

Pre-Election Report 2022

Ōtepoti Dunedin



DUNEDIN | kaunihera
CITY COUNCIL | a-rohe o
Ōtepoti



Mihi

Mānawa maiea te putaka o Puaka
Mānawa maiea te putaka o Matariki
Mānawa maiea kā āriki o te raki
Mānawa maiea te Mātahi o te Tau

Nei taku manu whakamiha e rere nei kia tau
ruka i kā mauka whakahī o te rohe nei, a Te
Atua o Taiehu, a Hikaroroa. E rere tou ana ki
ruka ake i kā wai tapu e tere nei ki te nuku o te
whenua, a Te Awa o Ōtākou, a Waikouaiti.

Koutou mā kā uri o Rākaihautū, o Hotu
Māmoe, o Tahu Pōtiki ka taki nei taku manu
kōiri ki a koutou katoa.

Kai kā uri o kā waka unua, o kā waka hourua i
terea nei te Moananui-a-Kiwa kia nōhia ai ēnei
moutere, kai ngā karakataka maha o Aotearoa
ko te owaha nui nā taku manu pīē ka tau ki ruka
i koutou.

Kai aku nui, kai aku rahi, kai kā puananī o te ao,
ko ekea ka hau o te wā kia whai pakiaka ki ēnei
whenua, nei taku manu kōrihi e mihi maioha
nei ki a koutou.

Kai tēnei pūroko nei kā haumāuiui o tēnei
ohu o te kaunihera hai whakamōhio, hai
whakamārama i kā kōkiritaka whakamua i ā
tātau e aro atu ana ki te pōti e kainamu mai
nei. He mea tohu, he mea arataki i te huka pōti,
i te huka whai pōti hoki.

Nā reira, nau mai ki ēnei kōrero, nau mai ki
ēnei tuhika, nau mai ki te kōhaka o taku
manu kōrero.

Acknowledgement

Celebrate the rising of Puaka
Celebrate the rising of Matariki
Celebrate the lords of sky
Celebrate the New Year

Here is my songbird of acknowledgement
that alights on the prestigious mountains of
this area, Te Atua o Taiehu and Hikaroroa. It
continues over the sacred waters that flow
over the land, Ōtākou and Waikouaiti.

To you, the descendants of Rākaihautū, of
Hotu Māmoe, of Tahu Pōtiki my songbird
salutes you all.

To those descended from the great ocean
voyaging canoes that navigated the vast
Pacific Ocean and settled here in these
islands, to the many lines of descent that bind
us, my songbird calls its salutations to you all.

To all of the distinguished people of our city
who have settled here from near and far, my
songbird sings its homage to you all.

This report contains the results of the labours
completed by this council to help inform and
enlighten you regarding progress made as the
city draws closer to its elections. This report
is a guide for both those who seek to vote and
those who seek election.

And so, please take the time to digest this
information as presented and allow my
songbird to rest.

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Message from the Chief Executive Kōrero nā te Tumu Whakarae

Ōtepoti Dunedin really is one of the greatest little cities in the world. We're a small city with a big town vibe. We're a place where greeting strangers is socially expected and helping each other is just what we do. Dunedin is an education hub, producing world leaders in their craft. We're visionary, creating cutting edge industries through technology and the health sector to create jobs, careers and lifestyles. Everyone who lives here recognises the special characteristics that make Ōtepoti Dunedin the place we want to live and call home.

As we head into this election, candidates will have a range of issues that they will need to consider. Along with continuing the current projects and programmes; sector reforms, preparing for growth and climate change are all challenges that need to be addressed.

Central Government's proposed reforms across Three Waters, Resource Management and the future for Local Government will have major implications on how we manage our work and how we deliver for our community. We're working with Central Government to get a clearer idea on what this will mean for the city. It will inevitably mean changes for the new Council to consider.

We're also grappling with the effects of climate change. South Dunedin is a key area of focus for us, given its exposure to the climate, and this work will act as a blueprint for other low-lying areas around Dunedin. We will work with our communities to ensure that the effects of climate change do not exacerbate existing socioeconomic and health inequalities while looking at how to manage into the future.

It's a balancing act to prepare for growth. Dunedin needs more infrastructure and more diverse homes to support our growing population. We must ensure we have enough healthy homes for our young whānau to thrive in and suitable homes for our old folk.

These challenges are all interconnected, and our work in preparing for them is underway.

Our relationship with mana whenua is growing stronger as we implement changes both internally and externally. Work is underway in reducing our carbon footprint and implementing a carbon zero Dunedin, and we're refreshing our strategic framework to ensure we're focused on the best outcomes for the city.

The next Council will need to be agile and resilient as we deal with these challenges and opportunities. The decisions of the new Council and community boards will not only impact us now, but also the lives of our children and grandchildren. Ensuring that the essence of our great little city remains, while balancing external impacts, will be key for our elected members.

Along with the various changes facing Ōtepoti Dunedin, there is still a great amount of business as usual work to be done. There is an ambitious programme of capital works aimed to improve roads and footpaths, replace ageing pipes and ensure our green spaces are well maintained. At the same time we are upgrading playgrounds, fixing our buildings and upgrading the central city.

