

**Notice of Meeting:**

I hereby give notice that an ordinary meeting of the Dunedin City Council will be held on:

**Date:** Wednesday 22 February 2023  
**Time:** 10.00 am  
**Venue:** Council Chamber, Dunedin Public Art Gallery, The Octagon,  
Dunedin

Sandy Graham  
Chief Executive Officer

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**Council**  
**SUPPLEMENTARY AGENDA**

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**MEMBERSHIP**

**Mayor**  
**Deputy Mayor**

Mayor Jules Radich  
Cr Sophie Barker

**Members**

Cr Bill Acklin  
Cr Christine Garey  
Cr Carmen Houlahan  
Cr Cherry Lucas  
Cr Jim O'Malley  
Cr Steve Walker  
Cr Andrew Whiley

Cr David Benson-Pope  
Cr Kevin Gilbert  
Cr Marie Laufiso  
Cr Mandy Mayhem  
Cr Lee Vandervis  
Cr Brent Weatherall

**Senior Officer**

Sandy Graham, Chief Executive Officer

**Governance Support Officer**

Lynne Adamson

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Lynne Adamson  
Governance Support Officer

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**Note:** Reports and recommendations contained in this agenda are not to be considered as Council policy until adopted.



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## REPORTS

### CEO OVERVIEW REPORT- ANNUAL PLAN 2023/24

Department: Finance and Executive Leadership Team

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#### EXECUTIVE SUMMARY

- 1 This report provides an overview of the budgets to be included in the draft 2023/24 Annual Plan (“the draft Plan”). The draft Plan for 2023/24 is an update of year three of the 10 year plan 2021-31.
- 2 This report highlights the budget challenges the DCC faces with the current economic climate of high inflation and rising interest rates. While savings have been found across the board, these are largely offset by the inflationary pressures faced when procuring goods and services and operating the business. The budget approach has also needed to balance the costs associated with the planned work programme against the resources it takes to deliver this work.
- 3 The draft budgets propose a rate rise of 6.5% for 2023/24 which is lower than the 7.0% provided for in year three of the 10 year plan but in line with the Financial Strategy.

#### RECOMMENDATIONS

That the Council:

- a) **Adopts** the draft 2023/24 operating budgets for the purpose of community engagement as shown/amended at Attachment A.
- b) **Notes** that any resolution made during this meeting related to the 2023/24 Annual plan reports may be subject to further discussions and decision by the meeting.

#### BACKGROUND

- 4 The Local Government Act 2002 (the Act) provides that Council must prepare and adopt an annual plan for each financial year. Section 95 (5) sets out the purpose of an annual plan as follows:

*The purpose of an annual plan is to –*

- (a) Contain the proposed annual budget and funding impact statement for the year to which the annual plan relates; and*
- (b) Identify any variation from the financial statements and funding impact statement included in the local authority’s long-term plan in respect of the year; and*

(c) *Provide integrated decision making and co-ordination of the resources of the local authority; and*

(d) *Contribute to the accountability of the local authority to the community.*

- 5 The draft Plan for 2023/24 is an update of year three of the 10 year plan. Budgets for the 2023/24 year have been reviewed and budget update reports for each activity of Council have been prepared for consideration at this meeting.

## **DISCUSSION**

- 6 This has been a challenging budget process with pressures from rising inflation, as well as interest costs increasing by \$9.500 million, and depreciation expense due to the revaluation of assets, and an extensive capital work programme increasing by \$38.272 million. When those factors are accounted for the budget shows savings have been made in other areas of the organisation where costs are controllable.
- 7 This includes continuing work to reduce the reliance on consultants while recognising that there will always be a need for specialist services. The reliance on consultants continues to be a challenge especially in a tight employment market. Further work is being undertaken to review these costs.
- 8 When the 10 year plan budgets were set, the financial climate and broader economy were very different than they are now. Inflationary pressures have been felt in all areas of the Council operations. Staff have worked hard to absorb cost increases by finding efficiencies and different ways of doing things while trying to maintain current levels of service. The impact of interest cost increases and depreciation have made this especially challenging.
- 9 A rate increase of 6.5% has been used to develop the draft budgets with no obvious decreases to levels of service.
- 10 In line with an early engagement approach, staff have worked with a range of parties and organisations about various initiatives suggested by the community. As a result of this engagement, some of these initiatives can be met from existing budgets and is covered off in separate reports.
- 11 Council have also asked staff to prepare a number of reports as part of the development of the Annual Plan, and these are presented at this meeting alongside the relevant activity report.

### **Workstreams for the next 10 year plan**

- 12 This budget signals some challenging conversations will be needed with the community around the next 10 year plan. In the context of Central Government's reform programme and the broader economic outlook, the DCC will need to review a range of services to ensure services can be delivered on a sustainable basis.
- 13 Work on levels of service will begin shortly to feed into the 10 year plan. Alongside that, work is progressing on an Investment Plan that will look at how the DCC can ensure income generating assets are managed to ensure they are delivering an adequate return to the ratepayer.

- 14 As part of the development of the 10 year plan 2024-34, there are a number of workstreams which will determine future budgets. These workstreams include:
- Delivery of services – a review to identify streamlining opportunities and build in further efficiencies in service delivery
  - Levels of service – reviewing what levels of service we provide, how much we provide and how they will be paid for
  - Capital programme - developing a sustainable capital work programme for the next 10 years
  - Strategic refresh – including the development of wellbeing statements
  - Grants – a cross council review of all grant funding pools and spend
  - 3 Waters reform – the timing and impacts of reform
  - Investment Plan – implementing the provisions of the Investment Plan following its adoption
  - Revenue and Financing Policy – a full review of the policy including charges for community housing and aquatic services.

#### **Significant forecasting assumptions**

- 15 The 10 year plan sets out a number of significant forecasting assumptions that have been used in the development of the draft annual plan 2023/24. Some relate to inflation and interest rates and these have been updated for the draft budgets.
- 16 Key assumptions included in the preparation of the draft budget will be further updated in May 2023. This will include but not be limited to:
- a) Interest rate on borrowings – including allocation of interest cost to each activity group
  - b) Forecast debt as at 30 June 2024
  - c) Update assumptions for the 3 Waters depreciation following finalisation and audit clearance of year end valuation as at 30 June 2022
  - d) Updating rates on DCC owned properties
  - e) The impacts of inflation.

#### **Capital expenditure**

- 17 In terms of the capital budgets, good progress has been made against the 10 year plan capital programme, and this has been reported regularly to Council. Capital expenditure was forecast to be \$204.543 million for the 2023/24 year. Cost escalations and increases in interest rates have prompted a need to reduce this to a more sustainable level which is in line with year three of the 10 year plan (\$145.050 million).
- 18 Capital budget updates for 2023/24 are underway and will be presented at the May 2023 deliberations meeting, when we have more clarity about the proposed levels of spend.

