, at building consent).
- o 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.
- o 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:

- o The DCC shall consider the request as soon as reasonably practicable
- o 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:

- o The Development Contributions Policy
- o The DCC's Funding and Financial Policy

- o 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
- o 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.
- o Development contributions paid and/or works undertaken and/or land set aside as a result of:
  - o Development contributions
  - o Agreements with the DCC
  - o Financial contributions under the Resource Management Act 1991.
- o 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:

- o If development or building does not proceed
- o If a consent lapses or is surrendered
- o 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

*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, but excluding family flats.

*Family Flat* – A family flat is a secondary residential unit to be occupied by a family member/s of the household that lives in a residential unit on the same site or within the same building as the family flat. The family flat must be within the same site as the primary residential unit and be on the same infrastructure connection. A written statement shall be provided with the application creating the family flat confirming that it is not intended for tenancy, lease, licence or other agreement.

*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.

*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* – In determining habitable rooms within a residential unit, accessory building or family flat, a habitable room is any room that is greater than 4.5m<sup>2</sup> in floor area and capable to be used for sleeping purposes. Habitable rooms do not include entranceways, passageways, toilets, bathrooms, separate kitchen, laundries, or garages. For residential units with more than one habitable room, the calculation of habitable rooms will exclude only one functional living area per residential unit (including family flats). Any additional rooms which could be used both as a living area or for sleeping purposes will be counted as a habitable room. Studio rooms count as one habitable room. Habitable rooms in associated sleepouts and accessory buildings will be counted towards the rooms in the principal residential unit.

*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 and a family flat. 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 2018/19 and 2027/28. The disclosure tables demonstrate:

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

The disclosure tables show the total calculated contributions, before any rounding or \$5,000 caps are applied.

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

## Development contributions summary disclosure tables

**Table 7: Water Supply**

Water Supply - Area of Benefit	Total Capital Costs Considered	Total Growth Costs Considered	Growth Portion of Total Capital Costs Considered	10 year plan 2018-28 Total Capital Cost	10 year plan 2018-28 Growth Costs	10 year plan 2018-28 Costs Funded by Other Sources	Growth Costs to be Funded by Development Contributions	Growth Costs Consumed 2019-2028	Weighted Average No. of EHU's 2019-2028	Standard Development Contribution Per EHU (\$)
Dunedin Central	199,261,209	12,163,421	6%	61,470,943	1,069,236	60,401,707	100%	5,187,974	2,391	\$2,170
Rockland Rural	67,094	0	0%	0	0	0	100%	0	0	\$0
Waikouaiti, Karitane	12,886,800	504,845	4%	6,940,160	0	6,940,160	100%	217,295	64	\$3,417
West Taieri	12,686,215	509,487	4%	5,596,663	0	5,596,663	100%	355,670	7	\$50,887
<b>Total</b>	<b>224,901,318</b>	<b>13,177,753</b>	<b>6%</b>	<b>74,007,767</b>	<b>1,069,236</b>	<b>72,938,530</b>	<b>100%</b>	<b>5,760,939</b>	<b>2,462</b>	

**Table 8: Wastewater**

Wastewater - Area of Benefit	Total Capital Costs Considered	Total Growth Costs Considered	Growth Portion of Total Capital Costs Considered	10 year plan 2018-28 Total Capital Cost	10 year plan 2018-28 Plan Growth Costs	10 year plan 2018-28 Costs Funded by Other Sources	Growth Costs to be Funded by Development Contributions	Growth Costs Consumed 2019-2028	Weighted Average No. of EHU's 2019-2028	Standard Development Contribution Per EHU (\$)
Dunedin Central	329,950,434	32,655,428	10%	144,939,686	12,368,655	132,571,030	100%	11,779,423	2,670	\$4,412
Middlemarch	1,154,127	1,110	0%	888,217	0	888,217	100%	774	4	\$174
Seacliff	844,299	93,560	11%	777,716	93,048	684,668	100%	28,919	3	\$9,751
Waikouaiti, Karitane	4,909,278	166,520	3%	3,804,892	165,730	3,639,161	100%	41,807	20	\$2,095
Warrington	1,605,391	171,418	11%	1,405,438	171,418	1,234,019	100%	42,280	8	\$5,199
<b>Total</b>	<b>338,463,529</b>	<b>33,088,036</b>	<b>10%</b>	<b>151,815,947</b>	<b>12,798,852</b>	<b>139,017,096</b>	<b>100%</b>	<b>11,893,203</b>	<b>2,705</b>	

**Table 9: Stormwater**

Stormwater - Area of Benefit	Total Capital Costs Considered	Total Growth Costs Considered	Growth Portion of Total Capital Costs Considered	10 year plan 2018-28 Total Capital Cost	10 year plan 2018-28 Growth Costs	10 year plan 2018-28 Costs Funded by Other Sources	Growth Costs to be Funded by Development Contributions	Growth Costs Consumed 2019-2028	Weighted Average No. of EHU's 2019-2028	Standard Development Contribution Per EHU (\$)
City Wide	100,054,375	3,562,463	4%	79,315,807	2,485,767	76,830,040	100%	1,585,431	2,622	\$605

**Table 10: Transportation**

Transportation - Area of Benefit	Total Capital Costs Considered	Total Growth Costs Considered	Growth Portion of Total Capital Costs Considered	10 year plan 2018-28 Total Capital Cost	10 year plan 2018-28 Growth Costs	10 year plan 2018-28 Costs Funded by Other Sources	Growth Costs to be Funded by Development Contributions	Growth Costs Consumed 2019-2028	Weighted Average No. of EHU's 2019-2028	Standard Development Contribution Per EHU (\$)
Dunedin Metro	609,643,946	8,077,723	1%	350,991,670	6,392,031	344,599,639	100%	4,955,755	5,195	\$954
Dunedin Other	90,433,870	318,548	0%	21,643,330	150,965	21,492,365	100%	210,065	463	\$454
<b>Total</b>	<b>700,077,816</b>	<b>8,396,271</b>	<b>1%</b>	<b>372,635,000</b>	<b>6,542,996</b>	<b>366,092,004</b>	<b>100%</b>	<b>5,165,820</b>	<b>5,658</b>	

**Table 11: Community Infrastructure**

Community Infrastructure - Area of Benefit	Total Capital Costs Considered	Total Growth Costs Considered	Growth Portion of Total Capital Costs Considered	10 year plan 2018-28 Total Capital Cost	10 year plan 2018-28 Growth Costs	10 year plan 2018-28 Costs Funded by Other Sources	Growth Costs to be Funded by Development Contributions	Growth Costs Consumed 2019-2028	Weighted Average No. of EHU's 2019-2028	Standard Development Contribution Per EHU (\$)
Dunedin Metropolitan	8,603,349	29,273	0%	0	0	0	100%	18,733	2,466	\$8
Dunedin Other	3,971,642	1,745	0%	0	0	0	100%	862	230	\$4
<b>Total</b>	<b>12,574,991</b>	<b>31,018</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100%</b>	<b>19,595</b>	<b>2,697</b>	

**Table 12: Reserves**

Reserves - Area of Benefit	Total Capital Costs Considered	Total Growth Costs Considered	Growth Portion of Total Capital Costs Considered	10 year plan 2018-28 Total Capital Cost	10 year plan 2018-28 Growth Costs	10 year plan 2018-28 Costs Funded by Other Sources	Growth Costs to be Funded by Development Contributions	Growth Costs Consumed 2019-2028	Weighted Average No. of EHU's 2019-2028	Standard Development Contribution Per EHU (\$)
Dunedin Metropolitan	57,260,771	1,555,420	3%	35,869,541	33,058	35,836,483	100%	815,181	2,319	\$352
Dunedin Other	1,519,392	55,445	4%	745,459	875	744,583	100%	26,033	223	\$117
<b>Total</b>	<b>58,780,163</b>	<b>1,610,865</b>	<b>3%</b>	<b>36,615,000</b>	<b>33,934</b>	<b>36,581,066</b>	<b>100%</b>	<b>841,213</b>	<b>2,542</b>	

**Table 13: Mosgiel Plan Change Areas Schedule of Projects**

Area of Benefit	Activity	Asset/Project	DCC Capital Cost	Growth %	Proportion recovered through DC's	Proportion recovered from other sources
Mosgiel East	Wastewater	Factory Rd foul sewer - 300 dia	\$344,991	100%	\$344,991	\$0
		* Pump Station Upgrade for Variation 15 and 9B	\$286,367	13%	\$37,868	\$248,499
	Wastewater Total		\$631,358		\$382,859	\$248,499
	Stormwater	Hagart alexander drive stormwater sewer project	\$2,273,333	30%	\$682,000	\$1,591,333
	Transportation	Roundabout: Wingatui Rd/Factory Rd	\$697,960	85%	\$593,266	\$104,694
		Factory Rd Improvements	\$448,839	90%	\$403,955	\$44,884
		Wingatui Rd Improvements	\$368,079	90%	\$331,271	\$36,808
		Factory Rd/Centre St Roundabout Land	\$82,390	10%	\$8,239	\$74,151
		Roundabout: Factory Rd/New Rd	\$0	85%	\$0	\$0
		Roundabout: Factory Rd/Centre St/ Hagart Alexander Drive	\$299,389	0%	\$0	\$299,389
	Transportation Total		\$1,896,657		\$1,336,731	\$559,926
	Reserves - Local	* Reserve Development Mosgiel East	\$1,597,633	95%	\$1,520,421	\$77,212
Variation 9B	Water Supply	Variation 9B watermain	\$790,495	100%	\$790,495	\$0
PC 15 - Mosgiel West Area	Reserves - Local	* Reserve Development Mosgiel West	\$1,200,000	100%	\$1,200,000	\$0
	Water Supply	* Mosgiel West and East C Gladstone Rd watermain	\$405,000	100%	\$405,000	\$0
		* Mosgiel West and East C Gladstone Rd watermain	\$733,000	100%	\$733,000	\$0
	Water Supply Total		\$1,138,000		\$1,138,000	\$0
	Wastewater	* Pump Station Upgrade for Variation 15 and 9B	\$214,422	13%	\$28,354	\$186,068
		* Burns St PS Upgrade Var 15 - Pump Station	\$381,147	40%	\$152,459	\$228,688
		* Burns St PS Upgrade Var 15 - Mosgiel west ww retic upgrades	\$138,853	100%	\$138,853	\$0
	Wastewater Total		\$734,422		\$319,666	\$414,756
	Transportation	Upgrade to Cemetery Road	\$2,000,000	100%	\$2,000,000	\$0
		Riccarton Road Access Link Area	\$640,000	100%	\$640,000	\$0
	Transportation Total		\$2,640,000		\$2,640,000	\$0
Plan Change 15 - Mosgiel East Area C	Water Supply	* Mosgiel West and East C Gladstone Rd watermain	\$405,000	100%	\$405,000	\$0
	Wastewater	* Gladstone Rd North Pump Station	\$242,389	100%	\$242,389	\$0



## **Areas of Benefit Maps**

### **Water Supply Areas of Benefit Maps**

- o Dunedin Central (Dunedin Metro, Mosgiel, Outram, Waitati, Warrington, Merton and Seacliff)
- o Outram
- o West Taieri
- o Rocklands
- o Waikouaiti and Karitane

### **Wastewater Areas of Benefit Maps**

- o Dunedin Central (Tahuna, Green Island, Mosgiel)
- o Middlemarch
- o Seacliff
- o Waikouaiti and Karitane
- o Warrington