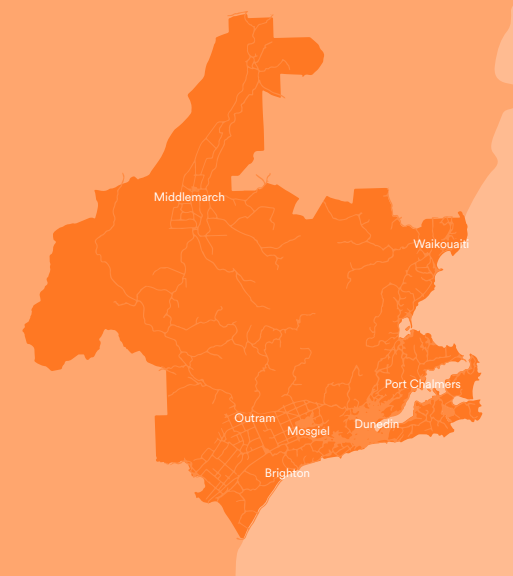
It's an exciting time in Ōtepoti Dunedin.

Kā mihi nui,

Sandy Graham

Chief Executive Officer
Tumu Whakarae

Dunedin City Council
Te Kaunihera a Rohe o Ōtepoti



What is Dunedin City Council? He aha rā a Te Kaunihera ā-Rohe o Ōtepoti?

Every three years, one mayor, 14 councillors and six community boards are elected by Dunedin residents to represent them on the Dunedin City Council (DCC). Our territory extends from north of Waikouaiti to the Taieri River in the south and inland to Middlemarch and Hyde, covering 3,340 square kilometres of land area.

The DCC is responsible for the governance of the city as well as the strategic direction, ensuring we work towards meeting expectations of our community as set out in the current 10-year plan 2021 - 2031.

What are the key dates for 2022? He aha kā rā matua ki te tau 2022?

For candidates

- **Friday 15 July 2022**
Nominations opens
- **Friday 12 August 2022**
Nominations close at 12 noon

For voters

Voting opens in this local election on 16 September 2022 and closes at 12 noon on 8 October 2022. You can vote in the local elections if:

- you are over 18 years old; and
- a NZ citizen or permanent resident; and
- have lived in NZ for at least 12 months continuously.

You can vote in the Dunedin local elections if you live or own property here.

In Aotearoa New Zealand, all local body elections are held by postal vote. That means you need to fill in your voting form and post it back before midday 8 October 2022. If you don't have a fixed address, you can provide the address of the place where you last lived for one month or more, or the address of where you spend a substantial part of your time.

[Click here for further information](#) on Local Elections at the DCC. To enrol, **[click here](#)**, or call **0800 36 76 56**.

What is a pre-election report? He aha te pūroko mua-pōti?

A pre-election report gives you an overall snapshot of the current state of the community, in time for the October 2022 elections, and provides

information to promote public discussion about the issues facing the local authority. It is a requirement of the Local Government Act 2002.

City Snapshot Tirohaka Tāone

Dunedin's
population of

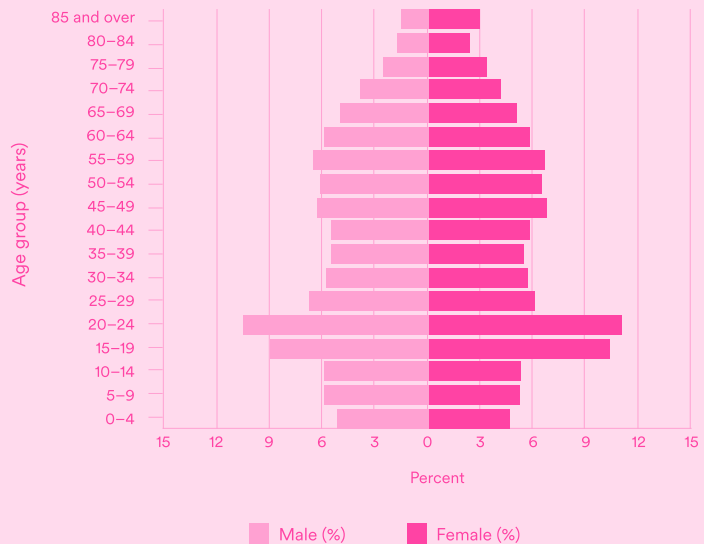
130,480

in 2018 is projected
to grow to

141,606

in 2048

Age and sex of people in Dunedin City,
2018 Census



36%

of Dunedin's population is
aged 25 and under, compared
to 34% of NZ's population,
in 2018