## Operating budgets

- 19 The draft operating budget for 2023/24 provides for the day-to-day running of all the activities and services the DCC provides such as core water and roading infrastructure, waste management, parks, pools, libraries, galleries and museums. The draft budget includes operating expenditure of \$411.044 million (refer to Attachment A).
- 20 The rate increase of 6.5% included in the draft budget, while consistent with the Financial Strategy, does not deliver a balanced budget. A balanced budget means that we will have a positive operating surplus. The draft budget doesn't deliver this for the 2023/24 year due to the significant increases in interest and depreciation. The draft budget provides a net deficit of \$38.476 million.
- 21 Expenses within our control continue to be reviewed in order to find further savings to address the budget deficit. The draft operating budget shows savings have been made in other areas of the organisation where costs are controllable.
- 22 The draft Transport budget is the most challenging because of increased costs, including traffic management and contract escalations. Work is being undertaken to find alternatives for the provision of traffic management services, to improve our understanding of Central Government funding and reviewing levels of service.
- 23 For the 2023/24 year, focus will be on how to deliver the work programme within the Transport budget while determining the services we deliver for the 10 year plan as part of the review of levels of service. An updated Transport budget will be provided in May 2023 when more work has been done to understand the cost pressures and impact on service delivery.
- 24 Each of the DCC's groups of activities have updated year three of their draft operating budgets as provided for in the 10 year plan. The key changes in funding sources and expected costs of delivery are explained in the group operating budget reports.

## Revenue

- 25 The draft operating budget for 2023/24 shows overall rates revenue increasing by \$12.400 million, which is 6.5% higher than 2022/23, but is lower than the rate increase of 7.0% provided for in the 10 year plan.
- 26 External revenue has increased by \$8.330 million, 10.1%. The main changes to external revenue are:
  - Governance and Support Services – an increase of \$5.673 million reflecting a \$5.500 million increase in dividends from Dunedin City Holdings Limited.
  - Parks and Recreation – an increase of \$1.613 million relating mainly to Te Puna o Whakaehu.
  - Waste Management – an increase of \$672k due to increases in the waste disposal levy and Green Island Landfill revenue.
- 27 Fees and charges are discussed separately in the group budget reports. There has been a consolidation of Parking fees and charges to reduce the types of paid parking zones. Details are outlined in the Regulatory Services Group report but of note is that the paid main street 30-minute parking restriction will be replaced by an unpaid 30-minute restriction.

- 28 There are some variances with the Revenue and Financing Policy and these are highlighted in a separate report – Revenue Policy Compliance. A full review of the policy will occur as part of the development of the next 10 year plan.

### **Expenditure**

#### **Staff costs**

- 29 The draft budget provides for an increase in personnel costs of \$4.397 million, 5.7%, incorporating an increase of 41.9 full time equivalent (FTE) staff. Further details are provided in each of the group budget reports.
- 30 Staffing numbers have increased in the draft budgets. Around half the increase (17 FTE) is required to staff Te Puna o Whakaehu.
- 31 The other roles are spread across the organisation. These roles, many in back-of-house support areas like IT, HR and quality improvement, are necessary to support the changes that are being made internally to increase efficiency and support service delivery.
- 32 The increases should be seen in the context of the level of vacancies that are being carried. Currently, there are 85 vacant positions. As work continues to find efficiencies and right size various activities, how and if these roles are filled will be considered.
- 33 The vacancies mean there is an allowance in the budget that is available to fund a salary increase for existing staff, as no increase has been factored into the draft budget.

#### **Operations and maintenance costs**

- 34 Operations and maintenance costs have increased by \$1.287 million, 1.7%. The main changes are due to:
- Waste Management – an increase of \$1.062 million relates primarily to increases at the Green Island Landfill and the kerbside collection contract.
  - Community and Planning – an increase of \$783k for community events.
  - Transport - an increase of \$532k mostly relating to coastal management costs, \$426k of this was transferred from Parks and Recreation.
  - Parks and Recreation – an increase of \$224k due to Te Puna o Whakaehu and maintenance cost increases.
  - 3 Waters – a reduction of \$743k primarily related to sludge from the Tahuna wastewater treatment plant (\$1.099 million) which can now be lime treated and transferred to the Green Island Landfill, partially offset by an increase in internal disposal costs of \$794k. A reduction in contracted services offsets internal resourcing changes. Other changes reflect increases in maintenance, shipping charges for chemicals and additional regulations around laboratory testing requirements.
  - Governance and Support Services– a reduction of \$549k due mainly to the election.



### Occupancy costs

- 35 Occupancy and property-related costs such as rates, insurance and fuel have increased by \$2.799 million, 9.3%. Note the rates expenditure budgets will be reviewed to reflect the new rating valuations.

### Consumables and general costs

- 36 Consumables and general costs have increased by \$1.081 million, 4.7%. The main changes are due to:
- Waste Management – an increase of \$628k relates primarily to increases at the Green Island Landfill for the waste disposal levy.
  - Galleries, Libraries and Museums – an increase of \$291k for stock purchases and catering, which are both recovered, and increased costs.
  - Governance and Support Services – an increase of \$260k due to costs associated with the 10 year plan 2024-34 development including an audit fee of \$145k.
  - Community and Planning – an increase of \$194k due to increased legal fees for appeals to the 2<sup>nd</sup> Generation District Plan's Variation 2 Greenfield rezoning.
  - Parks and Recreation – a decrease of \$283k due to savings in consultancy and a transfer of budget to Transport.
  - Transport - a decrease of \$250k primarily driven by a reduction in consultants.

### Depreciation

- 37 Depreciation expense has increased by \$38.272 million, 44.7%. The main increase in depreciation for the draft budget 2023/24 relates to reticulation assets within 3 Waters. Previously the DCC valued its 3 Waters assets based on historical replacement costs indexed annually to reflect the cost/valuation for accounting purposes. Last financial year it was concluded that this methodology was no longer appropriate, and a methodology based on current replacement costs has been applied as at 30 June 2022.
- 38 This change in methodology has seen an increase in cost/valuation for accounting purposes of circa \$1.3 billion and comes with an increased level of depreciation which has been estimated for the draft budgets.
- 39 The valuation uplift is subject to audit clearance and further work is still required to ensure the depreciation correctly reflects the new values. It is possible that the valuation will be reduced, which would see a reduction in depreciation and therefore in the budget deficit.

### Interest

- 40 Interest expense has increased by \$9.500 million, 69.4% reflecting the predicted increase in debt funding required to support the planned capital expenditure programme and an increase in interest rates.

- 41 The long term plan 2021-2031 included an interest rate assumption of 2.85%. At the time the corresponding OCR was 0.25%. This rate was increased for the 2022/23 annual plan to 3.6% (OCR 2.00%). The DCC current interest rate applicable to its borrowing is 4.35% which was effective from 1 January 2023 – up from the predicted 3.60%.
- 42 The interest rate used in developing the 2023/24 draft budget has been set at 4.85%. Interest rates over the last 12 months have been impacted by various world events. The New Zealand official cash rate has increased markedly in this period and currently sits at 4.25%.

