

**Date:** Thursday 30 June 2022  
**Time:** 10.00 am  
**Venue:** Council Chamber, Municipal Chambers, The Octagon, Dunedin

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**Council**  
**OPEN ATTACHMENTS**  
**UNDER SEPARATE COVER**

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## **Waikouaiti Coast Community Board**

### **MINUTES**

Minutes of an ordinary meeting of the Waikouaiti Coast Community Board held via audio visual link on Wednesday 23 March 2022, commencing at 5.30 pm

#### **PRESENT**

<b>Chairperson</b>	Alasdair Morrison	
<b>Deputy Chairperson</b>	Geraldine Tait	
<b>Members</b>	Andy Barratt	Sonya Billyard
	Mark Brown	Mandy Mayhem-Bullock
	Cr Jim O'Malley	

**IN ATTENDANCE** Graham McKerracher (Manager Council Communications and Marketing) and Gill Brown (Housing Action Plan Advisor)

**Governance Support Officer** Rebecca Murray

#### **1 PUBLIC FORUM**

There was no Public Forum.

#### **2 APOLOGIES**

An apology for early departure was received by Cr Jim O'Malley who will leave the meeting at 6.45 pm.

Moved (Alasdair Morrison/Mark Brown):

That the Board:

**Accepts** the apology for early departure from Cr Jim O'Malley.

**Motion Carried**

**3 CONFIRMATION OF AGENDA**

Moved (Alasdair Morrison/Cr Jim O'Malley):

That the Board:

**Confirms** the agenda with the following alteration:

That Item 13 Council Activities be taken at an appropriate time before Cr O'Malley leaves the meeting.

**Motion Carried**

**4 DECLARATIONS OF INTEREST**

Members were reminded of the need to stand aside from decision-making when a conflict arose between their role as an elected representative and any private or other external interest they might have.

Moved (Alasdair Morrison/Cr Jim O'Malley):

That the Board:

- a) **Notes/Amends** the Elected Members' Interest Register; and
- b) **Confirms/Amends** the proposed management plan for Elected Members' Interests.

**Motion Carried**

**5 CONFIRMATION OF MINUTES****5.1 WAIKOUAITI COAST COMMUNITY BOARD MEETING - 2 FEBRUARY 2022**

Moved (Alasdair Morrison/Cr Jim O'Malley):

That the Board:

**Confirms** the Waikouaiti Coast Community Board meeting held on 02 February 2022 as a correct record with a minor amendment as agreed.

**Motion Carried**



**PART A REPORTS****6 OTAGO REGIONAL COUNCIL - TRANSPORT MANAGER AND SENIOR COMMUNICATIONS ADVISOR**

The Otago Regional Council's Transport Manager (Doug Rodgers) and Senior Communications Advisor (Charlotte Flaherty) were in attendance to introduce themselves to the Board. They responded to members' questions.

**7 HOUSING ACTION PLAN**

The Housing Action Plan Advisor (Gill Brown) was in attendance to provide an overview of the Housing Action Plan to the Board. She responded to members' questions.

**8 FUNDING UPDATE**

The report provided details of funding allocated to date.

Moved (Alasdair Morrison/Cr Jim O'Malley):

That the Board:

**Notes** the funding update.

**Motion Carried**

**9 GOVERNANCE SUPPORT OFFICER'S REPORT**

A report from Governance provided an updated on activities relevant to the Board's area, which included:

Draft DCC 2022/23 Annual Plan

What DCC is Currently Consulting On

Roadworks Schedule

DCC Updates

Moved (Alasdair Morrison/Cr Jim O'Malley):

That the Board:

**Notes** the Governance Support Officer's Report.

**Motion Carried**

**10 COMMUNITY PLAN**

There were no changes to the Waikouaiti Coast Community Board Community Plan.

**11 CHAIRPERSON'S REPORT**

A verbal report from the Chairperson was provided at the meeting, which included:

Weekend Bus Services  
Firefighting Tanks  
General Vegetation  
Puketeraki Site

Moved (Alasdair Morrison/Cr Jim O'Malley):

That the Board:

**Notes** the Chairperson's report.

**Motion Carried**

**13 COUNCIL ACTIVITIES**

Councillor Jim O'Malley provided an update on matters of interest to the Board, which included:

Public Transport

Moved (Cr Jim O'Malley/Alasdair Morrison):

That the Board:

**Notes** the updates.

**Motion Carried**

**12 BOARD UPDATES**

Board members to provide an update on activities and areas of responsibility, including:

**Keep Dunedin Beautiful (KDB)**

Mandy Mayhem-Bullock advised that she is now the Deputy Chair of Keep New Zealand Beautiful. She also advised that there had been a funding boost from the Waste Minimisation Fund to the "Do the right thing" campaign towards educating awareness. Trees for babies was to be held again this Mother's Day. She also advised that KDB were putting funding towards the replacement Bluey the Whale sign located at the Puketeraki site.

**Waikouaiti Recycling Centre Project**

Geraldine Tait and Andy Barratt advised that there was still concern around the processing of compost at the landfill site. Cr O'Malley advised that a workshop with OneCoast to discuss composting would be beneficial for the community.

**Waikouaiti Plantation Replanting Project**

Mark Brown advised that due to lockdown half of the planting season was lost but were preparing for another planting season next year.

Cr Jim O'Malley left the meeting at 6.45 pm.

**Truby King Recreation Reserve Committee**

Andy Barratt advised that had been progress with the committee membership. He also advised that the botanical society were working with the trees.

**Local Government New Zealand Zone 6 Community Board Committee**

Mandy Mayhem-Bullock advised that a workshop on chairing would be held on 28 March, which would be ideal for newly elected members.

**Cycleway**

Mandy Mayhem-Bullock advised that a stakeholder meeting had been held recently which also discussed possible connection issues in areas.

To be added to the Board Updates list Civil Defence with Sonya Billyard and Mandy Mayhem-Bullock to provide any updates.

Moved (Alasdair Morrison/Mandy Mayhem-Bullock):

That the Board:

**Notes** the updates.

**Motion Carried**

**14 ITEMS FOR CONSIDERATION BY THE CHAIRPERSON**

There were no items for consideration.

The meeting concluded at 7.00 pm.

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CHAIRPERSON



## Otago Peninsula Community Board

### MINUTES

Minutes of an ordinary meeting of the Otago Peninsula Community Board held via Audio Visual link on Thursday 24 March 2022, commencing at 10:00 am.

#### PRESENT

<b>Chairperson</b>	Paul Pope	
<b>Members</b>	Lox Kellas	Graham McArthur
	Cheryl Neill	Edna Stevenson
	Cr Andrew Whiley	

<b>IN ATTENDANCE</b>	Chris Henderson (Group Manager, Waste and Environmental Solutions), Gill Brown (Housing Action Plan Advisor)
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<b>Governance Support Officer</b>	Lauren McDonald
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#### 1 OPENING

Paul Pope opened the meeting with a reflection.

#### 2 PUBLIC FORUM

##### 2.1 Engagement with local Peninsula schools - Annual Plan 2022-23

Students from the Portobello and Macandrew Bay Primary Schools, provided ideas for consideration by the Board on improvements for community facilities for the Annual Plan submission to Council.

Suggestions included charging stations, soft plastic recycling stations and historical information to be placed along the Peninsula shared pathway. Improvements for consideration were advised as safe pedestrian access to the beaches along the peninsula, extension of the cycleway to Harrington Point, and upgrade or new Macandrew Bay public toilets.

##### 2.2 Peninsula Connection Project

Nick Watt, Project Manager – Peninsula Connection provided an update on the Peninsula Connection Project works.

Concern was raised about the lack of communication to the Board on delay to completion of staged work for Portobello.



**3 APOLOGIES**

Moved (Chairperson Paul Pope/Edna Stevenson):

That the Board:

**Accepts** the apology from Hoani Langsbury.

**Motion carried**

**4 CONFIRMATION OF AGENDA**

Moved (Chairperson Paul Pope/ Graham McArthur):

That the Board:

**Confirms** the agenda without addition or alteration

**Motion carried**

**5 DECLARATIONS OF INTEREST**

Members were reminded of the need to stand aside from decision-making when a conflict arose between their role as an elected representative and any private or other external interest they might have.

Moved (Chairperson Paul Pope/ Cheryl Neill):

That the Board:

- a) **Notes** the Elected Members' Interest Register.
- b) **Confirms** the proposed management plan for Elected Members' Interests.

**Motion carried**

**6 CONFIRMATION OF MINUTES**

**6.1 OTAGO PENINSULA COMMUNITY BOARD MEETING - 3 FEBRUARY 2022**

Moved (Chairperson Paul Pope/ Graham McArthur):

That the Board:

**Confirms** the public part of the minutes of the Otago Peninsula Community Board meeting held on 03 February 2022 as a correct record.

**Motion carried (OPCB/2022/002)**



**PART A REPORTS**

**7 HOUSING ACTION PLAN**

The Housing Action Plan Advisor (Gill Brown) introduced the Housing Action Plan to the Board and responded to questions.

The meeting adjourned at 11:00am and recommenced at 11:02 am.

**8 COMMUNITY PLAN 2021-2022**

Discussion was held on the Community Board Plan. Members were requested to provide any updates on the existing plan or current priorities for discussion at the 2 June 2022 meeting.

Moved (Chairperson Paul Pope/Member Graham McArthur):

That the Board:

**Delegates** the Chairperson to write on behalf of the Board to the General Manager - Infrastructure and Development and the Chief Executive and seek a formal explanation on the Peninsula Connection Project delays.

**Motion carried**

**9 GOVERNANCE SUPPORT OFFICER'S REPORT**

A report from Civic provided an update on activities relevant to the Board area which included:

- Project Fund
- Otago Access Radio renewal of subscription for "Round the Boards" segment.
- Dunedin City Council draft 2022/23 Annual Plan
- Updates – Transport, Parks and Recreation, City Planning

**Minister of Transport visit to Dunedin.**

Moved (Chairperson Paul Pope/Member Edna Stevenson):

That the Board:

**Requests** the Chairperson to write to the DCC Chief Executive to include the Otago Peninsula Community Board representative(s) for the visit of the Minister of Transport to Dunedin.

**Motion carried**

**Annual Plan 2022-23**

Moved (Chairperson Paul Pope/Member Lox Kellas):

That the Board:

**Approves** that the Chairperson be delegated on the Board's behalf to draft the Otago Peninsula Community Board's submission to the Annual Plan 2022-23 for the Dunedin City Council and the Otago Regional Council.

**Motion carried**



**Dave Cull's Memorial Plaque**

Paul Pope confirmed that the plaque was ready for installation and advised a small ceremony would be held with Dave Cull's family to unveil the plaque.

Moved (Chairperson Paul Pope/Member Edna Stevenson):

That the Board:

**Agrees** to cover the cost of the installation of the Dave Cull memorial plaque on receipt of the invoice, if any.

**Motion carried (OPCB/2022/003)**

Moved (Chairperson Paul Pope/Member Edna Stevenson):

That the Board:

- a) **Notes** the Governance Support Officer's Report.
- b) **Agrees** to the continuation of the Board's participation in the OAR FM Programme, with renewal of the subscription to the 'Round the Boards' feature segment through to 30 June 2022.

**Motion carried (OPCB/2022/004)**

**10 MACANDREW BAY PUBLIC TOILETS**

Discussion was held on the Board's support for upgrade of the Macandrew Bay Public Toilets and consideration for a toilet to be sited at the beach area for safety issues. The Board's priorities for the upgrade of facilities should be restated in the Board's 2022-23 Annual Plan submission

**11 BOARD UPDATES**

Board members provided updates on activities

Moved (Chairperson Paul Pope/ Edna Stevenson):

That the Board:

**Notes** the Board Updates.

**Motion carried**

**12 COUNCILLOR'S UPDATE**

Councillor Andrew Whiley provided an update on matters of interest to the Board which included reports to the 22 February 2022 Council meeting:

Zero Carbon City Plan: Interim guiding principles and stage of work; DCC submission for improving the protection of drinking water sources; Regulatory Subcommittee recommendations on Keeping of Animals (excluding dogs) and Bird Bylaw review.

Moved (Chairperson Paul Pope/ Graham McArthur):

That the Board:

**Notes** the update from Cr Whiley.

Motion carried

**13 CHAIRPERSON'S REPORT**

The Chairperson provided a verbal update matters including the development of a walkway for the Hereweka tracks by the Hereweka Trust and Portobello Inc to fund signage and marker posts. He advised that further information on the project will be provided to the 2 June meeting for discussion.

Te Rauone signage for beach education – Paul Pope spoke of the Board's consideration for funding some beach education signage as a Board initiated project. It was agreed to discuss the matter formally at the 2 June meeting.

Moved (Chairperson Paul Pope/Cr Andrew Whiley):

That the Board:

**Notes** the update from the Chairperson.

Motion carried

**14 OPCB ANNUAL PLAN SUBMISSION 2022-23**

No discussion was held as priorities has been raised and discussed under previous items of the agenda.

**15 ITEMS FOR CONSIDERATION BY THE CHAIRPERSON**

Request that the local Police Constable, Aaron Smith attend the June 2022 meeting of the Board to provide an outline of his role in the community.

The meeting concluded at 12:08 pm.

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CHAIRPERSON





## **Strath Taieri Community Board**

### **MINUTES**

**Minutes of an ordinary meeting of the Strath Taieri Community Board held Via Audio Visual Link, commencing at 5.00 pm on 24 March 2022**

#### **PRESENT**

<b>Chairperson</b>	Barry Williams
<b>Deputy Chairperson</b>	Mark O'Neill
<b>Members</b>	David Frew Leeann McLew Robin Thomas Cr Mike Lord

#### **IN ATTENDANCE**

Mike Perkins, Acting 3 Waters Manager, Michelle Mifflin (Manager Engineering ORC), Jean-Luc Payan (Natural Hazards Manager ORC), Gary La Hood (River Engineer ORC), Kay Mercer and Jill Bowie (Digital Outreach Co-ordinators), and Gill Brown (Housing Action Plan Advisor)

**Governance Support Officer** Jennifer Lapham

#### **1 PUBLIC FORUM**

##### **1.1 Public Forum - Update on Community Garden Community Facilities**

Cynthia Flanagan advised that community facilities should not be privately occupied and any decision on the future use of buildings in the Railways precinct should involve community participation.

##### **1.2 Public Forum - Update on Community Garden and Community Facilities**

Andrea Bosshard advised that the Community Garden is supplying fresh fruit and vegetables to the community and there are plans to develop it further.

She also commented that the Community requires space to undertake a range of activities and suggested that they buy the buildings in the railway precinct for \$1. She



suggested that an independently chaired community meeting be held to discuss the proposal.

## **2 APOLOGIES**

An apology was received from Blair Dale.

Moved (David Frew/Cr Mike Lord):

That the Board:

**Accepts** the apology from Blair Dale.

**Motion carried**

## **3 CONFIRMATION OF AGENDA**

Moved (David Frew/Mark O'Neill):

That the Board:

**Confirms** the agenda without addition or alteration

**Motion carried**

## **4 DECLARATIONS OF INTEREST**

Members were reminded of the need to stand aside from decision-making when a conflict arose between their role as an elected representative and any private or other external interest they might have.

Moved (Cr Mike Lord/Member David Frew):

That the Board:

- a) **Notes** the Elected Members' Interest Register; and
- b) **Confirms** the proposed management plan for Elected Members' Interests.

**Motion carried**

## **5 CONFIRMATION OF MINUTES**

### **5.1 STRATH TAIERI COMMUNITY BOARD MEETING - 3 FEBRUARY 2022**

Moved (Robin Thomas/Leeann McLew):

That the Board:

**Confirms** the minutes of the Strath Taieri Community Board meeting held on 03 February 2022 as a correct record.

**Motion carried**

#### **PART A REPORTS**

##### **6 MIDDLEMARCH FLOODING MITIGATION**

Michelle Mifflin, Manager Engineering, Jean-Luc Payan, Natural Hazards Manager and Gary La Hood (Water Engineer), Otago Regional Council provided an update on Flood Mitigation in the Middlemarch Township and surrounding areas.

Moved (Robin Thomas/Leeann McLew):

That the Board:

**Notes** the update from the Otago Regional Council.

**Motion carried**

##### **7 SCATTERED SEEDS DIGITAL ARCHIVE COMMUNITY PROJECT**

The Digital Outreach Co-ordinators, Kay Mercer and Jill Bowie were in attendance and introduced the Scattered Seeds Digital Archie Community Project. It was suggested that a community session be held with an exhibition of interesting items and residents could have their items scanned.

Moved (Barry Williams/Leeann McLew):

That the Board:

**Notes** the update on the Scattered Seeds Digital Archive

**Motion carried**

##### **8 HOUSING ACTION PLAN**

Gill Brown, Housing Action Plan Advisor was in attendance and provided an overview of the Housing Action Plan.

Moved (Barry Williams/David Frew):

That the Board:

**Notes** the update on the Housing Action Plan Advisor.

**Motion carried**



**9 GOVERNANCE SUPPORT OFFICERS REPORT**

In a report the Governance Support Officer provided an update on matters of interest. It was noted that a funding application had been received after the agenda had been published. The grant requested by the Strath Taieri Hockey Club were required prior to the next meeting.

Moved (Cr Mike Lord/Leeann McLew):

That the Board:

**Agrees** to consider the funding application from the Strath Taieri Hockey Club.

**Motion carried**

Consideration was given to the funding application from the Strath Taieri Hockey Club for uniforms and safety equipment.

Moved (Robin Thomas/Mark O'Neill):

That the Board:

**Grants** \$2530 to the Strath Taieri Hockey Club for hockey uniforms and equipment.

**Motion carried (STCB/2022/001)**

Moved (Cr Mike Lord/Mark O'Neill):

That the Board:

**Notes** the Governance Support Officers Report.

**Motion carried**

**10 CHAIRPERSON'S REPORT**

The Chairperson provided an update on matters of interest including:

- Maintenance of vegetation
- Foulden Maar
- Railway wagons being stored at Middlemarch
- The Community Garden setting up an Open Pantry near the store and this was causing some concern as it appeared to be in competition with the store.
- ANZAC Day – It was hoped to have a parade this year, and he was in the process of making arrangements.

Moved (Robin Thomas/Cr Mike Lord):

That the Board:

**Notes** the Chairperson's report.

**Motion carried**

**11 COUNCIL ACTIVITIES**

Cr Mike Lord provided an update on matters of interest including in the draft Annual Plan consultation and the capital expenditure programme.

Moved (Mark O'Neill/Robin Thomas):

That the Board:

**Notes** the Council Activities report.

**Motion carried**

**12 NOTIFICATION OF ITEMS FOR CONSIDERATION BY THE CHAIRPERSON**

- An update on the Strath Taieri Connect Charitable Trust
- Matters raised in the public forum.

The meeting concluded at 7.00 pm.

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**CHAIRPERSON**



## **Mosgiel-Taieri Community Board**

### **MINUTES**

Minutes of an ordinary meeting of the Mosgiel-Taieri Community Board held on Wednesday 30 March 2022 via Audio Visual Link commencing at 5.00 pm.

#### **PRESENT**

<b>Chairperson</b>	Joy Davis
<b>Deputy Chairperson</b>	Dean McAlwee
<b>Members</b>	Phillipa Bain
	Martin Dillon
	Brian Miller
	Brian Peat
	Cr Carmen Houlahan

#### **IN ATTENDANCE**

Scott MacLean (Group Manager Parks and Recreation), Kay Mercer (Digital Outreach Co-ordinator), Gill Brown (Housing Action Plan Advisor) and Andy Mackenzie-Everitt (Dunedin City Emergency Management Otago)

**Senior Officer:** Scott MacLean (Group Manager Parks and Recreation)

#### **1 PUBLIC FORUM**

There was no Public Forum.

#### **2 APOLOGIES**

There were no apologies.

#### **3 CONFIRMATION OF AGENDA**

Moved (Joy Davis/Phillipa Bain):

That the Board:

**Adjourns** the meeting.



**Motion carried**

The meeting adjourned from 5.02 – 5.04

Moved (Joy Davis/Phillipa Bain):

That the Board:

**Confirms** the agenda without addition or alteration

**Motion carried**

Moved (Brian Miller/Brian Peat):

That the Board:

**Allows** Brian Miller to add items to the agenda.

**Motion Lost** with Martin Dillon abstaining

**4 DECLARATIONS OF INTEREST**

Members were reminded of the need to stand aside from decision-making when a conflict arose between their role as an elected representative and any private or other external interest they might have.

Martin Dillon requested that Property Developer be added to his register of interest.

Moved (Joy Davis/Phillipa Bain):

That the Board:

- a) **Amends** the Elected Members' Interest Register; and
- b) **Confirms** the proposed management plan for Elected Members' Interests.

**Motion carried**

**5 CONFIRMATION OF MINUTES**

**5.1 MOSGIEL-TAIERI COMMUNITY BOARD MEETING - 10 FEBRUARY 2022**

Moved (Joy Davis/Phillipa Bain):

That the Board:

- a) **Confirms** the minutes of the Mosgiel-Taieri Community Board meeting held on 10 February 2022 as a correct record.

**Motion carried** with Brian Miller and Brian Peat voting against

**PART A REPORTS****6 EMERGENCY RESPONSE UPDATE**

The Emergency Management Advisor (Andy Mackenzie-Everitt) was in attendance to provide an update Emergency Management.

Brian Miller lost connectivity and left the meeting at 5.20 pm

The meeting adjourned at 5.24 pm – 5.30 pm.

**7 DUNEDIN PUBLIC LIBRARIES' SCATTERED SEEDS DIGITAL ARCHIVE**

Kay Mercer (Digital Outreach Co-ordinator) were in attendance to provide an overview of the Scattered Seeds Project.

**8 HOUSING ACTION PLAN**

Gill Brown (Housing Action Plan Advisor) was in attendance to provide an overview of the Housing Action Plan.

**9 PROJECT FUND**

Consideration was given to the application for funding from the Mosgiel Taieri Community Patrol.

It was agreed that the Chairperson would contact the applicant to seek additional information in relation to their application.

The Board did not make a decision in regards to the "Round the Board" feature on Otago Access Radio FM.

Consideration was given to funding an advertisement in the West of the Taieri.

Moved (Joy Davis/Dean McAlwee):

That the Board:

**Approves** the payment of \$45 for West of the Taieri Advert.

**Motion carried**





**10 GOVERNANCE SUPPORT OFFICER'S REPORT**

In a report from Civic an update was provided on matters of interest.

Cr Houlahan withdrew from the discussion on the Draft 2022/23 Annual Plan submission.

Discussion took place on the submission to the Draft 2022/23 Annual Plan. It was agreed that the Chairperson and Deputy Chairperson would draft an initial submission and circulate for members input. The submission would be ratified at the June meeting.

Moved (Joy Davis/Phillipa Bain):

That the Board:

**Notes** the Governance Support Officer's Report.

**Motion carried**

**11 BOARD UPDATES**

Board members provided an update on activities including:

**1 Keep Dunedin Beautiful (KDB)**

Philippa Bain advised that a meeting had been held and they were holding a trees for families day again.

**2 Friends of the Mosgiel Memorial Gardens**

There was no report due to the absence of Brian Miller

**3 Mosgiel Coronation Hall**

Dean McAlwee advised that they were replacing seats in the hall.

**4 Mosgiel Aquatic Project Team**

There was no report due to the absence of Brian Miller

**5 Mosgiel and Taieri Emergency Group**

Joy Davis advised they had appointed Brian Didham as the new Chairperson

**6 Outram Emergency Group**

This had been covered in the update earlier in the meeting

**7 Silverstream Plantings**

Brian Peat advised that the group had been renamed to the Silverstream Biodiversity Project Fund. Brian Peat also tabled a written update.

**8 Waihola to Mosgiel Cycle/Walkway Project**



An update was provided in the written statement from Mr Peat.

**9 Social Media - Brian Peat**

Brian Peat suggested that the Board should investigate the use of Instagram.

**10 Community Engagement**

There was no update on Community Engagement as members had been undertaking their own initiatives.