7%

increase in Dunedin's 65
years and over population is
projected by 2048

6%

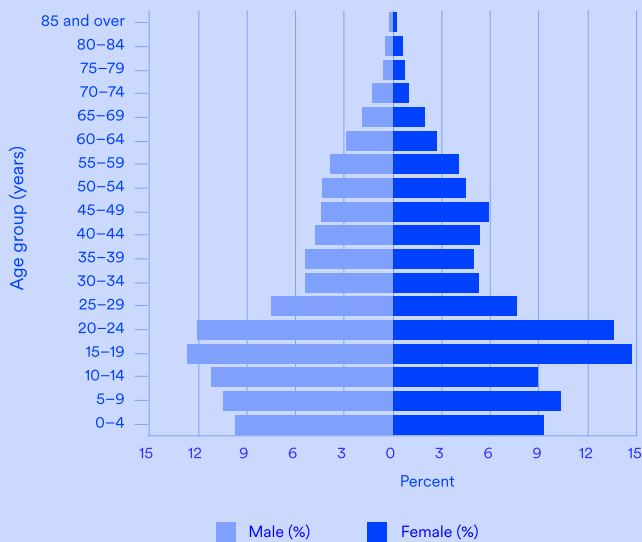
decrease in the 45 - 64 age
group is projected by 2048

Source: StatsNZ 2018 Census

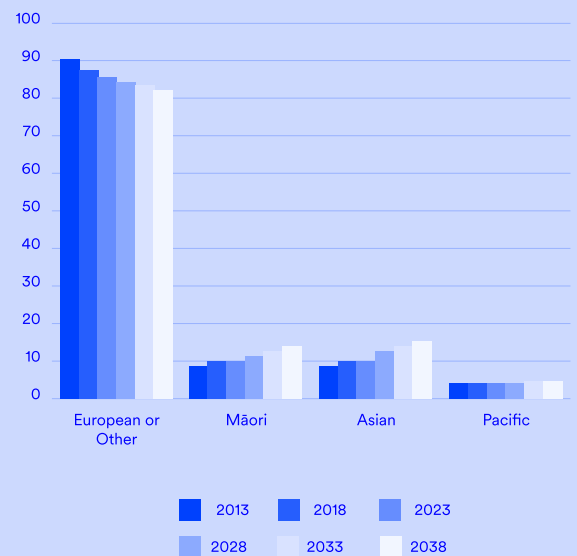


City Snapshot Tirohaka Tāone

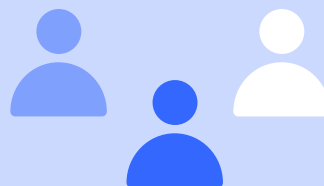
Age and sex of Māori in Dunedin City,
2018 Census



Dunedin ethnicity make up over time



Dunedin's population is becoming more diverse, and by 2038 Māori, Asian and Pacific people are projected to increase by 5%, 7%, and 1% respectively.



Different age groups/ demographics will have different housing needs to be planned for.

Source: StatsNZ 2018 Census



City Snapshot Tirohaka Tāone



90%

Rate their overall quality of life positively



86%

agree Dunedin is a great place to live

Top 3 reasons for quality of life



Lifestyle



Work related



Financial wellbeing

Source: StatsNZ 2018 Census



What are we proud of?

E whakahīhi ana mātau ki te aha?





We continue to develop a strong and respectful relationship with mana whenua and mataawaka

Like many organisations across Aotearoa, we've embarked on a journey to become an organisation that is responsive to the Treaty of Waitangi. The metaphor that is often used for this work is that of building a waka and setting a clear direction for the journey ahead.

It's important for us to uphold our relationship with mana whenua, not because of our statutory obligations, but because having a greater understanding of each other's aspirations and expectations means we can have better outcomes for all Dunedin residents.

We've implemented some major changes in our organisation to uphold our commitment to the Treaty of Waitangi. Some of these include:

- Mana whenua positions on our Planning and Environment, and Infrastructure Services Committees for representatives from our two rūnaka, Te Rūnanga o Ōtākou and Kāti Huirapa Rūnaka ki Puketeraki. These positions provide mana whenua with a stronger decision-making voice within the Council

and build on our commitment to the principles of The Treaty of Waitangi.

- Expressing our Treaty partnership commitment by developing the Manahautū (General Manager) Māori, Partnerships and Policy role as part of the executive leadership team. This role provides strategic advice and direction across the DCC business and works to develop partnership opportunities with mana whenua and mataawaka in Ōtepoti.

Building our DCC waka is an ongoing process for us all. Some of the work involves developing high level frameworks and strategies as well as supporting the organisation to work differently. We're also on the journey of lifting staff cultural capability. All of this takes time, but we're proud to say that we have started this journey in partnership with mana whenua. Critical to our success in translating Treaty theory into Treaty practice and ensuring the Treaty is a natural part of our daily work, is that we are all paddling the waka together.

Good to know



There are three marae in Ōtepoti Dunedin: Kāti Huirapa Rūnaka ki Puketeraki and Te Rūnanga o Ōtākou (mana whenua marae) and Araiteuru (a pan-tribal marae)



Te Tiriti o Waitangi was signed in Dunedin at Pukekura, also known as Taiaaroa Head, on 13 June 1840



11% of the Dunedin population are Māori



Māori is the most commonly spoken language in Dunedin after English



Originally, Ōtākou is the name of the waterway that spans the area from Te Rae o Tupa, the northern part of Taiaaroa Head, extending up to the Dunedin port area (where the city resides now)



The name Ōtepoti refers to an area near George Street, where the land jutted out like the corner of a kete (which was known as a poti). It was where our Māori ancestors would land their waka

We're on track to get done what we said we'd get done

The last few years have been difficult for everyone during the COVID-19 pandemic. With good planning, effective leadership, and a flexible approach, we've been able to ensure services continue to be delivered to our community, despite the challenges.