### Funding Depreciation

- 43 There is no ability for Council to fund the uplift in depreciation for 3 Waters. Funding this alone would mean a rates increase of 17%. Given the reform environment and likely decisions about 3 Waters, it is not prudent to rate fund this increase at this time.
- 44 This does not mean that renewal work is not happening because the draft budgets focus on trying to fund capital renewals expenditure from operations rather than trying to fund depreciation.
- 45 The budget for each group (and all of Council) includes a Funding Impact Statement (FIS) – see Attachment B. The FIS statements represent a restatement of the income statements by:
- Removing non-cash items including depreciation
  - Separating operating and capital funding
  - Including how the total funding will be used ie capital expenditure
  - Identifying how any shortfall in funding will be financed ie increase in debt.
- 46 Ideally the available operating funding being “Surplus/(deficit) of operating funding (A-B)” plus “Subsidies and grants for renewal expenditure” will be sufficient to cover capital expenditure “to replace existing assets”.

<b>Funding Impact Summary</b>	<b>Budget 2022/23 \$000</b>	<b>Draft Budget 2023/24 \$000</b>	<b>Increase (Decrease) \$000</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	58,610	60,398	1,788
<b>Subsidies &amp; grants for renewals expenditure</b>	8,140	7,272	(868)
<b>Capex to replace existing assets</b>	(105,344)	(88,247)	17,097
<b>Increase in investment DCHL</b>	(2,550)	(2,550)	-
<b>Funding surplus/(deficit)</b>	<b>(41,144)</b>	<b>(23,127)</b>	<b>18,017</b>

- 47 What the table shows is that we are borrowing \$23.127 million in the draft budgets to fund renewals. While this is not sustainable long-term, it is necessary to ensure that we continue with the renewal programme while we develop a sustainable capital expenditure programme as part of the next 10 year plan.

**OPTIONS**

- 48 There are no options.

**Signatories**

Author:	Carolyn Allan - Senior Management Accountant Gavin Logie - Chief Financial Officer
Authoriser:	Sandy Graham - Chief Executive Officer

**Attachments**

	<b>Title</b>	<b>Page</b>
<a href="#">↓A</a>	Draft Operating Budget 2023/24	14
<a href="#">↓B</a>	Draft Funding Impact Statement 2023/24	15

**SUMMARY OF CONSIDERATIONS**

***Fit with purpose of Local Government***

This decision enables democratic local decision making and action by, and on behalf of communities, and promotes the social economic, environmental, and cultural well-being of communities in the present and for the future.

***Fit with strategic framework***

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Group Activities contribute to the objectives and priorities of the above strategies.

***Māori Impact Statement***

Council budgets impact broadly across all Dunedin communities including Māori. The Council is committed to developing ongoing relationships with Māori communities, particularly with mana whenua. Strategic projects that have significance to Māori have been identified from across the organisation and these projects will work collaboratively with the Maori Partnerships Manager to ensure beneficial outcomes for Māori are achieved.

***Sustainability***

The draft budgets continue to support the principles of sustainability and financial resilience, as outlined in the 10 year plan, most notably in the Infrastructure Strategy and in the Financial Strategy.

***LTP/Annual Plan / Financial Strategy /Infrastructure Strategy***

This report provides draft budget information for inclusion in the draft 2023/24 Annual Plan.

***Financial considerations***

Financial considerations are detailed in the report.

***Significance***

The 10 year plan 2021-31 budgets were considered significant in terms of the Council’s Significance and Engagement Policy, and were consulted on. Variations to those budgets as discussed in this report are not considered significant in terms of the policy.

***Engagement – external***

A report on engagement is on the agenda.

***Engagement - internal***

Staff from across the Council have been involved in the development of the draft budgets and reports.











- a) An increase in Community Housing revenue of \$314k, representing an overall increase of 5%. Rental increases range from \$6 - \$12/week.
- b) An increase of \$195k in the Community Property portfolio due to project delays for the South Dunedin Community complex, resulting in existing tenancies continuing in 2023/24.
- c) A decrease of \$285k on the Holding portfolio due to the sale of a property and the loss of the main tenant at 1 White St.
- d) A decrease of \$105k in the Investment Property portfolio due to renegotiated Wall St leases and continued vacancies at 54 Moray Place.

**Expenditure**

***Personnel Costs***

- 5. Personnel costs have increased by \$107k, 2.9% reflecting salary changes.

***Operations and Maintenance***

- 6. Operations and maintenance costs have decreased by \$112k with the main changes being:
  - a) A decrease of \$453k in the Community Property portfolio due to the Railway Station planned maintenance project being completed in 2022/23, and a reduction in maintenance needed for community halls.
  - b) An increase of \$311k for contracted services costs in Property Management due to the three-yearly revaluation of property assets.

***Depreciation***

- 7. Depreciation has increased by \$727k and reflects the capital expenditure programme.

***Interest***

- 8. Interest expense has increased by \$1.622 million as a result of the capital expenditure programme and higher interest rate.

**FEES AND CHARGES**

- 9. Rental fees for community housing are proposed to increase by between 4.6% - 5.6%, being between \$6 - \$12 per week.
- 10. Community Gallery hire fees are proposed to increase by between 3.0% – 4.4%.
- 11. Fees for encroachments on road reserves are proposed to increase by around 3%.

**Signatories**

Author:	Anna Nilsen - Group Manager, Property Services
Authoriser:	Robert West - General Manager Corporate and Quality

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**Attachments**

	<b>Title</b>	<b>Page</b>
<a href="#">↓A</a>	Income Statement	21
<a href="#">↓B</a>	FIS Statement	22
<a href="#">↓C</a>	Property Fees Schedule	23

**SUMMARY OF CONSIDERATIONS**

***Fit with purpose of Local Government***

This decision enables democratic local decision making and action by, and on behalf of communities, and promotes the social economic, environmental, and cultural well-being of communities in the present and for the future.

***Fit with strategic framework***

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Property Group activities primarily contribute to the objectives and priorities of the above strategies.

***Māori Impact Statement***

Council budgets impact broadly across all Dunedin communities including Māori. The Council is committed to developing ongoing relationships with Māori communities, particularly with mana whenua. Strategic projects that have significance to Māori have been identified from across the organisation and these projects will work collaboratively with the Māori Partnerships Manager to ensure beneficial outcomes for Māori are achieved.

***Sustainability***

The Annual Plan is not proposing any changes to that provided for in the 10 year plan. Major issues and implications for sustainability are discussed and considered in the 50 year Infrastructure Strategy and financial resilience is discussed in the Financial Strategy of the current 10 year plan 2021-31.