Moved (Joy Davis/Phillipa Bain):

That the Board:

**Notes** the Board Updates

**Motion carried**

**12 CHAIRPERSON'S REPORT**

The Chairperson provided an update on matters of interest including flood pump information board and the recent award of an RSA Scholarship.

Moved (Joy Davis/Martin Dillon):

That the Board:

**Notes** the Chairperson's update

**Motion carried**

**13 COUNCIL ACTIVITIES**

Cr Houlahan provided an update on matters of interest including Covid Restrictions, 3 Waters Reform and a meeting with the Otago Regional Council regarding transport

Moved (Cr Carmen Houlahan/Dean McAlwee):

That the Board:

**Notes** the Council Activities Update.

**Motion carried**

**14 ITEMS FOR CONSIDERATION BY THE CHAIR**

- Wingatui Roundabout
- Honours Board

- Safer School Project
- Leases – what is available in the area
- Tree Roots on Peter Johnstone Park
- Dogs off the leash in Silverstream area
- Support for Tongan Community

The meeting concluded at 6.47 pm .

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**CHAIRPERSON**



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**West Harbour Community Board**  
**MINUTES**

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Minutes of an ordinary meeting of the West Harbour Community Board held in the Via Audio Visual Link on Thursday 31 March 2022, commencing at 5.30 pm

**PRESENT**

<b>Chairperson</b>	Francisca Griffin	
<b>Deputy Chairperson</b>	Kristina Goldsmith	
<b>Members</b>	Duncan Eddy	Trevor Johnson
	Angela McErlane	Jacqueline Ruston
	Cr Steve Walker	

**IN ATTENDANCE** Jeanine Benson (Group Manager, Transport), Gill Brown (Housing Action Plan Advisor), and Stephen Hogg (Assistant Parks and Recreation Planner)

**Governance Support Officer** Wendy Collard

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**1 PUBLIC FORUM****1.1 Long Beach Domain**

Barry Smith and Len Hannah addressed the meeting regarding access to the Long Beach Domain and responded to questions.

**2 APOLOGIES**

There were no apologies.

**3 CONFIRMATION OF AGENDA**

Moved (Francisca Griffin/Trevor Johnson):

That the Board:

**Confirms** the agenda with the following addition or alteration



Item 7 - He Purapura Marara – Scattered Seeds Digital Archive Community Project be deferred to the Board's next meeting due to staff illness.

**Motion carried**

#### **4 DECLARATIONS OF INTEREST**

Members were reminded of the need to stand aside from decision-making when a conflict arose between their role as an elected representative and any private or other external interest they might have.

Jacque Ruston provided an update to her register of interest.

Moved (Francisca Griffin/Cr Steve Walker):

That the Board:

- a) **Amends** the Elected Members' Interest Register; and
- b) **Confirms** the proposed management plan for Elected Members' Interests.

**Motion carried**

#### **5 CONFIRMATION OF MINUTES**

##### **5.1 WEST HARBOUR COMMUNITY BOARD MEETING - 9 FEBRUARY 2022**

Moved (Francisca Griffin/Angela McErlane):

That the Board:

**Confirms** the minutes of the West Harbour Community Board meeting held on 09 February 2022 as a correct record.

**Motion carried**

#### **PART A REPORTS**

#### **6 ELECTION OF DEPUTY CHAIRPERSON**

A report from Civic noted that Trevor Johnson had tendered his resignation as the Board's Deputy Chairperson. It also noted that the voting for appointments such as Board Chairperson and Deputy Chairperson needed to be carried out in accordance with Schedule 7, Clause 25(2), (3) and (4) of the Local Government Act 2002 Amendment Act 2004.

Moved (Francisca Griffin/Cr Steve Walker):

That the Board:



**Adopts** first past the post (System B) as the voting method for the appointment of the Deputy Chairperson.

**Motion carried**

The Chairperson called for nominations for the Deputy Chairperson.

Moved (Duncan Eddy/Cr Steve Walker):

That the Board:

**Appoints** Kristina Goldsmith as the Deputy Chairperson.

**Motion carried (WHCB/2022/004)**

**7 HE PURAPURA MARARA - SCATTERED SEEDS DIGITAL ARCHIVE COMMUNITY PROJECT**

This item was deferred to the Board's next meeting.

**8 HOUSING ACTION PLAN**

The Housing Action Plan Advisor (Gill Brown) introduced the Housing Action Plan to the Board and responded to questions.

**9 GOVERNANCE SUPPORT OFFICER'S REPORT**

A report from Civic provided an update on activities relevant to the Board area which included:

- Project Fund
- Otago Access Radio (OAR)
- Dunedin City Council draft 2022/23 Annual Plan
- Correspondence

Moved (Member Trevor Johnson/Member Angela McErlane):

That the Board:

**Approves** \$79.99 from the Board's Discretionary Fund for the "Round the Board" OAR FM programme for Community Boards.

**Motion carried (WHCB/2022/005)**

- Long Beach Domain. The Assistant Parks and Recreation Planner (Stephen Hogg) provided the background to the Reserves and Beaches Bylaw and the requirements under the Bylaw and District Plan when giving consideration to parking facilities for reserves. Mr Hogg responded to questions.

Moved (Francisca Griffin/Angela McErlane):

That the Board:

- a) **Notes** the Governance Support Officer's Report.

**Motion carried**

## **10 BOARD UPDATES**

### **Port Noise Liaison Committee**

Jacque Ruston provided an update which included the noise monitoring.

### **Ravensdown Community Liaison Group**

Trevor Johnson provided an update which included the upcoming schedule for the cargo ships.

### **Keep Dunedin Beautiful**

Kristina Goldsmith advised that Mandy Mayhem-Bullock had attended the Keep New Zealand Beautiful awards. She also commented that she had provided an update on the Board's area.

### **Otago Access Radio**

Francisca Griffin provided an update on the items that were discussed during the Board's last segment.

### **Social Media and Communication**

Francisca Griffin provided an update on the activity on the Board's Facebook page.

### **Albertson Avenue Beautification Project**

Francisca Griffin advised that the produce from the garden was being well utilised by the community.

### **Aramoana Liaison**

Ange McErlane advised that there was no update.

### **Vision Port Chalmers**

Ange McErlane provided an update which included the Port Chalmers Seafood Festival.

### **Information Plaque**

Francisca Griffin and Duncan Eddy advised that they had approached members of the community to assist with the project.

### **Education Liaison**

Kristina Goldsmith advised that she met with staff regarding speed around the local schools and she would be contact with schools once the impacts from COVID had reduced.

### **Long Beach and Pūrākaunui Amenities Societies**

Jacque Ruston provided an update on the Long Beach and Pūrākaunui Amenities Societies

### **West Harbour Emergency Response Group**

Jacque Ruston provided an update which included the establishment of a "phone tree".

### **Policing Matters**

It was agreed that the Board members who lived in Port Chalmers would provide updates.

Moved (Francisca Griffin/Cr Steve Walker):



That the Board:

**Notes** the Board updates.

**Motion carried**

#### **11 CHAIRPERSON'S REPORT**

The Chairperson provided an update on matters of interest which included:

- Draft Annual Plan 2022/2023 Submission. It was agreed that a draft submission would be prepared for the Board's consideration.
- Otago Access Radio. It was agreed that Duncan Eddy would present the next segment on behalf of the Board
- Vegetation issues.
- ANZAC Day.
- Port Otago.

Moved (Francisca Griffin/Cr Steve Walker):

That the Board:

**Notes** the Chairperson's Report.

**Motion carried**

#### **12 COUNCIL ACTIVITIES**

Councillor Steve Walker provided an update on matters of interest which included:

Draft Annual Plan 2022/23 Consultation  
Election 2022 – Order of Candidate Names for Voting Document

That the Board:

**Notes** the Council Activities Update.

**Motion carried**

#### **13 ITEMS FOR CONSIDERATION BY THE CHAIRPERSON**

Long Beach Domain.

The meeting concluded at 7.26 pm.

.....  
CHAIRPERSON





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**Saddle Hill Community Board**  
**MINUTES**

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Minutes of an ordinary meeting of the Saddle Hill Community Board held via zoom audio visual link on Thursday 31 March 2022, commencing at 1.00 pm

**PRESENT**

<b>Chairperson</b>	Scott Weatherall	
<b>Deputy Chairperson</b>	Paul Weir	
<b>Members</b>	Christina McBratney	Keith McFadyen
	John Moyle	Cr Jules Radich
	Leanne Stenhouse	

**IN ATTENDANCE** Anna Nilsen (Group Manager Property Services) and Gill Brown (Housing Action Plan Advisor)

**Governance Support Officer** Lynne Adamson

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**1 PUBLIC FORUM****1.1 Public Forum - Fairfield School Funding Application**

Felix Newell and Eve Kelleher, Year 8 pupils, spoke to a PowerPoint presentation in support of the Fairfield School funding application requesting funding towards the installation of a bike track.

Felix and Eve responded to questions.

**2 APOLOGIES**

There were no apologies.



**3 CONFIRMATION OF AGENDA**

Moved (Scott Weatherall/Christina McBratney):

That the Board:

**Confirms** the agenda with the following alteration:

That Item 8 – Housing Action Plan be taken before Item 7 – Funding Application.

**Motion carried**

**4 DECLARATIONS OF INTEREST**

Members were reminded of the need to stand aside from decision-making when a conflict arose between their role as an elected representative and any private or other external interest they might have.

Moved (Scott Weatherall/Leanne Stenhouse):

That the Board:

- a) **Notes** the Elected Members' Interest Register; and
- b) **Confirms** the proposed management plan for Elected Members' Interests.

**Motion carried**

**5 CONFIRMATION OF MINUTES**

**5.1 SADDLE HILL COMMUNITY BOARD MEETING - 17 FEBRUARY 2022**

Moved (Scott Weatherall/Paul Weir):

That the Board:

**Confirms** the public part of the minutes of the Saddle Hill Community Board meeting held on 17 February 2022 as a correct record.

**Motion carried**



**PART A REPORTS**

**6 FUNDING GRANT RECIPIENT UPDATE - ROSIE DAVISON**

Rosie Davison was in attendance to provide an update on her leadership experience granted funding towards the cost of attending a Spirit of Adventure course.

**8 HOUSING ACTION PLAN**

The Housing Action Plan Advisor (Gill Brown) was in attendance to introduce her role and the Housing Action Plan to the Board.

Ms Brown responded to questions.

**7 FUNDING APPLICATION**

Paul Weir withdrew from this item

Fairfield School requested \$3,000.00 funding assistance towards the installation of a bike track and pump track at the school.

Moved (Christina McBratney/Scott Weatherall):

That the Board:

**Approves** the funding application for \$3,000 from Fairfield School for assistance towards the cost for installation of a bike track and pump track.

**Motion carried (SHCB/2022/001)**

**9 GOVERNANCE SUPPORT OFFICER'S REPORT**

A report from Civic provided an update on activities relevant to the Board's area including:

- Discretionary Fund
- Submission to the Draft Dunedin City Council 2022/23 Annual Plan – safety assessment of Waldronville to Ocean View
- Roadworks Schedule.

Moved (Scott Weatherall/Leanne Stenhouse):

That the Board:

- a) **Notes** the Governance Support Officer's Report;
- b) **Approves** the submission to the Dunedin City Council Draft 2022/23 Annual Plan with minor editorial changes.

**Motion carried (SHCB/2022/002)**

**10 BOARD UPDATES**

Board members provided updates on any activities undertaken on behalf of the Board or items of interest which included:

- Keep Dunedin Beautiful
- Coastal Dune Regeneration Programme
- Community Response Plan
- Bus issues
- Waldronville – Ocean View cycle/walkway – the Board requested a safety assessment of the section of road between Waldronville and Ocean View. It was agreed this would be included in the Annual Plan submission.

Moved (Leanne Stenhouse/Paul Weir):

That the Board:

**Notes** the Board updates.

**Motion carried**

**11 CHAIRPERSON'S REPORT**

The Chairperson (Scott Weatherall) provided an update of items of Interest to the Board which included:

- Community Response Team Get Together – it was agreed that the Chair would be reimbursed costs incurred for the evening.
- Anzac Day commemorations
- Smooth Hill
- Seaview Road – onsite meeting
- Waldronville Roundabout
- Green Island Roundabout
- Picnic Tables in Taieri Mouth Road Laybys

Moved (Scott Weatherall/Paul Weir):

That the Board:

a) **Notes** the Chairperson's update.



- b) **Approves** reimbursement of \$42.00 to the Chair for costs incurred for the Community Response Team meeting.

**Motion carried (SHCB/2022/003)**

## **12 COUNCILLOR UPDATE**

Councillor Jules Radich provided an update on Council activities which included:

- Waikouaiti/Karitane water update
- St Clair-St Kilda Coastal Plan
- Keeping of Roosters
- 3 Waters – Notice of Motions
- ORC – DCC Public Transport
- Otago Rally and road closures

Moved (Cr Jules Radich/Scott Weatherall):

That the Board:

**Notes** the Councillor update.

**Motion carried**

## **13 ITEMS FOR CONSIDERATION BY THE CHAIR**

The following items were identified:

- Installation of picnic tables in the Taieri Mouth Road Laybys
- Discretionary Fund – encourage community organisations to apply and identify any Board Projects.
- Emergency Management - Pricing for the cost and installation of evacuation route signs.
- Suggested meeting venues for the remainder of the year:
- 16 June 2022 – Fairfield Bowling Club
- 11 August 2022– Brighton Bowling Club

The meeting concluded at 2.30 pm.

.....  
CHAIRPERSON



**DUNEDIN CITY HOLDINGS LIMITED**

**STATEMENT OF INTENT**  
**For the Year Ending 30 June 2023**

*Statement of Intent 2022/23*

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*Statement of Intent 2022/23*

## 1. INTRODUCTION

Dunedin City Holdings Limited (DCHL) is a Council-Controlled Organisation (CCO) owned by Dunedin City Council (the Council).

DCHL oversees eight subsidiary and associate companies that own and manage key city assets and provide benefit to the city. DCHL's portfolio comprises 100% shareholdings in Aurora Energy Ltd, City Forests Ltd, Delta Utility Services Ltd, Dunedin City Treasury Ltd, Dunedin Railways Ltd, Dunedin Stadium Property Ltd and Dunedin Venues Management Ltd. It also owns 50% of Dunedin International Airport Ltd.



This Statement of Intent (SoI) sets out DCHL's planned activities, objectives and financial forecasts for the next three years. It includes performance measures and targets which will be reported against in DCHL's 2023 Annual Report.

## 2. OBJECTIVES

DCHL's purpose is to achieve the best for Dunedin from its investments. This purpose is supported by more specific strategic objectives and activities, as shown in the company's strategic framework:

### To achieve the best for Dunedin from its investments.

#### STRATEGIC OBJECTIVES

Enhance the value of Council's assets and investment for future generations	Sustainably grow the value of Council's investment portfolio	Provide a sustainable dividend to Council	Contribute to Council's goals for the city	Ensure independence between Council and companies' operations
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#### ACTIVITIES

Monitor performance of DCHL Group companies, and the portfolio as a whole, to ensure performance (financial and other) is optimised	Provide input on DCHL Group companies' medium to long term strategies	Appoint Directors to DCHL Group companies; appoint Chairs of subsidiary companies	Set expectations through annual Letters of Expectation to DCHL Group companies	Review and approve DCHL Group Statements of Intent (Sols)	Seek opportunities to create synergies, leverage experience or expertise across DCHL Group, where appropriate
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#### VALUES

LEADERSHIP	INTEGRITY	STEWARDSHIP	TRANSPARENCY	PRO-ACTIVE
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*Statement of Intent 2022/23*

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In 2022/2023, DCHL intends to continue to focus on active management of its portfolio, and further development of its long-term strategy to build shareholder value.

DCHL's objectives and targets for the year, as set out on the following page, support this focus.

As a Dunedin City Council Group company, DCHL aims to contribute to the Dunedin City Council's strategic framework and achievement of city objectives.

DCHL has adopted a target to be net zero carbon by 2030, as a contribution to the Council's goal of achieving net carbon neutrality city-wide by 2030. Over the 2023 financial year we will be building on our existing work to develop a roadmap to 2030. We will engage with our shareholders Dunedin City Council regarding non-controllable emissions and the potential cost of offsetting residual emissions. We will also work with the Dunedin City Council to identify alternative or complementary opportunities to contribute to the Dunedin City Council's goal city-wide net zero carbon goal.

As a CCO, DCHL also has the following objectives, as defined in the Local Government Act 2002:

- a) achieve the objective of its shareholders, both commercial and non-commercial, as specified in the Statement of Intent; and
- b) be a good employer; and
- c) 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.

DCHL conducts its affairs in accordance with sound business practice.

### **3. APPROACH TO GOVERNANCE**

DCHL is governed by a board of independent directors appointed by the company's shareholder. Directors meet regularly to direct and control DCHL's proceedings.

The role of a Director of a CCO is defined in the Local Government Act 2002 as "to assist the organisation to meet its objectives and any other requirements in its Statement of Intent."

The DCHL board operates in accordance with accepted best practice.

DCHL holds responsibility for appointing directors to the boards of Aurora Energy Ltd, City Forests Ltd, Delta Utility Services Ltd, Dunedin Railways Ltd<sup>1</sup> and Dunedin Venues Management Ltd. DCHL is also responsible for appointing two of the four directors of Dunedin International Airport Ltd, and for appointing the Chair of Dunedin Stadium Property Ltd.

DCHL makes all appointments in accordance with its procedures. This includes giving consideration to a range of factors, including demographic diversity, location, succession planning, stakeholder and community relationships, whether knowledge of tikanga Māori may be relevant, potential actual or perceived conflicts of interest of candidates, and DCHL's objectives for the relevant board.

DCHL are supportive of equal employment opportunities at all levels within the Dunedin City Holdings Ltd Group.

### **4. NATURE AND SCOPE OF ACTIVITIES**

DCHL is responsible for setting the strategic direction of Dunedin City Council's companies as a group, monitoring their operational performance, appointing directors to their boards, providing input to annual

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<sup>1</sup> As at 1 July 2020, Dunedin City Council has appointed DCHL directors to the Board of Dunedin Railways Ltd as an interim arrangement. Longer term governance decisions will be made once Council has made further decisions about Dunedin Railways Ltd's future.

*Statement of Intent 2022/23*

planning documents, and providing or withholding approval for transactions where approval is required. These activities are reflected in the company's strategic framework above.

The undertaking by DCHL of any activity of a nature or scope outside of this would be subject to the prior approval of the shareholder.

## 5. PERFORMANCE TARGETS

Strategic Objective	Activity	Target
<b>To encourage and facilitate increased shareholder value of DCHL Group companies</b>	Monitor performance of DCHL Group companies to ensure returns (financial and other) are optimised	<ul style="list-style-type: none"> <li>DCHL Board perform a monthly review of DCHL Group companies' operating activities, including financial performance against budget (DIAL quarterly)</li> <li>DCHL Board monitor DCHL Group companies' progress against their SoI targets quarterly</li> </ul>
	Seek opportunities to create synergies, leverage experience or expertise across DCHL Group, where appropriate	<ul style="list-style-type: none"> <li>Synergies have been made across the DCHL Group</li> </ul>
<b>To take a long term and strategic view of the portfolio, and make proposals to Council on strategic issues</b>	Monitor performance of DCHL portfolio as a whole to ensure returns (financial and other) are optimised	<ul style="list-style-type: none"> <li>DCHL Board review consolidated DCHL Group financial performance against budget (monthly)</li> <li>DCHL Board review of DCHL Group companies' rates of return (quarterly)</li> <li>DCHL Board provide a quarterly update to DCC's Finance and Council Controlled Organisations Committee on the DCHL Group's performance (financial and other)</li> </ul>
	Consider strategic issues	<ul style="list-style-type: none"> <li>DCHL Board review the ownership and capital structures of the DCHL Group companies (at least annually)</li> <li>Consider capital expenditure proposals and business cases in accordance with company constitutions and SoIs</li> </ul>
	Provide input on DCHL Group companies' medium to long term strategies	<ul style="list-style-type: none"> <li>DCHL Board engage with each group company at least annually on strategy</li> <li>DCHL Board meet with full group of Chairs twice annually</li> </ul>
<b>To promote and support DCHL Group companies' contribution to Council's Strategic Framework and Climate Change and Carbon Neutrality initiatives</b>	Review and approve DCHL Group Statements of Intent for consistency with Council's strategic direction	<ul style="list-style-type: none"> <li>Review draft SoIs by 1 March 2023</li> <li>Approve SoIs by 30 June 2023</li> </ul>
	Set expectations through annual Letters of Expectation to DCHL Group companies	<ul style="list-style-type: none"> <li>Send Letters of Expectation to subsidiary and associate companies by 20 December 2022</li> </ul>
	Monitor performance of the DCHL group in measuring, reporting and reducing carbon emissions and waste	<ul style="list-style-type: none"> <li>Co-ordinate across the group in developing a roadmap to net zero carbon, and provide reporting to Council on progress and challenges</li> <li>Implement DCHL's carbon emissions strategy developed in the 2022 financial year and achieve our FY2023 targets</li> <li>Implement DCHL's waste reduction strategy developed in the 2022 financial year and achieve our FY2023 targets</li> <li>Measure and publicly report our Greenhouse Gas (GHG) emissions, and progress towards our emissions and waste reduction strategies and targets, in our Annual Report</li> </ul>
	Living wage	<ul style="list-style-type: none"> <li>Ensure that all direct employees are paid at living wage or above.</li> </ul>

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Strategic Objective	Activity	Target
<b>To ensure DCHL Group companies have best practice governance, are good employers, and operate in an environmentally and socially responsible way</b>	Appoint Directors to DCHL Group companies; appoint Chairs to subsidiary companies	<ul style="list-style-type: none"> <li>Appointments and re-appointments are all completed on time, and in compliance with DCHL and Council policy</li> </ul>
	Ensure companies are good employers, and operate in an environmentally and socially responsible way. DCHL expects Group companies to maintain ongoing focus on health and safety as a top priority.	<ul style="list-style-type: none"> <li>Ensure DCHL Group companies have appropriate policies and procedures in place</li> <li>DCHL Board review DCHL Group companies' (including DCHL) ESG disclosures in their Annual Reports.</li> </ul>
<b>Communicate with the shareholder on a 'no surprises' basis.</b>	Consult with the shareholder in a timely manner on DCHL Group strategic or operational matters which could compromise the Council's community outcomes.	<ul style="list-style-type: none"> <li>All such matters escalated to the shareholder in a timely manner.</li> <li>DCHL board provide briefings to Councillors on matters of significance as required.</li> </ul>
	Report to the shareholder within 24 hours of the Board becoming aware of any substantive matter, including any matter likely to generate media coverage.	<ul style="list-style-type: none"> <li>All such matters reported to the shareholder within 24 hours.</li> </ul>

**6. FINANCIAL FORECASTS**

This section sets out DCHL Group's financial forecasts for the next three financial years.

**The ratio of Shareholder's Funds to Total Assets and the definition of those terms.**

	Year ending 30/06/2023	Year ending 30/06/2024	Year ending 30/06/2025
Shareholder's funds to total assets	26%	26%	26%

"Shareholder's Funds" are represented by the paid-up capital, reserves created by the revaluation of specific assets, and retained earnings. "Total Assets" means the aggregate amount of all current and non-current assets.

**Estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholder.**

	Year ending 30/06/2023 \$'000	Year ending 30/06/2024 \$'000	Year ending 30/06/2025 \$'000
Interest paid to shareholder	5,902	5,902	5,902
Dividend distributions	5,500	0	0

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**Other Financial Forecasts – DCHL Group**

	<b>Year ending 30/06/2023 \$'000</b>	<b>Year ending 30/06/2024 \$'000</b>	<b>Year ending 30/06/2025 \$'000</b>
EBITDA	82,225	107,446	119,742
Net profit after tax	9,392	22,728	28,881
Cash flow from operations	53,981	67,596	76,964
Capital expenditure	96,855	102,565	96,731
Term loans	1,032,710	1,114,131	1,196,644
Shareholder's funds	490,470	515,740	547,171

Financial forecasts are based on forecasts from subsidiary and associate companies. The projections provided have been prepared using the best information available at the time of preparation.