The delivery of planned capital spending is high on our agenda and, so far, we've been knocking that out of the park.

Bringing rigour and discipline to our capital programme has meant we are getting better at delivering on

our promise to our community. We're about 98% on track this year to achieve what we said we would be doing in our 10-year plan 2021-31. That's against a backdrop of increasing construction costs and a highly competitive work force market.

This is really pleasing, and we hope it gives our community confidence in our ability to deliver on our commitments.



We're also ensuring that we are an equitable city that provides for all people across Ōtepoti Dunedin. We've listened to our community's concerns and some of the outcomes of this are:

- XXX Subsidising rents on our community homes with rates revenue to ensure our elderly have good, healthy, affordable housing.
- XXX Allocating \$950,000 to a COVID-19 support fund following community feedback on the impacts of COVID-19 on local businesses and households.
- XXX Supporting local businesses by ensuring we support local firms in our contracts for projects.
- XXX Bringing new life to our playgrounds with areas like the basketball half-courts across the city.
- XXX Building inclusive play equipment for children with disabilities at Bathgate Park, as well as a fitness course made of natural materials at Karitane Playground, and a community orchard, revamped fort, and log scramble at College Street Playground, among others.
- XXX Creating a new modular pump track at Marlow Park (the dinosaur park) for our kids (and big kids).
- XXX Building Dunedin's first Changing Places bathroom next to the public library that has an accessible toilet, ceiling hoist, adult-sized changing table and enough room for a caregiver to move around and assist. It will be a life changer for people with complex disabilities. We will be one of the few cities in New Zealand to have one.
- XXX Launching the new contactless click and collect service so people can borrow books and things without having to go into the library.
- XXX Directly investing profit into our community through millions of dollars of civic grant funding.
- XXX Ensuring our community can come together and celebrate by creating free public events such as Matariki.



Major Projects

The new major projects that are underway will enhance Dunedin's vibrancy and support our community's social, environmental, cultural, and economic wellbeing. We're investing \$1.5 billion on capital projects over the next 10 years. A billion dollars of that is fixing things that we already have and around \$500 million will be spent on these new projects that will enhance life in our city.

Our work programme is very ambitious, but we are confident that we can deliver without compromising quality. This confidence in delivery comes

from the rigour applied by our project management process, the delivery phase of many large projects, and the workforce certainty that has been assured by our new procurement approach.

Here's a brief overview of some of the things we've got planned. You can read more about them in our [Annual Plan 2022 – 2023](#) and our [10-year plan for 2021-31](#).



Central City Upgrade \$60 million

After years of planning, the revitalisation of Dunedin's central city is underway in conjunction with mana whenua and supporting businesses. The Central City is a bustling hub which provides a focal point for residents and visitors. To make sure it remains the heart of the city for the next generation, we need to make the most of what we have and develop new opportunities. The retail quarter is currently being completed. It's a bit disruptive with parts of George Street already dug up, but the end result will be a welcoming and refreshed retail hub that reflects Dunedin's unique stories and values and provides awesome shopping and hospitality.

Waste Futures \$29 million

We've established ambitious targets around waste and carbon minimisation. There are several things planned, such as an organics facility, a mixed recycling sorting facility and a centrally located rummage store, but the first thing people will notice is the roll out of our new kerbside collection system. The contract is currently being let with the provider and will be announced shortly.



Mosgiel Pool \$19.2 million

The community will finally have the new pool in Mosgiel they've been waiting for. Thanks to the Taieri Community Facilities Trust for their vision and commitment to the project, we're building a pool that is user-friendly for both able and disabled users, flexible and effectively managed. The new pool also incorporates mana whenua stories unique to the area. The project is on track for the pool to open in May 2023.

Community Homes \$20 million

We're ensuring more people have access to warm, dry homes by investing \$2 million each year over the next 10 years. This will increase the number of homes available, but also ensure the quality of our current homes are at a good standard to house our most vulnerable people.



Tunnels Trail \$26.44 million

We're developing a tunnels trail to connect outer Dunedin suburbs like Mosgiel to the centre of the city with a 15km cycle and walking path. This is about giving people options – it can be used as a commuter route, but also for recreation – because who doesn't like going through tunnels? Plans are in place to eventually connect the tunnels with cycle trails and routes beyond the city.

Peninsula Connection Cycleway \$96.27 million

This community-led and instigated project connects neighbourhoods and makes the Peninsula more accessible via a 25km shared walking and cycling path from the Vauxhall Yacht Club to the entrance to Taiaroa Head on Harington Point Road.