### **Stormwater Area of Benefit Map**

- o City Wide

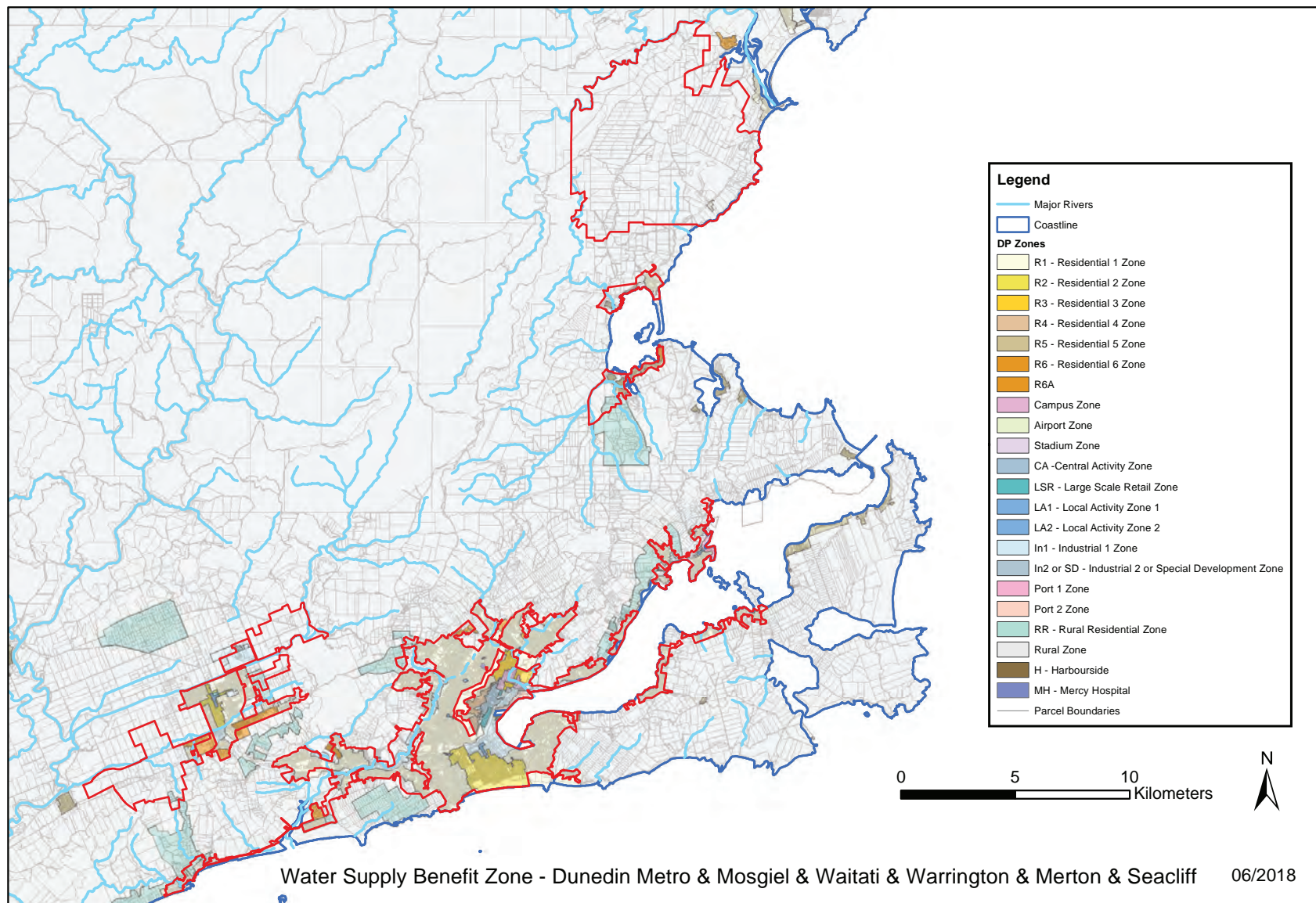
### **Transportation, Community Infrastructure and Reserves Areas of Benefit Map**

- o Dunedin Metropolitan and Dunedin Other

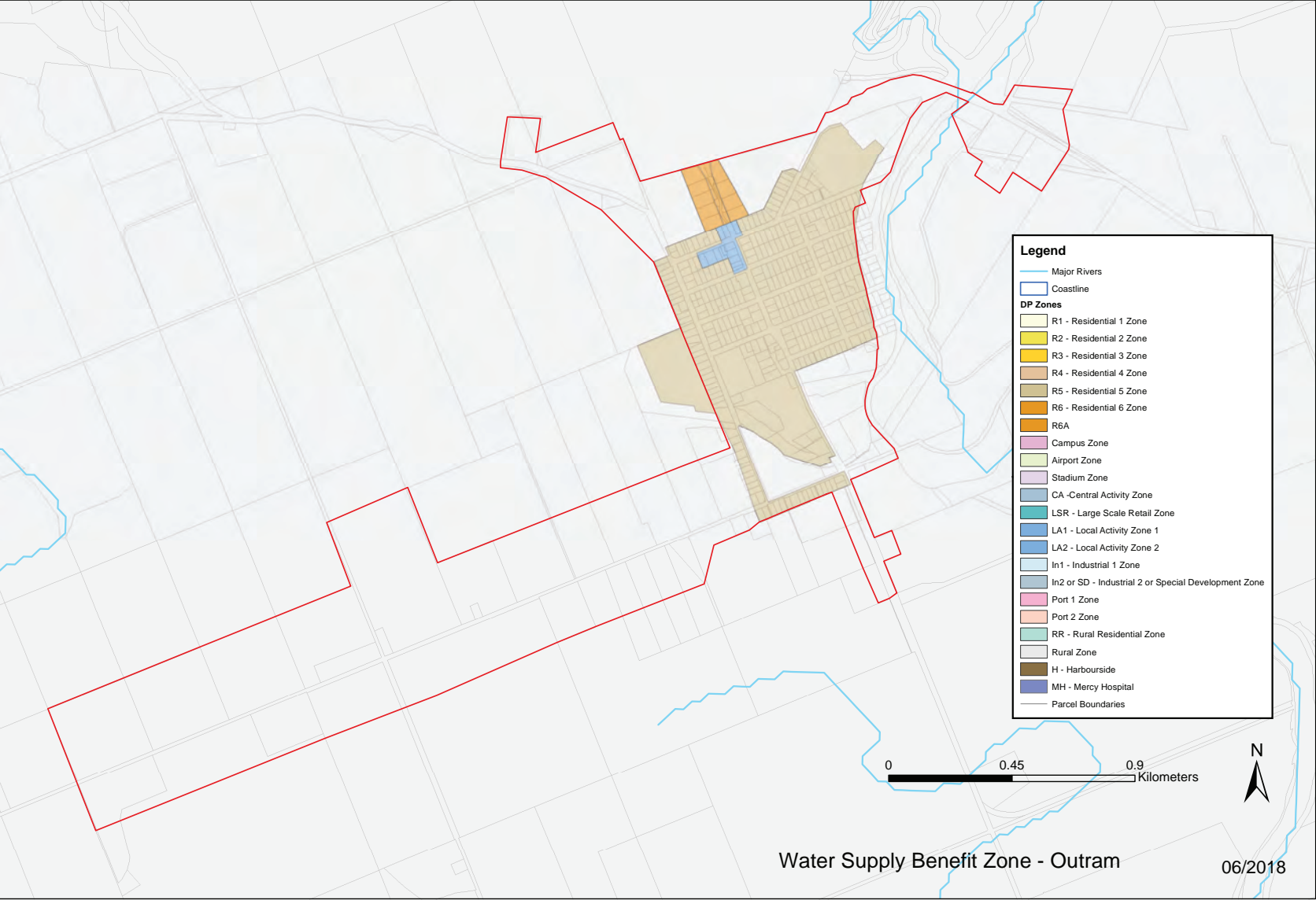
### **Mosgiel Plan Change Area of Benefit Map**

- o Mosgiel East – Local Reserves, Transportation, Stormwater and Wastewater
- o Mosgiel West - Local Reserves, Transportation, Stormwater and Wastewater
- o Mosgiel West – Transportation – Riccarton Road Access Link Area
- o Mosgiel East C Waste Supply and Wastewater
- o Mosgiel Variation 9B Water Supply and Wastewater