**7. ACCOUNTING POLICIES**

*General Accounting Policies*

The accounting policies recognised by the External Reporting Board (XRB) for the measurement and reporting of financial performance and financial position have been applied on a basis consistent with those used in previous years.

*Particular Accounting Policies*

The particular accounting policies, which materially affect the measurement and reporting of financial performance and financial position, are consistent across the DCHL group and are fully listed in DCHL's annual report.

**8. DIVIDEND POLICY AND FORECAST SHAREHOLDER RETURNS**

DCHL's dividend policy is to pay a minimum 60% of the **DCHL parent company's** after-tax profit, subject to the Directors' obligations to act in accordance with their statutory duties and in the best interest of DCHL. The actual level of dividend will be determined by the Directors each year in light of the circumstances that exist at the time.

In arriving at a dividend recommendation, Directors will consider:

- DCHL's financial performance, in particular, the cash flows from operations;
- The ratio of DCHL's shareholders funds to total assets (equity ratio);
- DCHL's future investment plans and profitability thereof;
- DCHL's ability to raise loans and the terms thereof;
- DCHL's current cost of borrowings; and
- The objective to provide a consistent dividend flow to the shareholder.

Any dividend will be paid by 30 June.

*Statement of Intent 2022/23*

This Statement of Intent forecasts a dividend of \$5.500m to the shareholder in the 2023 financial year. This dividend is supported by a forecast capital distribution resulting from an adjustment to City Forests Ltd's balance sheet, rather than based on the after-tax profit of the parent company, as shown below.

The forecasts below also show that DCHL forecasts providing other financial returns to the city, in the form of interest payments on its shareholder's advance<sup>2</sup>, and funding of Dunedin Railways' hibernation operations, in line with Council decisions.

DCHL does not anticipate a dividend to DCC in FY2024 or FY2025 based on current projections.

**DCHL parent entity financial forecasts**

	<b>Year ending 30/06/2023 \$'000</b>	<b>Year ending 30/06/2024 \$'000</b>	<b>Year ending 30/06/2025 \$'000</b>
<b>Key incoming cash</b>			
Dividend income received from subsidiary and associate companies	5,714	7,404	7,811
Capital distribution from City Forests Ltd	10,000	0	0
Contribution of equity received from Dunedin City Council (for DSPL and DVML)	2,550	2,550	2,550
<b>Key outgoing cash</b>	<b>Year ending 30/06/2023 \$'000</b>	<b>Year ending 30/06/2024 \$'000</b>	<b>Year ending 30/06/2025 \$'000</b>
Contribution of equity made in DSPL and DVML	2,550	2,550	2,550
Contribution of equity made in Dunedin Railways Ltd	2,400	2,400	0
Interest on shareholder's advance	5,902	5,902	5,902
Dividend distribution to shareholder	5,500	0	0
<b>Other key financial forecasts</b>	<b>Year ending 30/06/2023 \$'000</b>	<b>Year ending 30/06/2024 \$'000</b>	<b>Year ending 30/06/2025 \$'000</b>
Net profit (loss) after tax	(3,089)	(1,053)	548
Term loans	19,400	21,000	20,000

Contributions of equity of \$2,550,000 are injected as capital into the DCHL parent, as recommended in the 2015 Stadium Review. It is then injected into Dunedin Stadium Property Limited and Dunedin Venues Management Limited to assist with the operational, capital and debt financing requirements of these companies.

Contributions of equity are also made to Dunedin Railways, in line with Council directives of May and November 2021, that DCHL (parent entity) fund Dunedin Railways' continued hibernation operations through FY2022, FY2023 and FY2024.

<sup>2</sup> DCHL pays interest on a \$112 million shareholders advance at a rate of 5.27% per annum.

### Statement of Intent 2022/23

The board will revisit the parent company's financial projections and forecasts on an annual basis as it prepares its Statement of Intent.

#### 9. COMMERCIAL VALUE OF THE SHAREHOLDER'S INVESTMENT

The commercial value of the Shareholder's investment in DCHL is considered by the directors to be not less than the Shareholder's funds as disclosed in the Statement of Financial Position published in the last Annual Report.

This will be considered annually when the Statement of Intent is completed.

#### 10. TRANSACTIONS WITH RELATED PARTIES

Dunedin City Council is the sole Shareholder of DCHL.

DCHL is the sole Shareholder of Aurora Energy Limited, City Forests Limited, Delta Utility Services Limited, Dunedin City Treasury Limited, Dunedin Railways Ltd, Dunedin Venues Management Limited and Dunedin Stadium Property Limited.

DCHL owns 50% of Dunedin International Airport Limited.

Transactions between the Companies, DCC and other DCC controlled enterprises will be on a wholly commercial basis.

Charges from DCC and its other entities and charges to DCC and its other entities will be made for goods and services provided as part of the normal trading activities of each Company.

##### Related Party Transactions

Dunedin City Council	Provision of administrative and financial services to DCHL
	Interest on shareholder advance and dividends to DCC
Dunedin City Treasury Limited	Provision of debt funding to DCHL generating interest payments to DCTL
	Provision of management services to DCHL
Group Companies	Subvention and dividends to DCHL

DCHL and its subsidiaries will undertake to obtain all debt funding from DCTL, with exceptions as agreed with the Board of DCHL.

#### 11. OTHER MATTERS AS AGREED BY THE SHAREHOLDER AND THE BOARD

Information to be provided to the shareholder

Information	Quarterly	Half Yearly	Annual
Key financial performance indicators	✓	✓	✓
Statement of Financial Performance		✓	✓
Statement of Financial Position		✓	✓
Statement of Cash Flows		✓	✓
Statement of Movement in Equity		✓	✓
Notes to the Financial Statements		✓	✓
Statement of Service Performance against SoI targets		✓	✓
Directors' Report		✓	✓
Auditors' Report			✓
Draft Statement of Intent			Prior to 1 Mar
Final Statement of Intent			Prior to 30 Jun



*Statement of Intent 2022/23*

*Working with the shareholder*

DCHL will undertake to keep the shareholder informed of all substantive matters, as set out in the performance targets above. DCHL will work to build a culture of accountability and constructive working practices between DCHL, its subsidiaries and the shareholder. It is expected that any conflicts that may arise will be resolved directly between the shareholder and DCHL, in accordance with appropriate governance practices.

*Acquisition / divestment of assets or shares in any company or organisation*

DCHL will only invest in the shares of another company or invest in an entity if the investment is considered to be likely to produce added value to DCHL. In order to maximise benefit to the Shareholder, shares or assets may also be sold in response to, or in anticipation of, on-going changes in the marketplace.

If the Directors intend that DCHL or its subsidiaries should acquire assets, they will obtain prior approval of the Shareholder where an investment into the new assets exceeds \$5 million. For the purpose of this section, "asset(s)" includes a group of assets similar in type, cost and useful life that are purchased together and can be identified and maintained as one asset or group of assets following purchase.

If the Directors intend that DCHL or its subsidiaries should subscribe for or otherwise acquire issued capital or an interest in any company or organisation (other than minimum holdings in listed companies in related industries) exceeding a total investment of \$5 million they will obtain prior approval of the Shareholder.

The approval of the Shareholder is required before disposal by DCHL of any segment of its business or shares in a subsidiary or associate company where the value of the asset to be disposed of exceeds the investment delegated authority of \$5 million.

*Compensation sought*

At the request of the Shareholder, DCHL may undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full commercial cost of undertaking such activities.

Dunedin City Council has indicated that it will direct DCHL to fund the costs of operating Dunedin Railways Ltd over FY2023, up to \$2.400 million, without compensation.

At present, DCHL does not have any other activities in respect of which its Board wishes to seek compensation from any local authority.

*Group Facility Use*

DCHL will undertake "Group" purchasing of goods and services, unless it is demonstrated conclusively to the Shareholder that the total combined cost of such Group purchasing to the Group and Dunedin City Council (including the costs of ceasing any such Group purchasing), is greater than any alternative identified.

*Other agreements*

DCHL will not accept sponsorship or give naming rights to companies involved in activities deemed to be inconsistent with Dunedin City Council's ethical position.



# Statement of Intent

**for the year ending 30 June 2023**



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## 1 Introduction and Purpose of Statement of Intent

Aurora Energy Ltd ('the Company') transports electricity from the national grid to the end-use consumer ensuring the safe, reliable and efficient supply of electricity to homes, farms and businesses throughout the Otago region.

The Company is an Energy Company and a wholly owned subsidiary of Dunedin City Holdings Ltd (DCHL). Dunedin City Holdings Ltd is wholly owned by the Dunedin City Council (DCC).

This Statement of Intent (Sol) sets out the Company's planned activities and financial forecasts for the next three years. It includes performance measures and targets which will be reported against in the Company's 2023 Annual Report.

The planned activities and performance measures take shareholder comments into consideration.

## 2 Objectives

As a DCC Group company, Aurora Energy Ltd aims to contribute to the DCC's strategic framework and achievement of city objectives.

The Company aims to support the future growth and wellbeing of communities in the Otago region by supplying electricity when and where it is needed - safely, reliably and efficiently, and supporting customers' future energy choices by embracing the new and innovative technologies that are now emerging.

Aurora Energy has adopted a target to be net zero carbon by 2030, as a contribution to the Council's goal of achieving net carbon neutrality city-wide by 2030. Over the 2023 financial year we will be building on our existing work to develop a roadmap to 2030. We will engage with our shareholders DCHL and Dunedin City Council regarding non-controllable emissions and the potential cost of offsetting residual emissions. We will also work with the Dunedin City Council to identify alternative or complementary opportunities to contribute to the Dunedin City Council's city-wide net zero carbon goal. Aurora Energy's emissions associated with network losses are excluded from our 2030 target for now, noting the network will see greater renewable electricity usage as businesses and communities make efforts to decarbonise.

During the year ended 30 June 2023, the Company's focus will be on the key business initiatives detailed in its approved Customised Price-Quality Path (CPP) programme. These initiatives will build further asset management and work delivery capabilities, enhance customer experiences and continue to improve the safety and reliability performance of the network assets.

As an Energy Company, the Company has the following objectives, as defined in the Energy Companies Act 1992:

1. The principal objective of an Energy Company is to operate as a successful business; and
2. In seeking to attain its principal objective, an Energy Company shall have regard, among other things, to the desirability of ensuring the efficient use of energy.

In operating its business, the Company also has regard to the objectives of a Council Controlled Trading Organisation to:

- a) achieve the objective of its shareholder, both commercial and non-commercial, as specified in the statement of intent; and
- b) be a good employer (as per clause 36 of Schedule 7 to the Local Government Act); and
- c) 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
- d) conduct its affairs in accordance with sound business practice.

Health, Safety and Wellbeing is integral to the manner in which Aurora Energy Ltd operates and conducts its business affairs.

### 3 Approach to Governance

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In addition to the obligations of the Energy Companies Act 1992, the Company is also subject to the requirements of the Companies Act 1993 and is governed by a Board of independent directors appointed by the Company's shareholder, Dunedin City Holdings Ltd.

The Board of independent directors operates in accordance with accepted best practice governance.

The role of a director of an Energy Company is defined in Section 37 of the Energy Companies Act 1992. This section states that all decisions relating to the operation of an Energy Company shall be made by or pursuant to the authority of the directorate of the Company in accordance with its Statement of Intent. The Board is responsible for the preparation of the Sol which requires approval from the Company's shareholder.

The Board meets on a regular basis to direct and control the company's activities. Directors are appointed by the shareholder and a Board performance evaluation framework is in place.

The Board accepts that it is responsible for the overall control system operating within the company but recognises that no cost-effective internal control system will permanently preclude all errors or irregularities. The control systems reflect the specific risks associated with the business of the company.

The shareholder reviews and approves the Sol and three-year financial plan.

Six-monthly and annual reports of financial and operating performance are provided to the shareholder.

### 4 Nature and Scope of Activities

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The principal activities of the Company are the ownership, development and strategic management of electricity distribution network assets in Dunedin and Central Otago. The Company is also engaged in activities aimed at supporting customers' future energy choices through the deployment of new and innovative emerging technologies.

The Company's function is to transport electricity from the national grid to the end-use consumer, ensuring a safe, reliable and efficient distribution network.

Customers include large directly billed consumers, distributed generators and New Zealand's electricity retailers.

Key suppliers include field service providers contracted to build and maintain the Company's electricity distribution network assets.

Under the Commerce Commission's Electricity Information Disclosure Requirements, the Company is required to publish, at least biennially, a 10-year Asset Management Plan. The Company's Asset Management Plan sets out the way in which it plans to ensure that long-lived assets are managed sustainably.

Aurora invites comment on its Asset Management Plan from electricity retailers (on behalf of their customers) and provides opportunity for public comments via its website.

The undertaking by the Company of any activity of a nature or scope outside of the activities outlined above would be subject to the prior approval of the shareholder.

## 5 Performance Targets and Other Measures

Goals	Objectives	Performance Measures
OUR PEOPLE, OUR PLACE		
We're establishing our core capabilities and creating a positive culture		
Manage risks to staff and community through proactive risk management and executing a health safety and wellbeing plan	Zero serious harm events involving members of the public	Number of serious injury events (excluding third party contacts with the network) involving members of the public  Targets: 2023            0 2024            0 2025            0
	Reduce levels of recordable harm	Total Recordable Injury Frequency Rate (TRIFR) per 200,000 hours worked by Aurora and Contractors  Targets: 2023            < 3.75 2024            < 3.50 2025            < 3.25
	Develop opportunities across the business that support the overall wellness of our team	A Board-approved Health, Safety and Wellbeing Plan is in place. The Plan is reviewed and updated annually
To deliver a unique value proposition and to be an employer of choice	To create a motivated and satisfied team and to understand and action opportunities for improvement within our team environment	>75% staff satisfaction result on annual employee survey
	Ensure that all direct employees are paid the living wage or above	All direct employees are paid at living wage or above

Goals	Objectives	Performance Measures
<b>ENABLING DECARBONISATION</b> <b>We're operating and maintaining a strong, safe &amp; reliable network and planning for the future</b>		
<b>Reliability Performance Targets</b> <p>SAIDI and SAIFI Performance Measures are calculated in accordance with the Commerce Commission's Price Quality Path methodology. The SAIDI and SAIFI limits set as Performance Measures for 2023, 2024 and 2025 are consistent with the Commerce Commission's decision on Aurora Energy's Customised Price-Quality Path released 31 March 2021.</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 2022-2031 Asset Management Plan.	SAIDI System Average Interruption Duration Index - Class B Interruptions (Planned)	Average minutes without electricity per consumer Limits for years ended 31 March: 2023 ≤ 195.96 minutes 2024 ≤ 195.96 minutes 2025 ≤ 195.96 minutes
	SAIDI System Average Interruption Duration Index - Class C Interruptions (Unplanned)	Average minutes without electricity per consumer Limits for years ended 31 March: 2023 ≤ 124.94 minutes 2024 ≤ 124.94 minutes 2025 ≤ 124.94 minutes
	SAIFI System Average Interruption Frequency Index - Class B Interruptions (Planned)	Average frequency of outages per consumer Limits for years ended 31 March: 2023 ≤ 1.11 2024 ≤ 1.11 2025 ≤ 1.11
	SAIFI System Average Interruption Frequency Index - Class C Interruptions (Unplanned)	Average frequency of outages per consumer Limits for years ended 31 March: 2023 ≤ 2.07 2024 ≤ 2.07 2025 ≤ 2.07

Asset Management Maturity		
Enhance asset management practices across the business	Implement process and capability improvements identified in CPP Asset Management Practices Development Plan (AMPDP)	Asset management development initiatives delivered in accordance with timetable in CPP AMPDP
Develop mature & compliant asset management planning approaches	Effective long-term planning for Aurora Energy's asset portfolio is in place	Annual and compliant Asset Management Plan is published as per regulatory requirements.
Future Energy		
To be leaders of green energy innovation	Lead investigations into future South Island system operation models to ensure fit-for-future solutions for customers	Co-ordinate South Island electricity distribution business group initiative investigating future system operation models
	Work collaboratively with the sector on green energy initiatives	Participate in South Island electricity distribution sector 'decarbonisation ready' collaboration group

Goals	Objectives	Performance Measures
<div>EFFICIENT DELIVERY</div> <div>We're focused on delivery, building core systems and collaboration</div>		
To be efficient, forward- thinking and digital-enabled	Deliver work programme outcomes to scope, time and budget	Work programmes are delivered to Contractors on a rolling quarterly basis in accordance with Field Service contract terms
	Implement new Aurora Energy data strategy and establish a structured approach to the utilization of business intelligence	Data strategy approved and implemented, and appropriate business intelligence tools used to support decision making
	Aurora Energy Risk Register is regularly reviewed & updated, and the risk profile is managed in accordance with Board approved risk tolerance levels.	Risk Management Framework embedded as evidenced by:  - Risk registers reviewed regularly and up to date,  - Risk treatment plans reviewed regularly and up to date  - Regular reporting to Board and Audit & Risk Committee
<div>OUR COMMUNITIES</div> <div>We're improving our customer and partner relationships</div>		
To partner with our customers and develop a brand that is synonymous with solutions focused thinking	Maintain community support through approved sponsorships and community initiatives	Sponsorship and community initiatives \$ per annum targets:  2023        \$10,000 2024        \$10,000 2025        \$10,000
	To provide regular updates and consult with the community on the delivery of our CPP programme	Annual delivery reporting and regional community engagements are delivered in accordance with the approved CPP timeframe
	Streamline customer service processes through enhanced outage information via the outage management system (OMS)	The OMS upgrade is complete and enabling the automation of outage data capture

Goals	Objectives	Performance Measures
<p><b>LICENCE TO OPERATE</b></p> <p><b>We're developing sustainable management practices</b></p>		
To have a sustainable workplace, focused on delivering value to our shareholder, customers and community	Develop corporate sustainability initiatives	A corporate sustainability framework is developed by 30 June 2023
	Contribute to Council's Carbon Neutrality initiatives	Implement Aurora Energy's carbon emissions strategy developed in the 2022 financial year, and achieve our FY2023 targets
	Minimise waste and the associated negative environmental impacts	Implement Aurora Energy's waste reduction strategy developed in the 2022 financial year, and achieve our FY2023 targets
	Implement opportunities to transition light motor fleet to electric vehicles where appropriate	Transition targets for electrification of the company's motor fleet achieved by 30 June 2023
	Increase sustainability reporting and climate related disclosures in our Annual Report	Measure and publicly report our Greenhouse Gas (GHG) emissions, and progress towards our emissions and waste reduction strategies and targets, in our Annual Report



Goals	Objectives	Performance Measures
SHAREHOLDER		
Bring to the attention of the Shareholder any strategic or operational matters where there may be conflict between the Council's community outcomes and those of the Company and seek the Shareholder's view	Consult with the Shareholder at the earliest possible time on matters where conflict may or could result	Potential conflicts notified to the Shareholder Targets: 2023      No unnotified potential conflicts 2024      No unnotified potential conflicts 2025      No unnotified potential conflicts
Keep the Shareholder informed of all substantive matters	On a "no surprises" basis, advise the Shareholder promptly of any substantive matter that has the potential to impact negatively on the Shareholder and the Company with a particular focus on the media	Substantive matters reported to the Shareholder within 24 hours Targets: 2023    All substantive matters reported within 24 hours 2024    All substantive matters reported within 24 hours 2025    All substantive matters reported within 24 hours

## 6 Financial Forecasts

The financial forecasts included in this section are derived from revenue and expenditure allowances approved by the Commerce Commission in its determination of the company's Customised Price-Quality Path dated 31 March 2021.

### a) The ratio of Shareholder's Funds to Total Assets and the definition of those terms

	Year ending 30/06/2023	Year ending 30/06/2024	Year ending 30/06/2025
<b>Shareholder's Funds to Total Assets</b>	25%	25%	26%

The ratio of Shareholder's Funds to Total Assets (equity ratio) will fluctuate depending on a variety of circumstances including asset renewal and investment cycles.

"Shareholder's Funds" are represented by the paid-up capital, reserves created by the revaluation of specific assets, and retained earnings.

"Total Assets" means the aggregate amount of all current and non-current assets.

### b) Estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the Shareholder

	Year ending 30/06/2023 \$000	Year ending 30/06/2024 \$000	Year ending 30/06/2025 \$000
<b>Dividend</b>	Nil	Nil	Nil

### c) Other financial forecasts

	Year ending 30/06/2023 \$000	Year ending 30/06/2024 \$000	Year ending 30/06/2025 \$000
<b>EBITDA</b>	57,383	67,212	80,017
<b>Net profit after tax</b>	9,942	13,525	20,514
<b>Cash flow from operations</b>	41,410	46,720	58,015
<b>Capital expenditure</b>	79,418	89,363	84,981
<b>Term borrowings</b>	486,200	524,850	547,650
<b>Shareholder's funds</b>	195,195	208,720	229,235

## 7 Accounting Policies

### a) General Accounting Policies

The Company is a Tier-1 For-profit entity as defined by the External Reporting Board and reports in accordance with Tier 1 For-profit Accounting Standards. The Company's accounting policies are based on NZ IFRS standards and interpretations, as recognised by Chartered Accountants Australia and New Zealand.

NZ IFRS standards and interpretations are subject to change and therefore the Company's accounting policies are also subject to change during the period of the SOL.

### b) Particular Accounting Policies

The particular accounting policies, which materially affect the measurement and reporting of financial performance and financial position, are consistent across the DCHL group and are fully listed in the Company's annual report.

## 8 Dividend Policy

As a regulated business, Aurora Energy has a responsibility to its customers to provide safe, reliable electricity infrastructure. To maintain a reliable network and cater for growth, we are planning to invest in the order of \$800 million in the network over the next decade to be funded by increased revenue, increased borrowings and reduced dividends.

Aurora Energy will determine its ability to pay dividends by assessing the company's Funds From Operations / debt ratio (FFO/debt), which assesses the company's available funds from operations (pre capital expenditure) relative to its debt. Aurora Energy will consider dividends once the company can achieve and sustain a position in the range of FFO/debt of 7-9%, which is consistent with comparable entities. For reference, Aurora's current FFO/debt measure is approximately 4.7%.

Based on current projections the Board expects to be in a position to consider the payment of a dividend in the next three or four years. At that point the Board intend to pay dividends within the range of 20-40% of the company's net surplus after tax. This range reflects the company's likely need to retain a portion of earnings to continue to rebuild its balance sheet, targeting a shareholders' funds to total assets of 30-35%.

The company will revisit these projections and dividend forecasts annually when preparing its Statement of Intent. In arriving at a dividend recommendation, Directors will consider:

- the Company's financial performance, in particular, the cash flows from operations;
- the ratio of the Company's shareholders funds to total assets (equity ratio);
- the Company's future investment plans and profitability thereof;
- the Company's ability to raise loans and the terms thereof; and
- inflationary forecasts and the Company's cost of borrowings.

Dividends will also be subject to Directors' obligations to act in accordance with their statutory duties and the company's Constitution.

The Company's dividend policy will be reviewed by the Board at least annually and the basis on which dividends are calculated may be subject to change from time to time.

## 9 Commercial Value of Shareholder's investment

The commercial value of the Shareholder's investment in the Company is considered by the Directors to be not less than the Shareholder's funds as disclosed in the Statement of Financial Position published in the last Annual Report.

This will be considered annually when the Statement of Intent is completed.

## 10 Transactions with Related Parties

Dunedin City Council is the sole Shareholder of Dunedin City Holdings Limited.

Dunedin City Holdings Limited is the sole Shareholder of Aurora Energy Limited, City Forests Limited, Delta Utility Services Limited, Dunedin City Treasury Limited (DCTL), Dunedin Railways Ltd, Dunedin Venues Management Limited and Dunedin Stadium Property Limited.

Dunedin City Holdings Limited owns 50% of Dunedin International Airport Limited.