***LTP/Annual Plan / Financial Strategy /Infrastructure Strategy***

This report provides a draft budget for the Property Group for inclusion in the draft 2023/24 Annual Plan.

***Financial considerations***

Financial considerations are detailed in the report.

***Significance***

The 10 year plan 2021-31 budgets were considered significant in terms of the Council’s Significance and Engagement Policy, and were consulted on. Variations to those budgets as discussed in this report are not considered significant in terms of the policy.

***Engagement – external***

There has been no external engagement in updating the draft budget for the Property Group.









## **ANNUAL PLAN BUDGET UPDATE - RESERVES AND RECREATIONAL FACILITIES**

Department: Parks and Recreation

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### **EXECUTIVE SUMMARY**

- 1 This report provides an overview of the operating expenditure (opex) budgets for the 2023/24 Annual Plan year for the Reserves and Recreational Facilities Group as shown at Attachment A. A draft funding impact statement (FIS) is shown at Attachment B. The following activities are provided for:
  - Aquatic Services
  - Botanic Garden
  - Cemeteries and Crematorium
  - Parks and Recreation
- 2 A schedule of proposed fees and charges for the 2023/24 year is also presented at Attachment C.

### **RECOMMENDATIONS**

That the Council:

- a) **Approves** the draft 2023/24 operating budget for the Reserves and Recreational Facilities Group as shown/amended at Attachment A.
- b) **Approves** the draft 2023/24 fees and charges schedules for Reserves and Recreational Facilities as shown/amended at Attachment C.

### **OPERATING BUDGETS**

#### **Revenue**

##### ***Rates***

- 3 The rates contribution for the Group increases by \$1.909 million, 5.5%.

##### ***External Revenue***

- 4 External revenue increases by \$1.613 million, 29.4%. The main revenue changes incorporate the following:
  - a) A general 3% increase in fees and charges across most activities.
  - b) Mosgiel Pool revenue increases by \$1.041 million as this is the first full year of operation.



- c) Moana Pool revenue increases by \$42k. A \$90k revenue increase generated by the 3% increase in fees and charges is partially offset by \$48k due to the closure of the hydro slide from April 2024.
- d) Cemeteries and Crematorium revenue increases by \$134k reflecting prior year actual revenue and a 3% increase in fees and charges.
- e) Sportsground Revenue increases by \$315k due mainly to funding being received from FIFA for training site hire for the 2023 FIFA Women's World Cup.

***Grants and Subsidies Capital and Operating***

- 5 Grants and subsidies capital revenue decreases by \$2.559 million due to the removal of the one-off capital grants received from MBIE (Tunnel Beach) & FIFA (lighting/facilities) in 2022/23.
- 6 Grants and subsidies operating revenue increases by \$143k due to an increase in funding from Predator Free Dunedin to fund the additional City Sanctuary resourcing.

**Expenditure**

***Personnel Costs***

- 7 Personnel costs increase by \$1.652 million, 18.7% across the Group, mostly due to increased staffing requirements for the new Mosgiel Pool facility. Two additional fixed term positions in Parks and Recreation for the City Sanctuary project are funded by Predator Free Dunedin.

***Operations and Maintenance***

- 8 Operations and maintenance costs increase by \$224k, 1.6% due to additional operational costs for the new Mosgiel pool (\$119k) and an increase in the reserves and trees maintenance contract (\$146k).

***Occupancy Costs***

- 9 Occupancy costs increase by \$916k, 20.6% including costs for the new Mosgiel Pool of \$664k (cleaning, energy, rates, and water charges). Security costs have increased \$96k to fund the shared DOC ranger programme (Freedom Camping, Beaches Bylaw).

***Consumables and general costs***

- 10 Consumables and general costs have decreased by \$283k, -20.7% due to savings in consultancy and a transfer of budget to Transport.

***Grants and Subsidies***

- 11 Grants and Subsidies decrease by \$262k mainly due to the removal of expiring grants:
  - a) The Otago Artificial Turf Trust \$30k,
  - b) Predator Free NZ \$150k,
  - c) Dunedin Gymnastics Academy rental support \$65k and
  - d) NZ Salmon Anglers Association \$11.9k.

**Depreciation**

12 Depreciation has increased by \$880k due to the capital expenditure programme.

**Interest**

13 Interest expense has increased by \$492k as a result of the capital expenditure programme and higher interest rate.

**FEES AND CHARGES**

14 Fees and charges for Reserves and Recreational Facilities have generally been increased by 3% (with some rounding).

15 The new Mosgiel Pool fees & charges are in line with Moana and St Clair Pools.

**Signatories**

Author:	Scott MacLean - Group Manager Parks and Recreation
Authoriser:	Simon Pickford - General Manager Community Services

**Attachments**

	<b>Title</b>	<b>Page</b>
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<a href="#">↓B</a>	FIS Statement	30
<a href="#">↓C</a>	Reserves and Recreational Fees Schedule	31

**SUMMARY OF CONSIDERATIONS**

***Fit with purpose of Local Government***

This decision enables democratic local decision making and action by, and on behalf of communities, and promotes the social economic, environmental, and cultural well-being of communities in the present and for the future.

***Fit with strategic framework***

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The activities of the Reserves and Recreational Facilities Group primarily contribute to the objectives and priorities of the above strategies.

***Māori Impact Statement***

Council budgets impact broadly across all Dunedin communities including Māori. The Council is committed to developing ongoing relationships with Māori communities, particularly with mana whenua. Strategic projects that have significance to Māori have been identified from across the organisation and these projects will work collaboratively with the Māori Partnerships Manager to ensure beneficial outcomes for Māori are achieved.

***Sustainability***

The Annual Plan is not proposing any changes to that provided for in the 10 year plan. Major issues and implications for sustainability are discussed and considered in the 50 year Infrastructure Strategy and financial resilience is discussed in the Financial Strategy of the current 10 year plan 2021-31.

***LTP/Annual Plan / Financial Strategy /Infrastructure Strategy***

This report provides a draft budget for the Reserves and Recreational Facilities Group for inclusion in the draft 2023/24 Annual Plan.

***Financial considerations***

Financial considerations are detailed in the report.

***Significance***

The 10 year plan 2021-31 budgets were considered significant in terms of the Council’s Significance and Engagement Policy, and were consulted on. Variations to those budgets as discussed in this report are not considered significant in terms of the policy.

***Engagement – external***

There has been no external engagement in updating the draft budget for the Reserves and Recreational Facilities Group.

**SUMMARY OF CONSIDERATIONS**

***Engagement - internal***

Staff and managers from across council have been involved in the development of the draft budget.

***Risks: Legal / Health and Safety etc.***

There are no identified risks.

***Conflict of Interest***

There are no known conflicts of interest.