**Map 1: Dunedin Central (Dunedin Metro, Mosgiel, Waitati, Warrington, Merton and Seacliff) – Water supply**

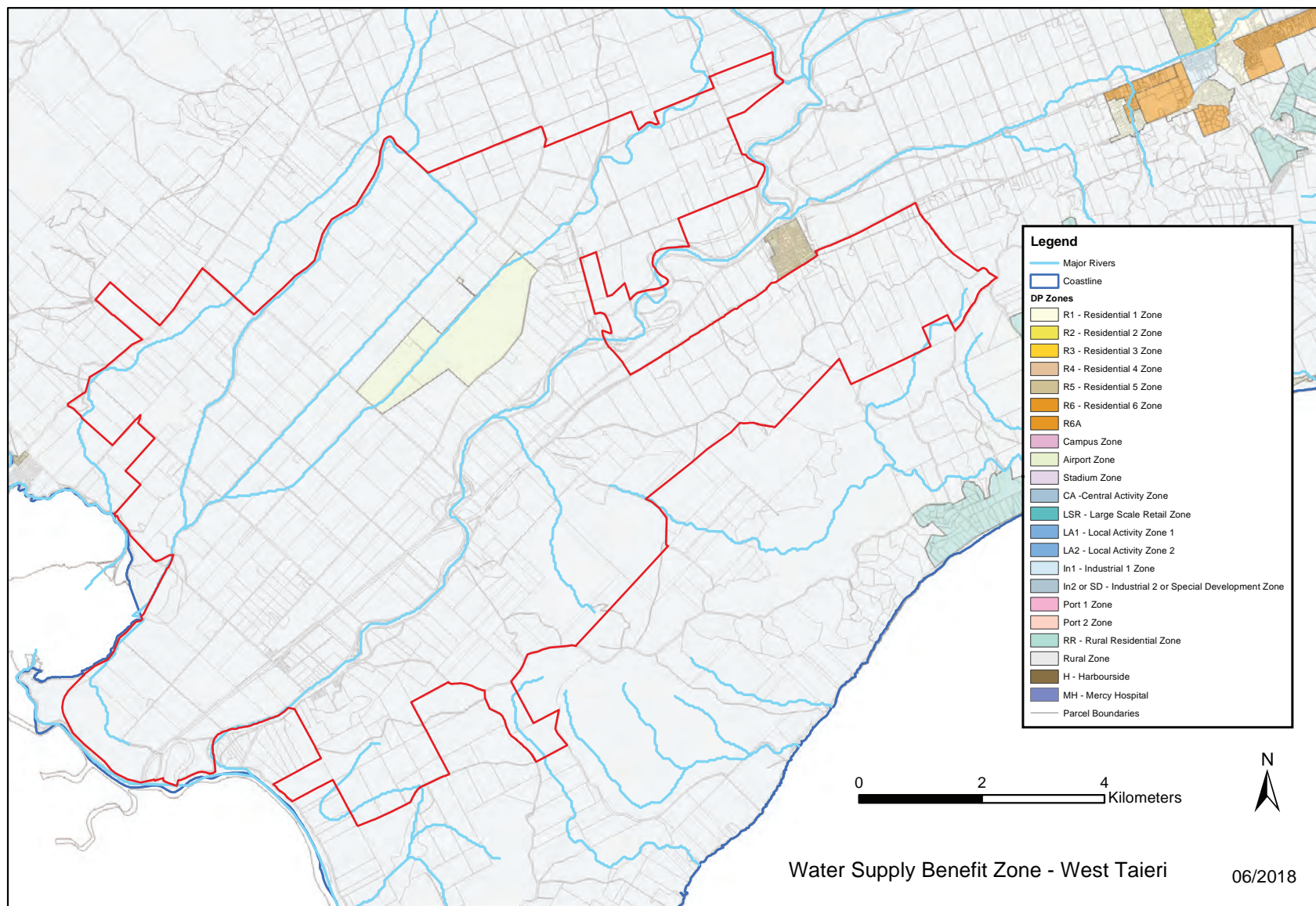


Map 2: Outram – Water supply

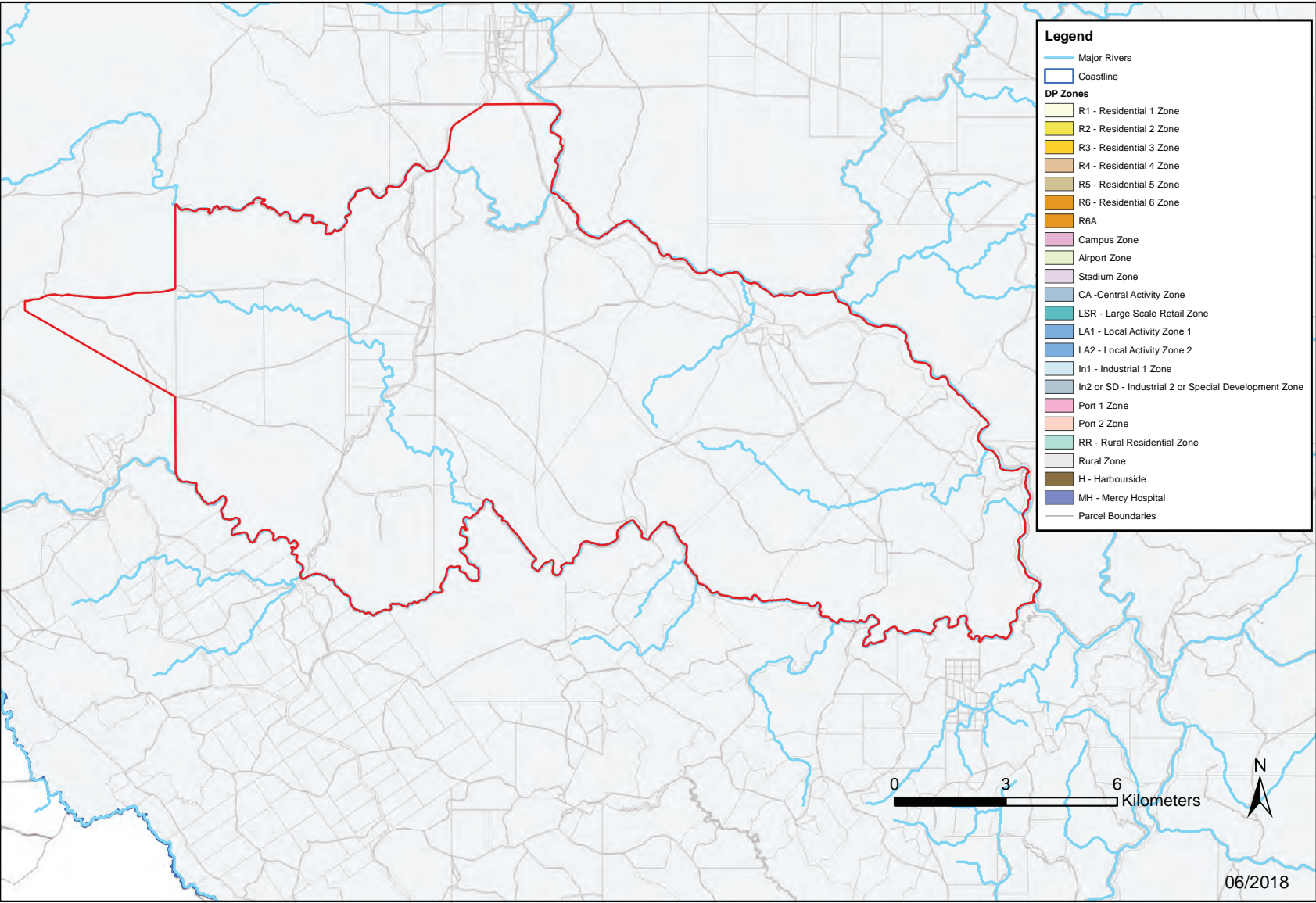




**Map 3: West Taieri – Water supply**

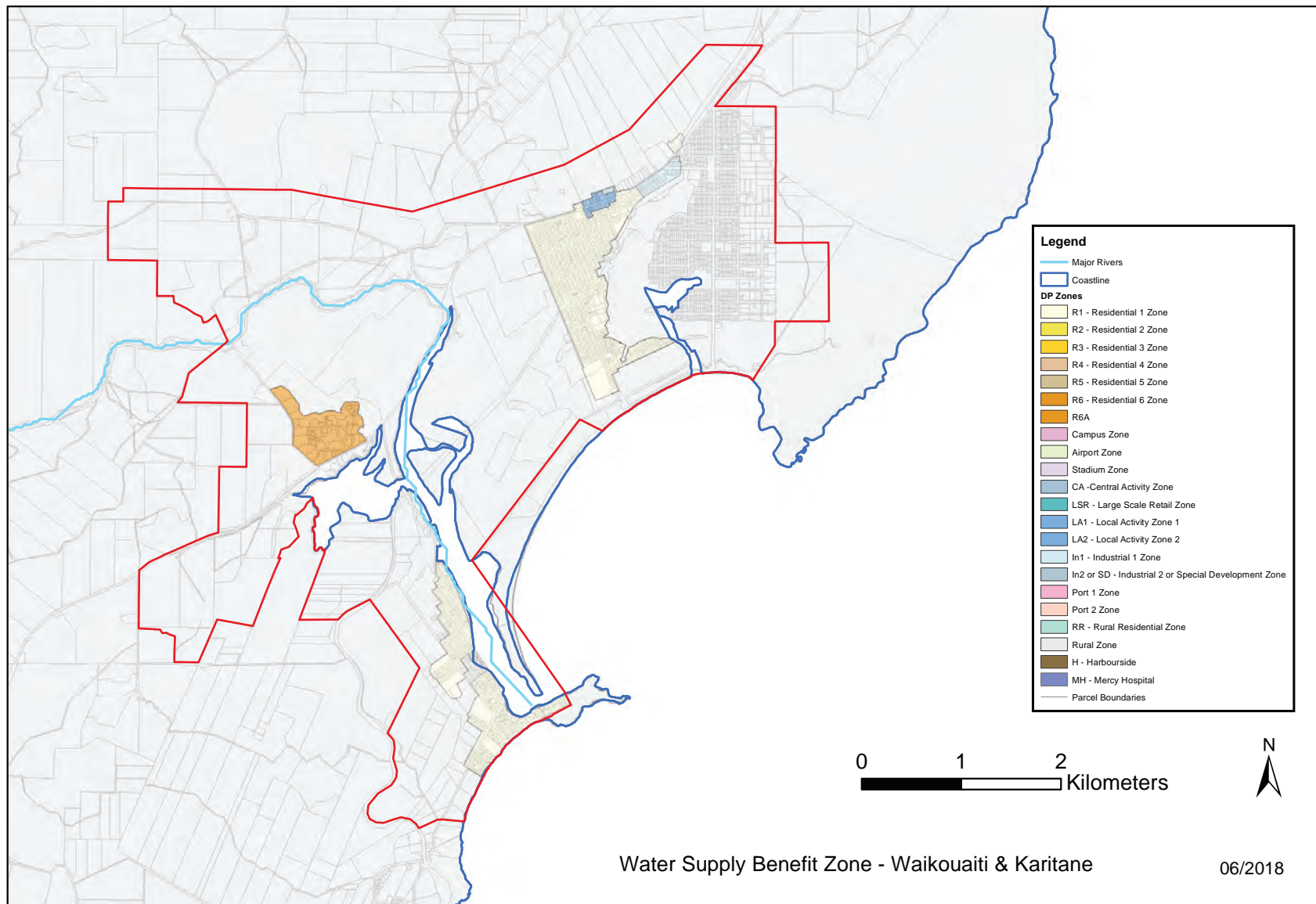


Map 4: Rocklands

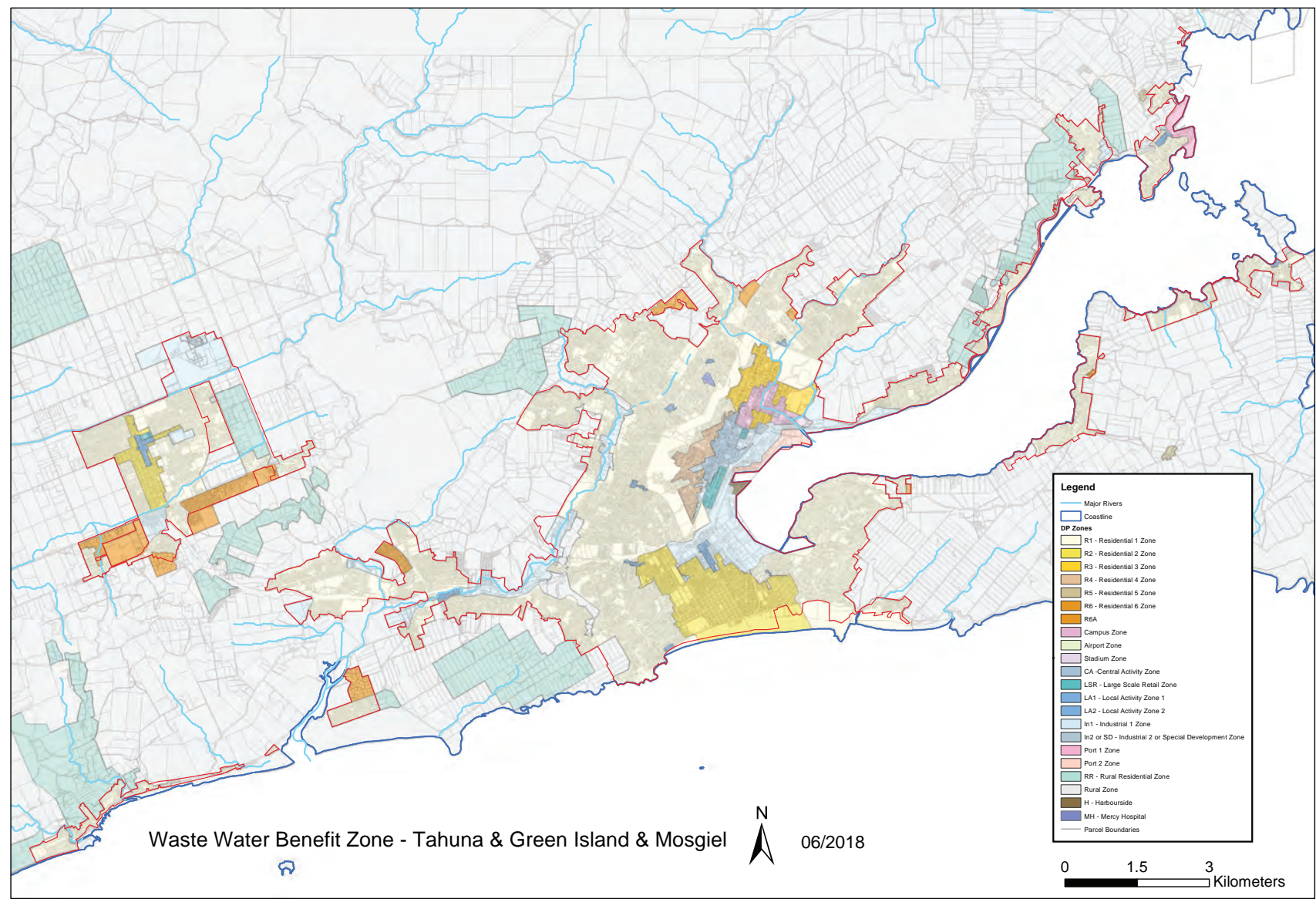




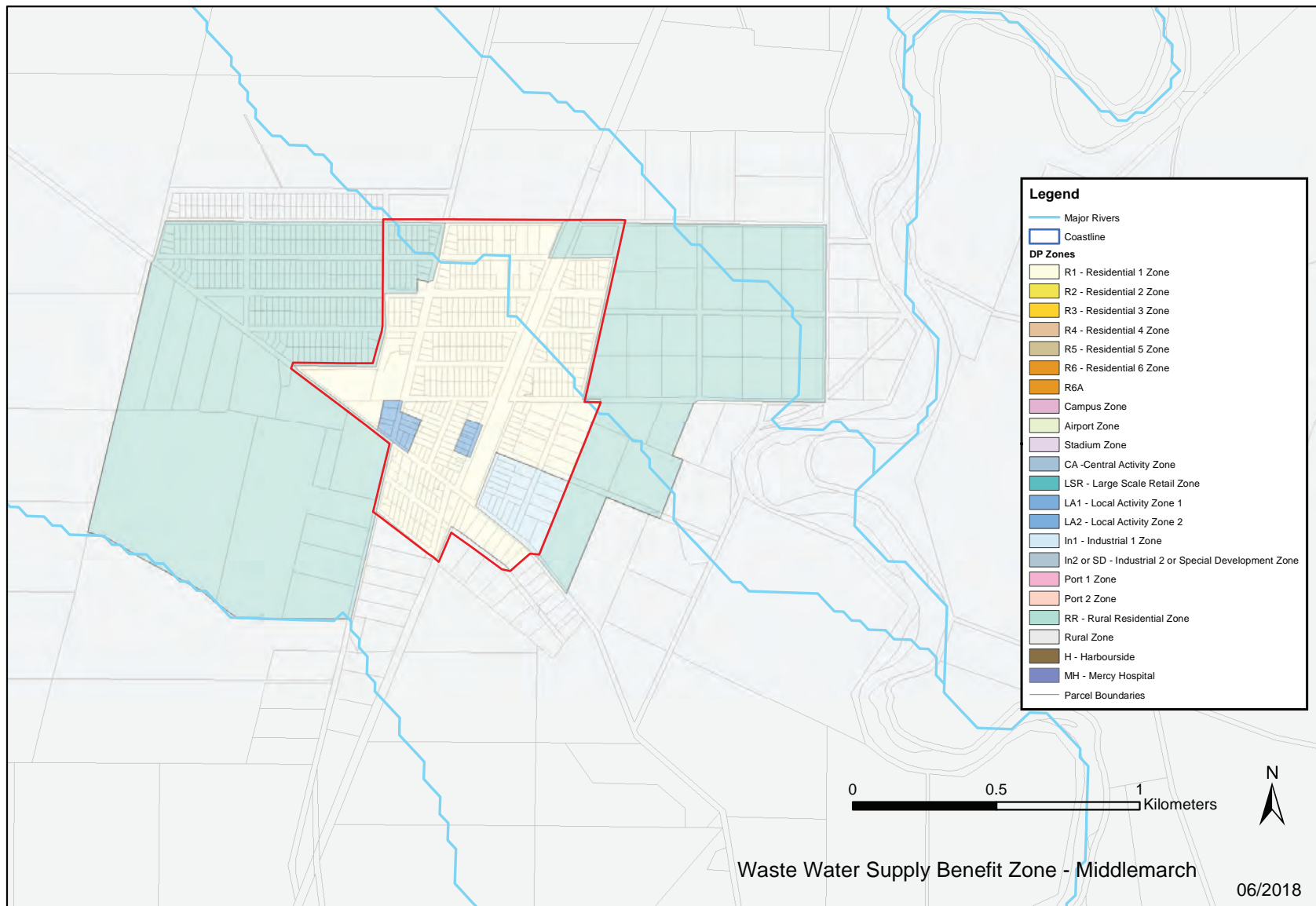
**Map 5: Waikouaiti and Karitane – Water Supply**