Transactions between the Companies, Dunedin City Council and other Dunedin City Council controlled enterprises will be on a wholly commercial basis.

Charges from Dunedin City Council and its other entities and charges to Dunedin City Council and its other entities will be made for goods and services provided as part of the normal trading activities of each Company.

Dunedin City Holdings Ltd and its subsidiaries will undertake to obtain all debt funding from DCTL, with exceptions as agreed with the Board of Dunedin City Holdings Ltd.

### Related Party Transactions

Delta Utility Services Ltd	Operations and maintenance, asset construction
Dunedin City Council	Council rates for properties owned by the Company
Dunedin City Holdings Ltd	Functions appropriate between parent companies and subsidiaries
Dunedin City Treasury Ltd	Provision of debt funding to the Company generating interest payments to DCTL.

DCHL and its subsidiaries will undertake to obtain all debt funding from DCTL, with exceptions as agreed with the Board of DCHL.

## 11 Information to be provided to the Shareholder

		Quarterly	Half Yearly	Annual
Key financial performance indicators		X	X	X
Statement of Financial Performance			X	X
Statement of Financial Position			X	X
Statement of Cash Flows			X	X
Statement of Service Performance against SOI targets			X	X
Statement of Movement in Equity			X	X
Notes to the Financial Statements			X	X
Directors' Report			X	X
Auditor's Report				X
Draft Statement of Intent				Prior to 1 March
Final Statement of Intent				Prior to 30 June

## 12 Working with the Shareholder

The company will undertake to keep the Shareholder informed of all substantive matters, in accordance with the performance targets above. The Company will work to build a culture of accountability and constructive working practices between the Company and the Shareholder. It is expected that any conflicts that may arise between the Company and the Shareholder will be resolved directly between the Company and the Shareholder, in accordance with appropriate governance practices.



### **13 Acquisition/Divestment of Assets or Shares in any Company or Organisation**

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The Company will only invest in the shares of another company or invest in an entity if the investment is considered to be likely to produce added value to the Company. In order to maximise benefit to the Shareholder, shares or assets may also be sold in response to, or in anticipation of, on-going changes in the marketplace.

If the Directors intend that the Company or its subsidiaries should acquire assets, they will obtain prior approval of the Shareholder where an investment into the new assets exceeds \$5 million, provided however that this approval requirement does not apply to expenditure set out in the Company's Asset Management Plan. For the purpose of this section, "asset(s)" includes a group of assets similar in type, cost and useful life that are purchased together and can be identified and maintained as one asset or group of assets following purchase.

If the Directors intend that the Company or its subsidiaries should subscribe for or otherwise acquire issued capital or an interest in any company or organisation (other than minimum holdings in listed companies in related industries) exceeding a total investment of \$5 million they will obtain prior approval of the Shareholder.

The approval of the Shareholder is required before disposal by the Company of any segment of its business or shares in a subsidiary or associate company where the value of the asset to be disposed of exceeds the investment delegated authority of \$5 million.

### **14 Compensation Sought**

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At the request of the Shareholder, the Company may undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full commercial cost of undertaking such activities.

At present, the Company does not have any activities in respect of which its Board wishes to seek compensation from any local authority.

### **15 Group Facility Use**

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The Company will undertake to operate "Group" purchasing of goods and services, unless this would cause the company to breach regulatory requirements or it is demonstrated conclusively to the Shareholder that the total combined cost of such Group purchasing to the Group and Dunedin City Council (including the costs of ceasing any such Group purchasing), is greater than any alternative identified.

## **16 Other matters as agreed by the Shareholder and the Board**

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- a) The Company is committed to open and transparent engagement with its stakeholders and customers and will maintain a publicly available and actively promoted Customer and Stakeholder Charter and Public Information Disclosure Policy consistent with its responsibilities as an Energy Company providing essential infrastructure services.
- b) The Company will not accept sponsorship or give naming rights to companies involved in activities deemed to be inconsistent with the Dunedin City Council's ethical position. For reference, those activities are: tobacco, armaments, fossil fuel extraction, gambling and pornography.



*City Forests Limited Statement of Intent 2022 / 23*



**City Forests Limited  
Statement of Intent  
For the Year Ending 30 June 2023**



**Statement of Intent 2022 / 2023**

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*City Forests Limited Statement of Intent 2022 / 23*

## 1 INTRODUCTION

City Forests Ltd ("the Company") owns and manages approximately 24,100 hectares of land and commercial forestry estate in the coastal Otago region. It is a Council Controlled Trading Organisation (CCTO) owned wholly by Dunedin City Holdings Ltd, which is wholly owned by Dunedin City Council.

This Statement of Intent (SoI) sets out City Forests' planned activities and financial forecasts for the next three years. It includes performance measures and targets which will be reported on in the City Forests Limited 2023 Annual Report.

## 2 OBJECTIVES

City Forests' **Purpose** is to "*operate sustainable forests for our future*".

Company **Values**:

- *Protect, respect and invest in **our people**.*
- **Our actions** *Bring mana to our forests, environment and communities to create long term, sustainable wealth.*
- **We act** *with integrity, openness and honesty.*
- **We innovate** *and apply knowledge that strengthen our forests and communities.*

As a DCC Group Company City Forest aims to contribute to the DCC's strategic framework and achievement of city objectives.

City Forests' primary objective is to maintain and enhance the values of the forest estate investment including; economic, social and environmental values.

This is achieved through a strategy of:

- sustainable forest management
- sustainable harvest levels
- fit for purpose asset maintenance
- maintaining a safe and capable workforce of both staff and contract employees
- caring for and enhancing environmental values, particularly carbon sequestration, water quality and rare, threatened and endangered species.

Acknowledging that the Company's success is a result of past investment in land, trees, people and the environment the Company has a strategy of continuing to build shareholder wealth through incremental land and forest acquisition to increase future prosperity and to expand the social and environmental values under management.

As defined in Section 59 of the Local Government Act (LGA), the principal objectives of City Forests Limited as a council-controlled trading organisation are to:

- a) achieve the objective of its shareholders, both commercial and non-commercial, as specified in the statement of intent; and
- b) be a good employer; and
- c) 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
- d) conduct its affairs in accordance with sound business practice.

City Forests has adopted a target to be net zero carbon by 2030, as a contribution to the Council's goal of achieving net carbon neutrality city-wide by 2030. Over the 2023 financial year we will be building on our existing work to develop a roadmap to 2030. We will engage with our shareholders DCHL and Dunedin City Council regarding non-controllable emissions and the potential cost of offsetting residual emissions. We will also work with the Dunedin City



*City Forests Limited Statement of Intent 2022 / 23*

Council to identify alternative or complementary opportunities to contribute to the Dunedin City Council's goal city-wide net zero carbon goal.

### **3 APPROACH TO GOVERNANCE**

City Forests Limited is governed by a Board of independent directors, appointed by the company's shareholders. Directors meet regularly to direct and control City Forests' proceedings.

The role of a Director of a CCO is defined in the Local Government Act as "to assist the organisation to meet its objectives and any other requirements in its Statement of Intent."

The City Forests Limited board operates in accordance with accepted best practice governance.

### **4 NATURE AND SCOPE OF ACTIVITIES**

City Forests Limited is committed to providing sustainable commercial returns to its Shareholder through plantation forest ownership, harvesting and added value activities while maintaining the long-term productive capacity of its land holdings and maximising the environmental and community benefits of Company activities.

The Company's forests are principally located in the Coastal Otago Region while the products from its activities are sold on local and international markets. The Company's scope of activities includes expansion of opportunities in forest ownership and activities across the value chain.

The functions of City Forests Limited are:

- To ensure the safety, health and well-being of staff, contractors and visitors to the forest.
- To own and manage a commercial plantation forest resource.
- To optimise the return from the Company's activities for the long-term benefit of the Company's shareholder and stakeholders.
- To manage the forest asset and other resources in such a way as to ensure their long-term economic, social and environmental sustainability.
- To support added value wood processing in Otago and Southland.

The undertaking by City Forests Limited of any activity of a nature or scope outside of this is subject to the prior approval of the shareholder.

*City Forests Limited Statement of Intent 2022 / 23*

## 5 PERFORMANCE TARGETS AND OTHER MEASURES

Goals	Objectives	Performance Measures
The principal goal of City Forests Limited is to operate a long-term sustainable business and to maintain and enhance the values of the forest estate investment including; economic, social and environmental values. The specific corporate goals of City Forests Limited are:	The implementation of the goals will be facilitated by the adoption of the following specific objectives	The objectives will be met on achievement of the following indicators.
<b>ECONOMIC OBJECTIVES</b>		
Goals	Objectives	Performance Measures
<b>Increase Long Term Shareholder Value of the Company</b>		
To achieve 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. Attention will be given to cash flow performance.	To implement strategic actions which will increase the long-term profitability and cash flow generation of the Company.	The Company will achieve a 6% return (or greater) on Shareholders' funds measured on a post-tax 3 year rolling average basis.  A review of the Company's long term strategic plan will be completed each year, which targets a 6% return (or greater) on Shareholders' funds on a post-tax 3 year rolling average basis.
<b>Market Diversification</b>		
To develop diversified markets for the Company's products.	To develop a market strategy that optimises returns while managing risk through market diversification.  To balance exposure to both domestic and export markets taking into account market risk and product margin.  To drive sustainable long-term value from the Company's carbon generating activities while balancing risk and environmental benefits.	No single customer will have received more than 30% of the Company's annual harvest by volume.  The percentage of annual supply to the domestic market by volume will be tracked.  The Company will participate in the New Zealand ETS and may realise returns from the sales of carbon stored in the Company forests in compliance with its Carbon Policy.

*City Forests Limited Statement of Intent 2022 / 23*

Goals	Objectives	Performance Measures
<b>Sustainable Yield</b>		
To optimise the Net Present Value of the estate in perpetuity with the overall goal of managing the financial returns from the forest on a long-term sustainable basis.	<p>To ensure that the appropriate yield monitoring systems are in place and sufficient forest is available to achieve long term sustainable yield from the forest estate.</p> <p>To ensure that the risk to the forest estate from pests, fire and disease is minimised through appropriate management practices and audit.</p> <p>To respond to and manage legislative and compliance risk to the Company's operations and license to operate.</p>	<p>The Company's annual harvest volumes as detailed in the strategic plan will be within 30% of projected long term sustainable yield.</p> <p>The Company will carry out annual forest inventory to measure and verify forest yield. The number of sample plots measured will be reported.</p> <p>A forest surveillance program will be in place as part of the National surveillance program to assess the forest estate for pests and disease.</p> <p>The annual fire plan will be updated and operational by 1 October for each fire season.</p> <p>The Company will actively participate in regional land use and environmental planning processes.</p>
Goals	Objectives	Performance Measures
<b>Research and Development</b>		
To support and participate in Research and Development to enable the Company to undertake continuous performance improvement to achieve industry best practice forest management, value recovery and supply chain performance.	<p>To actively participate in value-added research into forest management, tree breeding, wood products, supply chain and environmental management.</p> <p>To leverage collaborative industry research initiatives and implement research results through technology transfer.</p>	<p>The Company will participate in industry research consortia (via the Forest Levy) to ensure research objectives are in line with Company Strategy and to gain financial leverage to achieve research objectives.</p> <p>The implementation of research outcomes into operational management plans will be tracked.</p>
To support the sustainable development of added value wood processing in Otago and Southland.	<p>To support integrated wood processing capacity within the Otago and Southland regions, subject to optimising the long-term return from the Company to the Shareholder.</p> <p>The Company will support regional bio-energy initiatives subject to optimising the long-term return from the Company to the Shareholder.</p>	<p>The Company will maintain supply arrangements with Otago and Southland wood processors provided customers match (or better) alternative market options. Annual supply volumes to the three largest wood processors customers will be tracked and reported.</p> <p>The annual volume of wood supplied to bio-energy uses will be tracked and reported.</p>

*City Forests Limited Statement of Intent 2022 / 23*

ENVIRONMENTAL AND SOCIAL OBJECTIVES		
Goals	Objectives	Performance Measures
<b>Corporate Responsibility</b>		
To be a socially and environmentally responsible corporate citizen and maintain comprehensive environmental and health and safety systems for the Company's forests and operations.	<p>To minimise lost time accidents, injuries and property damage.</p> <p>To maintain Environmental Certification of the Company's forests. (Currently FSC)</p> <p>To preserve and enhance rare threatened and endangered (RT&amp;E) species on the Company's estate.</p>	<p>Lost time accident rates for staff and contractors will be minimised and not more than 15 lost time accidents per 1,000,000 hours worked.</p> <p>The Company will undertake drug and alcohol testing of its staff and contract workforce. The number of random tests and percentage of positive random tests will be reported.</p> <p>Forest Stewardship Council Certification of the Forest Estate will be maintained.</p> <p>The Company will have in place an environmental management system which will include procedures for sustainability monitoring. Results of water sampling and reserve area environmental assessments will be publicly available on the Company's website.</p> <p>The Company will work with partners Doc, University of Otago &amp; contractors to maintain and enhance RT&amp;E species on and around the Company estate. Sponsorship amounts for these activities will be reported annually.</p>
Goals	Objectives	Performance Measures
<b>Skilled Workforce</b>		
<p>To maintain an experienced, trained for task and reliable staff and contract workforce.</p> <p>To operate a personnel policy that complies with and adopts the principle of being a good employer.</p>	<p>To increase the level of training within the Company's staff and contract workforce.</p> <p>To actively encourage "Forestry" as a vocation.</p>	<p>The company will report on the number of National Certificates achieved by its workforce each year.</p> <p>The Company will engage with its contractors to participate in Modern Apprenticeship programs. The number of apprentices working in Company operations will be reported each year.</p>

*City Forests Limited Statement of Intent 2022 / 23*

Goals	Objectives	Performance Measures
<b>Recreation and Education</b>		
To encourage the use where appropriate, of the Company's forests for recreational and educational purposes by both organised groups and individuals.	To promote and manage community recreation and educational use of the Company's forests.	The Company will maintain a Forest Access permit system, track and report on forest recreational use statistics.
<b>Shareholder Outcomes</b>		
To recognise and maintain the vision of our forbearers in creating the Company Forest Estate and to apply the principle of Kaitiakitanga (Guardianship and Protection).	To maintain and grow the forest estate for future generations of Dunedin Ratepayers.	A continued and measured expansion of the forest estate will be part of Company Strategy. The area of acquired land will be reported annually
Communicate with the shareholder on a "no surprises" basis	Consult with the shareholder in a timely manner on DCHL Group strategic or operational matters which could compromise the Council's community outcomes.	Any such matters were escalated to the shareholder in a timely manner.
	Report to the shareholder within 24 hours of the Board becoming aware of any substantive matter, including any matter likely to generate media coverage.	Any such matters were reported to the shareholder within 24 hours.
Living Wage employer	The Company will disclose in its Annual Report the proportion of its workforce (staff) receiving the living wage (as calculated by the New Zealand Family Centre Social Policy Unit).	Ensure that all direct employees are paid at living wage or above.
Contribute to Council's Strategic Framework and Climate Change and Carbon Neutrality initiatives	<p>Contribute to Council's Carbon Neutrality initiatives.</p> <p>The Company will develop an emissions reduction strategy and associated targets for the 2022/2023 financial year.</p> <p>The Company will develop a waste reduction strategy and associated targets for the 2022/2023 financial year.</p>	<p>Measure and publicly report our Greenhouse Gas (GHG) emissions, and progress towards our emissions and waste reduction strategies and targets, in our Annual Report</p> <p>Implement City Forests' carbon emissions strategy developed in the 2022 financial year, and achieve our FY2023 targets.</p> <p>Implement City Forests' waste reduction strategy developed in the 2022 financial year, and achieve our FY2023 targets.</p>

*City Forests Limited Statement of Intent 2022 / 23*

## 6 FINANCIAL FORECASTS

### a. The ratio of Shareholders' Funds to Total Assets and the definition of those terms.

	Year ending 30/06/2023	Year ending 30/06/2024	Year ending 30/06/2025
Shareholders' Funds to Total Assets	70.5%	71.8%	72.7%

The Company has adopted a target Shareholder Funds to Total Assets ratio (equity ratio) of between 65%-75%, but expects this ratio will fluctuate depending on a variety of circumstances.

"Shareholders' Funds" are represented by the paid-up capital, reserves created by the revaluation of specific assets, and retained earnings.

"Total Assets" means the aggregate amount of all current and non-current assets. Included in Total Assets is the revalued (as 30 June) forest asset.

### b. Estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders.

	Year ending 30/06/2023	Year ending 30/06/2024	Year ending 30/06/2025
Normal Dividend	\$3.6m	\$4.5m	\$5.0
Special Dividend	\$0m	\$0m	\$0m
Capital Distribution	\$10m	\$0m	\$0m

### c. Other Financial Forecasts

	Year ending 30/06/2023	Year ending 30/06/2024	Year ending 30/06/2025
EBITDA	\$11.7m	\$22.5m	\$20.2m
Net Profit after Tax	\$7.6m	\$14.9	\$13.3
Cash Flow from operations	\$6.0m	\$10.2m	\$11.0m
Capital Expenditure	\$7.4m	\$6.0m	\$6.4m
Term Borrowings	\$32.9m	\$30.6m	\$28.7m
Shareholders Funds	\$272.2m	\$282.6m	\$290.9m

The projections provided have been prepared using the best information available at the time of preparation.

The financial forecasts are driven by log and carbon prices, forest, land and carbon asset values, harvest volumes and carbon available for sale, operating costs, acquisitions and development costs of land parcels, capital expenditure and debt levels.



*City Forests Limited Statement of Intent 2022 / 23***7 ACCOUNTING POLICIES****a) General Accounting Policies**

The accounting policies recognised by the External Reporting Board (XRB) for the measurement and reporting of financial performance and financial position have been applied on a basis consistent with those used in previous years.

**b) Particular Accounting Policies**

The particular accounting policies which materially affect the measurement and reporting of financial performance and financial position, are consistent across the Dunedin City Holdings Limited group and are fully listed in the Company annual report and website.

**8 DIVIDEND POLICY**

City Forests Limited will plan for a minimum base annual dividend payment equal to the lesser of; 75% of forecast after tax profit, or 75% of net operating cash flow less capitalised forest costs. Dividend payments are subject to the Directors' obligations to act in accordance with their statutory duties. The actual level of dividend will be determined by Directors each year in light of the circumstances that exist at the time.

In arriving at a dividend recommendation, Directors will consider:

- the Company's financial performance, in particular, the cash flows from operations;
- Asset gains increasing the Company's financial position;
- the ratio of the Company's shareholders funds to total assets (equity ratio);
- the Company's future investment plans and profitability thereof;
- the Company's ability to raise loans and the terms thereof; and
- the Company's current cost of borrowings.

Additional distributions may be declared on the basis of above plan financial performance or above plan increases in financial position.

Budgeted base dividend payments will be agreed as part of the annual business planning cycle. Any dividend will be paid by 30 June.

**9 COMMERCIAL VALUE OF THE SHAREHOLDER'S INVESTMENT**

The commercial value of the Shareholder's investment in the City Forests Limited is considered by the Directors to be not less than the Shareholder's funds as disclosed in the Statement of Financial Position published in the last Annual Report.

This will be considered annually when the Statement of Intent is completed.

**10 TRANSACTIONS WITH RELATED PARTIES**

Dunedin City Council is the sole Shareholder in Dunedin City Holdings Limited, Dunedin City Holdings Limited is the sole Shareholder in Aurora Energy Limited, City Forests Limited, Delta Utility Services Limited, Dunedin City Treasury Limited, Dunedin Venues Management Limited, Dunedin Stadium Property Limited and Dunedin Railways Limited.

Dunedin City Holdings Limited owns 50% of Dunedin International Airport Limited.

*City Forests Limited Statement of Intent 2022 / 23*

Transactions between the Companies, Dunedin City Council and other Dunedin City Council controlled enterprises will be on a wholly commercial basis.

Charges from Dunedin City Council and its other entities and charges to Dunedin City Council and its other entities will be made for goods and services provided as part of the normal trading activities of each Company.

**Related Party Transactions**

Dunedin City Council	Council rates for properties owned by the Company
	Lease of Council owned land
Dunedin City Treasury Limited	Provision of debt funding to the Company generating interest payments
	Management of foreign exchange
Delta Utility Services Limited	Maintenance and construction of forest roads and infrastructure
Dunedin City Holdings Limited	Management services provided to the Company

Dunedin City Holdings Limited and its subsidiaries will undertake to obtain all debt funding from Dunedin City Treasury Limited, with exceptions as agreed with the Board of Dunedin City Holdings Limited.

**11 INFORMATION TO BE PROVIDED TO THE SHAREHOLDERS IN THE FINANCIAL REPORTS**

	Quarterly	Half Yearly	Annual
Key Financial Performance Indicators	X	X	X
Statement of Financial Performance		X	X
Statement of Financial Position		X	X
Statement of Cash Flows		X	X
Statement of Movement in Equity		X	X
Notes to the Financial Statements		X	X
Statement of Service Performance against SOI targets		X	X
Directors' Report		X	X
Auditors Report			X
Statement of Intent (Draft)			Prior to 1 March
Statement of Intent (Final)			Prior to 30 <sup>th</sup> June

*City Forests Limited Statement of Intent 2022 / 23***12 OTHER MATTERS AS AGREED BY THE SHAREHOLDER AND THE BOARD***Working with the shareholder*

The company will undertake to keep the shareholder informed of all substantive matters, as set out in the performance targets above. The Company will work to build a culture of accountability and constructive working practices between the Company and the shareholder. It is expected that any conflicts that may arise between the Company and the shareholder will be resolved directly between the shareholder and the Company, in accordance with appropriate governance practices.

*Acquisition/Divestment of Shares or Assets in any Company or Organisation*

The Company will only invest in the shares of another company or invest in an entity if the investment is considered to be likely to produce added value to the Company. In order to maximise benefit to the Shareholder, shares or assets may also be sold in response to, or in anticipation of, on-going changes in the marketplace.

If the Directors intend that the Company should acquire assets, they will obtain prior approval of the Shareholder where an investment into the new assets exceeds \$5 million. For the purpose of this section, "asset(s)" includes a group of assets similar in type, cost and useful life that are purchased together and can be identified and maintained as one asset or group of assets following purchase.

If the Directors intend that the Company should subscribe for or otherwise acquire issued capital or an interest in any company or organisation (other than minimum holdings in listed companies in related industries) exceeding a total investment of \$5 million they will obtain prior approval of the Shareholder.

The approval of the Shareholder is required before disposal by the Company of any segment of its business or shares in a subsidiary or associate company where the value of the asset to be disposed of exceeds the investment delegated authority of \$5 million.

*Compensation Sought*

At the request of the Shareholder, the Company may undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full commercial cost of undertaking such activities. At present, the Company does not have any activities in respect of which its Board wishes to seek compensation from any local authority.

*Group facility use*

City Forests Limited will undertake "Group" purchasing of goods and services, unless it is demonstrated conclusively to the Shareholder that the total combined cost of such Group purchasing to the Group and Dunedin City Council (including the costs of ceasing any such Group purchasing), is greater than any alternative identified.

*Other agreements*

City Forests Limited will not give sponsorship to, accept sponsorship from or give naming rights to companies involved in activities deemed to be inconsistent with Dunedin City Council's ethical position.



## **Delta Utility Services Limited**

### **Statement of Intent**

**for the year ending 30 June 2023**

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*Statement of Intent 2022/2023*

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**1 INTRODUCTION**

Delta Utility Services Ltd ("the Company") provides contracting services, including the construction, operation, and maintenance of essential energy and environmental infrastructure. It is a Council Controlled Trading Organisation (CCTO) owned wholly by Dunedin City Holdings Ltd, which is wholly owned by Dunedin City Council.

A CCTO is required by law to produce a Statement of Intent (SOI). A SOI is an annual planning document. This SOI sets out the Company's planned activities, objectives and financial forecasts for the next three years. It includes performance measures and targets which form the basis of the Company's organisational accountability and will be reported on in the Company's Annual Report. This SOI takes shareholder comments into consideration.