***Community Boards***

Projects identified in Community Board Plans were considered in the development of the budgets for the 10 year plan, and Community Boards were consulted at this time. Community Boards will have an opportunity to present on the draft 2023/24 Annual Plan.



















## ANNUAL PLAN BUDGET UPDATE - ROADING AND FOOTPATHS

Department: Transport

### EXECUTIVE SUMMARY

- 1 This report provides an overview of the operating expenditure (opex) budgets for the 2023/24 Annual Plan year for the Roding and Footpaths Group as shown at Attachment A. A drafting funding impact statement (FIS) is shown at Attachment B. The following activities are provided for:
  - Asset and Funding (Business Support)
  - Capital Delivery
  - Maintenance
  - Network Development
  - Community Road Safety
  - Planning
  - Safety
- 2 A schedule of proposed fees and charges for the 2023/24 year is also presented at Attachment C.

### RECOMMENDATIONS

That the Council:

- a) **Approves** the draft 2023/24 operating budget for the Roding and Footpaths Group as shown/amended at Attachment A.
- b) **Approves** the draft 2023/24 fees and charges schedules for the Roding and Footpaths Group as shown/amended at Attachment C.

### OPERATING BUDGETS

#### Revenue

#### *Rates*

- 3 The rates contribution for the Group has increased by \$6.010 million, 29.9%.

#### *External Revenue*

- 4 External revenue has decreased by \$193k, -17.1% due to the transfer of the Road Stopping activity to Property Services (\$60k) and aligning Corridor Access revenue to actual volumes

(\$131k). Corridor Access request volumes have decreased since the city wide ultra-fast broadband rollout was completed.

### **Grants and Subsidies**

- 5 The Waka Kotahi Funding Assistance Rate (FAR) has been dropping by 1.0% per annum, in 2023/24 it will reach 51.0% where it will remain. The volume of capital expenditure for Waka Kotahi co-funded projects directly impacts on the revenue received within a year. The exception is renewals funding which has a FAR rate for the 2023/24 year of 33%.
- 6 Grants and subsidies capital revenue has decreased \$4.285 million, -20.0%. Waka Kotahi funding for capital projects reflects the capital programme proposed for the 2023/24 year.
- 7 Grants and subsidies operating revenue has decreased \$368k -3.3% being subsidies from Waka Kotahi on maintenance, consultancy, and other eligible costs.

### **Expenditure**

#### **Personnel**

- 8 Personnel costs have increased by \$489k, 11% reflecting salary changes and an increase in full time equivalent staff (FTE) of 3.2. This increase is offset by a reduction in consultant costs of \$107k as work will be undertaken in-house and a transfer of 1.0 FTE from 3 Waters.

#### **Operations and Maintenance**

- 9 Operations and maintenance costs have increased by \$532k, 3.3% to address coastal management costs including sea wall repairs and maintenance, surveying, and modelling for future intervention. Of this, \$426k was transferred from the Reserves and Recreational Facilities Group.

#### **Occupancy costs**

- 10 Occupancy costs have decreased by \$255k, -14.8%, reflecting reductions in insurance and electricity costs.

#### **Consumables and General**

- 11 Consumables and general costs have decreased by \$250k, -11.7% primarily driven by a reduction in business case consulting.

#### **Depreciation**

- 12 Depreciation has increased by \$2.812 million, 11.1%, reflecting the 30 June 2022 revaluation. This valuation reflects assets condition and recent contract rates.

#### **Interest**

- 13 Interest expense has increased by \$2.202 million as a result of the capital expenditure programme and higher interest rate.

## FEES AND CHARGES

14 Fees and charges for activities in the Roothing and Footpaths Group have increased by 3%.

### Signatories

Author:	Jeanine Benson - Group Manager Transport
Authoriser:	Simon Drew - General Manager Infrastructure and Development

### Attachments

	<b>Title</b>	<b>Page</b>
<a href="#">↓A</a>	Income Statement	42
<a href="#">↓B</a>	Funding Impact Statement	43
<a href="#">↓C</a>	Transport Fees Schedule	44

**SUMMARY OF CONSIDERATIONS**

***Fit with purpose of Local Government***

This decision enables democratic local decision making and action by, and on behalf of communities, and promotes the social economic, environmental, and cultural well-being of communities in the present and for the future.

***Fit with strategic framework***

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Rooding and Footpaths Group activities primarily contribute to the objectives and priorities of the above strategies.

***Māori Impact Statement***

Council budgets impact broadly across all Dunedin communities including Māori. The Council is committed to developing ongoing relationships with Māori communities, particularly with mana whenua. Strategic projects that have significance to Māori have been identified from across the organisation and these projects will work collaboratively with the Māori Partnerships Manager to ensure beneficial outcomes for Māori are achieved.

***Sustainability***

The Annual Plan is not proposing any changes to that provided for in the 10 year plan. Major issues and implications for sustainability are discussed and considered in the 50 year Infrastructure Strategy and financial resilience is discussed in the Financial Strategy of the current 10 year plan 2021-31.

***LTP/Annual Plan / Financial Strategy /Infrastructure Strategy***

This report provides a draft budget for the Rooding and Footpaths Group for inclusion in the draft 2022/23 Annual Plan.

***Financial considerations***

Financial considerations are detailed in the report.

***Significance***

The 10 year plan 2021-31 budgets were considered significant in terms of the Council’s Significance and Engagement Policy, and were consulted on. Variations to those budgets as discussed in this report are not considered significant in terms of the policy.

***Engagement – external***

There has been no external engagement in updating the draft budget for the Rooding and Footpaths Group.















- d) \$29k increase in CSA due to an increase in the cost of the after-hours service.
- e) \$34k increase in Corporate policy for Quality of Life project fieldwork and survey development.

***Consumables and general costs***

9 Consumables and general costs have increased by \$260k, 2.5%.

10 This increase combines the following key changes:

- a) An increase in budget of \$354k for the 10 year plan 2024-34 development including an audit fee of \$145k.
- b) An increase in budget for South Dunedin Future projects \$224k (recovered from the ORC).
- c) An increase in elected member remuneration \$132k.
- d) A decrease of \$237k in BIS due to cost reductions for internet/fibre service, software licence fees and aerial photography costs.
- e) A decrease of \$145k in CCM due to reductions in software and media monitoring costs.

***Depreciation***

11 Depreciation has increased by \$958k relating to capital expenditure in BIS and Fleet Operations.

***Interest***

12 Interest has increased by \$1.169 million relating to the capital expenditure programme and higher interest rates.

**Signatories**

Author:	Gavin Logie - Chief Financial Officer
Authoriser:	Sandy Graham - Chief Executive Officer

**Attachments**

	<b>Title</b>	<b>Page</b>
<a href="#">↓A</a>	Income Statement	50
<a href="#">↓B</a>	FIS Statement	51
<a href="#">↓C</a>	Governance Fees Schedule	52

**SUMMARY OF CONSIDERATIONS**

***Fit with purpose of Local Government***

This decision enables democratic local decision making and action by, and on behalf of communities, and promotes the social economic, environmental, and cultural well-being of communities in the present and for the future.