Map 6: Dunedin Central (Tahuna, Green Island, Mosgiel) – Wastewater

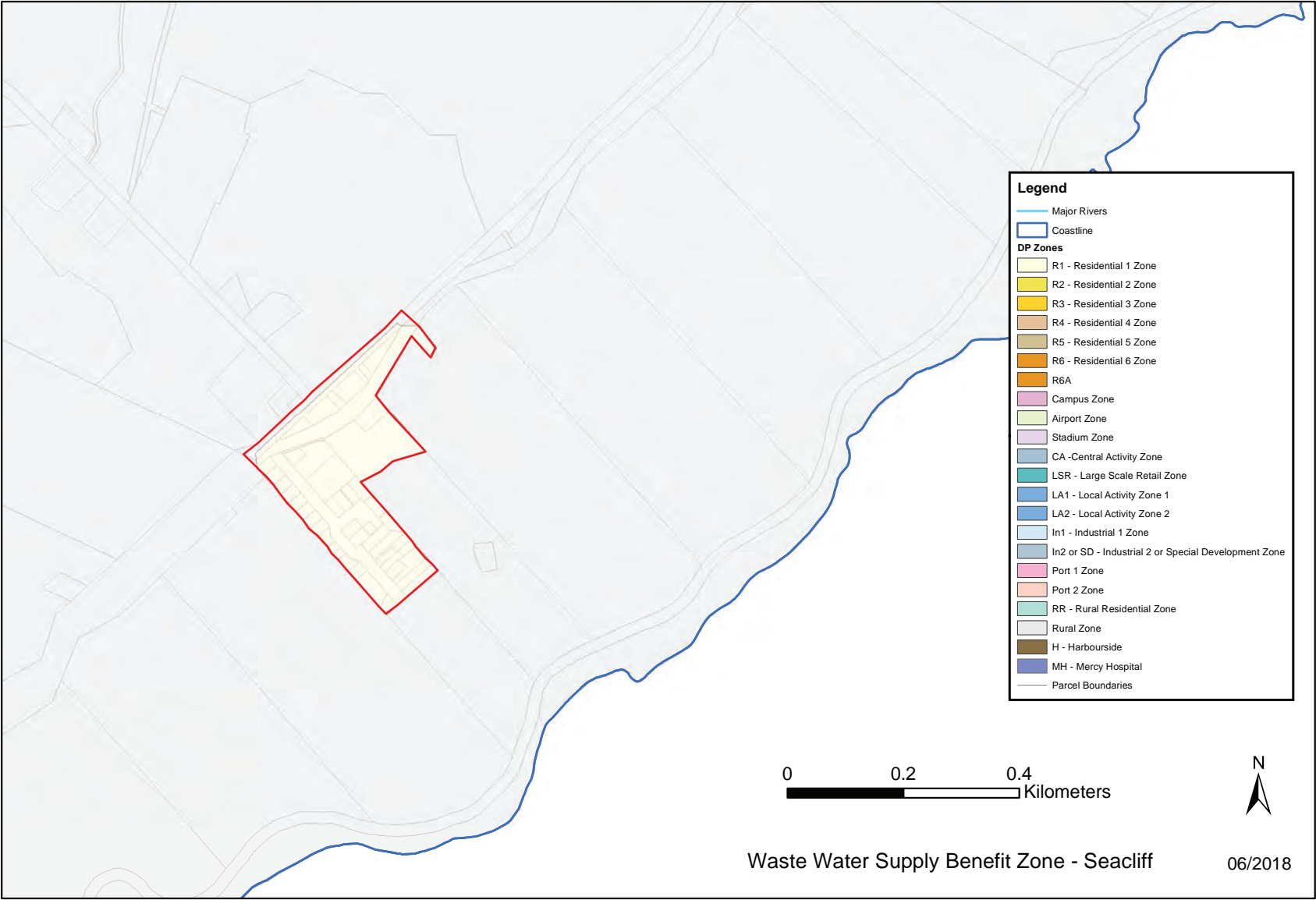


**Map 7: Middlemarch – Wastewater**

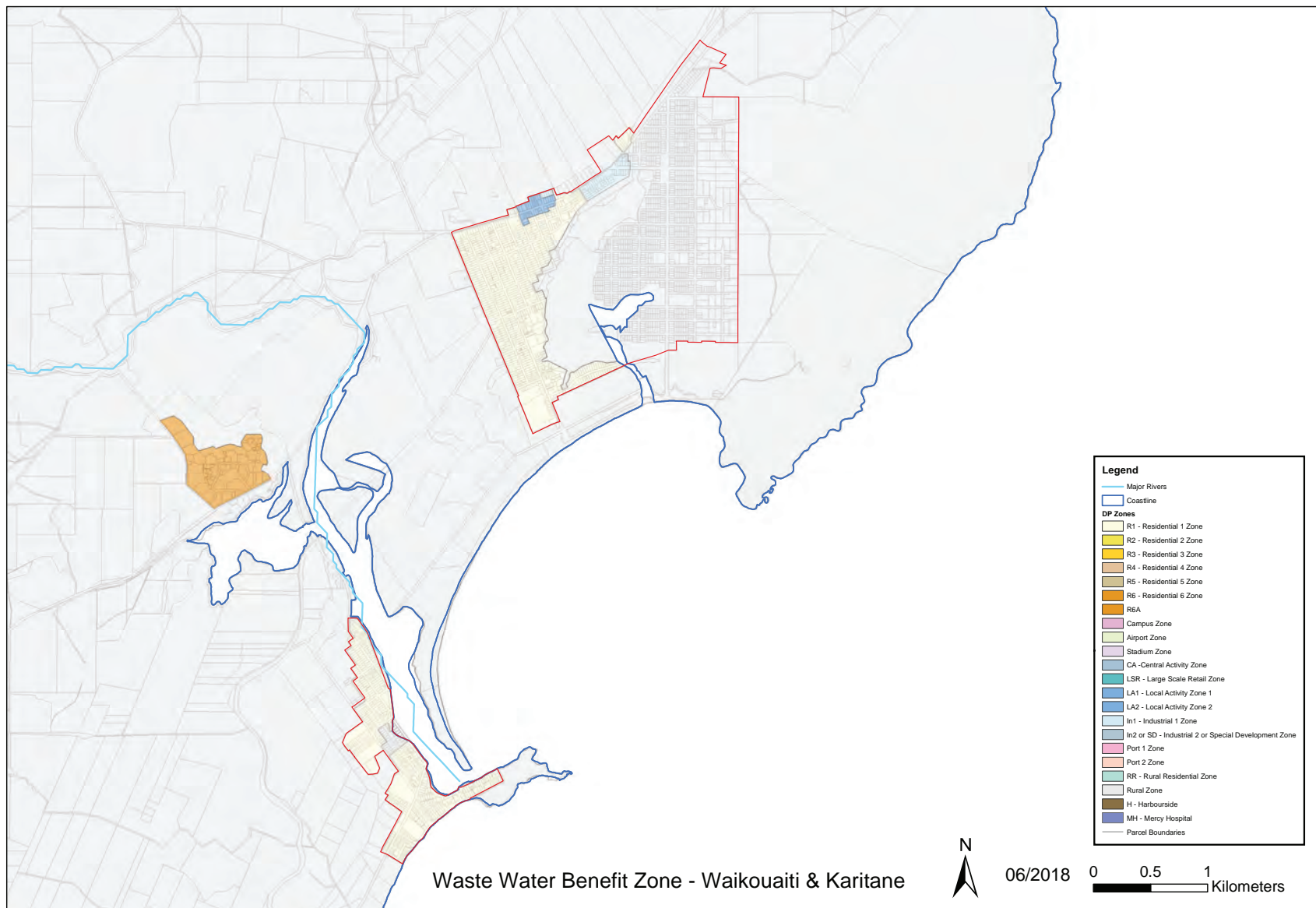




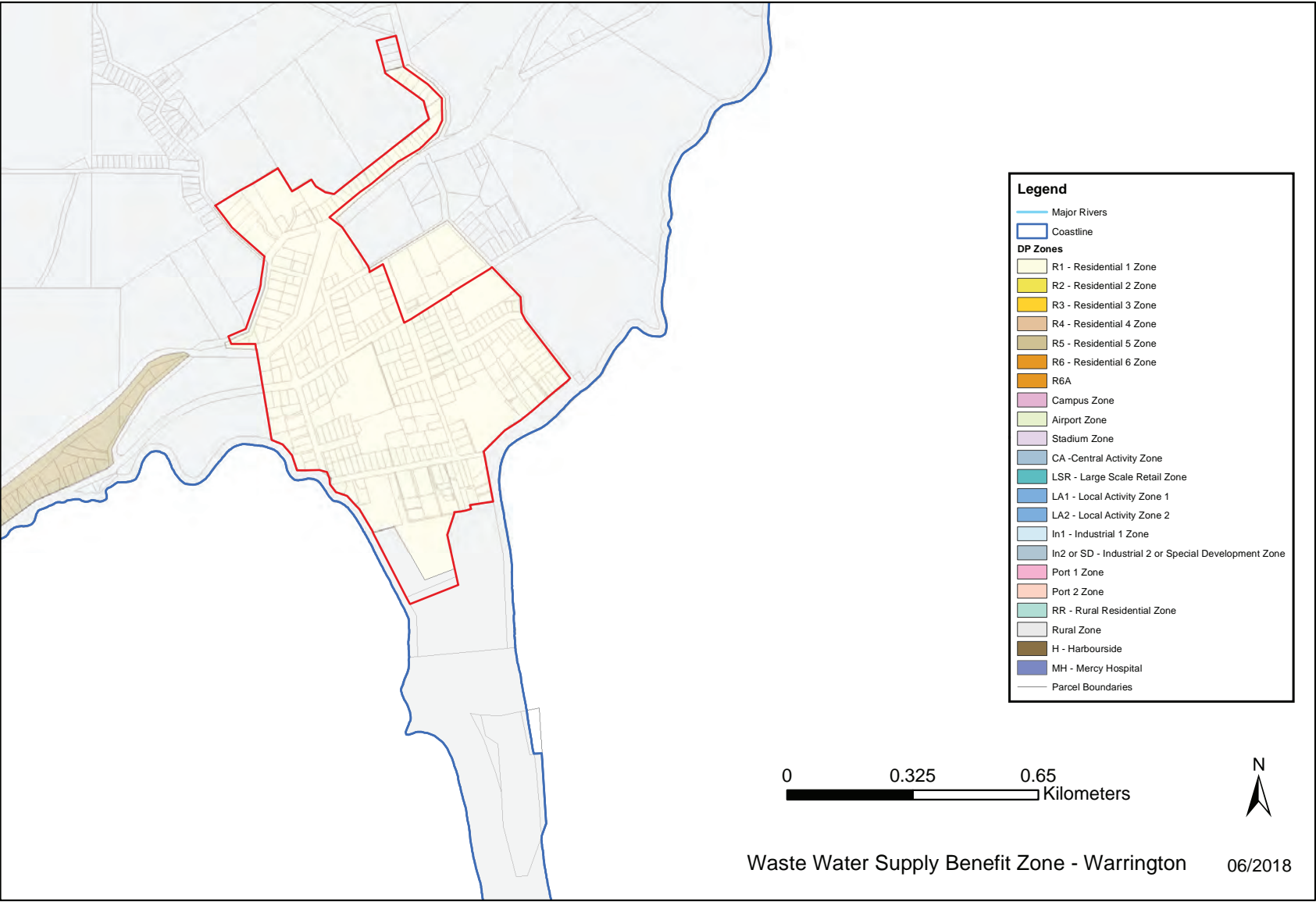
Map 8: Seacliff – Wastewater



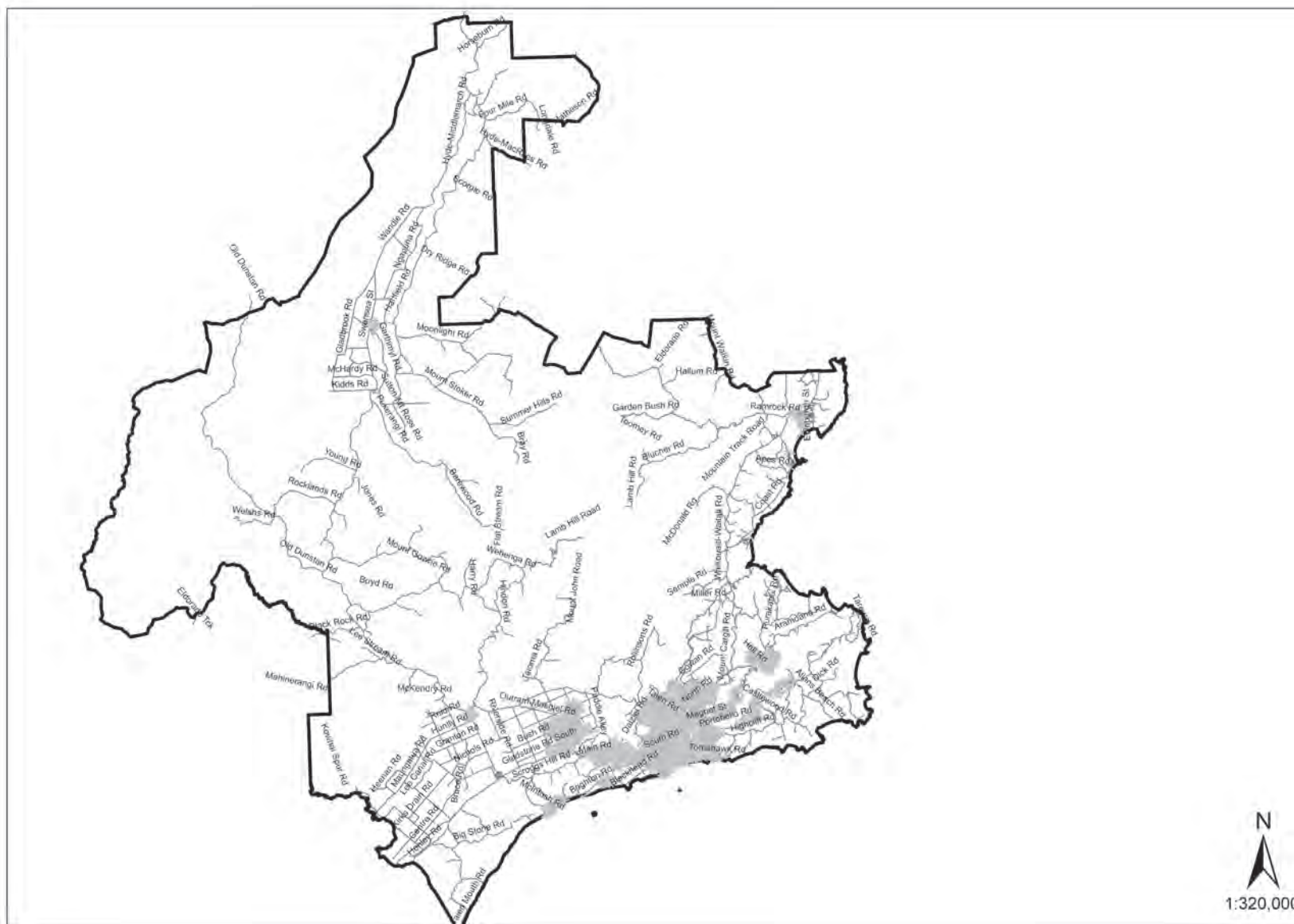