**2 OBJECTIVES**

As a CCTO, the Company has the following objectives, as defined in the Local Government Act 2002:

- a) *achieve the objective of its shareholder, both commercial and non-commercial, as specified in the statement of intent; and*
- b) *be a good employer; and*
- c) *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*
- d) *conduct its affairs in accordance with sound business practice.*

Health and Safety performance is essential to the achievement of Delta's objectives. Delta's safety goal is "Everyone Home Safe, Every Day".

Delta's focus for FY2023 centres around expanding and diversifying operations whilst minimising our carbon footprint, achieving better Health and Safety outcomes and maintaining consistent financial results.

Delta will also continue its journey to become a living wage employer. During FY2023, Delta will ensure all of its staff are paid at or above the living wage.

Delta has adopted a target to be net zero carbon by 2030, as a contribution to the Council's goal of achieving net carbon neutrality city-wide by 2030. Over the 2023 financial year we will build on existing work to develop a roadmap to 2030. We will engage with our shareholders DCHL and Dunedin City Council regarding non-controllable emissions and the potential cost of offsetting residual emissions. We will also work with the Dunedin City Council to identify alternative or complementary opportunities to contribute to the Dunedin City Council's goal city-wide net zero carbon goal. As a Dunedin City Council owned Company, the Company aims to contribute to the Dunedin City Council's strategic framework and achievement of city objectives.



### 3 APPROACH TO GOVERNANCE

In addition to the obligations of the Local Government Act 2002 (LGA), the Company is also subject to the requirements of the Companies Act 1993 and is governed by directors in accordance with the law and best practise.

As defined in Section 58 of the LGA:

- (1) *The role of a director of a council-controlled organisation is to assist the organisation to meet its objectives and any other requirements in its statement of intent.*
- (2) *This section does not limit or affect the other duties that a director of a council-controlled organisation has.*

The Board meets on a regular basis to direct and control the company's activities. Directors are appointed by the shareholder, Dunedin City Holdings Ltd.

The Board accepts that it is responsible for the overall control system operating within the company but recognises that no cost-effective internal control system will permanently preclude all errors or irregularities. The control systems reflect the specific risks associated with the business of the company.

The Shareholder reviews and approves the SOI and three-year financial plan. Six-monthly and annual reports of financial and operating performance are provided to the shareholder.

### 4 NATURE AND SCOPE OF ACTIVITIES

The principal activity of the Company is the provision of contracting services, which include the construction, operation, and maintenance of essential energy and environmental infrastructure. The undertaking by the Company of any activity of a nature or scope not provided for in the Company's mission or goals would be subject to the prior approval of the Shareholder.

As noted in the Company's Business Strategy our purpose is to be local professionals with innovative ideas, passionate about serving our communities. This purpose directly relates to our vision of great people shaping better communities together. Our values of Do it First, Do it Right, Do it Together allow us to make a difference through fresh thinking, dependability, and working together.

We're a team of more than 550 skilled professionals, with a dedication and passion for the job. We are committed to our people, safety, and the environment, and support the communities we live and work in.

The Company's total assets were \$65.4 million as at 30 June 2021, and it generated revenues of \$105.4 million for the year then ended.

*Statement of Intent 2022/2023*

## 5 PERFORMANCE TARGETS AND OTHER MEASURES

The company will record its performance relating to the targets stated in Section 5 and 6 in its annual report.

Goals	Objectives	Performance Measures
<b>Community</b>		
<i>We are big believers in supporting the communities in which we operate. Our main contribution is through the essential infrastructure services we provide every day. Plus, we support organisations in the local community, nurture the next generation of smart thinking infrastructure specialists, and promote our brand to our stakeholders.</i>		
To make a positive contribution to the communities in which we operate	Maintain community support through local sponsorship/donations whilst ensuring that no monies are provided to companies deemed inconsistent with the Dunedin City Council's ethical position	Sponsorship \$ per annum Targets: 2023 \$25,000 2024 \$25,000 2025 \$25,000
To support community recreation and visitor experience	Maintain parks, reserves, sports fields, walking tracks, and amenities in the northern part of Dunedin city, including significant tourist attractions (e.g. the Railway Station and Chinese Gardens)	Achieve KPIs on service contracts Targets: 2023 Achieved 2024 Achieved 2025 Achieved
To promote economic development	Maintain essential infrastructure to support Dunedin City Council's strategy to be one of the world's great small cities	Deliver maintenance services per contractual arrangements Targets: 2023 Plan delivered 2024 Plan delivered 2025 Plan delivered



*Statement of Intent 2022/2023*

Goals	Objectives	Performance Measures
<b>People</b>		
<i>It is the skill and dedication of our people that makes the difference for our customers and keeps everyone safe at work.</i>		
<i>Our safety goal is 'Everyone Home Safe, Every day'. We are committed to the provision of safe and healthy work environments for our workers and the public.</i>		
To ensure safe and healthy outcomes for our people are expected. This goal is reflected in the attention to detail with regards to how we plan and prepare our work across all areas of service delivery	Reduce harm to employees and contractors	Maximum total recordable injury frequency rate (TRIFR) per 200,000 hours worked Targets: 2023 3.50 2024 3.50 2025 3.50
		Maximum total lost time injury frequency rate per 200,000 hours worked Targets: 2023 1 2024 1 2025 1
To ensure full compliance with all Health and Safety legislation	Maintain all existing Health and Safety accreditations.	Maintain ISO 45001 Occupational Health and Safety Management System throughout the period.
To maintain the health and wellbeing of staff	Monitor absences due to illness	Sick leave % based on total hours worked Targets: 2023 ≤ 2.5% 2024 ≤ 2.5% 2025 ≤ 2.5%
	Maintain an employee wellbeing programme	Programme maintained throughout the year
	Ensure that all direct employees are paid at living wage or above	No employee is paid at less than the living wage

*Statement of Intent 2022/2023*

Goals	Objectives	Performance Measures
To continue to develop Delta's apprenticeship scheme	Develop skill sets and succession planning through Delta's apprenticeship/trainee scheme	Average number of apprentices/trainees per annum Targets: 2023 ≥ 20 2024 ≥ 20 2025 ≥ 20
To maintain a positive and satisfying working environment with low levels of voluntary staff turnover	Monitor voluntary leavers relative to permanent staff	Staff turnover % Targets: 2023 ≤ 11% 2024 ≤ 11% 2025 ≤ 11%

*Statement of Intent 2022/2023*

Goals	Objectives	Performance Measures
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***Environment***

*We are committed to continual improvement in our environmental performance, prevention of harm to the environment and adoption of sustainable work practices. As part of this Delta will measure and publicly report our Greenhouse Gas (GHG) emissions, and progress towards our emissions and waste reduction strategies and targets, in our Annual Report.*

To ensure a well-recognised environmental accreditation is maintained	Maintain all existing Environmental accreditations.	Maintain ISO14001 accreditation throughout the period
To ensure full compliance with environmental and resource consents	Maintain full compliance with the Resource Management Act (RMA)	Number of breaches Targets: 2023 0 2024 0 2025 0
Implement Delta's Carbon Emission and Waste reduction strategy developed in the 2022 financial year, and achieve our FY2023 targets	Achieve FY2023 Carbon Emission and Waste reduction targets	Achieve FY2023 Carbon Emission and Waste reduction targets

*Statement of Intent 2022/2023*

Goals	Objectives	Performance Measures
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***The Shareholder***

*We are committed to communicating our activities and strategy clearly to our shareholder and to continue to maintain an active dialogue.*

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)	Consult with the Shareholder on matters to be included in the Company's Statement of Intent	Shareholder approval of the Company's Statement of Intent Targets: 2023 Approved 2024 Approved 2025 Approved
Bring to the attention of the Shareholder any strategic or operational matters where there may be a conflict between the Council's community outcomes and those of the Company and seek the Shareholder's view on these	Consult with the Shareholder at the earliest possible time on matters where conflict may or could result	Potential conflicts notified to the Shareholder Targets: 2023 All potential conflicts notified 2024 All potential conflicts notified 2025 All potential conflicts notified
Keep the Shareholder informed of all substantive matters	On a "no surprises" basis, advise the Shareholder promptly of any substantive matter that has the potential to impact negatively on the Shareholder and the Company with a particular focus on the media	Substantive matters reported to the Shareholder within 24 hours Targets: 2023 All substantive matters reported within 24 hours 2024 All substantive matters reported within 24 hours 2025 All substantive matters reported within 24 hours

*Statement of Intent 2022/2023*

## 6 FINANCIAL/ECONOMIC TARGETS

### a) The ratio of Shareholder's Funds to Total Assets and the definition of those terms

	Year ending 30/06/2023	Year ending 30/06/2024	Year ending 30/06/2025
<b>Shareholder's Funds to Total Assets</b>	≥ 43%	≥ 45%	≥ 47%

The Company has adopted a target Shareholder's Funds to Total Assets ratio (equity ratio) of 50%, but expects this ratio will fluctuate depending on a variety of circumstances including asset renewal and investment cycles.

The Company is presently focused on increasing its equity ratio towards the targeted level.

"Shareholder's Funds" are represented by the paid-up capital, reserves created by the revaluation of specific assets, and retained earnings.

"Total Assets" means the aggregate amount of all current and non-current assets.

### b) Estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the Shareholder

	Year ending 30/06/2023 \$000	Year ending 30/06/2024 \$000	Year ending 30/06/2025 \$000
<b>Dividend/subvention distributions</b>	2,000	2,250	2,500

### c) Other financial forecasts

	Year ending 30/06/2023 \$000	Year ending 30/06/2024 \$000	Year ending 30/06/2025 \$000
<b>EBITDA</b>	≥ 11,526	≥ 12,659	≥ 13,014
<b>Net profit after tax</b>	≥ 2,523	≥ 3,104	≥ 3,413
<b>Return on Shareholder's funds</b>	≥9%	≥11%	≥12%
<b>Cash flow from operations</b>	≥ 9,571	≥ 10,162	≥ 10,237
<b>Capital expenditure</b>	≤ 5,470	≤ 4,500	≤ 4,250
<b>Term borrowings</b>	≤ 9,900	≤ 8,900	≤ 7,900
<b>Shareholder's funds</b>	≥ 27,861	≥ 28,715	≥ 29,628

The projections provided have been prepared using the best information available at the time of preparation.

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*Statement of Intent 2022/2023*

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**7 ACCOUNTING POLICIES****a) General Accounting Policies**

The Company is a Tier 1 For-profit entity as defined by the External Reporting Board and reports in accordance with Tier 1 For-profit Accounting Standards. The Company's accounting policies are based on NZ IFRS standards and interpretations, as recognised by Chartered Accountants Australia and New Zealand.

NZ IFRS standards and interpretations are subject to change and therefore the Company's accounting policies are also subject to change during the period of the SOI.

**b) Particular Accounting Policies**

The particular accounting policies, which materially affect the measurement and reporting of financial performance and financial position, are consistent across the Dunedin City Holdings Limited group and are fully listed in the Company's annual report.

**8 DIVIDEND POLICY**

Delta aims to manage its long-term capital structure so it has sufficient flexibility to cope with significant capital replacements and investments without the need to seek additional capital or borrowings, while at the same time maintaining a sustainable and reliable dividend stream to our shareholder.

Delta's dividend policy is to pay dividends within the range of 50-75% of the Company's net surplus after tax, subject to the Directors' obligations to act in accordance with their statutory duties. The actual level of dividend will be determined by the Directors each year in light of the circumstances that exist at the time.

In arriving at a dividend recommendation, Directors will consider:

- The Company's financial performance, in particular, the cash flows from operations;
- The ratio of DCHL's shareholders funds to total assets (equity ratio);
- The Company's future investment plans and profitability thereof;
- The Company's ability to raise loans and the terms thereof; and
- The Company's current cost of borrowings.

Dividends will be paid by 31 December and 30 June (based on forecast) with provision for a further final dividend based on actual year-end results.

**9 COMMERCIAL VALUE OF SHAREHOLDER'S INVESTMENT**

The commercial value of the Shareholder's investment in the Company is considered by the Directors to be not less than the Shareholder's funds as disclosed in the Statement of Financial Position published in the last Annual Report.

This will be considered annually when the Statement of Intent is completed.

*Statement of Intent 2022/2023*

## 10 TRANSACTIONS WITH RELATED PARTIES

Dunedin City Council is the sole Shareholder of Dunedin City Holdings Limited.

Dunedin City Holdings Limited is the sole Shareholder of Delta Utility Services Limited, Aurora Energy Limited, City Forests Limited, Dunedin City Treasury Limited, Dunedin Railways Limited, Dunedin Venues Management Limited, and Dunedin Stadium Property Limited.

Dunedin City Holdings Limited owns 50% of Dunedin International Airport Limited.

Transactions between the Companies, Dunedin City Council and other Dunedin City Council controlled enterprises will be on a wholly commercial basis.

Charges from Dunedin City Council and its other entities and charges to Dunedin City Council and its other entities will be made for goods and services provided as part of the normal trading activities of each Company.

Delta will undertake to obtain all debt funding from Dunedin City Treasury Limited, with any exceptions agreed with the Dunedin City Holdings Limited board.

### **Related Party Transactions**

Aurora Energy Ltd	Provision of maintenance and construction services
City Forests Ltd	Provision of roading services and reserves maintenance
Dunedin City Council	Provision of greenspace services
Dunedin City Holdings Ltd	Functions appropriate between parent companies and subsidiaries
Dunedin City Treasury Ltd	Provision of debt funding to the Company generating interest payments to DCTL
Dunedin Venues Management Ltd	Provision of greenspace services

*Statement of Intent 2022/2023*

## 11 OTHER MATTERS AGREED BY DELTA UTILITY SERVICES AND THE SHAREHOLDER

### Information to be provided to the shareholder:

	Quarterly	Half Yearly	Annual
Key financial performance indicators	X	X	X
Statement of Financial Performance		X	X
Statement of Financial Position		X	X
Statement of Cash Flows		X	X
Statement of Movement in Equity		X	X
Notes to the Financial Statements		X	X
Statement of Service Performance against SOI targets		X	X
Directors' Report		X	X
Auditor's Report			X
Statement of Intent (Draft)			Prior to 1 March
Statement of Intent (Final)			Prior to 30 June

### Working with the Shareholder

The Company will undertake to keep the Shareholder informed of all substantive matters, as set out in the performance targets above. The Company will work to build a culture of accountability and constructive working practices between the Shareholder and the Company. It is expected that any conflicts that may arise between the Shareholder and the Company will be resolved directly between the Shareholder and the Company, in accordance with appropriate governance practices.

### Acquisition/Divestment of Assets, or Shares in any Company or Organisation

The Company will only invest in the shares of another company or invest in an entity if the investment is considered to be likely to produce added value to the Company. In order to maximise the benefit to the Shareholder, shares or assets may also be sold in response to, or in anticipation of, on-going changes in the marketplace.

If the Directors intend that the Company or its subsidiaries should acquire assets, they will obtain prior approval of the Shareholder where an investment into the new assets exceeds \$5 million. For the purpose of this section, "asset(s)" includes a group of assets similar in type, cost, and useful life that are purchased together and can be identified and maintained as one asset or group of assets following purchase.

If the Directors intend that the Company or its subsidiaries should subscribe for or otherwise acquire issued capital or an interest in any company or organisation (other than minimum holdings in listed companies in related industries) exceeding a total investment of \$5 million they will obtain prior approval of the Shareholder.





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*Statement of Intent 2022/2023*

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The approval of the Shareholder is required before disposal by the Company of any segment of its business or shares in a subsidiary or associate company where the value of the asset to be disposed of exceeds the investment delegated authority of \$5 million.

**Compensation Sought**

At the request of the Shareholder, the Company may undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full commercial cost of undertaking such activities.

At present, the Company does not have any activities of this nature.

**Group Facility Use**

The Company will undertake to operate "Group" purchasing of goods and services, unless it is demonstrated conclusively to the Shareholder that the total combined cost of such Group purchasing to the Group and Dunedin City Council (including the costs of ceasing any such Group purchasing), is greater than any alternative identified.

**Other agreements**

The company will not accept sponsorship or give naming rights to companies involved in activities deemed inconsistent with Dunedin City Council's ethical position.

# **Dunedin City Treasury Ltd**

## **STATEMENT OF INTENT**

**For the Year Ending 30 June 2023**

*Statement of Intent 2022/23*

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*Statement of Intent 2022/23*

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**1. INTRODUCTION**

Dunedin City Treasury Limited (DCTL) is a Council-Controlled Organisation (CCO) established to provide treasury and funds management services to entities within the Dunedin City Council Group.

DCTL is a wholly owned subsidiary of Dunedin City Holdings Limited, which is wholly owned by Dunedin City Council (the Council).

This Statement of Intent (SoI) sets out DCTL's planned activities, objectives and financial forecasts for the next three years. It includes performance measures and targets which will be reported against in DCTL's 2023 Annual Report. This SoI takes shareholder comments into consideration.

**2. OBJECTIVES**

DCTL's purpose is to manage the funding of the Council and its CCOs. In performing this function, DCTL's objective is to ensure adequate funds are available to meet ongoing obligations, minimising funding costs and maximising return on surplus funds, within acceptable levels of risk.

As a Dunedin City Council Group company, DCTL aims to contribute to the Dunedin City Council's strategic framework and achievement of city objectives.

As a CCO, DCTL also has the following objectives, as defined in the Local Government Act 2002:

- a) achieve the objective of its shareholders, both commercial and non-commercial, as specified in the Statement of Intent; and
- b) be a good employer as per clause 36 of Schedule 7 LGA); and
- c) 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."

DCTL has adopted a target to be net zero carbon by 2030, as a contribution to the Council's goal of achieving net carbon neutrality city-wide by 2030. Over the 2023 financial year we will be building on our existing work to develop a roadmap to 2030. We will engage with our shareholders DCHL and Dunedin City Council regarding non-controllable emissions and the potential cost of offsetting residual emissions. We will also work with the Dunedin City Council to identify alternative or complementary opportunities to contribute to the Dunedin City Council's goal city-wide net zero carbon goal.

In 2022/2023, DCTL intends to continue its focus on ensuring adequate cost-effective funding is available to entities within the DCC Group and ensuring that financial risks are effectively identified and managed. We will continue to consider the products and structures that best enable us to achieve our objectives.

DCTL's objectives and targets for the year, as set out on the following page, support this focus.

**3. NATURE AND SCOPE OF ACTIVITIES**

DCTL undertakes the following activities in support of its objectives:

- Source debt and on-lend to DCC and its CCOs, ensure funds are available to meet obligations.
- Minimise funding costs, and maximise return of surplus funds, within agreed acceptable levels of risk.
- Manage financial markets risk and ensure compliance with DCC's Treasury Risk Management Policy.
- Manage financial relationships with third parties.
- Separately, manage the Waipori Fund on behalf of DCC.

The undertaking by DCTL of any activity of a nature or scope outside of this would be subject to the prior approval of the shareholder.

*Statement of Intent 2022/23*

#### 4. APPROACH TO GOVERNANCE

DCTL is governed by a board of independent directors appointed by the Council. Directors meet regularly to direct and control DCTL's proceedings.

The role of a Director of a CCO is defined in the Local Government Act 2002 as "to assist the organisation to meet its objectives and any other requirements in its Statement of Intent."

The DCTL board operates in accordance with the DCC Treasury Risk Management Policy and accepted best practice.

#### 5. PERFORMANCE TARGETS

Goal	Objective	Performance Targets
<b>Ensure funds are available to meet obligations.</b>	Manage the liquidity risk of the DCC Group and use a variety of funding sources to achieve appropriate levels of funds as required by the DCC Group.	Zero breaches of DCC Treasury Risk Management Policy's borrowing maturity profile.
<b>Minimise funding costs, while having regards to interest rate risk.</b>	Utilise a portfolio approach to minimise funding costs and manage interest rate risk in accordance with the DCC Treasury Risk Management Policy.	Zero breaches of DCC Treasury Risk Management Policy's interest rate risk policy.
<b>Maximise returns on surplus funds, within acceptable levels of risk.</b>	Securely invest surplus cash available from within the DCC Group, ensuring funds deposited outside the DCC Group are compliant with the DCC Treasury Risk Management Policy.	Zero breaches of DCC Treasury Risk Management Policy's investment management policy.
<b>Issue securities.</b>	Manage the issuance of securities as and when required.	Successfully fill any issues brought to the market during the year.
<b>Manage financial relationships with third parties.</b>	Maintain financial relationships with preferred financial providers.	Maintained funding lines with preferred financial providers.
<b>Maximise the cost effective utilisation of financial products.</b>	Maintain a benchmarking system to measure DCTL's performance.	Regular reporting to the Board, of DCTL's achievement against defined benchmarks.
<b>Manage the Waipori Fund on behalf of the Council.</b>	Manage the 'Waipori Fund' fully in accordance with policy and objectives set by Council to achieve the investment objectives.	Management of the fund and meeting the investment objectives set by Council in the Statement of Investment Policy and Objectives.
<b>Manage business risk.</b>	Maintain a risk management framework to regularly identify, mitigate, and report risks.	Quarterly review by the Board, of the DCHL Risk Register Dashboard. Regular reporting to the shareholder of DCTL's top 5 current risks.
<b>Compliance with Dunedin City Council Treasury Risk Management Policy.</b>	Comply with the DCC Treasury Risk Management Policy.	No breaches of policy. Where breaches have occurred, there are no breaches that have not been reported to the Chief Financial Officer within 1 business day and as per requirements of the policy.
<b>Communicate with the shareholder on a 'no surprises' basis.</b>	Consult with the shareholder in a timely manner on DCTL strategic or operational matters which could compromise the Council's community outcomes.	No such matters that were not escalated to the shareholder in a timely manner.
	Report to the shareholder within 24 hours of the Board becoming aware of any substantive matter, including any matter likely to generate media coverage.	No such matters that were not reported to the shareholder within 24 hours.
<b>Contribute to Council's Strategic Framework and Climate Change and Carbon Neutrality initiatives.</b>	Contribute to Council's Carbon Neutrality initiatives.	Implement DCTL's carbon emissions strategy developed in the 2022 financial year and achieve our FY2023 targets. Implement DCTL's waste reduction strategy developed in the 2022 financial year and achieve our FY2023 targets.

*Statement of Intent 2022/23*

Goal	Objective	Performance Targets
		Measure and publicly report our Greenhouse Gas (GHG) emissions, and progress towards our emissions and waste reduction strategies and targets, in our Annual Report. Ensure that all direct employees are paid at living wage or above.
<b>Maximise benefits of the strong credit profile of the DCC to assist the Group.</b>	Maintain a credit rating equal to that of the Dunedin City Council where the rating agency used applies the same credit rating to both entities.	Credit rating equal to that of Dunedin City Council.

## 6. FINANCIAL FORECASTS

This section sets out DCTL's financial forecasts for the next three financial years.

### Ratio of Shareholder's Funds to Total Assets, and the definition of those terms

	Year ending 30/06/2023	Year ending 30/06/2024	Year ending 30/06/2025
Shareholders' Funds to Total Assets	2.1%	1.9%	1.8%

"Shareholders' Funds" are represented by the paid-up capital, reserves created by the revaluation of specific assets, and retained earnings. "Total Assets" means the aggregate amount of all current and non-current assets.

### Estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders.

	Year ending 30/06/2023	Year ending 30/06/2024	Year ending 30/06/2025
Dividend/Subvention Distributions	Nil	Nil	Nil

### Other Financial Forecasts

	Year ending 30/06/2023 \$'000	Year ending 30/06/2024 \$'000	Year ending 30/06/2025 \$'000
EBITDA	7	8	8
Net Profit after Tax	4	5	5
Cash Flow from operations	(391)	(407)	(414)
Capital Expenditure	0	0	0
Debt	1,032,710	1,114,131	1,196,644
Shareholder's funds *	22,829	22,837	22,845

The projections provided have been prepared using the best information available at the time of preparation.

\* Shareholder's funds largely consist of the hedge reserve which moves in line with the mark to market of the company's cash flow hedging arrangements. Movements are extremely difficult to forecast; therefore, no hedge reserve movements have been budgeted for above.