Good to know

#1

We're a city of firsts: The first public art gallery in New Zealand, the first University, the first state secondary school for girls (Otago Girls' High School), the first Polytechnic and the first daily newspaper, the Otago Daily Times



Ross Creek Reservoir is one of the oldest artificial lakes in the country, and the oldest water supply reservoir still in use

19km

of footpaths have been resurfaced this year – a record amount in one year

\$6.5m

to upgrade our playgrounds and skateparks between 2021 and 2024



5 playgrounds per 1000 children (national average is 3-4 playgrounds per 1000 children)



The Dinosaur Slide was installed in 1965. It is our oldest and probably most loved playground slides

Our most popular dog breed is Labrador retrievers, with 1500 registered through council. This is followed by border collies (1100) and Jack Russells (499)



Top ten dog names in Dunedin:

Bella
Charlie
Poppy
Max
Molly

Ruby
Lucy
Luna
Toby
Daisy



**What are our
challenges?**

**He aha kē ā
mātau wero?**

Climate Change

All over the world, communities are grappling with the effects of climate change – storms with more severe rainfall, coastal storm surges, and a rising mean sea level. These changes pose serious risks to the Earth's ecology, human life, and property. Exposure to extreme drought, heat, rainfall, coastal inundation, and sea level rise are projected to worsen in many parts of New Zealand and around the world.

Ōtepoti is not immune to these challenges. One area of particular concern to us is South Dunedin, which covers the most climate-exposed part of the city.





How do we respond?

At the heart of this issue are people - our people, our livelihoods. We want to ensure that South Dunedin residents, and what they value, are protected.

The South Dunedin Futures programme is working out how we adapt that area of the city to effectively respond to the climate-driven challenges facing Dunedin residents, whilst potentially resolving other issues such as poor-quality housing at the same time.

We're working with our community, mana whenua, Central Government and others to understand what is happening, build resilience, identify opportunities and options, and decide how to best adapt to further changes in South Dunedin's environment.

We've set the ambitious goal of making Dunedin City carbon zero by 2030 – 20 years earlier than the Government's target. The Dunedin Zero Carbon team was established to explore, implement, and reduce the emissions that we generate both as a Council, and as a city.

This is a huge project for the team, and one that crosses all of our workstreams to ensure we have a zero-carbon lens - whether it's exploring ways we can heat Moana Pool without using LPG, switching to LED streetlights, or introducing a fully electric Book Bus, we're underway to make Dunedin carbon neutral by 2030.

We've also identified opportunities to address infrastructure issues by investing in a combination of renewals and new capital projects over the next 10 years. Projects such as the South Dunedin Flood Alleviation and Central City Plan will replace ageing Three Waters and transport infrastructure and deliver improvements to protecting the health and wellbeing of our people.

Good to know

1.57

million tonnes of carbon
produced in 2018/19



Our biggest contributors to our
city's emissions are transport
and agriculture

\$29_m

invested into reducing waste
and cutting emissions



In 2021, Dunedin was the city
with the greatest number of
kōwhiri observed per capita
(26.5 per 1000)

7

sightings of kākā visiting the city
since December 2021

4000

hectares of open space

30

native plants and animal species
only found in Dunedin

1168

possums, 967 rats and three
sneaky mustelids removed from
urban Dunedin reserves since
2020



The oldest stormwater pipe in
Dunedin is from 1861, measures
1800mm is located in Rattray
Street

386_{km}

of pipes

76

wastewater pump stations



Do you know that tuna (eels)
can still be found in the Toitū
Stream that runs right through
the heart of the city?

Balancing costs with getting work done

Affordability is a key consideration of everything the Council is doing. Each year, we have to balance the work that needs to be done against our ability to fund that work. The current economic environment sees rising costs and increased interest rates. At the same time ratepayers have increased costs and the affordability of council rates is something that we are very conscious of.

Staff will continue to work to ensure that every dollar that is spent is being spent wisely. There is ongoing work being undertaken by staff to look at how we can deliver our services more effectively, and this includes work across the organisation.

The Council budgets for the upcoming year have managed the cost pressures but it does mean there are challenges for budgets in future years. The capital programme is funded partly by depreciation (funded by rates) or by debt where the interest costs must be covered. At the same time, the level of Council debt needs to be considered as it is increasing.

Staff are working on an investment plan that will consider if the city is getting the best out of its investments – the Waipori Fund, the investment properties and the Group companies. The investment plan will then be used to help develop the next long term plan budgets.



Preparing for growth

Dunedin is experiencing a period of population growth and over the last five years, our population grew between 0.8% and 1.4% per year. This is the fastest rate of growth in over 20 years for us.

Housing affordability (compared to other New Zealand cities), quality of life and investment properties are some of the key reasons behind this growth although housing affordability has changed in recent times.

This kind of growth brings many positives, but it can also create pressure on our city.

What are those pressures?

- XXX Not enough homes, and not enough homes are healthy
- XXX Not enough rental homes
- XXX Even though Dunedin is considered to be one of the most affordable cities in New Zealand to purchase a home, the market is still too expensive for many
- XXX Infrastructure required for a growing population is expensive and time consuming, and places immense pressure on our environment
- XXX Releasing land for development
- XXX The rising cost of construction
- XXX Workforce shortages

Without good housing, vulnerable communities are less able to live a quality life. We want to ensure our people have access to quality housing in thriving communities. Over the next 10 years, we will work with our community, mana whenua, Kainga Ora and other organisations to develop a housing plan that will support the creation of more quality homes in connected communities. We're also asking Central Government to do its part, including investing in more houses. Our role is to enable this work to happen.