**Map 9: Waikouaiti and Karitane – Wastewater**



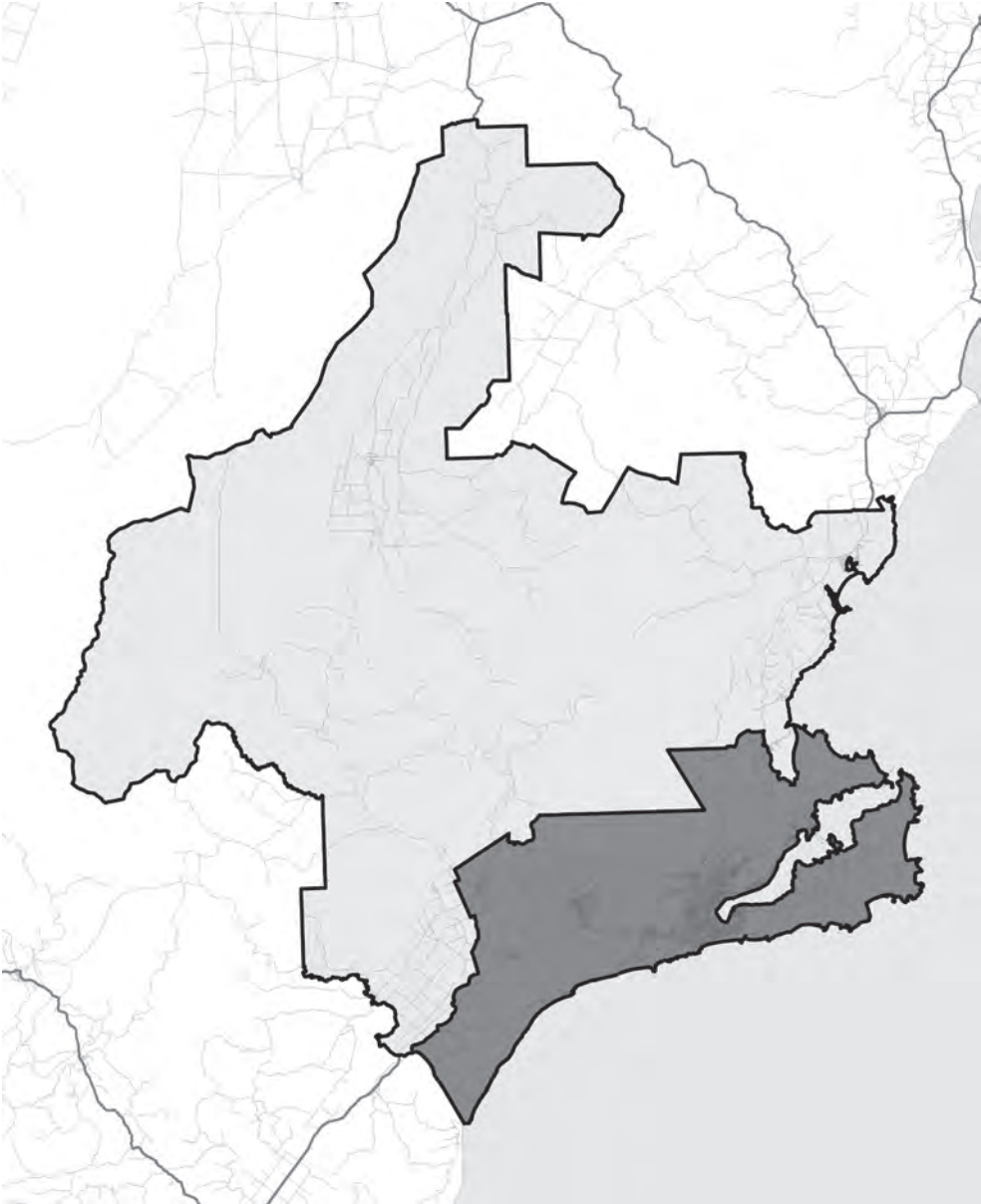
Map 10: Warrington – Wastewater



**Map 11: City Wide – Stormwater**



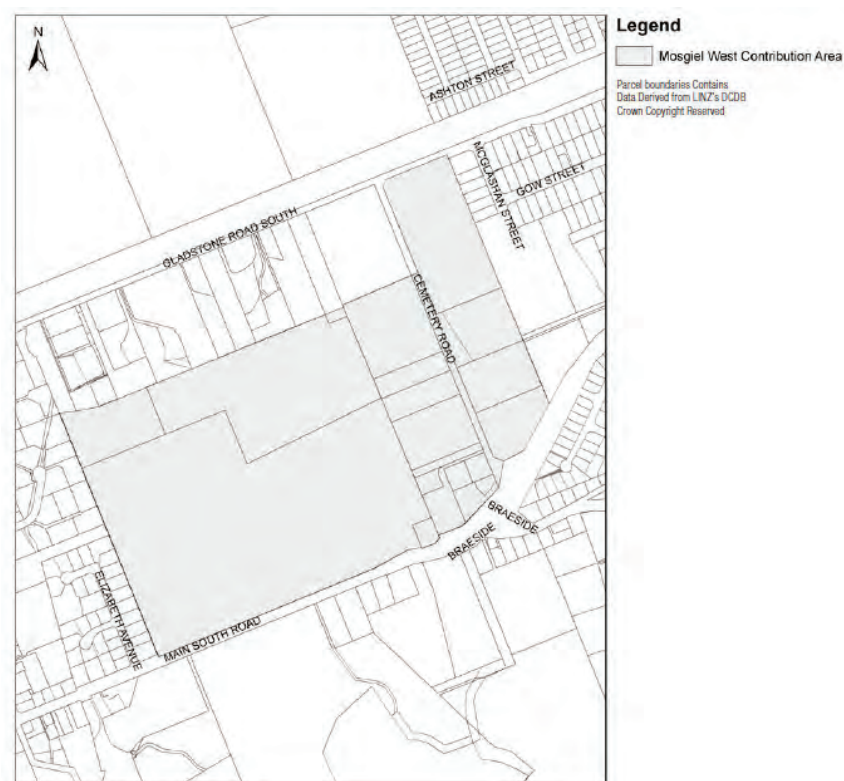
*Map 12: Dunedin Metropolitan and Dunedin Other – Transportation community infrastructure and reserves areas*