*Statement of Intent 2022/23*

## **7. ACCOUNTING POLICIES**

### *General Accounting Policies*

The accounting policies recognised by the External Reporting Board (XRB) for the measurement and reporting of financial performance and financial position have been applied on a basis consistent with those used in previous years.

### *Particular Accounting Policies*

The particular accounting policies, which materially affect the measurement and reporting of financial performance and financial position, are consistent across the DCHL group and are fully listed in DCTL's annual report.

## **8. DIVIDEND POLICY**

DCTL's policy is not to pay dividends.

## **9. COMMERCIAL VALUE OF SHAREHOLDERS' INVESTMENT**

The commercial value of the Shareholder's investment in DCTL is considered by the Directors to be not less than the Shareholder's funds as disclosed in the Statement of Financial Position published in the last Annual Report.

This will be considered annually when the Statement of Intent is completed.

## **10. TRANSACTIONS WITH RELATED PARTIES**

Dunedin City Council is the sole Shareholder of Dunedin City Holdings Limited.

Dunedin City Holdings Limited is the sole Shareholder in Aurora Energy Limited, City Forests Limited, Delta Utility Services Limited, Dunedin City Treasury Limited, Dunedin Railways Ltd, Dunedin Venues Management Limited and Dunedin Stadium Property Limited.

Dunedin City Holdings Limited owns 50% of Dunedin International Airport Limited.

Transactions between the Companies, Dunedin City Council and other Dunedin City Council controlled enterprises will be on a wholly commercial basis.

Charges from Dunedin City Council and its other entities and charges to Dunedin City Council and its other entities will be made for goods and services provided as part of the normal trading activities of each Company.

### ***Related Party Transactions***

Dunedin City Council	Provision of debt funding by DCTL generating interest income to DCTL
	Treasury and fund management services provided by DCTL
Dunedin City Holdings Limited and subsidiary companies	Provision of debt funding by DCTL generating interest income to DCTL
	Provision of management services by DCHL
City Forests Limited	Management of foreign exchange

*Statement of Intent 2022/23*

# 11. OTHER MATTERS AS AGREED BY THE SHAREHOLDER AND THE BOARD

## Information to be provided to the shareholder

Information	Quarterly	Half Yearly	Annual
Key financial and service performance indicators	✓	✓	✓
Statement of Financial Performance		✓	✓
Statement of Financial Position		✓	✓
Statement of Cash Flows		✓	✓
Statement of Movement in Equity		✓	✓
Notes to the Financial Statements		✓	✓
Statement of Service Performance against SoI targets		✓	✓
Directors' Report		✓	✓
Auditors' Report			✓
Draft Statement of Intent			Prior to 1 Mar
Final Statement of Intent			Prior to 30 Jun

## Working with the shareholder

DCTL will undertake to keep the Shareholder informed of all substantive matters, as set out in the performance targets above. DCTL will work to build a culture of accountability and constructive working practices between DCTL, the Shareholder, and Ultimate Shareholder as required. It is expected that any conflicts that may arise will be resolved directly between the Shareholder and DCTL, in accordance with appropriate governance practices.

## Acquisition / divestment of assets or shares in any company or organisation

Except for the activities of DCTL as Manager for the Dunedin City Council 'Waipori Fund', DCTL will not invest in the shares of another company or invest in an entity other than placing surplus funds with counterparty banks or acquiring LGFA Borrower Notes.

The approval of the Shareholder is required before disposal by DCTL of any segment of its business.

## Compensation sought

At the request of the Shareholder, DCTL may undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full commercial cost of undertaking such activities. At present, DCTL does not have any activities in respect of which its Board wishes to seek compensation from any local authority.

## Group Facility Use

DCTL will undertake "Group" purchasing of goods and services, unless it is demonstrated conclusively to the Shareholder that the total combined cost of such Group purchasing to the Group and Dunedin City Council (including the costs of ceasing any such Group purchasing), is greater than any alternative identified.

## Other agreements

DCTL will not accept sponsorship or give naming rights to companies involved in activities deemed to be inconsistent with Dunedin City Council's ethical position.





# STATEMENT OF INTENT

for the Year Ending 30 June 2023



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## 1. INTRODUCTION

This Statement of Intent ("Sol") sets out for Dunedin International Airport Limited the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of the company may be judged in relation to its objectives. These performance targets and other measures will be reported against in Dunedin International Airport Limited's 2023 Annual Report.

This Sol is prepared by the Board of Directors of Dunedin International Airport Limited in accordance with Section 64(1) of the Local Government Act 2002 (LGA).

The airport operates under the Airport Authorities Act 1966 which states in Section 4 (3) the Company must be operated as a commercial undertaking.

## 2. CORPORATE GOVERNANCE STATEMENT

Dunedin International Airport Limited is a Council Controlled Trading Organisation (CCTO) and is governed by a board of independent directors appointed by the company's shareholders.

Dunedin International Airport Limited has two shareholders; Dunedin City Holdings Limited and Her Majesty the Queen (The Crown), whom each have a 50% shareholding in the company.

The directors' role is defined in Section 58 of the Local Government Act 2002. This section states that all decisions relating to the operation of the CCTO shall be made pursuant to the authority of the directorate of the CCTO and its Statement of Intent (SOI). The Board is responsible for the preparation of the SOI. Under the LGA, shareholders of a council-controlled organisation may, by resolution, require the board to modify the statement of intent in accordance with the LGA.

In addition to the obligations of the Local Government Act 2002, Dunedin International Airport Limited is also subject to the requirements of The Companies Act 1993 and is governed by directors in accordance with the law and best practice.

The Board meets on a regular basis to direct and control the company's activities. Directors are appointed by shareholders who are each entitled to appoint two directors.

The Board accepts that it is responsible for the overall control system operating within the company but recognises that no cost-effective internal control system will permanently preclude all errors or irregularities. The control systems reflect the specific risks associated with the business of the company.

The shareholders review the SOI and three-year financial plan. Quarterly, six-monthly, and annual reports of financial and operational performance are provided to the shareholders.

As a company partly owned by Dunedin City Council, the Company is mindful of DCC's strategic framework and city objectives.



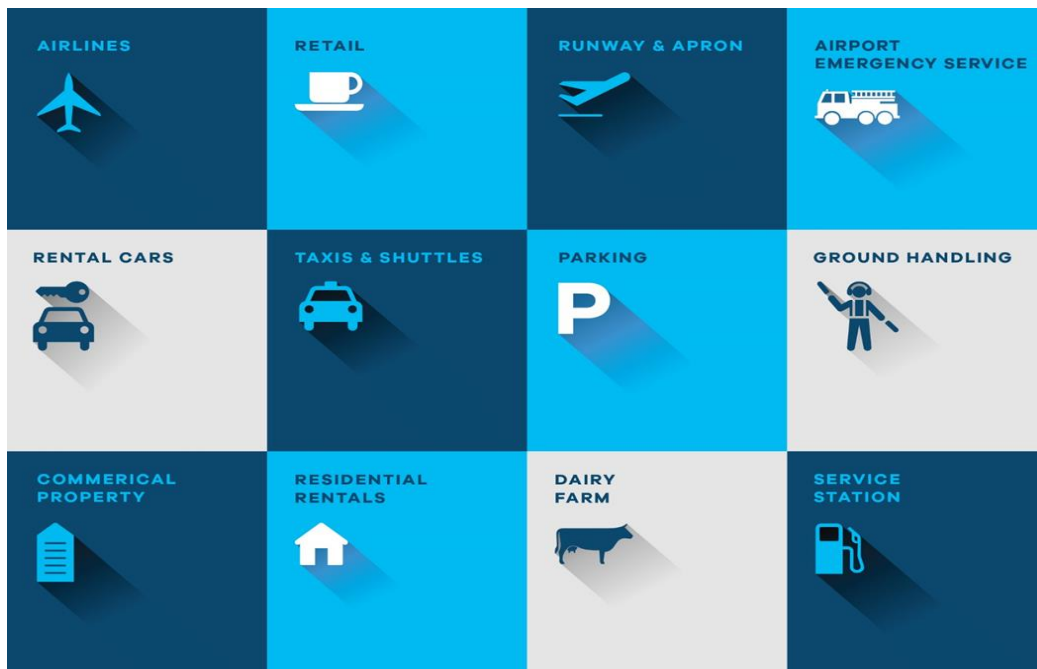
### 3. WHAT WE DO

The primary activity of the company is to operate a safe and efficient airport utilising sound business principles, for the benefit of both commercial and non-commercial aviation users and in accordance with the terms of its aerodrome certificate issued by the Civil Aviation Authority of New Zealand (CAA).

Operating an airport includes the provision of appropriate “landside” and “airside” infrastructure and facilities at the airport:

- 1) Landside functions include the provision of a terminal building, carpark, and passenger transportation. Additionally, it incorporates the management of commercial tenants and aeronautical related commercial buildings.
- 2) Airside functions include the provision of a safe and secure aircraft and passenger operating environment, including passenger and baggage screening in line with the CAA NZ operating requirements. This incorporates the responsibility for the design, provision and maintenance of runways, taxiways, and aprons.

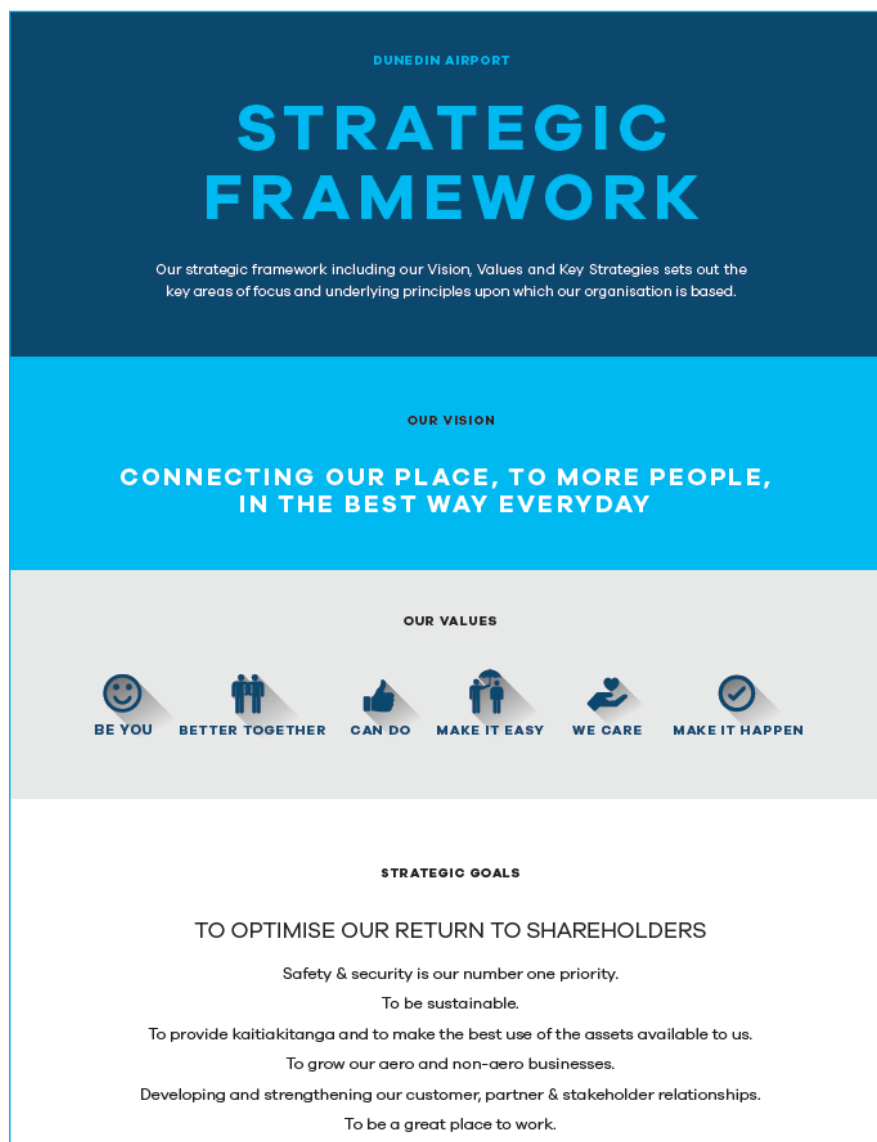
The company is also responsible for managing assets not currently used for airport activities, but which may be used in the future, for example, land held for airport expansion, environmental control purposes, or commercial operations inside the airport zone. This includes the operation of a dairy farm, a service station, and a residential property portfolio.



The undertaking of any activity of a nature or scope outside of this would be subject to the prior approval of the shareholders.

## 4. HOW WE DO IT

Dunedin International Airport Limited's key objectives are to operate as a successful commercial entity and through that deliver sustainable benefits to customers and the travelling public, and to deliver growth in long-term value and dividends to shareholders. We do this within the following Strategic Framework:



## 5. GOALS, OBJECTIVES AND PERFORMANCE MEASURES

In preparing our goals, objectives and performance measures, we have considered our Shareholders Letters of Expectations for 2022/23 and have incorporated their specific focus areas for 2022/23, namely:

1. Dunedin International Airport Limited's role in post-Covid 19 regional recovery through our continued route development work;
2. Financial performance and long-term fiscal sustainability;
3. Development and implementation of our Sustainability Strategy, inclusive of a carbon zero target by 2030;
4. Development and implementation of our employee Wellbeing Strategy; and
5. Cyber-security.

### **COVID-19**

The COVID-19 pandemic has caused considerable uncertainty in the aviation and tourism sectors globally. As such, it continues to present a major challenge for Dunedin Airport, our community, and New Zealand for the foreseeable future.

Dunedin Airports primary objective in this context is to safeguard our people, and to operate vital airport infrastructure for our place and to support its recovery. Further, ensuring Dunedin Airports financial, and operational sustainability through, and post, the COVID-19 environment is a priority.

The full extent of the impact of COVID-19 is not known. It has required airports and airlines globally to make considerable changes to the way they operate and plan for the future. In this regard, Dunedin Airport is in a relatively solid position. Our company is well financed with appropriate debt to equity levels, diversification of revenue streams, and comparatively low exposure to international passenger volumes.

Historic and forecast passenger numbers are included in Section 7.

It is in this context that the revised SOI and associated Strategic Goals and Actions have been prepared by Dunedin Airports board of directors and management.



OUR SAFETY, SECURITY & ENVIRONMENT		
Strategic Goals	Actions	Performance Measures
<b>SAFETY &amp; SECURITY IS OUR NUMBER ONE PRIORITY.</b>	To work with our staff and stakeholders to maximise safety on site for all staff, passengers, and visitors.	<ul style="list-style-type: none"> <li>o No Serious Harm incidents at Dunedin Airport for any passenger or airport user.</li> <li>o No major airside security breach.</li> <li>o Review the Health and Safety Plan and objectives with the Health and Safety Committee each year.</li> <li>o Strike rate of &lt;5 strikes per 10,000 aircraft movements on a 12-month moving average.</li> <li>o Lost Time Injury Frequency Rate (LTIFR) to remain below Worksafe benchmark level of 4.66.</li> </ul>
<b>TO BE SUSTAINABLE.</b>	Act as a socially and environmentally responsible corporate citizen that contributes economically to Dunedin and the Lower South.	<ul style="list-style-type: none"> <li>o Implement DIAL's carbon emissions strategy developed in the 2022 financial year and achieve our FY2023 targets.</li> <li>o Implement DIAL's waste reduction strategy developed in the 2022 financial year and achieve our FY2023 targets.</li> <li>o Measure and publicly report our Greenhouse Gas (GHG) emissions, and progress towards our emissions and waste reduction strategies and targets, in our Annual Report.</li> <li>o Implement our sustainability strategy developed in 2021/22.</li> <li>o DIAL has adopted a target to be net zero carbon by 2030. Over the 2023 financial year we will be building on our existing work to develop a roadmap to 2030. We will engage with our shareholders The Crown, DCHL, and Dunedin City Council regarding non-controllable emissions and the potential cost of offsetting residual emissions</li> <li>o Develop an Electrification Master Plan to understand future infrastructure needs to support electricity demand for electric vehicles (EVs) and electric aircraft.</li> <li>o Undertake a study of our economic contribution to the region.</li> </ul>
	Maintain high quality dairy farming practices.	<ul style="list-style-type: none"> <li>o Remain compliant with Fonterra dairy farm inspections.</li> <li>o Implement recommendations from the Fonterra Sustainable Farm Environment Plan and any specific initiatives for the dairy farm from our Sustainability Strategy.</li> </ul>

COMMERCIAL		
Strategic Goals	Actions	Performance Measures
<b>TO PROVIDE KAITIAKITANGA AND TO MAKE THE BEST USE OF THE ASSETS AVAILABLE TO US.</b>	Comply with financial covenants, policy and ongoing risk monitoring	<ul style="list-style-type: none"> <li>○ Fulfil lender borrowing facility financial covenant <ul style="list-style-type: none"> <li>○ Earnings Ratio (EBITDA less distributions / interest expense) &gt; 1.75</li> <li>○ Equity Ratio (total shareholders' funds / total assets) &gt; 40%</li> </ul> </li> <li>○ Comply with the company's Dividend Policy as outlined in Section 8 below.</li> <li>○ Comply with the company's Treasury Policy.</li> <li>○ Six monthly risk analysis undertaken and reported to the Board.</li> <li>○ Audit, Risk and Strategic Opportunities Committee to meet three times during the year.</li> </ul>
	Generate commercial returns across our asset base	<ul style="list-style-type: none"> <li>○ Generate a 3.4% Return on Shareholders' Funds adjusted for IFRS fair value movements and asset revaluations. **</li> <li>○ Generate a 13.0% Return on Shareholders' Capital invested. **</li> </ul> <p>Note: historic and forecast performance against financial metrics, including those noted above are encompassed in Section 7.</p>
	Ensure the future of the airport is protected.	<ul style="list-style-type: none"> <li>○ Implement a comprehensive Asset Management Plan.</li> <li>○ Undertake a comprehensive review our Airport Campus Master Plan.</li> <li>○ Ensure any new development is considered in conjunction with the District Plan and Airport Master Plan.</li> <li>○ Remain involved in protecting the airport from any adverse effects of any future external factors.</li> </ul>



BUSINESS DEVELOPMENT		
Strategic Goals	Actions	Performance Measures
<b>TO GROW OUR AERO AND NON AERO BUSINESSES</b>	Partner with our airline, airport, region, and tourism industry.	<ul style="list-style-type: none"> <li>International Regular Scheduled Services reinstated to the airport. **</li> <li>Achieve 810,700 passengers on Regular Scheduled Services for the 2022-2023 financial year. **</li> </ul>
	Achieve increased non-aeronautical revenues from activities compared to the previous year.	<ul style="list-style-type: none"> <li>Generate an operating surplus from the Momona Garage profit centre.</li> <li>Increase the year-to-date operating surplus from the Residential Housing profit centre against the prior year.</li> <li>Maintain total milk solids production in line with previous year.</li> <li>Increase total Passenger Spend Rate (PSR) of our individual retail partners against the prior year's total PSR.</li> <li>Commence development of a Cargo Strategy and Farm Strategy.</li> </ul>

OUR CUSTOMERS, SHAREHOLDERS & COMMUNITY		
Strategic Goals	Actions	Performance Measures
<b>DEVELOPING AND STRENGTHENING OUR CUSTOMER, PARTNER &amp; STAKEHOLDER RELATIONSHIPS</b>	Provide a high standard of service to our customers.	<ul style="list-style-type: none"> <li>Conduct a minimum of one customer insight survey.</li> <li>Achieve a majority of "very good" or better across all surveyed areas of customer service.</li> </ul>
	Ensure all airside infrastructure maintenance causes no delays to airline operations.	<ul style="list-style-type: none"> <li>No delays to regular scheduled passenger operations are incurred as a result of airside infrastructure.</li> </ul>
	Implement initiatives to improve the performance of our relationships.	<ul style="list-style-type: none"> <li>Conduct stakeholder engagement surveys once a year with our strategic partners to review the strength of the relationships.</li> </ul>
	Provide sponsorship to community events and organisations.	<ul style="list-style-type: none"> <li>Invest 0.25% of prior year operating revenue to sponsorship in line with our sponsorship application criteria.</li> <li>Not accept sponsorship or give naming rights to companies involved in activities deemed to be inconsistent with Dunedin City Council's and Dunedin</li> </ul>

		Airport's ethical positions, i.e. tobacco, armaments, fossil fuel extraction, gambling and pornography.
	Engage with our community and share information.	<ul style="list-style-type: none"> <li>○ Implement community initiatives identified in our Sustainability Strategy.</li> <li>○ Engage with our wider community to share information about our airport and sustainability initiatives.</li> <li>○ Arrange for Dunedin Airport staff to work within the community each year.</li> </ul>
	Operate on a "no surprises" basis with shareholders.	<ul style="list-style-type: none"> <li>○ Report to shareholders within 24 hours substantive matters which have the potential to significantly impact negatively on shareholders and the company with a particular focus on matters of interest to the media.</li> <li>○ Consult with shareholders on matters where the company's and shareholders requirements are in conflict.</li> </ul>

OUR PEOPLE		
Goals	Objectives	Performance Measures
<b>TO BE A GREAT PLACE TO WORK</b>	To recognise and review Staff and Board performance and development.	<ul style="list-style-type: none"> <li>○ Each staff member to have a formal Annual Performance Review.</li> <li>○ Each member of the Senior Leadership Team has a Personal Development Plan completed.</li> <li>○ Executive Team undertake a 360 review.</li> <li>○ People and Remuneration Committee to meet at least three times annually.</li> </ul>
	Ensure that our staff are engaged with the company's Vision, Purpose and Values.	<ul style="list-style-type: none"> <li>○ Continuously improve our annual staff engagement survey score. Act on any matters that require attention as appropriate.</li> <li>○ Continuously improve and maintain the Staff Wellbeing Programme.</li> </ul>

Achieving those performance measures marked with \*\*\* are dependent on New Zealand remaining in COVID-19 Traffic Light Levels Orange or Green.

## 6. PERFORMANCE MEASURES

The company will record its performance relating to the objectives stated in Section 5. in its Annual Report.

## 7. FINANCIAL AND PASSENGER FORECASTS AND ASSUMPTIONS

The tables below summarise key performance indicator information relating to financial metrics and passenger number data. The tables provide actual as well as budget data for the period to 2026/27.

The impacts on the airports financial performance as a result of the COVID-19 pandemic are not insignificant. As shown in the passenger numbers table below, in the short to medium term, the Airport is forecasting a considerable decrease in domestic and international passenger numbers vs pre-COVID-19 passenger levels.

PASSENGER NUMBERS (excluding general aviation)	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	ACTUAL	ACTUAL	FORECAST	BUDGET				
Domestic	756,656	759,117	595,858	810,721	851,257	902,333	974,519	1,071,971
International	34,232	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>790,888</b>	<b>759,117</b>	<b>595,858</b>	<b>810,721</b>	<b>851,257</b>	<b>902,333</b>	<b>974,519</b>	<b>1,071,971</b>
Percentage Increase/(Decrease) from Prior Year	(26.4%)	(4.0%)	(21.5%)	36.1%	5.0%	6.0%	8.0%	10.0%

Airport revenue and operating cashflows correlate closely with passenger numbers, both directly from Airport Charges but also indirectly from carparking, terminal concession sales, and Momona Garage fuel sales. Accordingly, the impacts of the reduced passenger numbers shown above significantly influence financial performance.

These impacts are highlighted in the Performance Measure table below:

PERFORMANCE MEASURE	ACTUAL	ACTUAL	FORECAST	BUDGET				
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Revenue (includes sundry income)	15,031	14,603	12,037	16,128	16,948	17,906	19,145	20,781
EBITDA	6,133	7,393	4,799	6,554	6,985	7,632	8,934	10,186
Net Profit after Taxation	3,636	2,083	379	1,140	1,037	1,475	1,527	2,277
Shareholders' Funds (average)	66,461	70,325	71,434	71,768	72,088	72,380	73,127	74,128
Cash Flow from Operations	3,563	5,810	3,124	4,617	5,705	5,634	7,796	6,630
Capital Expenditure	7,569	918	951	10,948	5,476	1,165	17,775	25
Term Loans	14,750	14,750	14,250	19,400	20,400	16,650	27,550	21,800
Dividend Paid**	2,372	-	624	228	1,308	622	885	916

\*\* The dividend Paid is calculated by reference to the prior financial years Net Profit after Taxation, in line with the Dividend Policy outlined in Section 8.