We do provide homes to older residents of Dunedin and those with low income. Council currently owns nearly 950 community homes across the city. This is set to increase as we invest \$20 million to build more community housing over the next 10 years. This will bring much help to whānau who are currently struggling with finding suitable permanent housing.

We've also implemented changes in the Second-Generation Dunedin City District Plan. These include:

- XXX Allowing for about 1900 new dwellings over the next 10 years
- XXX Removing the restrictions on who can live in family flats
- XXX More flexibility for development
- XXX 12 new medium density zones

Snapshot: Dunedin homes

Median house price
now exceeding

\$600k

Dunedin is growing by

1,400

people each year

300–400
new houses

being built each year

Dunedin City Council
provides the most
community homes in the
South Island with

940
homes

Proposals for change from Central Government

The Central Government reform agenda continues to be a priority for councils across the country. There is a significant amount of change expected for the Local Government sector in the next two to three years which will impact the strategic environment.

Changes include (but are not limited to) Three Waters reform, Resource Management Act reform, the development of a Future Development Strategy, the release of National Emissions Reduction and Adaptation Plans and the Future of Local Government review.

Changing legislative requirements and national strategic context will have an impact on how the DCC structures its future Strategic Framework.

The programme of reform does mean the focus of the organisation is likely to shift with less emphasis on the delivery of infrastructure and more focus on community wellbeing. This isn't certain and will depend where the Central Government reforms land. It does create uncertainty over the next couple of years that must be managed by the organisation and the incoming Council.

Our aspirations

Ō mātau wawata



The last two years has taught us the power of community and connection as we grappled with a worldwide pandemic, rising living costs and climate change.

These shocks have had a rippling effect across our communities, impacting our work, homes, mental health, and social cohesion.

The COVID-19 lockdowns in 2020 and 2021 did allow many of us to stop and reflect. What is important to us? And how does that align with what we are doing now?

At the Dunedin City Council, we aspire for Ōtepoti Dunedin to become a thriving city which shares prosperity, adopts a circular economy, and ensures our home is socially, culturally, environmentally, and economically flourishing.

The first step in this aspiration is undergoing a strategic refresh. This includes investigating how we might implement the model of Doughnut Economics. This model adopts the

aspiration of creating a city of thriving people, in a thriving place, while respecting the wellbeing of all people and the health of the whole planet.

Supporting this is the development of a clear Māori Development Strategy. This will provide greater understanding of alignment between te ao Māori, Rūnaka aspirations and our own aspirations as a city. Aligning our aspirations ensures that prosperity and opportunity is shared with our Treaty of Waitangi partner – Tāngata Whenua.

We aim to meet the needs of everyone in our community, as well as that of our planet. We're committed to becoming a carbon neutral city by 2030. This will contribute to limiting global warming and avoid the worst impacts of climate change. We can only achieve this goal with the contributions from everyone who calls Dunedin home.

Finally, we want an equitable city that is easy and enjoyable to live in. It's important, particularly at this time, to weave our communities together, to stimulate ourselves, and be active in our communities. The arts and culture sector are great pathways to learn and grow, as well as a reminder of who we are and what we stand for. We're committed to a city that has access to civic services that are affordable or free, and that provide joy and interaction with each other.





Finances

Kā mahi tahua

Financial information

The following pages contain retrospective and prospective financial information for the DCC for the 2019/20 – 2025/26 period. A statement of compliance with the financial strategy is also included.

The financial information is sourced as follows:

2019/20

DCC's audited annual report

2020/21

DCC's audited annual report

2021/22

Forecast (*)

2022/23

DCC's annual plan (unaudited) adopted by Council on 30 June 2022

2023/24

DCC's audited 10 year plan 2021-2031 (**)

2024/25

DCC's audited 10 year plan 2021-2031 (**)

2025/26

DCC's audited 10 year plan 2021-2031 (**)

(*) The Council's audited 2021/22 Annual Report will not be available until after the election. There may be some variances between the information included here and the final audited financial statements as a result of audit and year-end processes.

(**) As this information is prospective, actual results for these years may differ.

The basis of accounting for the documents concerned can be found in the statement of accounting policies in each document and these are available on the DCC website.

Web links to source documents

[Annual Report 2019/20](#)

[Annual Report 2020/21](#)

[10 year plan 2018-28 -
Dunedin City Council](#)

[10 year plan 2021 - 2031 -
Dunedin City Council](#)

[Annual Plan 2022 - 2023 -
Dunedin City Council](#)

Compliance with Financial Strategy

The table below shows how the Council has complied with the financial strategy in the three years from 2019/20 to 2021/22.

	2019/20		2020/21		2021/22	
	Limit	Actual	Limit	Actual	Limit	Actual
	\$000	\$000	\$000	\$000	\$000	\$000
Rates Income	156,553	156,949	164,381	163,492	179,124	179,566
Rate Increase	5.0%	5.1%	5.0%	4.2%	10.0%	9.8%
Gross Debt	350,000	243,973	350,000	271,973	735,965	334,273

Budgeted rates income is generally set within the limits imposed by the Financial Strategy. These budgets are set at the end of May each year based on properties held in the Rating Information Database at that time.