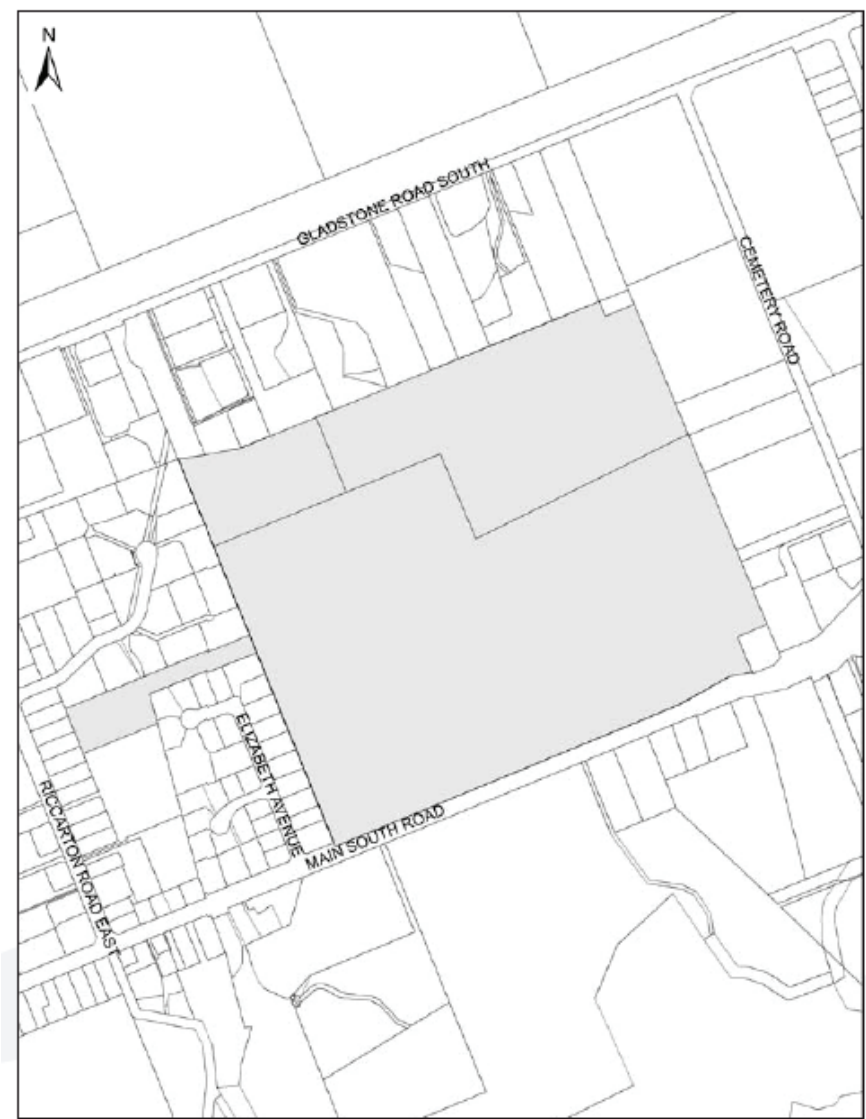


## Mosgiel Plan Change areas of benefit

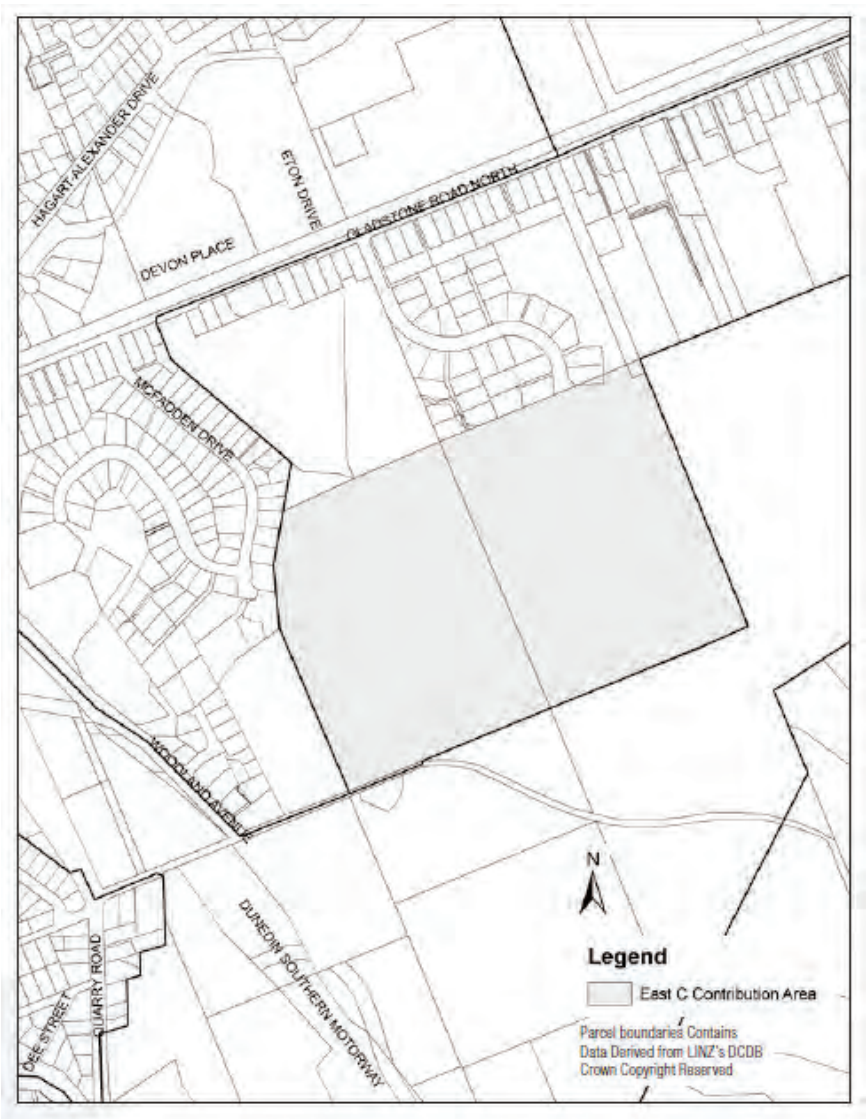
**Map 1: Mosgiel East – Local Reserves, Transportation, Stormwater and Wastewater**    **Map 2: Mosgiel West - Local Reserves, Transportation, Stormwater and Wastewater**



Map 3: Mosgiel West – Transportation – Riccarton Road Access Link Area



Map 4: Mosgiel East C Waste Supply and Wastewater



**Map 5: Mosgiel Variation 9B Water Supply and Wastewater**





## 5.5 Significance and engagement policy | Kaupapa here hirahira whakatūtaka

### Purpose

The Dunedin City Council will consider community views when making decisions. This Policy establishes a general approach for determining the significance of Council decisions and sets out when and how the Council will engage the community in its decision-making relative to the significance of the decision.

The objectives of this Policy are:

- a) To establish a process for determining the significance of a decision.
- b) To support public involvement in significant decision-making, which will ensure good decision-making.
- c) To build positive relationships with stakeholders and the wider community, encouraging co-operation, respect and mutual understanding of other points of view.
- d) To ensure that the Council meets all legislative requirements in terms of consultation and community engagement, including the requirements of section 76AA of the Local Government Act 2002 (LGA).

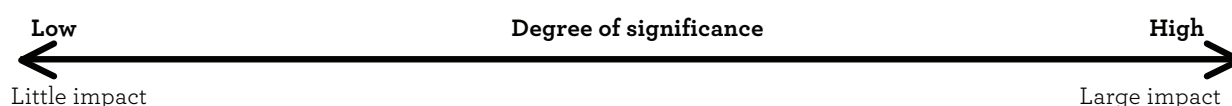
### Policy

#### 1. Significance

- 1.1 Significance means the importance of an issue, proposal, decision, or matter, as assessed by the Council, in terms of its likely impact on, and likely consequences for:
  - a) Dunedin as a whole.
  - b) The parties and communities who are likely to be particularly affected or interested in the issue, proposal, decision or matter.
  - c) The financial and non-financial costs and implications, or the capacity of the Council to perform its role/functions.
- 1.2 DCC staff and elected members will be responsible for assessing the significance of a potential decision, in accordance with legislation and this Policy. When determining the significance of an issue, proposal, decision or other matter the criteria in section 2 will be considered.

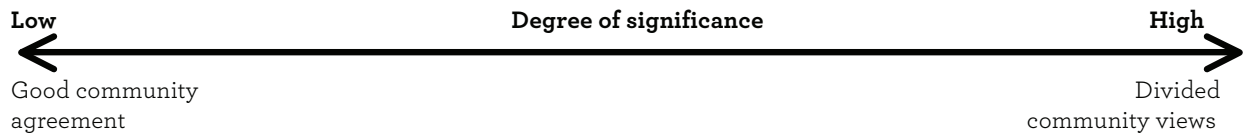
#### 2. Criteria for Significance

- 2.1 The Council has identified criteria to assess the degree of significance. The significance of an issue, proposal or decision lies somewhere on a continuum from low to high. Where the significance of a proposal or decision is unclear against one criterion, then the Council will treat that criterion as being more, rather than less significant. If any of the following criteria are met, the proposal or decision may be 'significant'. However, the criteria should be considered collectively to get to this point.
- 2.2 **Importance to Dunedin:** The extent to which the matter impacts on DCC area, now and in the future. Factors to be considered include:
  - a) The effect on existing levels of service provided by the DCC for significant activities (including a decision to begin or cease a significant activity).
  - b) The long-term social, economic, environmental and cultural impact of the decision on the needs of current and future generations.
  - c) The opportunity costs, the level of risk and how difficult it would be to reverse the effects of the decision.



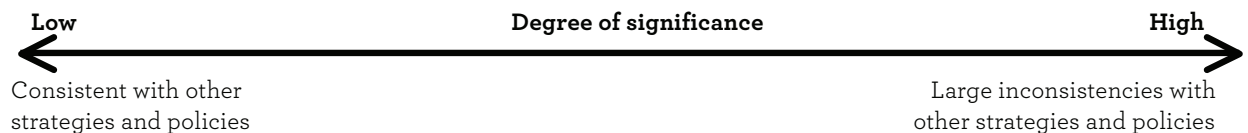
- 2.3 **Community interest:** The extent to which individuals, organisations, groups and sectors within the community are particularly affected by, or are interested in, the matter. Factors to be considered include:

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



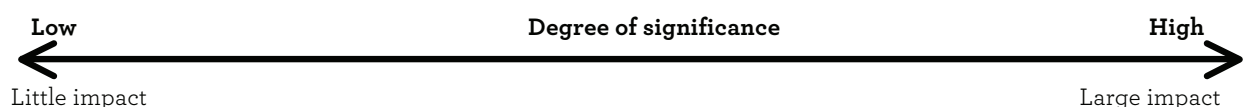
- 2.4 **Consistency with existing policy and strategy:** the extent to which the matter is consistent with the Council's Strategic Framework and policies (refer to Schedule 1). Factors to be considered include:

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



- 2.5 **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:

- a) Transfers of strategic assets to or from the Council (refer to section 3).
- b) The financial cost of the decision, in the short, medium and long term.
- c) The extent of the impact on rates and/or debt (including cumulative effects).
- d) The extent to which the decision is consistent with the Financial Strategy.
- e) The impact on Council's capacity/capability to meet legislative requirements.



### 3. Strategic assets

- 3.1 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.
- 3.2 In general, the Council will, at a minimum, engage the community using the special consultative procedure (as described in section 7.6) on any significant changes to the Council's ownership or control of strategic assets and any decisions to construct, replace or sell strategic assets.

### 4. Materiality and the Annual Plan

- 4.1 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.
- 4.2 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."

- 4.3 When assessing materiality, the key questions to consider are:
- a) 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?
  - b) Would this project/proposal cause a reasonable person to want to/not want to provide feedback on the proposal?
- 4.4 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.

## 5. Engagement

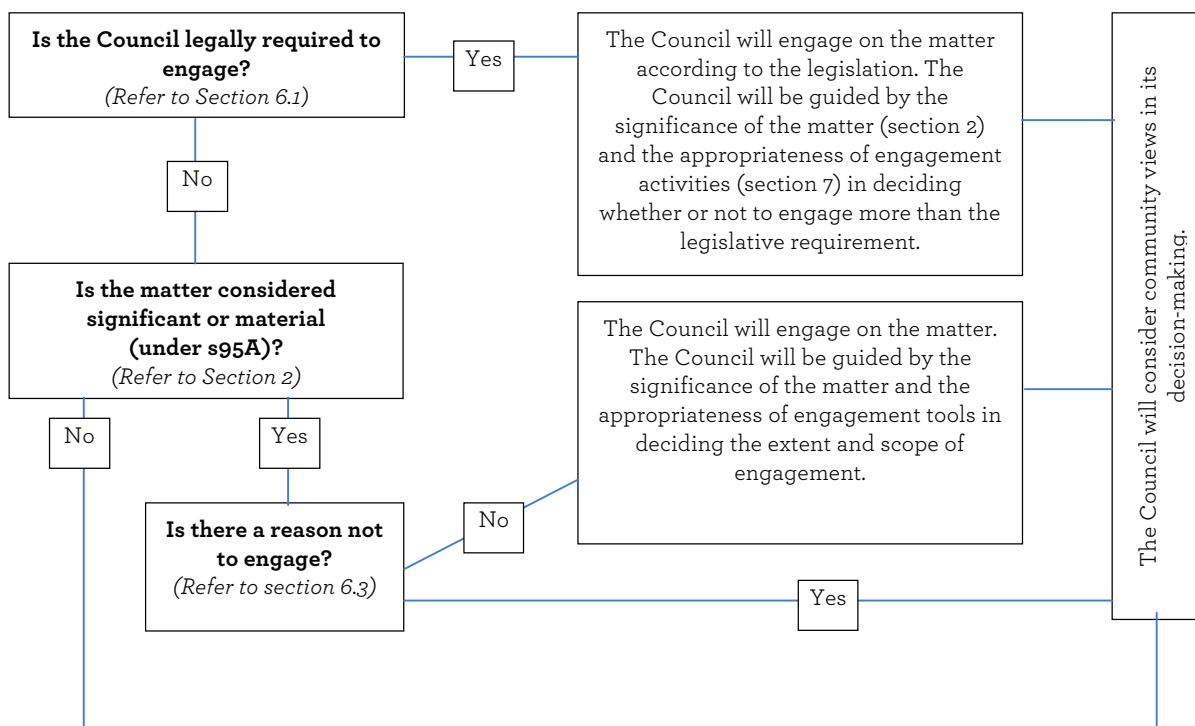
- 5.1 Engagement provides an opportunity for the public to debate and discuss their views on a decision or proposal being considered by the DCC. The community views expressed through an engagement process will be considered and taken into account, along with other information, when decisions are made. 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.
- 5.2 **Principles of engagement:** The Council will take a principle-based approach to its community engagement activities.
- a) **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.
  - b) **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.
  - c) **Purposeful:** We will be clear about the purpose of engagement and the ability and scope of the engagement to influence decisions.
  - d) **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.
  - e) **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.
  - f) **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.
  - g) **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.
  - h) **Engagement with Māori:** We will acknowledge the unique perspectives of Māori in the city.
  - i) **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).