			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
MEASURE	DESCRIPTION	CALCULATION	ACTUAL	ACTUAL	FORECAST	BUDGET				
<b>Profitability/Efficiency</b>										
Return on Assets	The profit a company is able to generate from its assets.	Net profit after tax / Total Assets	3.5%	2.0%	0.4%	1.1%	1.0%	1.4%	1.3%	2.1%
Return on Capital Employed	The efficiency and profitability of a company's capital from both debt and equity sources	EBIT adjusted for IFRS fair value movements / Average capital employed	32.8%	39.6%	13.1%	28.8%	26.9%	34.4%	35.9%	50.4%
Operating Margin	The profitability of the company per dollar of revenue	EBITDA / Revenue	40.8%	50.6%	39.9%	40.6%	41.2%	42.6%	46.7%	49.0%
<b>Leverage/Solvency</b>										
Equity Ratio	The relative portion of the equity used to finance the company's assets.	Total shareholders' funds / Total assets	66.2%	69.7%	71.8%	68.5%	67.6%	70.6%	63.7%	68.2%
Earnings Ratio (Interest Cover)	The number of times that earnings (less dividends) can cover interest	EBITDA (less dividends) / Interest paid	7.0	14.9	8.9	8.1	7.4	9.2	10.0	9.9

			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
MEASURE	DESCRIPTION	CALCULATION	ACTUAL	ACTUAL	FORECAST	BUDGET				
Gearing Ratio (net)	The ratio of debt (liabilities on which a company is required to pay interest) less cash, to debt less cash plus equity	Net debt / Net debt plus equity	17.57	17.11	16.65	21.17	22.09	18.61	27.28	22.57
<b>Shareholders' Return</b>										
Dividend Pay-out	Proportion of a company's net operating cash flows less allowance for capital maintenance paid out as a dividend to the shareholder	Dividends paid / Net cash flow from operating activities less depreciation expense	7.60	-	(1.19)	0.38	1.21	0.60	0.44	1.04
Return on Equity	How much profit a company generates with the funds the shareholder has invested in the company	Net profit after tax / Average equity	5.5%	3.0%	0.5%	1.6%	1.4%	2.0%	2.1%	3.1%
Return on equity adjusted for IFRS fair value movements and asset revaluations	Return on equity after removing the impact of IFRS fair value movements and asset revaluations	Net profit after tax adjusted for IFRS fair value movements (net of tax) / Average of share capital plus retained earnings	11.9%	6.5%	1.1%	3.4%	3.1%	4.3%	4.4%	6.4%

The following are assumptions made throughout the budget:

- o The budget assumes 2022-23 passengers of 810,720.
- o Nil international PAX are included in the 5-year budget period. Accordingly, the budget assumes \$nil Passenger Service Charge revenue, \$nil international route incentives and/or rebates, and reduced marketing spend in trans-Tasman markets.
- o Notwithstanding a landing charge consultation on 1 July 2022, which may lead to increased landing charge revenue, airfield and terminal landing charges are based on current published prices, effective 1 July 2021.

We have assumed no increase in current flight schedules, that is, we have assumed no additional domestic services.

Landings/PAX have been assumed to grow by 5.0%, 6.0%, 8.0% and 10.0% respectively for the 2023-24 – 2026-27 forecast periods.

- Runway, apron and taxiway opex and capex forecasts are based on a defined maintenance program. As a result of inspection, our maintenance plan may be subject to change.
- The 2022-23 budget has assumed a 5.0% increase to the current carparking charges.
- Wages and Salaries have been forecast based on a 3.0% yearly increase.
- An interest rate of 4.25% (including Westpac's 1.3% margin) has been applied to budgeted debt. Interest rate swaps derivatives are included based on the age profile of swaps in place at time of forecast.
- No fair value movement has been budgeted for interest rate hedge instruments, nor the airports investments.
- No infrastructural asset revaluations have been budgeted.
- Inflation allowance for 2023/24 to 2026/27 is 3.0% for each year for both non-aeronautical income and expenditure items apart from landing charges, carpark and garage revenue which grows at 5.0%, 6.0%, 8.0% and 10.0% respectively from 2023/24 to 2026/27 on the back of forecast increasing passenger numbers.

This excludes apron, runway, and taxiway operational expenditure which is based on defined maintenance plans.

- The cash flow statement assumes a 1-month lag between recognition of a capital addition, and payment. As such, additions per the cashflow may not equal additions per fixed assets.

## **8. DIVIDEND POLICY**

- 8.1 The company's dividend policy is to pay 60% of the operating surplus after tax, adjusting for fair value movements in any investments in equity securities. The actual level of dividend will be determined by the directors each year in light of the circumstances that then exist.

In arriving at a dividend recommendation, directors will take into account:

- (a) The company's financial performance and, in particular, the cash flows generated by the company from operations.

- (b) The ratio of the company's Shareholders funds to the assets.
- (c) The company's investment proposals and profitability thereof.
- (d) Private corporate sector dividend payments in relation to earnings, net worth, and financial structures.
- (e) The company's ability to raise loans and the terms thereof.
- (f) The company's capital expenditure programme.
- (g) The current cost of borrowings to the company.
- (h) The risks associated with the uncertainty of airline schedules in the short and medium term.
- (i) The Debt/Equity ratio

Any final dividend will be paid by 30 November.

## 9. REPORTING TO SHAREHOLDERS

- 9.1 Annually – January, a draft Statement of Intent.  
Annually – 30 June, a finalised Statement of Intent agreed by the shareholders.
- 9.2 The Directors will deliver to the shareholders an annual report and audited financial statements, which will consist of no less than:
  - (i) A Director's Report including -
    - o a review of operations,
    - o a comparison of actual performance with targeted performance recommendation in respect of dividend (if any).
  - (ii) Statement of Financial Position;
  - (iii) Statement of Comprehensive Income & Statement of Movements in Equity;
  - (iv) Statement of Cash flows;
  - (v) Notes to the financial statements;
  - (vi) Auditor's Report.

All reporting requirements noted in 9.2 above will be delivered within legislative timeframe deadlines.

- 9.3 Within 30 days of the end of each quarter, including Half Yearly, the directors will deliver to the shareholders a report consisting of:

- (i) Financial review detailing actual performance against budget for revenue, expenditure, and taxation. This will include a Statement of Comprehensive Income, a Statement of Financial Position, and a Statement of Cash Flows.
- (ii) Aircraft and passenger activity.
- (iii) Commentary on any matters relating to the performance of the company.

**9.4 Working with the Shareholders**

The company will undertake to keep the shareholders informed of all substantive matters, as set out in the performance targets above. The Company will work to build a culture of accountability and constructive working practices between the shareholder and/or its subsidiaries, and the Company. It is expected that any conflicts that may arise between the shareholder and/or its subsidiaries, and the Company will be resolved directly between the shareholder the Company, in accordance with appropriate governance practices.

## **10. ACCOUNTING POLICIES**

**10.1 GENERAL ACCOUNTING POLICIES**

The accounting policies recognised by the External Reporting Board ('XRB') for the measurement and reporting of financial performance, and financial position, will be adopted by Dunedin International Airport Limited.

**10.2 ACCOUNTING POLICIES**

The accounting policies which materially affect the measurement and reporting of financial performance and financial position have been applied on a basis consistent with those used in previous years.

The accounting policies are listed in full in the annual report of the company and on the company website; [www.dunedinairport.co.nz](http://www.dunedinairport.co.nz)

## **11. ACQUISITION OF SHARES IN ANY COMPANY OR ORGANISATION**

The Company will only invest in the shares of another company or invest in an entity if the investment is considered to be likely to produce added value to the Company. In order to maximise benefit to the Shareholder, shares or assets may also be sold in response to, or in anticipation of, on-going changes in the marketplace.



If the Directors intend that the Company:

- (a) carry on any business other than the management and operation of Dunedin International Airport;
- (b) form any subsidiary company; or
- (c) acquire more than 20% of the shares in any other company,

the Company will obtain prior approval of the Shareholder through special resolution, or the transaction must be contingent on a special resolution of Shareholders.

## 12. TRANSACTIONS WITH RELATED PARTIES

The shareholders of Dunedin International Airport Limited are Dunedin City Holdings Limited and the Crown - each holding 50%.

### **DUNEDIN CITY COUNCIL**

The Dunedin City Council is the sole shareholder in Dunedin City Holdings Limited. Transactions between related parties will be on a wholly commercial basis. Charges from Dunedin City Council and its other companies and charges to Dunedin City Council and its other companies will be made for services provided as part of the normal trading activities of Dunedin International Airport Limited.

A summary of related parties, and transaction type are noted in the table below:

Related Party	Transaction Type
Dunedin City Council	Rates & Licences
Delta Limited	Maintenance Contracts
Dunedin Venues Management Limited	Corporate Membership
Dunedin City Treasury Limited	Specific Treasury Services

### **13. COMMERCIAL VALUE OF SHAREHOLDERS INVESTMENT IN THE AIRPORT COMPANY**

The commercial value of the Shareholder's investment in the Company is considered by the Directors to be not less than the Shareholder's funds as disclosed in the Statement of Financial Position published in the last Annual Report.

As disclosed in the Company's 2021 Annual Report, as at 30 June 2021 the value of Shareholder's funds in the Statement of Financial Position is \$71,457,000.

The commercial value will be considered annually when the Statement of Intent is completed.

*Statement of Intent 2022/2023*

# DUNEDIN RAILWAYS



## STATEMENT OF INTENT For the Year Ending 30 June 2023

2022/23 SoI

**Dunedin Railways Limited**

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*Statement of Intent 2022/2023*

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*Statement of Intent 2022/2023*

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**1. INTRODUCTION**

Dunedin Railways Ltd (DRL or the Company) previously operated regular tourist train services. The Company is now in hibernation (with limited services), maintaining assets pending evaluation and consideration of options for the Company and its assets.

DRL is a wholly owned subsidiary of Dunedin City Holdings Ltd which is wholly owned by Dunedin City Council.

This SoI sets out DRL's planned activities and financial forecasts for the next three years. It includes performance measures and targets which will be reported against in DRL's 2023 Annual Report.

**2. OBJECTIVES**

As a Dunedin City Council Group company, DRL aims to contribute to the Dunedin City Council's strategic framework and achievement of city objectives.

DRL has adopted a target to be net zero carbon by 2030, as a contribution to the Council's goal of achieving net carbon neutrality city-wide by 2030. Over the 2023 financial year we will be building on our existing work to develop a roadmap to 2030. We will engage with our shareholders DCHL and Dunedin City Council regarding non-controllable emissions and the potential cost of offsetting residual emissions. We will also work with the Dunedin City Council to identify alternative or complementary opportunities to contribute to the Dunedin City Council's goal city-wide net zero carbon goal. As defined in section 59 of the Local Government Act 2002, the principal objectives of CCOs are to:

- a) achieve the objective of its shareholders, both commercial and non-commercial, as specified in the Statement of Intent; and
- b) be a good employer as per clause 36 of Schedule 7 LGA); and
- c) 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.

DRL conducts its affairs in accordance with sound business practice.

In 2022/2023, DRL intends to focus on sound maintenance of its key assets, pending decisions about the Company's long-term future. DRL's objectives and targets for the year, as set out below, support this focus.

**3. NATURE AND SCOPE OF ACTIVITIES**

In support of its objectives, DRL maintains and operates rolling stock, track infrastructure and other related assets. The undertaking by DRL of any activity of a nature or scope outside of this would be subject to the prior approval of the shareholder.

**4. APPROACH TO GOVERNANCE**

DRL is governed by a board of independent directors appointed by the Council. Directors meet regularly to direct and control DRL's proceedings.

The role of a Director of a CCO is defined in the Local Government Act 2002 as "to assist the organisation to meet its objectives and any other requirements in its Statement of Intent."

The DRL board operates in accordance with accepted best practice.

*Statement of Intent 2022/2023*

## 5. PERFORMANCE TARGETS

Goal	Objective	Performance Targets
<b>Manage the Hibernation Plan to protect and maintain DRL's assets</b>	Hibernation Plan in place and report against it to the Board.	Hibernation Plan is prepared and reported on to the Board on a quarterly basis.
<b>Ensure health and safety of our people</b>	Reduce harm to employees and contractors.	Target zero lost time injuries.
<b>DRL maintains a strategic direction that is consistent with the policies and objectives of the shareholder</b>	Ensure Statement of Intent is consistent with objectives of the shareholder.	A draft 2023/2024 Statement of Intent will be submitted to the shareholder by 1 March 2023.
<b>Contribute to Council's Strategic Framework and Climate Change and Carbon Neutrality initiatives</b>	Contribute to Council's Carbon Neutrality initiatives.	Implement DRL's carbon emissions strategy developed in the 2022 financial year and achieve our FY2023 targets.
		Implement DRL's waste reduction strategy developed in the 2022 financial year and achieve our FY2023 targets.
		Measure and publicly report our Greenhouse Gas (GHG) emissions, and progress towards our emissions and waste reduction strategies and targets, in our Annual Report.
		Ensure that all direct employees are paid at living wage or above.
<b>Communicate with the shareholder on a 'no surprises' basis</b>	Consult with the shareholders in a timely manner on DRL strategic or operational matters which could compromise Council's community outcomes.	No such matters that were not escalated to the shareholder in a timely manner.
	Report to the shareholder within 24 hours of the Board becoming aware of any substantive matter, including any matter likely to generate media coverage.	No such matters that were not reported to the shareholders within 24 hours.

*Statement of Intent 2022/2023*

## 6. FINANCIAL FORECASTS

This section sets out DRL's financial forecasts for the next three financial years.

### **Ratio of Shareholder's Funds to Total Assets, and the definition of those terms**

	Year ending 30/06/2023	Year ending 30/06/2024	Year ending 30/06/2025
Shareholder's Funds to Total Assets	100%	100%	100%

"Shareholder's Funds" are represented by the paid-up capital, reserves created by the revaluation of specific assets, and retained earnings. "Total Assets" means the aggregate amount of all current and non-current assets.

### **Estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders.**

	Year ending 30/06/2023	Year ending 30/06/2024	Year ending 30/06/2025
Dividend distributions	Nil	Nil	Nil

### **Other Financial Forecasts**

	Year ending 30/06/2023 \$'000	Year ending 30/06/2024 \$'000	Year ending 30/06/2025 \$'000
EBITDA	(2,140)	(2,140)	0
Net profit/(loss) after tax	(2,150)	(2,150)	0
Cash flow from operations	(2,140)	(2,140)	0
Capital expenditure	0	0	0
Term loans	0	0	0
Shareholder's funds	316	316	316

The projections provided have been prepared using the best information available at the time of preparation.

## 7. ACCOUNTING POLICIES

### *General Accounting Policies*

The accounting policies recognised by the External Reporting Board (XRB) for the measurement and reporting of financial performance and financial position have been applied on a basis consistent with those used in previous years.

### *Particular Accounting Policies*

The particular accounting policies, which materially affect the measurement and reporting of financial performance and financial position, are consistent across the DCHL group and are fully listed in DRL's Annual Report.

## 8. DIVIDEND POLICY

DRL's current policy is not to pay dividends.

*Statement of Intent 2022/2023*

## 9. COMMERCIAL VALUE OF SHAREHOLDER'S INVESTMENT

The commercial value of the Shareholder's investment in DRL is considered by the Directors to be not less than the Shareholder's funds as disclosed in the Statement of Financial Position published in the last Annual Report.

## 10. TRANSACTIONS WITH RELATED PARTIES

Dunedin City Council is the sole Shareholder of Dunedin City Holdings Limited.

Dunedin City Holdings Limited is the sole Shareholder in Aurora Energy Limited, City Forests Limited, Delta Utility Services Limited, Dunedin City Treasury Limited, Dunedin Railways Ltd, Dunedin Venues Management Limited and Dunedin Stadium Property Limited.

Dunedin City Holdings Limited owns 50% of Dunedin International Airport Limited.

Transactions between the Companies, Dunedin City Council and other Dunedin City Council controlled enterprises will be on a wholly commercial basis.

Charges from Dunedin City Council and its other entities and charges to Dunedin City Council and its other entities will be made for goods and services provided as part of the normal trading activities of each Company.

### **Related Party Transactions**

Dunedin City Council	Council rates for properties owned by DRL
	Lease of Council owned land
Dunedin City Holdings Limited	Funding for FY2023 and FY2024 operations Functions appropriate between Parent company (DCHL) and subsidiary (DRL)
Dunedin City Treasury Limited	Debt facility agreement in place.
Dunedin Venues Management Limited	Provision of administrative services to DRL

DCHL and its subsidiaries, including DRL, undertake to obtain all debt funding from DCTL, with exceptions as agreed with the Board of DCHL.

## 11. OTHER MATTERS AS AGREED BY THE SHAREHOLDER AND THE BOARD

*Information to be provided to the Shareholder*

Information	Quarterly	Half Yearly	Annual
Key financial and service performance indicators	✓	✓	✓
Statement of Financial Performance		✓	✓
Statement of Financial Position		✓	✓
Statement of Cash Flows		✓	✓
Statement of Movement in Equity		✓	✓
Notes to the Financial Statements		✓	✓
Statement of Service Performance against SoI targets		✓	✓
Directors' Report		✓	✓
Auditors' Report			✓
Draft Statement of Intent			Prior to 1 Mar
Final Statement of Intent			Prior to 30 Jun



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*Statement of Intent 2022/2023*

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*Working with the shareholder*

DRL will undertake to keep the Shareholder informed of all substantive matters, as set out in the performance targets above. DRL will work to build a culture of accountability and constructive working practices between DRL, Shareholder, and Ultimate Shareholder as required. It is expected that any conflicts that may arise will be resolved directly between the Shareholder and DRL, in accordance with appropriate governance practices.

*Acquisition / divestment of assets or shares in any company or organisation*

DRL will only invest in the shares of another company or invest in an entity if the investment is considered to be likely to produce added value to DRL. In order to maximise benefit to the Shareholder, shares or assets may also be sold in response to, or in anticipation of, on-going changes in the marketplace.

If the Directors intend that DRL should acquire assets, they will obtain prior approval of the Shareholder where an investment into the new assets exceeds \$500,000. For the purpose of this section, "asset(s)" includes a group of assets similar in type, cost and useful life that are purchased together and can be identified and maintained as one asset or group of assets following purchase.

If the Directors intend that DRL should subscribe for or otherwise acquire issued capital or an interest in any company or organisation (other than minimum holdings in listed companies in related industries) they will obtain prior approval of the Shareholder.

The approval of the Shareholder is required before disposal by DRL of any segment of its business, or disposal of any shares in a subsidiary or associated company where the value of the asset to be disposed of exceeds \$500,000.

*Compensation sought*

At the request of the Shareholder, DRL may undertake activities that are not consistent with its normal objectives. Specific financial arrangements will be entered into to meet the full commercial cost of undertaking such activities.

In FY2023 and FY2024, DRL will receive funding from its shareholder (DCHL) (acting on instructions from ultimate shareholder Dunedin City Council) in order to fund the cost of operations, which are expected to be loss-making.

*Group Facility Use*

DRL will undertake "Group" purchasing of goods and services, unless it is demonstrated conclusively to the Shareholder that the total combined cost of such Group purchasing to the Group and Dunedin City Council (including the costs of ceasing any such Group purchasing), is greater than any alternative identified.

*Other agreements*

DRL will not accept sponsorship or give naming rights to companies involved in activities deemed to be inconsistent with Dunedin City Council's ethical position.

*Statement of Intent 2022/2023*



# **DUNEDIN STADIUM PROPERTY LTD**

## **STATEMENT OF INTENT** **For the Year Ending 30 June 2023**

2022/23 SoI

**Dunedin Stadium Property Limited**

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*Statement of Intent 2022/2023*

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*Statement of Intent 2022/2023***1. INTRODUCTION**

Dunedin Stadium Property Limited (DSPL) is a Council-Controlled Organisation (CCO) established to hold the ownership of Forsyth Barr Stadium.

DSPL is a wholly owned subsidiary of Dunedin City Holdings Limited, which is wholly owned by Dunedin City Council.

This Statement of Intent (SoI) sets out DSPL's planned activities, objectives and financial forecasts for the next three years. It includes performance measures and targets which will be reported against in DSPL's 2023 Annual Report.

**2. OBJECTIVES**

DSPL was established with the primary purpose of ownership of Forsyth Barr Stadium. DSPL's overarching objective is to ensure this asset remains a fit for purpose venue for public and private events.

As a Dunedin City Council Group company, DSPL aims to contribute to the Dunedin City Council's strategic framework and achievement of city objectives.

DSPL has adopted a target to be net zero carbon by 2030, as a contribution to the Council's goal of achieving net carbon neutrality city-wide by 2030. Over the 2023 financial year we will be building on our existing work to develop a roadmap to 2030. We will engage with our shareholders DCHL and Dunedin City Council regarding non-controllable emissions and the potential cost of offsetting residual emissions. We will also work with the Dunedin City Council to identify alternative or complementary opportunities to contribute to the Dunedin City Council's goal city-wide net zero carbon goal.

The Local Government Act 2002 also defines the principal objectives of CCOs as to:

- a) achieve the objective of its shareholders, both commercial and non-commercial, as specified in the Statement of Intent; and
- b) be a good employer as per clause 36 of Schedule 7 LGA); and
- c) 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.

DSPL conducts its affairs in accordance with sound business practice.

In 2022/2023, DSPL intends to focus on:

- a) ensuring Forsyth Barr Stadium is maintained in accordance with the Asset Management Plan; and
- b) managing DSPL's debt prudently.

DSPL's objectives and targets for the year, as set out on the following page, support this focus.

**3. NATURE AND SCOPE OF ACTIVITIES**

In support of its objectives, DSPL approves and regularly reviews the stadium's Asset Management Plan, monitors execution of the Asset Management Plan and the asset's performance, ensures an appropriate debt repayment programme is in place, and gives consideration to the long-term strategy for the asset.

The undertaking by DSPL of any activity of a nature or scope outside of this would be subject to the prior approval of the shareholder.

**4. APPROACH TO GOVERNANCE**

DSPL is governed by a board of independent directors appointed by the Council. Directors meet regularly to direct and control DSPL's proceedings. The role of a Director of a CCO is defined in the Local Government Act 2002 as "to assist the organisation to meet its objectives and any other requirements in its Statement of Intent." The DSPL board operates in accordance with accepted best practice.

*Statement of Intent 2022/2023*

## 5. PERFORMANCE TARGETS

Goal	Objective	Performance Targets
<b>Forsyth Barr Stadium remains a fit for purpose venue for public and private events</b>	Ensure an Asset Management Plan which enables general use of the stadium, and meets asset warranty and guarantee requirements, is in place.	An Asset Management Plan is in place.
	Ensure the Asset Management Plan remains current and relevant.	The Asset Management Plan is internally reviewed annually, and externally reviewed every three years (next external review is due in the 2023/2024 financial year).
	Ensure assets are maintained in accordance with the Asset Management Plan.	Asset maintenance is compliant with the Asset Management Plan schedules and principles, including condition-based assessments.
	Ensure the potential impact of climate change on assets are understood and managed.	Incorporate potential impacts of climate change on Forsyth Barr Stadium into Asset Management Plan and/or risk management.
<b>Manage debt prudently</b>	Ensure an appropriate debt repayment programme is in place.	A debt repayment programme is in place and reviewed by the Board annually.
<b>DSPL maintains a strategic direction that is consistent with the policies and objectives of the shareholder</b>	Ensure Statement of Intent is consistent with objectives of the shareholder.	A draft 2023/2024 Statement of Intent will be submitted to the shareholder by 1 March 2023.
<b>Contribute to Council's Strategic Framework and Climate Change and Carbon Neutrality initiatives</b>	Contribute to Council's Carbon Neutrality initiatives.	Implement DSPL's carbon emissions strategy developed in the 2022 financial year and achieve our FY2023 targets.  Implement DSPL's waste reduction strategy developed in the 2022 financial year and achieve our FY2023 targets.  Measure and publicly report our Greenhouse Gas (GHG) emissions, and progress towards our emissions and waste reduction strategies and targets, in our Annual Report.  Ensure that all direct employees are paid at living wage or above.
	Consult with the shareholder in a timely manner on DSPL strategic or operational matters which could compromise the Council's community outcomes.	No such matters that were not escalated to the shareholder in a timely manner.
<b>Communicate with the shareholder on a 'no surprises' basis</b>	Report to the shareholder within 24 hours of the Board becoming aware of any substantive matter, including any matter likely to generate media coverage.	No such matters that were not reported to the shareholder within 24 hours.