Changes to this database can occur between May and June due in part to the addition of new properties. This results in the actual rates levied being higher than budget.

Return on Investments

The Council holds a range of investments, including Council-owned companies, investment property and the Waipori Fund. These investments are designed to provide ongoing non-rates income over the medium to long term as well as a partial offset to gross debt. A primary objective of the

Waipori Fund is to grow the fund's base value, while maintaining an agreed cash distribution to Council.

The table below shows whether the financial targets for investments, as specified in the financial strategy, were achieved.

	2019/20 Actual	2020/21 Actual	2021/22 Forecast
Council-owned companies			
Income of \$5.9m per annum	Achieved	Achieved	Achieved
Waipori Fund			
Inflation adjust the fund	Achieved	Achieved	Not achieved*
Cash distribution to Council	Achieved	Achieved	Achieved
Investment property portfolio			
Return greater than weighted average cost of funds	Achieved	Achieved	Achieved

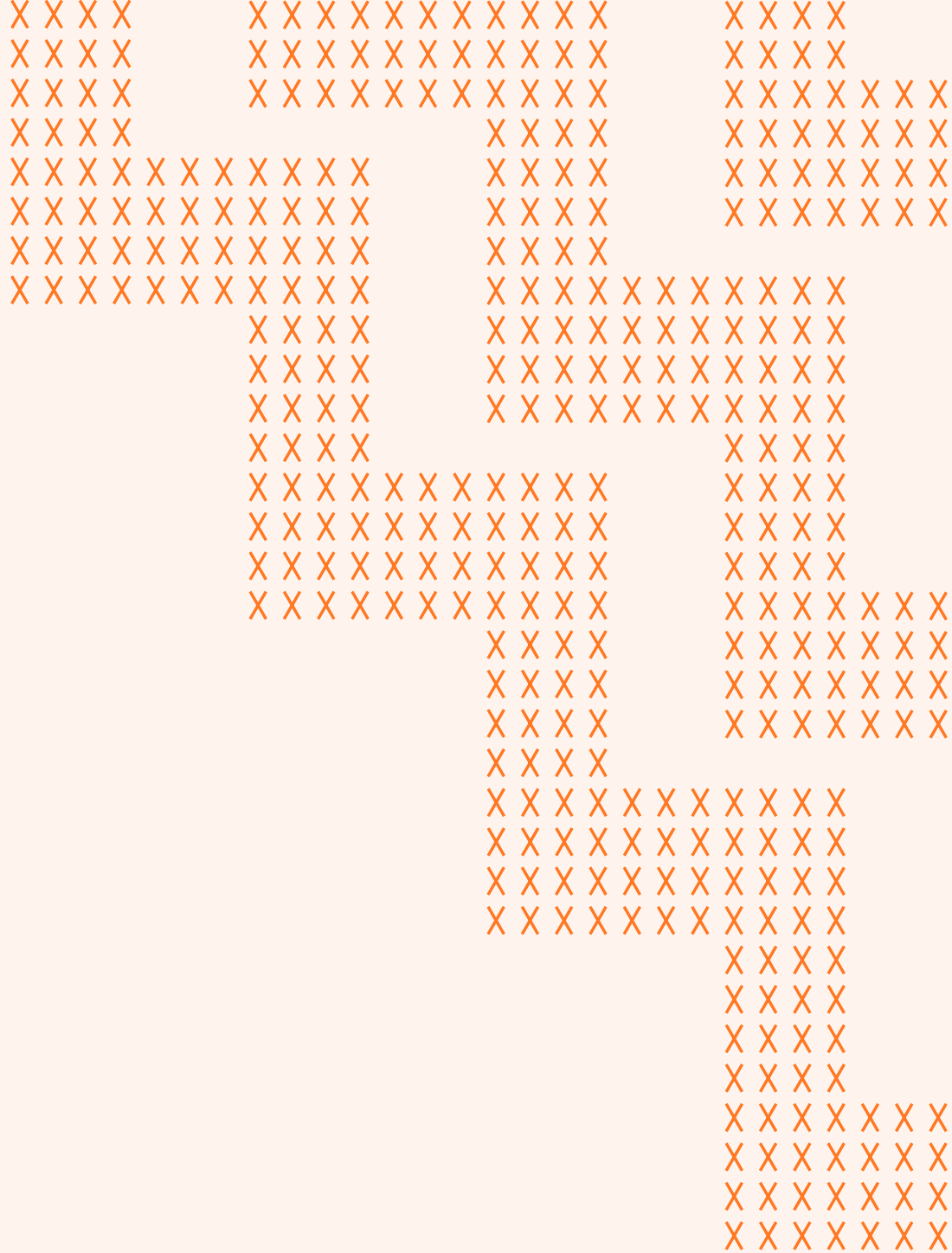
*The financial target to inflation adjust the Waipori Fund was not achieved in the 2021/22 year due to a combination of high inflation and a decline in valuation of the Fund, reflecting current market conditions.