## 6. Determining when to engage

- 6.1 **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 section 7.6). At a minimum, the Council will adhere to all legislative requirements.
- 6.2 **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 section 7.6), but will require some method of engagement unless there is a reason not to engage (refer to 6.3).

- 6.3 **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.
- 6.4 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 1 provides a summary of the factors the Council will consider when deciding when to engage.

Figure 1: Flowchart of deciding when to engage



## 7. Engagement Activities

- 7.1 The Council will determine which engagement activities or processes to use based on the individuals, communities and sectors 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. Reports to the Council and its Committees will outline a proposed engagement plan, to be approved by the Council or Committee.
- 7.2 The Council recognises that differing levels of engagement activities may be required during the various stages of decision-making on an issue and for different stakeholders. Figure 2 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 2: 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
Engagement activities the Council might use	Public notice Letter drop Media release Discussion paper DCC website Radio FYI story Social media	Exhibition Expo Public hearing Survey Special consultative procedure People's Panel Roadshow	Community Board meeting Hui / public meeting Working party Workshops Focus group	Multi stakeholder process Advisory group Round table meeting	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.

- 7.3 **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.
- 7.4 **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.

- 7.5 **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:
- a) **Advisory and stakeholder groups** – The Council establishes advisory and stakeholder groups to engage with organisations, groups 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.
  - b) **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.
  - c) **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.
  - d) **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.
  - e) **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.
- 7.6 **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.
- a) 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.
  - b) 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.

## 8. Review

- 8.1 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 Chinese Garden  
 Dunedin Public Art Gallery and collections  
 Dunedin Public Libraries and collections  
 Dunedin Railway Station  
 Edgar Centre  
 Forsyth Barr Stadium  
 Fortune Theatre  
 Hereweka Harbour Cone  
 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:

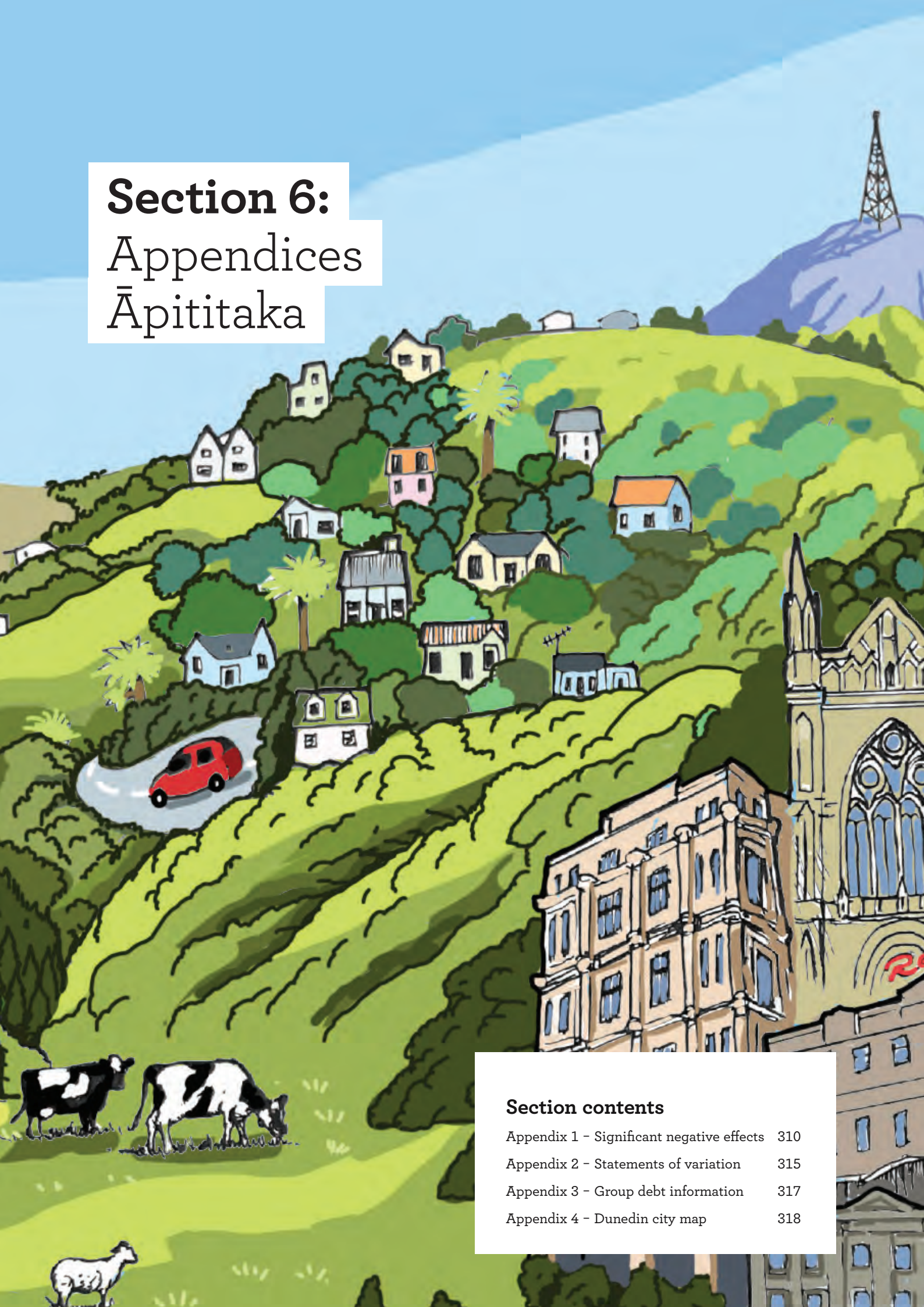
- o The Council may consider any other asset or group of assets as being 'significant' by using the criteria of significance in section 2.
- o Where a strategic asset is a network or has many components, decisions can be made on individual components within the network without it being regarded as significant, unless that component substantially affects the level of service provided to the community.
- o 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.
- o 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.



# Section 6:

## Appendices

### Āpītitaka



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## Appendix 1 - Significant negative effects

Group/activity	Significant negative effects	Responses
<b>Roading and footpaths group</b>		
<b>Transport</b> No significant negative effects are currently identified, but examples of potential negative effects on the local community are included here.	Air pollution – added emissions due to congestion Water resource pollution – Detritus from roads entering drainage systems and waterways Land resource pollution from dust Constricted traffic flow resulting in longer transport time Limits on loading resulting in more trips to move tonnage Dust on orchards adjacent gravel roads – affecting quality of produce Road roughness affecting vehicle operating costs Noise disturbance (from road works) Vibration (from road works) Pollution (from road works) Light pollution from artificial lighting (street lighting) Pedestrian safety (accidents) Accessibility during road construction. Visual impacts on landscape Effects on archaeological sites Effects on heritage areas Effects on areas of cultural significance.	Efforts are made to mitigate any negative effects through planning and consultation with the community. The Council ensures that contractors follow accepted environmental practices while undertaking construction and maintenance. Ongoing monitoring of the effects of operation is undertaken and action taken to remedy any issues arising.
<b>Water supply group</b>		
<b>Water supply</b> The collection, treatment and distribution of water have potential negative effects on the local community. The 3 Waters Strategy and implementation plan prioritises and plans the resolution of these issues and recognises that some issues can only be resolved pragmatically over longer periods of time.	Location of treatment plants close to residential properties; poor water treatment may cause sickness in the community.	Preventative maintenance, emergency management and PHRMP's are placed to limit disruption to wellbeing.
	High water supply costs that may affect industries expanding/relocating to Dunedin or treatment upgrades costs being unviable for those ratepayers on low incomes	Implementation of Strategic Direction statement should minimise operational cost increases.
	Discharge of waste and chemicals to waterways; taking of water from waterways.	De-chlorination units are used to control potential contamination from water production.

Group/activity	Significant negative effects	Responses
<b>Sewerage and sewage group</b>		
<b>Wastewater</b> The collection treatment and discharge of treated wastewater may have potential negative effects on the interests of the community. The 3 Waters Strategy and implementation plan prioritises and plans the resolution of these issues and recognises that some issues can only be resolved pragmatically over longer periods of time.	Locations of treatment plants close to residential properties can give rise to issues with odour or noise.	Community liaison has been initiated in known areas of community concern. Complex odour and noise mitigation is programmed at treatment plants. Any complaints are generally reported and resolved with urgency.
	High trade waste charges may affect industries expanding/relocating to Dunedin or treatment upgrade costs contributing to rating increases that are unviable for those ratepayers on low incomes.	Implementation of Strategic Direction Statement should minimise operational cost increases.
	Discharge of waste and chemicals to waterways.	Completion of secondary treatment of wastewater project will mitigate the risk to waterways.
	Discharge of waste and chemicals into waterways or near areas of cultural significance.	Completion of secondary treatment of wastewater project will mitigate the risk to waterways.
<b>Stormwater group</b>		
<b>Stormwater</b> The collection and disposal of stormwater may have potential negative effects on the interests of the community. The 3 Waters Strategy and implementation plan prioritises and plans the resolution of these issues and recognises that some issues can only be resolved pragmatically over longer periods of time. The Otago Regional Council is the controlling authority for the streams. A high proportion of the runoff is from erosion of land in rural catchments.	Residents will be affected if heavy rain events result in stormwater overflows, flooding properties and land; poor stormwater quality may cause beach closures and/or illness to users.	Pump station overflows are generally resolved quickly. Work is in progress to better understand secondary flow paths using Stormwater Catchment Models.
	Flooding problems may impact on property or trade values; potential loss of businesses if repeated flooding impacts their ability to insure; service upgrade costs may be unviable for those ratepayers on low incomes.	Modelling of stormwater system to identify mains that are at capacity and may constrain future development.
	Discharge of contaminated stormwater to waterways.	Water quality testing, and harbour sediment contaminant testing monitor contamination.
	Discharge of stormwater into waterways or near areas of cultural significance.	Water quality testing, and harbour sediment contaminant testing monitor contamination.



Group/activity	Significant negative effects	Responses
<b>Reserves and recreational facilities group</b>		
<b>Aquatic services</b> No significant negative effects are currently identified, but examples of potential negative effects on the local community are included here.	The potential exists for negative effects on the environmental interests of the community from the use of chlorine gas as a pool disinfectant, resulting in harm from a leakage in the gas storage or delivery system.	Emergency systems for early leak detection and emergency cylinder shut-downs to minimise adverse effects are in place. Alarms are wired directly to the Fire Service to ensure a quick response. The gas cylinders are stored in an area separate from the primary pool facilities.
	High energy consumption involved in the heating and operation of pools may impact environmental interests.	Energy use has been reduced with heat recovery projects and there is on-going investigation into the potential use of renewable heating resources.
	The social wellbeing of individuals could be impacted by near-drowning, drowning incidents or perception of a danger of drowning.	This is managed by supervision of all pools by trained lifeguards.
<b>Botanic Garden</b> No significant negative effects are currently identified, but examples of potential negative effects on the local community are included here.	Use of chemicals for pest plant, animal, and disease control.	This is managed through the compulsory adherence by the contractor to: Agrichemical Users Code of Practice – NZS 8409; Regional Plan – Air; and Fertiliser Use Code of Practice – (NZFMRA).  The adherences to these standards are monitored by staff supervising the work.
	Biosecurity risk of exotic (and native) plants and captive birds escaping or causing or disease in local native flora and fauna.	This is managed by monitoring of the health status of aviary birds and plants, staff who engage all measure necessary to ensure bird and plant health is maintained at optimum levels at all times.  Holding structures for birds and potential of weediness of plants are checked and monitored at all time with appropriate remedial work is carried out before any harm or loss occurs.
<b>Parks and reserves</b> No significant negative effects are currently identified, but examples of potential negative effects on the local community are included here.	Conflict between provisions of recreation pursuits (e.g. mountain biking) vs. environmental protection.	This is managed through the adoption of appropriate, consulted policy (Tracks Policy) and Reserves Management Plans.
	Use of chemicals for pest plant, animal, and disease control.	This is managed through the compulsory adherence by the contractor to: Agrichemical Users Code of Practice – NZS 8409; Regional Plan – Air; and Fertiliser Use Code of Practice – (NZFMRA).  The adherences to these standards are monitored by staff supervising the work.