*Statement of Intent 2022/2023*

## 6. FINANCIAL FORECASTS

This section sets out DSPL's financial forecasts for the next three financial years.

### **Ratio of Shareholder's Funds to Total Assets, and the definition of those terms**

	Year ending 30/06/2023	Year ending 30/06/2024	Year ending 30/06/2025
Shareholder's Funds to Total Assets	44%	45%	46%

"Shareholder's Funds" are represented by the paid-up capital, reserves created by the revaluation of specific assets, and retained earnings.

"Total Assets" means the aggregate amount of all current and non-current assets.

### **Estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders.**

	Year ending 30/06/2023	Year ending 30/06/2024	Year ending 30/06/2025
Dividend distributions	Nil	Nil	Nil

### **Other Financial Forecasts**

	Year ending 30/06/2023 \$'000	Year ending 30/06/2024 \$'000	Year ending 30/06/2025 \$'000
EBITDA	6,202	5,983	5,690
Net / (loss) profit after tax	(2,708)	(2,708)	(2,708)
Cash flow from operations	3,204	3,213	2,853
Capital expenditure	2,950	1,927	700
Term loans	81,000	77,400	73,000
Shareholder's funds	63,798	63,340	62,882

The projections provided have been prepared using the best information available at the time of preparation.

## 7. ACCOUNTING POLICIES

### *General Accounting Policies*

The accounting policies recognised by the External Reporting Board (XRB) for the measurement and reporting of financial performance and financial position have been applied on a basis consistent with those used in previous years.

### *Particular Accounting Policies*

The particular accounting policies, which materially affect the measurement and reporting of financial performance and financial position, are consistent across the DCHL group and are fully listed in DSPL's Annual Report.

## 8. DIVIDEND POLICY

DSPL's current policy is not to pay dividends.

*Statement of Intent 2022/2023*

## 9. COMMERCIAL VALUE OF SHAREHOLDER'S INVESTMENT

The commercial value of the Shareholder's investment in DSPL is considered by the Directors to be not less than the Shareholder's funds as disclosed in the Statement of Financial Position published in the last Annual Report.

## 10. TRANSACTIONS WITH RELATED PARTIES

Dunedin City Council is the sole Shareholder of Dunedin City Holdings Limited.

Dunedin City Holdings Limited is the sole Shareholder in Aurora Energy Limited, City Forests Limited, Delta Utility Services Limited, Dunedin City Treasury Limited, Dunedin Railways Ltd, Dunedin Venues Management Limited and Dunedin Stadium Property Limited.

Dunedin City Holdings Limited owns 50% of Dunedin International Airport Limited.

Transactions between the Companies, Dunedin City Council and other Dunedin City Council controlled enterprises will be on a wholly commercial basis.

Charges from Dunedin City Council and its other entities and charges to Dunedin City Council and its other entities will be made for goods and services provided as part of the normal trading activities of each Company.

### **Related Party Transactions**

Dunedin City Council	Council rates for properties owned by DSPL
	Lease of Council owned land
Dunedin City Holdings Limited	Provision of administrative services to DSPL
Dunedin City Treasury Limited	Provision of debt funding to DSPL generating interest payments to DCTL
Dunedin Venues Management Limited	Maintenance of asset and grounds
	Lease of asset

DCHL and its subsidiaries, including DSPL, undertake to obtain all debt funding from DCTL, with exceptions as agreed with the Board of DCHL.

## 11. OTHER MATTERS AS AGREED BY THE SHAREHOLDER AND THE BOARD

*Information to be provided to the Shareholder*

Information	Quarterly	Half Yearly	Annual
Key financial and service performance indicators	✓	✓	✓
Statement of Financial Performance		✓	✓
Statement of Financial Position		✓	✓
Statement of Cash Flows		✓	✓
Statement of Movement in Equity		✓	✓
Notes to the Financial Statements		✓	✓
Statement of Service Performance against SoI targets		✓	✓
Directors' Report		✓	✓
Auditors' Report			✓
Draft Statement of Intent			Prior to 1 Mar
Final Statement of Intent			Prior to 30 Jun

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*Statement of Intent 2022/2023*

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*Working with the shareholder*

DSPL will undertake to keep the Shareholder informed of all substantive matters, as set out in the performance targets above. DSPL will work to build a culture of accountability and constructive working practices between DSPL, Shareholder, and Ultimate Shareholder as required. It is expected that any conflicts that may arise will be resolved directly between the Shareholder and DSPL, in accordance with appropriate governance practices.

*Acquisition / divestment of assets or shares in any company or organisation*

DSPL will only invest in the shares of another company or invest in an entity if the investment is considered to be likely to produce added value to DSPL. In order to maximise benefit to the Shareholder, shares or assets may also be sold in response to, or in anticipation of, on-going changes in the marketplace.

If the Directors intend that DSPL should acquire assets, they will obtain prior approval of the Shareholder where an investment into the new assets exceeds \$500,000. For the purpose of this section, "asset(s)" includes a group of assets similar in type, cost and useful life that are purchased together and can be identified and maintained as one asset or group of assets following purchase.

If the Directors intend that DSPL should subscribe for or otherwise acquire issued capital or an interest in any company or organisation (other than minimum holdings in listed companies in related industries) they will obtain prior approval of the Shareholder.

The approval of the Shareholder is required before disposal by DSPL of any segment of its business, or disposal of any shares in a subsidiary or associated company where the value of the asset to be disposed of exceeds \$500,000.

*Compensation sought*

At the request of the Shareholder, DSPL may undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full commercial cost of undertaking such activities. At present, DSPL does not have any activities in respect of which its Board wishes to seek compensation from any local authority.

*Group Facility Use*

DSPL will undertake "Group" purchasing of goods and services, unless it is demonstrated conclusively to the Shareholder that the total combined cost of such Group purchasing to the Group and Dunedin City Council (including the costs of ceasing any such Group purchasing), is greater than any alternative identified.

*Other agreements*

DSPL will not accept sponsorship or give naming rights to companies involved in activities deemed to be inconsistent with Dunedin City Council's ethical position.





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## 1. INTRODUCTION

Dunedin Venues Management Limited (DVML) is a stadium operator, events, and venue management company. It is a Council Controlled Trading Organisation (CCTO) owned wholly by Dunedin City Holdings Limited (DCHL), which is wholly owned by Dunedin City Council (DCC).

## 2. PURPOSE OF STATEMENT OF INTENT

This Statement of Intent (Sol) sets out DVML's planned activities and financial forecasts for the next three years. It includes performance measures and targets which form the basis of DVML's organisational accountability and will be reported on in DVML's 2023 Annual Report. This Sol takes DCHL expectations into consideration.

## 3. OBJECTIVES

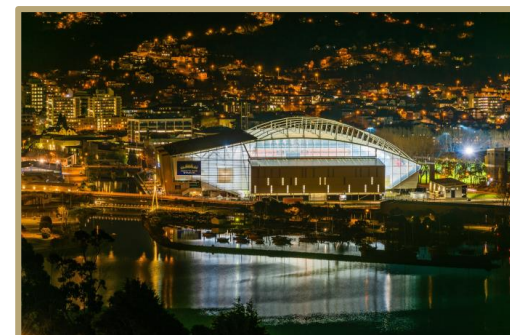
As a CCTO, DVML has the following objectives, as defined in Section 59 of the Local Government Act (LGA):

- a) Achieve the objectives of its shareholder, both commercial and non-commercial, as specified in the statement of intent; and
- b) Be a good employer as per clause 36 of Schedule 7 of the LGA; and
- c) 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
- d) To conduct its affairs in accordance with sound business practice.

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.

As a DCC Group Company, DVML aims to contribute to the DCC's strategic framework and achievement of city objectives.

DVML recognises the value that locally-based businesses and organisations bring to the community, and will work collaboratively with those organisations to optimise content for the community.



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#### 4. NATURE AND SCOPE OF ACTIVITIES

The principal activities of DVML are to:

- Source and secure events for all venues under its management that delivers commercial and economic returns for the company and the region.
- Plan, host and deliver exceptional events.
- Manage the assets and facilities for which it is responsible.
- Facilitate community access to the venues for which it is responsible.

In the 2023 financial year DVML will provide input to potential development on the Forsyth Barr Stadium site as required, and will continue to deliver agreed outcomes for Dunedin Railways' hibernation operations.

The undertaking by DVML of any activity of a nature or scope outside of this would be subject to the prior approval of the shareholder.



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## 5. CORPORATE GOVERNANCE

DVML is governed by a board of independent directors appointed by DCHL. Directors meet regularly to direct and control DVML's proceedings.

The role of a director of a CCTO is defined in section 58 of the LGA as "... to assist the organisation to meet its objectives and any other requirements in its statement of intent."

In addition to the obligations of the LGA, DVML is also subject to the requirements of the Companies Act 1993, and all other applicable legislative requirements.

The DVML board operates in accordance with accepted best practice governance.



Raewyn Lovett – Chair



Adam La Hood



Joanne Conroy



Dylan Rushbrook

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## 6. PERFORMANCE TARGETS AND OTHER MEASURES

SAFETY AND COMPLIANCE (DCC Strategic Framework Accountabilities – Social and Wellbeing, Parks and Recreation & Ara Toi Arts and Culture)		
Goals	Objectives	Performance Measures
Maintain business continuity within required Ministry of Health guidelines during a Pandemic.	Maintain a Pandemic Response that ensures business continuity and staff work in a safe and secure environment.	Manage and implement Government and Ministry of Health guidelines as set out in New Zealand's COVID-19 traffic light system. Ensure all staff have access to required systems in the event they are not able to work in the office.
To make safety DVML's first priority and provide a safe environment.	Review the Safety and Wellness management system and improvement plan with the Safety and Wellness Committee annually.	Safety and Wellness management system and improvement plan is reviewed. Opportunities for improvement and corrective actions are prioritised and actioned.
	Report on Safety and Wellness management and provide statistical data to the Board monthly.	An Incident Frequency Rate Events (IFRE) < 0.05% of the total number of event attendees across all venues. Total Incident Rate (TIR) < 6 incidents per 200,000 hours worked. Total Recordable Incidents (TRI) < 3. Lost Time Incidents (LTI) < 2. Lost Time Incident Frequency Rate (LTIFR) < 17 per 1,000,000 hours worked.
	Provide staff education and training to support awareness and legislative requirements under the Health and Safety Work Act 2015.	Staff training is relevant, current and meets current legislative requirements.
	Complete annual Safety and Wellness internal auditing programme.	Audits completed as per programme and show no critical non-compliances. Opportunities for improvement and corrective actions are prioritised and completed.
To meet all of DVML's statutory obligations.	Meet and maintain all statutory, regulatory and resource consent requirements.	No material breaches of legislation.
	Facilities and infrastructure are maintained as fit for purpose and in accordance with the approved current Asset Management Plan.	No material breaches of KPI's as set out in the approved current Asset Management Plan section 4.4.3.
	Report on facilities indicators and provide statistical data to the monthly board reports.	Reports are provided within deadlines and data is acted upon.

TIR – The total incident rate is the recorded incidents across all venues multiplied by 200,000 hours worked divided by the actual hours worked by people at the venues.  
TRI – The total recordable incidents recorded is the total number of lost time injuries, or injuries which require medical treatment administered by a professional Doctor  
LTI – A lost time injury that leads to an employee being absent from work  
LTIFR – The lost time injury frequency rate is measured by the number of lost time injuries per 1,000,000 hours worked  
IFRE – The Incident Frequency Rate Events is measured by the number of registered incidents divided by the number of attendees.



## 6. PERFORMANCE TARGETS AND OTHER MEASURES contd

<b>MARKETING AND BUSINESS</b> <small>(DCC Strategic Framework Accountabilities – Economic Development)</small>		
Goals	Objectives	Performance Measures
To increase economic benefit to the Dunedin City and region through major events (Insofar as events are deliverable).	A minimum of \$5m visitor marginal direct spend per each major event (>10,000 pax) for Dunedin City.	<p>Visitor Marginal Direct Spend target is achieved, determined through a post event patron survey assessed by an independent economist.</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>
Forsyth Barr Stadium to provide a sense of value to ratepayers.	Ratepayers feel satisfied that Forsyth Barr Stadium is delivering exceptional events and providing economic benefit to the city.	Achieve 85% ratepayer satisfaction with Forsyth Barr Stadium in the Dunedin City Council's Residents' Opinion Survey.
To build strong and long lasting commercial partnerships.	To work with DVML's Commercial Partners to deliver cost, quality and revenue outcomes consistent with DVML's budgets and Strategic Pillars.	Achieve a 80% retention rate of Commercial Partner renewals by contract value.
To enhance the sense of value that DVML delivers to its Members.	Members feel valued, engaged and receive exceptional service through enhanced offerings.	<p>Survey Members for satisfaction level – minimum 80% Satisfaction to be achieved.</p> <p>Achieve a 75% retention rate of member renewals by contract value.</p>
To contribute in event bidding, origination and promotion for major events in Dunedin City.	Continue to identify opportunities for the city.	In conjunction with DCC, submit bids of a high quality that will secure events and drive economic benefit and civic pride for the city.

## 6. PERFORMANCE TARGETS AND OTHER MEASURES contd

ENVIRONMENT AND SUSTAINABILITY (DCC Strategic Framework Accountabilities – Te Ao Tūroa Environment)		
Goals	Objectives	Performance Measures
To be recognised as a positive contributor to Dunedin City's community.	Initiate opportunities to speak to the community, stakeholders and interested organisations	Senior management conduct a minimum of five speaking engagements.
Contribute to Council's Strategic Framework and Climate Change and Carbon Neutrality initiatives.	DVML has adopted a target to be net zero carbon by 2030, as a contribution to the Council's goal of achieving net carbon neutrality city-wide by 2030. Over the 2023 financial year we will be building on our existing work to develop a roadmap to 2030. We will engage with our shareholders DCHL and Dunedin City Council regarding non-controllable emissions and the potential cost of offsetting residual emissions. We will also work with the Dunedin City Council to identify alternative or complimentary opportunities to contribute to the Dunedin City Council's city-wide net zero goal.	Implement DVML's carbon emissions strategy developed in the 2022 financial year and achieve our FY2023 targets.  Implement DVML's waste reduction strategy developed in the 2022 financial year and achieve our FY2023 targets, which will include specific measures relating to the use of single use cups.  Measure and publicly report our Greenhouse Gas (GHG) emissions, and progress towards our emissions and waste reduction strategies and targets, in our Annual Report.
	Manage DVML operations to be economically and environmentally sustainable.	Asset refurbishments and replacement to consider the carbon impact of the lifecycle of the asset.
To make people feel connected and involved in Dunedin City's community and city affairs.	Create awareness through a variety of distribution channels to ensure the community is informed of DVML happenings.	Positive community feedback and increased satisfaction levels through the Residents Opinion Survey.
To engage with the DCC on a regular basis where the DCC can assist DVML to enable local and regional groups to access all facilities under its management.	Facilitate community access through providing funding for community events through the Community Access Grant (\$750,000 annually across all DVML venues).	Report to the DCC on the application of the Service Level Agreement for Community Event Funding to ensure it is applied efficiently and caters to a variety of events and community groups.



## 6. PERFORMANCE TARGETS AND OTHER MEASURES contd

HUMAN RESOURCES (DCC Strategic Framework Accountabilities – Social and Wellbeing)		
Goals	Objectives	Performance Measures
To support and sustain a workplace that encourages and enables individuals as well as teams to grow and develop, providing high levels of satisfaction and a strong sense of wellbeing.	<p>Recognise and review staff performance.</p> <p>Ensure staff are engaged with the company vision, purpose and values.</p> <p>Continue to provide wellness support.</p>	<p>Performance reviews are conducted with all staff at least every six months, implement any training, improvements, and recommendations as appropriate.</p> <p>Conduct a confidential staff annual engagement survey acting on outcomes as appropriate.</p> <p>Provide quarterly 'pop up' staff wellness sessions on various topics of interest.</p> <p>Ensure that all direct employees are paid at living wage or above.</p>

FINANCIAL (DCC Strategic Framework Accountabilities – Economic Development)		
Goals	Objectives	Performance Measures
Attract major events to Dunedin with the assistance of the Event Attraction Fund (EAF), an annual grant from the Dunedin City Council of \$400,000.	Achieve a 15:1 Return On Investment of the Event Attraction Fund.	ROI is achieved and calculated by Visitor Marginal Direct Spend against the level of EAF investment for the major event.

SHAREHOLDER		
Goals	Objectives	Performance Measures
To bring to the attention of DCHL any matters where there may be conflict between the DCHL outcomes.	Consult with DCHL at the earliest possible time on matters where conflict may or could result.	Matters which may or could conflict have been escalated to the Shareholder.
Keep DCHL informed of all substantive matters.	To promptly advise DCHL on a 'no surprises' basis of any substantive matter that has the potential to impact negatively on DCHL and DVML with a particular focus on matters of interest to the media.	Report to DCHL within 24 hours of the Board becoming aware of substantive matters which have the potential to negatively impact on the Shareholder and DVML with a particular focus on matters of interest to the media.

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## 7. FINANCIAL FORECASTS

### a. The ratio of Shareholder Funds to Total Assets and the definition of those terms.

	Year ending 30/06/2023	Year ending 30/06/2024	Year ending 30/06/2025
Shareholder Funds to Total Assets	8%	15%	20%

DVML has adopted a target Shareholder Funds to Total Assets ratio (equity ratio) of 10% but expects this ratio will fluctuate depending on a variety of circumstances including accounting entries relating to IFRS16 leases, asset renewal and investment cycles. In relation to IFRS16, the equity ratio is low in the early years of a lease contract and increases each year as the lease asset reduces.

"Shareholder Funds" are represented by the paid-up capital, reserves created by the revaluation of specific assets, and retained earnings.

"Total Assets" means the aggregate amount of all current and non-current assets.

### b. Estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the Shareholder.

	Year ending 30/06/2023	Year ending 30/06/2024	Year ending 30/06/2025
Dividend/Subvention Distributions	Nil	Nil	Nil

### c. Other Financial Forecasts.

	Year ending 30/06/2023 \$'000	Year ending 30/06/2024 \$'000	Year ending 30/06/2025 \$'000
EBITDA	\$2,773	\$4,117	\$2,952
Net Profit after Tax	\$184	\$1,153	\$568
Cash Flow from Operations	\$2,149	\$5,417	\$2,752
Capital Expenditure	\$1,617	\$775	\$400
Term Borrowings	\$Nil	\$Nil	\$Nil
Shareholder Funds	\$1,603	\$3,056	\$3,924



## **8. ACCOUNTING POLICIES**

### **a) General Accounting Policies**

The accounting policies recognised by the External Reporting Board (XRB) for the measurement and reporting of financial performance and financial position have been applied on a basis consistent with those used in previous years.

### **b) Particular Accounting Policies**

The particular accounting policies, which materially affect the measurement and reporting of financial performance and financial position, are consistent across the DCHL group and are listed in DVML's Annual Report.

## **9. DIVIDEND POLICY**

DVML's current policy is not to pay dividends.

DVML wishes to maintain an optimal capital structure and every three years will review that structure to determine whether additional capital can be released and whether changes need to be made to the Dividend Policy.

DVML's retention of cash is important:

- a) in an environment where future cashflow remains uncertain as a result of Covid-19.
- b) to continue DVML's asset replacement program.
- c) to provide the ability to bid for major events.

## **10.COMMERCIAL VALUE OF SHAREHOLDER'S INVESTMENT**

The commercial value of DCHL's investment in DVML is considered by the directors to be not less than the Shareholder's Funds as disclosed in the Statement of Financial Position published in the last Annual Report.

This will be considered annually when the Sol is completed.

The logo for Dunedin Venues, featuring the word "dunedin" in a large, black, serif font, with the word "venues" in a smaller, gold, sans-serif font below it.

## 11. TRANSACTIONS WITH RELATED PARTIES

The DCC is the sole shareholder of DCHL.

DCHL is the sole shareholder in Aurora Energy Limited, City Forests Limited, Delta Utility Services Limited, Dunedin City Treasury Limited (DCTL), Dunedin Railways Limited, Dunedin Venues Management Limited and Dunedin Stadium Property Limited.

DCHL owns 50% of Dunedin International Airport Limited.

Transactions between the companies, DCC and other DCC controlled enterprises will be on a wholly commercial basis.

Charges from DCC and its other entities and charges to DCC and its other entities will be made for goods and services provided as part of the normal trading activities of each company.

DCHL and its subsidiaries will undertake to obtain all debt funding from DCTL, with exceptions as agreed with the board of DCHL.

### Related Party Transactions

Dunedin City Council	DCC rates for properties leased by DVML.
	Event Attraction Fund and Community Access Grant.
	Occupancy of DCC owned property.
	Provision of services.
Dunedin City Treasury Limited	Provision for debt funding and deposit facilities to DVML generating interest payments to and from DCTL.
Dunedin Stadium Property Limited	Lease of property to DVML. Provision of facility management services.
Dunedin Railways Limited	Provision of management services.
Dunedin City Holdings Limited	Functions appropriate between Parent company and subsidiary.

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## 12. OTHER MATTERS AS AGREED BY THE SHAREHOLDER AND THE BOARD

### a) Information to be provided to the shareholder

	Quarterly	Half Yearly	Annual
Key financial performance indicators	✓	✓	✓
Statement of Financial Performance		✓	✓
Statement of Financial Position		✓	✓
Statement of Cash Flows		✓	✓
Statement of Movement in Equity		✓	✓
Notes to the Financial Statements		✓	✓
Statement of Service Performance against Sol targets		✓	✓
Directors Report		✓	✓
Auditors Report			✓
Statement of Intent (Draft)			Prior to 1 March
Statement of Intent (Final)			Prior to 30 June

### b) Working with the shareholder

DVML will undertake to keep DCHL informed of all substantive matters, as set out in the performance measures above. DVML will work to build a culture of accountability and constructive working practices between DCHL and DVML.

It is expected that any conflicts that may arise between DCHL and DVML will be resolved directly between DCHL and DVML, in accordance with appropriate governance practices.

DVML will not accept sponsorship or award naming rights to companies involved in activities deemed to be inconsistent with DCC's ethical position.

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- c) Acquisition/Divestment of assets, or shares in any company or organisation  
DVML will only invest in the shares of another company or invest in an entity if the investment is considered to be likely to produce added value to DVML. In order to maximise benefit to DCHL, shares or assets may also be sold in response to, or in anticipation of, ongoing changes in the marketplace.

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The approval of DCHL is required before disposal by DVML of any segment of its business or shares in a subsidiary or associate company where the value of the asset to be disposed of exceeds the investment delegated authority of \$500,000.

- d) Compensation sought  
At the request of DCHL, DVML may undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full commercial cost of undertaking such activities. At present, DVML does not have any activities in respect of which its Board wishes to seek compensation from any local authority.
- e) Group facility use  
DVML will undertake to operate "Group" purchasing of goods and services, unless it is demonstrated conclusively to DCHL that the total combined cost of such Group purchasing to the Group and DCC (including the costs of ceasing any such Group purchasing), is greater than any alternative identified.