Funding Impact Statement

	Actual 2020 \$000	Actual 2021 \$000	Forecast 2022 \$000	Annual Plan 2023 \$000	10 Year Plan 2024 \$000	10 Year Plan 2025 \$000	10 Year Plan 2026 \$000
Sources of operating funding							
General rates, uniform annual general charges, rates penalties	83,767	94,969	103,334	110,294	116,958	125,849	135,088
Targeted rates	73,967	69,578	77,166	81,323	89,014	92,441	96,276
Subsidies and grants for operating purposes	11,867	13,814	18,383	15,455	11,417	11,745	12,082
Fees and charges	59,709	63,126	59,110	65,155	66,712	69,039	70,220
Interest and dividends from investments	9,190	8,444	8,636	14,107	8,260	8,144	8,129
Local authorities fuel tax, fines, infringement fees, and other receipts	2,902	2,629	2,669	3,225	3,276	3,317	3,353
Total operating funding	241,402	252,560	269,298	289,559	295,637	310,535	325,148
Applications of operating funding							
Payments to staff and suppliers	194,543	206,616	202,707	217,252	218,528	224,802	231,260
Finance costs	9,821	8,007	8,804	13,697	12,792	14,615	16,454
Other operating funding applications	-	-	-	-	-	-	-
Total applications of operating funding	204,364	214,623	211,511	230,949	231,320	239,417	247,714
Surplus/(deficit) operating funding	37,038	37,937	57,787	58,610	64,317	71,118	77,434
Sources of capital funding							
Subsidies and grants for capital expenditure	27,384	26,504	25,293	27,361	16,828	16,673	13,097
Development and financial contributions	1,216	2,153	3,759	3,784	3,623	3,703	3,785
Increase/(decrease) in debt	25,000	28,000	62,300	106,000	61,259	66,551	62,382
Gross proceeds from sale of assets	731	140	3,814	120	120	120	120
Lump sum contributions	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-
Total sources of capital funding	54,331	56,797	95,166	137,265	81,830	87,047	79,384
Application of capital funding							
Capital expenditure							
• to meet additional demand	2,434	3,537	6,307	10,662	9,121	9,155	9,290
• to improve the level of service	11,892	15,953	45,088	73,466	50,991	57,417	68,127
• to replace existing assets	77,990	91,330	89,416	105,344	84,938	90,472	78,475
Increase/(decrease) in reserves	-	-	-	-	-	-	-
Increase/(decrease) of investments	(947)	(16,086)	12,142	6,403	1,097	1,121	927
Total applications of capital funding	91,369	94,734	152,953	195,875	146,147	158,165	156,818
Surplus/(deficit) of capital funding	(37,038)	(37,937)	(57,787)	(58,610)	(64,317)	(71,118)	(77,434)
Funding balance	-	-	-	-	-	-	-

Statement of Financial Position

As at 30 June	Actual 2020 \$000	Actual 2021 \$000	Forecast 2022 \$000	Annual Plan 2023 \$000	10 Year Plan 2024 \$000	10 Year Plan 2025 \$000	10 Year Plan 2026 \$000
Current assets							
Cash and cash equivalents	15,362	7,939	9,845	8,330	6,782	6,954	7,617
Other current financial assets	7,163	6,975	10,539	10,539	6,022	6,074	6,126
Trade and other receivables, inventories and prepayments	24,709	23,939	19,578	25,702	13,743	14,130	13,861
Non current assets held for sale	-	3,694	-	-	-	-	-
Total current assets	47,234	42,547	39,962	44,571	26,547	27,158	27,604
Non-current assets							
Other non-current financial assets	190,897	201,144	195,069	196,220	206,982	207,799	208,611
Shares in subsidiary companies	126,139	128,689	131,239	133,789	136,339	138,889	141,439
Investment property	95,740	104,976	104,976	104,976	99,942	101,026	102,140
Property, plant, equipment and intangibles	2,969,419	3,382,306	3,511,385	3,698,141	3,500,851	3,636,904	3,767,513
Total non-current assets	3,382,195	3,817,115	3,942,669	4,133,126	3,944,114	4,084,618	4,219,703
Total assets	3,429,429	3,859,662	3,982,631	4,177,697	3,970,661	4,111,776	4,247,307
Current liabilities							
Trade and other payables	32,234	37,668	31,026	32,132	31,410	32,423	33,396
Revenue received in advance	8,712	14,082	6,318	5,370	6,517	6,585	6,656
Employee entitlements	8,638	8,461	7,270	7,506	9,884	10,073	10,281
Derivative financial instruments	703	-	-	-	-	-	-
Total current liabilities	50,287	60,211	44,614	45,008	47,811	49,081	50,333
Non-current liabilities							
Term loans	243,973	271,973	334,273	440,273	473,028	539,579	601,960
Employee entitlements	1,422	1,279	1,228	1,228	1,301	1,295	1,291
Provisions	10,819	13,004	14,004	14,004	11,469	11,469	11,469
Derivative financial instruments	1,349	656	21	-	-	-	-
Total non-current liabilities	257,563	286,912	349,526	455,505	485,798	552,343	614,720
Equity							
Total equity	3,121,579	3,512,539	3,588,491	3,677,184	3,437,052	3,510,352	3,582,254
Total liabilities and equity	3,429,429	3,859,662	3,982,631	4,177,697	3,970,661	4,111,776	4,247,307





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