Group/activity	Significant negative effects	Responses
<b>Regulatory services group</b>		
<b>Building services</b> No significant negative effects are currently identified, but examples of potential negative effects on the local community are included here.	Because the Building Services unit is not able to control the incoming work load sometimes it is not able to issue consents within the statutory time frames.	A short fall in processing capacity can be compensated for by contracting other Building Consent Authorities to assist with the work.
<b>Waste management group</b>		
<b>Waste and environmental solutions</b> Waste collection and management services may have waste management potential negative effects on the interests of the community.	Odour and noise for residential customers neighbouring the Green Island Landfill.	Council's current and proposed future approach for management is in accordance with existing resource consents for this activity.
	Recoverable resources which end up at the landfill are a loss of resource efficiency.	Programmes and communications promoting correct recycling practices are continually being developed and improved.
	Litter and illegal dumping negatively impacts on the community from a visual, environmental and financial perspective and it can be difficult to identify offenders.	The Council continue to engage and work collaboratively with affected parties in an effort to reduce the frequency of littering and illegal dumping events. A more coordinated approach is being taken across Council.
<b>Community and planning group</b>		
<b>City development and resource consents</b> No significant negative effects are currently identified, but examples of potential negative effects on the local community are included here.	District Plan policies and rules, NES and regulation, their administration via permitted activity status and resource consent decisions can have negative effects on the interests of people within the community.	If these policies and rules and their administration is done effectively and appropriately, the effects should maximise the potential benefits to the community as a whole, which may require some negative effects on individual's interests.
<b>Community development and events</b> No significant negative effects are currently identified, but examples of potential negative effects on the local community are included here.	Negative effects would occur if the Community Development team was not well connected with community organisations and groups.	Ensure strong relationships are maintained by Community Development staff.
<b>Governance and support services group</b>		
No significant negative effects are currently identified, but examples of potential negative effects on the local community are included here.	Some potential financial impact on Council/ rate payers arising from heightened compliance and business improvement costs, obligations or initiatives.	While there may be some minor and short term financial costs passed on to residents, this is expected to be negated by the overall improvement and efficiencies in Council activities and practices that will arise in the longer term.

There are no significant negative effects identified for the following groups/activities:

<b>Group</b>	<b>Activity</b>
<b>Reserves and recreational facilities group</b>	Cemeteries and crematorium
<b>Property group</b>	Commercial property Community housing Operational property
<b>Libraries and museums group</b>	Dunedin Chinese Garden Dunedin Public Art Gallery Dunedin Public Libraries Olveston Historic Home Toitū Otago Settlers Museum
<b>Regulatory services group</b>	Animal services Parking services Environmental health Alcohol licensing Parking operations
<b>Economic development group</b>	Business development Destination Dunedin Dunedin i-Site Visitor Centre
<b>Governance and support services group</b>	Business information services Civic and administration Corporate leadership Corporate policy Council communications and marketing Customer services agency Finance Fleet operations Human resources Investment account Waipori fund Warm Dunedin

## Appendix 2 - Statements of variation

### Statement of variation to the assessment of water and sanitary services

In 2007, the Council undertook an Assessment of Water and Sanitary Services of the provision of water-related and sanitary services within its district. The Assessment reviewed Council-operated water, wastewater and stormwater services, and assessed communities without such services having 25 or more persons in residence for more than 60 days per year. The resulting report, adopted in 2008, identified a number of issues and actions resulting from the assessment.

The Council has a statutory obligation under the Local Government Act 2002 as amended 2010, Schedule 10, Part 1 (6a), to identify and explain significant variations between the Assessment of Water and Sanitary Services 2007/08 and the proposals set out in the Council's 10 year plan. The changes outlined below are a summary of changes since the Statement of Variation in the 2015/16 LTP. For changes prior to this, please refer to Council's 2009/10 and 2012/13 LTPs.

### Assumptions

Forecast capital expenditure budgets for water supply, wastewater and stormwater systems are based on zonings proposed in the draft Second Generation District Plan. These forecasts will be reassessed once zonings for new development are confirmed following the adoption of the Plan.

A review of the existing Water and Sanitary Services Assessment will take place during 2018-2021. Capital expenditure budgets will be reviewed to accommodate changes and required actions from this review.

Growth-related capital expenditure will be debt financed and funded by development contributions where appropriate.

### Water Supply

The recently completed upgrade of the Outram Water Treatment Plant was the final capital upgrade of DCC's water treatment plants required to meet current drinking water standards; all 11 of DCC's water treatment plants are currently compliant with the Drinking-water Standards for New Zealand (DWSNZ) requirements for public water supplies.

Further changes to the drinking water standards are likely in the short to medium term as a result of the Government's Havelock North Drinking Water Inquiry, which may require additional new capital expenditure to ensure treatment plants continue to comply with DWSNZ and legislation.

Projects aimed at increasing the resilience of metropolitan Dunedin's water supply are progressing well. A pumped treated water connection between the Southern and Mt Grand Water Treatment Plants has been completed and the refurbishment of the Ross Creek reservoir is currently in progress. These 'security of supply' projects aim to improve the resilience of the water supply in the event of severe drought, catchment fire, or major pipeline or treatment plant failure. The metropolitan water supply services 89% of DCC's domestic water customers.

### Wastewater

Capital works are planned to divert Kaikorai Valley wastewater flows from the 'at capacity' Tahuna network to the Green Island catchment. An upgrade is planned for the Green Island Wastewater Treatment Plant to improve treatment processes and increase capacity to allow for the additional flows from the Kaikorai Valley sub-catchment. These changes will alleviate existing wastewater overflows to the Kaikorai Stream and the South Dunedin area, and will allow for growth further upstream in the catchment.

Planning is underway for upgrades to the northern wastewater schemes of Waikouaiti-Karitane, Seacliff and Warrington to ensure the treatment plants are able to meet effluent quality targets as existing discharge permits expire over the next 10 years.

### Stormwater

Capital works are planned for Mosgiel and South Dunedin following recent flooding events. Significant capital works are proposed as part of the South Dunedin flood alleviation project to reduce the risk of flooding in this community, by bringing affected assets up to currently accepted design standards. Capital works are proposed for Mosgiel during 2018/19 and 2019/20 to bring areas of the network with capacity issues up to currently accepted design standards.

### **Public toilets**

Following the conclusion of the Council's Assessment of Water and Sanitary Services in 2007, the Council conducted a Public Toilet Service Review. The findings of this review were adopted by the Council in 2008, and resulted in new toilet facilities being installed around the city and on reserves. In 2011 the Council reviewed toilet cleaning and facility management and revised its contract specifications in accordance with public health standards.

More recently, a new public toilet was installed at North Road to cater for tourists and visitors to Baldwin Street.

The Council intends to maintain its approach of ensuring sufficient public toilet facilities and appropriate cleaning and maintenance through capital and operating budgets over the next 10 years, in accordance with its last Assessment of Water and Sanitary Services.

### **Cemeteries and crematoriums**

The Council manages 19 cemeteries throughout the Dunedin area, although a number of cemeteries are closed to new burials (Andersons Bay Cemetery, East Taieri Cemetery, Northern Cemetery, Port Chalmers old cemetery, West Taieri and the Southern Cemetery). The development of the new Dunedin Cemetery on Emerson Street was completed in 2011 which added significant burial capacity to the city.

Pandemic planning has been undertaken to ensure that the Dunedin City Council can manage its burial services during an outbreak, and this planning is periodically reviewed.

A trial of natural burial plots at Green park cemetery has been ongoing since 2013 the future of natural burials will be reviewed during 2017/18, to ensure ongoing compliance with public health and environmental requirements. During 2017/18 the Council will also be engaging with iwi and hapū and through the Māori Participation Working Party to identify a location and design for a proposed urupā.

The Council intends to maintain its approach of ensuring sufficient and appropriately managed cemeteries and crematoria through its capital and operating budgets over the next 10 years, in accordance with its last Assessment of Water and Sanitary Services.

### **Statement of variation against previously adopted Waste Management and Minimisation Plans**

The Dunedin City Council has a statutory obligation under the Local Government Act 2002 as amended 2010, Schedule 10, Part 1, Clause 6 to identify and explain significant variations between its waste management and minimisation plans adopted under section 43 of the Waste Minimisation Act 2008 and the proposals set out in the Council's 10 year plan.

The Council had a statutory obligation under the Waste Minimisation Act 2008, Part 4 section 43, to review the Council's Resource Recovery and Waste Management Strategy (RRWMS), and develop a Waste Management and Minimisation Plan, (WMMP). The review required a full waste assessment to be completed for the district. This review covers both Council and non-Council activities.

The Waste Management and Minimisation Plan was developed and adopted by the Council in September 2013 through a public consultation process. This process will be undertaken again in the 2018/19 year.

Refuse continues to be collected in Council-approved user-pays black plastic bags on a weekly collection service.

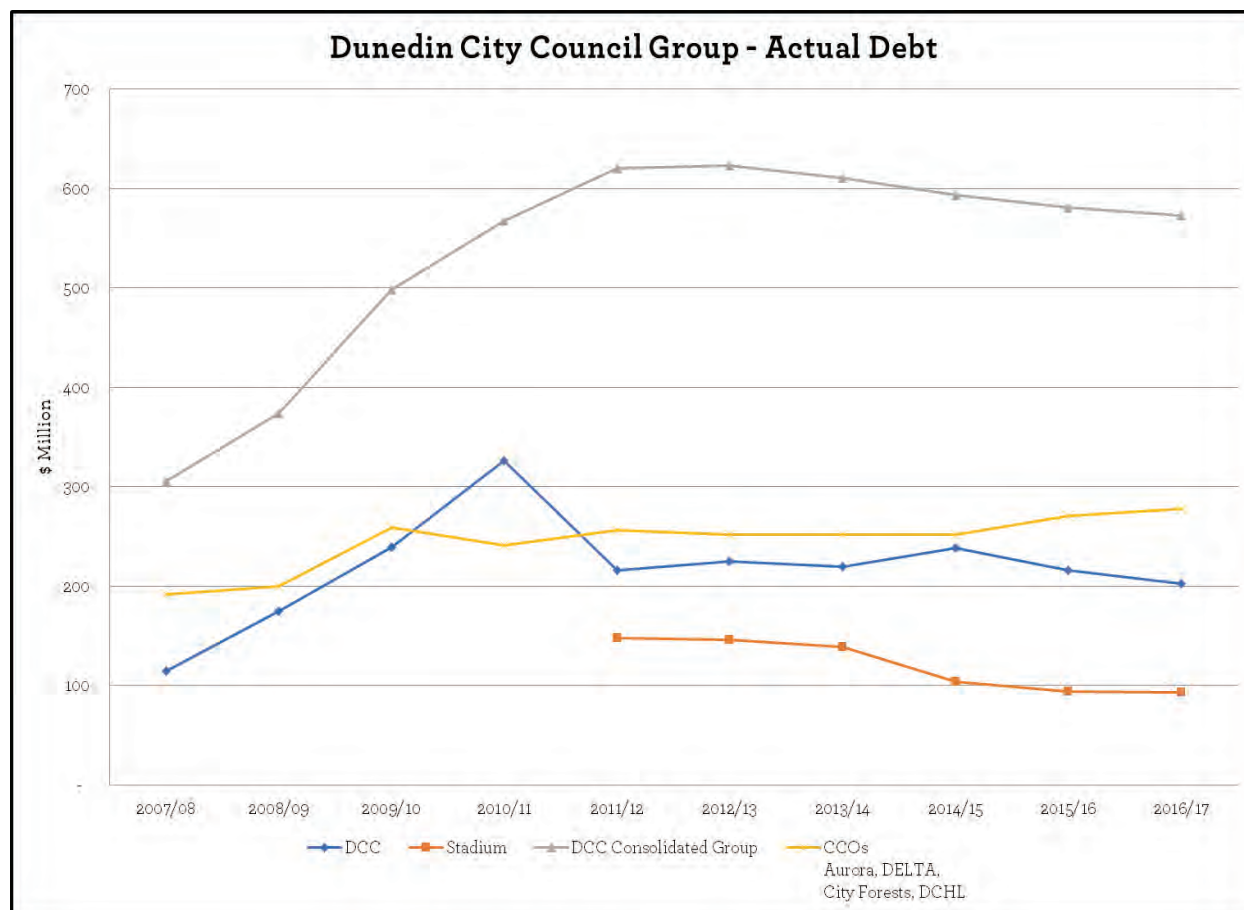
The CBD recycling collection services are being developed at present through a pilot trial of neighbourhood drop off recycling facilities.

Business cardboard collection services have been established via a shared back of house collection methodology at hosted sites.



## Appendix 3 - Group debt information

This graph illustrates actual debt for the 2007/08-2016/17 years for the DCC, the Forsyth Barr Stadium, other DCC-owned companies and the combined group. DCC debt increased in 2010/11 due to the construction of the Stadium and declined in 2011/12 due to the sale of the Stadium to a DCC-owned company, Dunedin Stadium Property Limited. In 2014/15, \$30 million of Stadium debt was transferred back to the DCC.



# Appendix 4 - Dunedin city map