***Fit with strategic framework***

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Governance and Support Services Group contributes to the delivery of all of the objectives and priorities of the strategic framework.

***Māori Impact Statement***

Council budgets impact broadly across all Dunedin communities including Māori. The Council is committed to developing ongoing relationships with Māori communities, particularly with mana whenua. Strategic projects that have significance to Māori have been identified from across the organisation and these projects will work collaboratively with the Maori Partnerships Manager to ensure beneficial outcomes for Māori are achieved.

***Sustainability***

The Annual Plan is not proposing any changes to that provided for in the 10 year plan. Major issues and implications for sustainability are discussed and considered in the 50 year Infrastructure Strategy and financial resilience is discussed in the Financial Strategy of the current 10 year plan 2021-31.

***LTP/Annual Plan / Financial Strategy /Infrastructure Strategy***

This report provides a draft budget for the Governance and Support Services Group for inclusion in the draft 2023/24 Annual Plan.

***Financial considerations***

Financial considerations are detailed in the report.

***Significance***

The 10 year plan 2021-31 budgets were considered significant in terms of the Council’s Significance and Engagement Policy, and were consulted on. Variations to those budgets as discussed in this report are not considered significant in terms of the policy.

***Engagement – external***

There has been no external engagement in updating the draft budget for the Governance and Support Services Group.











## **ANNUAL PLAN BUDGET UPDATE - REGULATORY SERVICES**

Department: Executive Leadership Team

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### **EXECUTIVE SUMMARY**

- 1 This report provides an overview of the operating expenditure (opex) budget for the 2023/24 Annual Plan year for the Regulatory Services Group as shown at Attachment A. A draft funding impact statement (FIS) is shown at Attachment B. The following activities are provided for:
  - Alcohol Licensing
  - Animal Services
  - Building Services
  - Environmental Health
  - Parking Operations
  - Parking Services (enforcement)
- 2 A schedule of proposed fees and charges for the 2023/24 year is also presented at Attachment C.

### **RECOMMENDATIONS**

That the Council:

- a) **Approves** the draft 2023/24 operating budget for the Regulatory Services Group as shown/amended at Attachment A.
- b) **Approves** the draft 2023/24 fees and charges schedules for the Regulatory Services Group as shown/amended at Attachment C.

### **OPERATING BUDGETS**

#### **Revenue**

##### ***External Revenue***

- 3 External revenue has decreased by \$572k, -2.9%. The main revenue changes incorporate the following:
  - a) \$408k reduction in Parking Operations due to the temporary closure of the Moray Place/Regent carpark building and a reduction in on-street and carpark meter revenue,

- b) \$190k reduction in Building Services reflects a reduction in chargeable hours due to mandatory training for building inspectors.

## Expenditure

### Depreciation

- 4 Depreciation has increased by \$107k, 60.5% mainly due to the renewal of parking meters.

## FEES AND CHARGES

- 5 Fees and charges for Animal Services, Alcohol Licensing, Building Infringement, Environmental Health and Parking Services (enforcement) fees are unchanged. Note some of these fees are set by legislation.
- 6 Building Services fees incorporate an increase in hourly rate for processing and inspections from \$195 to \$205.
- 7 Proposed changes to Parking Operations fees and charges are as follows:
- a) Fees for hourly on-street parking have been changed as follows: The core (\$4.00) and inner (\$3.00) zones will be amalgamated into a \$3.50 inner city zone. The variable \$1/hr and \$1.50 (max stay 4 hours) zones will be changed to \$1.50 per hour outer zone (the parking restrictions will not change, and all-day parking will remain in some areas). These changes will result in two paid parking zones (currently five) which will make pricing easier to understand and manage.
  - b) The paid main street 30-minute parking restriction will be replaced by an unpaid 30-minute restriction.
  - c) Fees for all day on-street parking have been increased \$7 to \$10 a day. Off street daily rates have been increased from \$7 to \$8 a day. These changes are designed to encourage the use of off-street parking to free up on-street parking for shorter term stays.
  - d) Fees for weekly leased parking have been increased ranging from \$3.50 to \$10.00. The new weekly charge for Thomas Burns and Dunedin Train Station carparks at \$35.00 remains cheaper than the casual on-street daily rate.

## Signatories

Authoriser:	Claire Austin - General Manager Customer and Regulatory Gavin Logie - Chief Financial Officer
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## Attachments

	Title	Page
<a href="#">↓A</a>	Income Statement	57
<a href="#">↓B</a>	FIS Statement	58
<a href="#">↓C</a>	Regulatory Fees Schedule	59
<a href="#">↓D</a>	Building Fees Schedule B	67

**SUMMARY OF CONSIDERATIONS**

***Fit with purpose of Local Government***

This decision enables democratic local decision making and action by, and on behalf of communities, and promotes the social economic, environmental, and cultural well-being of communities in the present and for the future.

***Fit with strategic framework***

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Waters Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Regulatory Services Group activities primarily contribute to the objectives and priorities of the above strategies.

***Māori Impact Statement***

Council budgets impact broadly across all Dunedin communities including Māori. The Council is committed to developing ongoing relationships with Māori communities, particularly with mana whenua. Strategic projects that have significance to Māori have been identified from across the organisation and these projects will work collaboratively with the Māori Partnerships Manager to ensure beneficial outcomes for Māori are achieved.

***Sustainability***

The Annual Plan is not proposing any changes to that provided for in the 10 year plan. Major issues and implications for sustainability are discussed and considered in the 50 year Infrastructure Strategy and financial resilience is discussed in the Financial Strategy of the current 10 year plan 2021-31.

***LTP/Annual Plan / Financial Strategy /Infrastructure Strategy***

This report provides a draft budget for the Regulatory Services Group for inclusion in the draft 2023/24 Annual Plan.

***Financial considerations***

Financial considerations are detailed in the report.

***Significance***

The 10 year plan 2021-31 budgets were considered significant in terms of the Council's Significance and Engagement Policy, and were consulted on. Variations to those budgets as discussed in this report are not considered significant in terms of the policy.

***Engagement – external***

There has been no external engagement in updating the draft budget for the Regulatory Services Group.































## ANNUAL PLAN BUDGET UPDATE - 3 WATERS

Department: 3 Waters

### EXECUTIVE SUMMARY

- 1 This report provides an overview of the operating expenditure (opex) budgets for the draft 2023/24 Annual Plan year for the 3 Waters Group as shown at Attachment A. A draft funding impact statement (FIS) is shown at Attachment B. The following activities are provided for:
  - Water supply
  - Wastewater
  - Stormwater
- 2 A schedule of proposed fees and charges for the 2023/24 year is also presented at Attachment C.

### RECOMMENDATIONS

That the Council:

- a) **Approves** the draft 2023/24 operating budget for the 3 Waters Group as shown/amended at Attachment A.
- b) **Approves** the draft 2023/24 fees and charges schedules for the 3 Waters Group as shown/amended at Attachment C.

### OPERATING BUDGETS

- 3 In its May 2022 meeting, Council (CNL/2022/001) approved the 3 Waters Strategic Work Programme funded through Government Funding. Implementation of the programme resulted in an annual uplift in the operating budget of \$4.400 million per year in 2022/23 and 2023/24. Apart from a transfer of budget between personnel and contracted services, the draft budget for the implementation is unchanged.

### Revenue

#### *Rates*

- 4 The rates contribution for the Group has increased by \$239k, 0.3%.

### **External Revenue**

- 5 External revenue decreased by \$127k, -1.8%. The draft budget aligns water sales to historical levels which is somewhat offset by increases in backflow charges, trade waste and tankered waste revenue. Fee changes are incorporated.

### **Expenditure**

#### **Personnel Costs**

- 6 Personnel costs have increased by \$179k, 1.6% reflecting an increase in full time equivalent (FTE) staff of 4.3, the transfer of one FTE to Transport, changes in salaries and associated costs. The increase in FTE is offset by a reduction in contracted services as noted below.

#### **Operations and Maintenance**

- 7 Operations and maintenance costs have decreased by \$743k, -5.0%. This is primarily due to:
- a) Sludge from Tahuna Wastewater Treatment Plant can now be lime treated and transferred to the Green Island Landfill, avoiding special waste capacity constraints. This reduces external disposal fees and cartage costs by \$1.099 million, partially offset by an increase in internal disposal costs of \$794k.
  - b) A reduction in contracted services of \$443k to reflect internal resourcing changes.
  - c) Plant maintenance costs across various sites increase by \$392k to better reflect the current and forecast work programme and contract increases.
  - d) Plant operations costs increase by \$373k due largely to extra shipping charges for chemicals and additional regulations around laboratory testing requirements.

#### **Occupancy costs**

- 8 Occupancy costs have increased by \$1.894 million, 15.1% mainly due to increase in rates, insurance and fuel. Note the rates expense budgets will be reviewed to reflect the new rating valuations.

#### **Internal charges**

- 9 Internal charges have increased by \$881k, 20.5% primarily due to a \$794k increase in sludge disposal fees being charged through the Green Island landfill.

#### **Depreciation**

- 10 Depreciation has been increased by \$32.630 million, 91.2% which is estimated based on the latest asset revaluation – refer additional commentary in the CEO Overview Report.

#### **Interest**

- 11 Interest expense has increased by \$3.331 million as a result of the capital expenditure programme and higher interest rate.

**FEES AND CHARGES**

- 12 Fees and charges for activities in the 3 Waters Group have either remained the same or have generally been increased by 3%. There are some exceptions as follows:
- e) City-wide unit rates for wastewater are calculated on a formula for trade waste charges, using budgeted volume and cost information. These unit rates are increased by between 0% and 33.3%.
  - f) Tankered waste charges have increased by 58.1% to reflect investment in waste reception and handling facilities, health & safety requirements, consent and disposal fees.
  - g) Treated water per cubic meter - Central Water Scheme Tariff for water sold by meter has increased by 4.69%.

**Signatories**

Author:	David Ward - Group Manager 3 Waters
Authoriser:	Simon Drew - General Manager Infrastructure and Development

**Attachments**

	<b>Title</b>	<b>Page</b>
<a href="#">↓A</a>	Income Statement	74
<a href="#">↓B</a>	FIS Statement	75
<a href="#">↓C</a>	3 Waters Fees Schedule	76

**SUMMARY OF CONSIDERATIONS**

***Fit with purpose of Local Government***

This decision enables democratic local decision making and action by, and on behalf of communities, and promotes the social economic, environmental, and cultural well-being of communities in the present and for the future.

***Fit with strategic framework***

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Environment Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Waters Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other strategic projects/policies/plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Three Waters Group activities primarily contribute to the objectives and priorities of the above strategies.

***Māori Impact Statement***

Council budgets impact broadly across all Dunedin communities including Māori. The Council is committed to developing ongoing relationships with Māori communities, particularly with mana whenua. Strategic projects that have significance to Māori have been identified from across the organisation and these projects will work collaboratively with the Maori Partnerships Manager to ensure beneficial outcomes for Māori are achieved.

***Sustainability***

The Annual Plan is not proposing any changes to that provided for in the 10 year plan. Major issues and implications for sustainability are discussed and considered in the 50 year Infrastructure Strategy and financial resilience is discussed in the Financial Strategy of the current 10 year plan 2021-31.

***LTP/Annual Plan / Financial Strategy /Infrastructure Strategy***

This report provides a draft budget for the 3 Waters Group for inclusion in the draft 2023/24 Annual Plan.

***Financial considerations***

Financial considerations are detailed in the report.

***Significance***

The 10 year plan 2021-31 budgets were considered significant in terms of the Council's Significance and Engagement Policy, and were consulted on. Variations to those budgets as discussed in this report are not considered significant in terms of the policy.

***Engagement – external***

There has been no external engagement in updating the draft budget for the 3 Waters Group.

















Authoriser:	Simon Pickford - General Manager Community Services
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**Attachments**

	<b>Title</b>	<b>Page</b>
<a href="#">↓A</a>	Income Statement	83
<a href="#">↓B</a>	FIS Statement	84
<a href="#">↓C</a>	GLAM Fees Schedule	85



**SUMMARY OF CONSIDERATIONS**

***Fit with purpose of Local Government***

This decision enables democratic local decision making and action by, and on behalf of communities, and promotes the social economic, environmental, and cultural well-being of communities in the present and for the future.

***Fit with strategic framework***

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Arts and Culture Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Spatial Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other strategic projects/policies/plans	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The Galleries, Libraries and Museums Group activities primarily contribute to the objectives and priorities of the above strategies.

***Māori Impact Statement***

Council budgets impact broadly across all Dunedin communities including Māori. The Council is committed to developing ongoing relationships with Māori communities, particularly with mana whenua. Strategic projects that have significance to Māori have been identified from across the organisation and these projects will work collaboratively with the Māori Partnerships Manager to ensure beneficial outcomes for Māori are achieved.

***Sustainability***

The Annual Plan is not proposing any changes to that provided for in the 10 year plan. Major issues and implications for sustainability are discussed and considered in the 50 year Infrastructure Strategy and financial resilience is discussed in the Financial Strategy of the current 10 year plan 2021-31.

***LTP/Annual Plan / Financial Strategy /Infrastructure Strategy***

This report provides a draft budget for the Galleries, Libraries and Museums Group for inclusion in the draft 2023/24 Annual Plan.

***Financial considerations***

Financial considerations are detailed in the report.

***Significance***

The 10 year plan 2021-31 budgets were considered significant in terms of the Council’s Significance and Engagement Policy, and were consulted on. Variations to those budgets as discussed in this report are not considered significant in terms of the policy.

***Engagement – external***

There has been no external engagement in updating the draft budget for the Galleries, Libraries and Museums Group.

**SUMMARY OF CONSIDERATIONS**

***Engagement - internal***

Staff and managers from across council have been involved in the development of the draft budget.

***Risks: Legal / Health and Safety etc.***

There are no identified risks.

***Conflict of Interest***

There are no known conflicts of interest.

***Community Boards***

Projects identified in Community Board Plans were considered in the development of the budgets for the 10 year plan, and Community Boards were consulted at this time. Community Boards will have an opportunity to present on the draft 2023/24 Annual Plan.















## Expenditure

### *Personnel costs*

- 5 Personnel costs have increased by \$353k, 5.4%, due to additional resources in Resource Consents and Events. There are also increased staff costs for the Masters Games of \$92k being held in Dunedin in 2024, which are recoverable.

### *Operations and maintenance costs*

- 6 Operations and maintenance costs have increased by \$783k, 49.2%. This is primarily due to an increase in Events. The main changes incorporate the following:
- a) Increase of \$384k for FIFA 2023. Note, there is additional sportsground revenue included in the Reserves and Recreational Facilities group budget \$312k.
  - b) Increase in event costs including Matariki.
  - c) Reinstatement of event costs for new year's eve and Thieves Alley.

### *Occupancy costs*

- 7 Occupancy costs have increased by \$126k, 81.8% due to FIFA 2023 of \$109k and increased insurance \$17k.

### *Consumables and general costs*

- 8 Consumables and general costs have increased by \$194k, 19.1%. This is primarily due to increased legal fees for appeals to the 2<sup>nd</sup> Generation District Plan's Variation 2 Greenfield rezoning.

### *Grants and subsidies*

- 9 Grants and subsidies have increased \$152k, 3.7%, primarily due to increases in Masters Games, rates relief grants and adjustments approved as part of the 10 year plan.

## FEES AND CHARGES

- 10 Resource Consents fees are unchanged except for some fixed fee adjustments in consents monitoring and hearing costs. A few deposit amounts for land use consents and subdivisions have also been adjusted. These adjustments are to better reflect actual median processing costs.

## Signatories

Author:	Simon Pickford - General Manager Community Services
Authoriser:	Simon Pickford - General Manager Community Services

## Attachments

	<b>Title</b>	<b>Page</b>
<a href="#">↓A</a>	Income Statement	92
<a href="#">↓B</a>	FIS Statement	93
<a href="#">↓C</a>	Community and Planning Fees Schedule	94

**SUMMARY OF CONSIDERATIONS**

***Fit with purpose of Local Government***

This decision enables democratic local decision making and action by, and on behalf of communities, and promotes the social economic, environmental, and cultural well-being of communities in the present and for the future.

***Fit with strategic framework***

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The activities of the Community and Planning Group primarily contribute to the objectives and priorities of the above strategies.

***Māori Impact Statement***

Council budgets impact broadly across all Dunedin communities including Māori. The Council is committed to developing ongoing relationships with Māori communities, particularly with mana whenua. Strategic projects that have significance to Māori have been identified from across the organisation and these projects will work collaboratively with the Māori Partnerships Manager to ensure beneficial outcomes for Māori are achieved.

***Sustainability***

The Annual Plan is not proposing any changes to that provided for in the 10 year plan. Major issues and implications for sustainability are discussed and considered in the 50 year Infrastructure Strategy and financial resilience is discussed in the Financial Strategy of the current 10 year plan 2021-31.

***LTP/Annual Plan / Financial Strategy /Infrastructure Strategy***

This report provides a draft budget for the Community and Planning Group for inclusion in the draft 2023/24 Annual Plan.

***Financial considerations***

Financial considerations are detailed in the report.

***Significance***

The 10 year plan 2021-31 budgets were considered significant in terms of the Council’s Significance and Engagement Policy, and were consulted on. Variations to those budgets as discussed in this report are not considered significant in terms of the policy.

***Engagement – external***

There has been no external engagement in updating the draft budget for the Community and Planning Group.















## **ANNUAL PLAN BUDGET UPDATE - ECONOMIC DEVELOPMENT**

Department: Enterprise Dunedin

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### **EXECUTIVE SUMMARY**

- 1 This report provides an overview of the operating expenditure (opex) budget for the 2023/24 Annual Plan year for the Economic Development Group as shown at Attachment A. A draft funding impact statement (FIS) is shown at Attachment B. The following activities are provided for:
  - Economic Development
  - Dunedin Visitors Centre – i-Site
  - Marketing Dunedin
- 2 A schedule of proposed fees and charges for the 2023/24 year is also presented at Attachment C.

### **RECOMMENDATIONS**

That the Council:

- a) **Approves** the draft 2023/24 operating budget for the Economic Development Group as shown/amended at Attachment A.
- b) **Approves** the draft 2023/24 fees and charges schedules for the Economic Development Group as shown/amended at Attachment C.

### **OPERATING BUDGETS**

#### **Revenue**

##### ***Rates***

- 3 Rates have increased overall by \$133k, 2.5%.

##### ***External Revenue***

- 4 External revenue has increased by \$283k, 95.0% due to increased Visitors Centre revenue reflecting the return of international visitors.

#### **Expenditure**

**Personnel costs**

- 5 Personnel costs have increased overall by \$167k, 7.1% due to Visitor Centre staffing returning to full establishment with the return of international visitors.

**Consumables and general**

- 6 Consumables and general costs have increased by \$149k, 17.5% mainly due to stock purchases and bank commissions at the Visitor Centre.

**FEES AND CHARGES**

- 7 Fees and charges for activities in the Economic Development Group remain unchanged from 2022/23.

**Signatories**

Author:	John Christie - Manager Enterprise Dunedin
Authoriser:	Sandy Graham - Chief Executive Officer

**Attachments**

	<b>Title</b>	<b>Page</b>
<a href="#">↓A</a>	Income Statement	101
<a href="#">↓B</a>	FIS Statement	102
<a href="#">↓C</a>	Economic Development Fees Schedule	103

**SUMMARY OF CONSIDERATIONS**

***Fit with purpose of Local Government***

This decision enables democratic local decision making and action by, and on behalf of communities, and promotes the social economic, environmental, and cultural well-being of communities in the present and for the future.

***Fit with strategic framework***

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Spatial Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other strategic projects/policies/plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Economic Development Group activities primarily contribute to the objectives and priorities of the above strategies.

***Māori Impact Statement***

Council budgets impact broadly across all Dunedin communities including Māori. The Council is committed to developing ongoing relationships with Māori communities, particularly with mana whenua. Strategic projects that have significance to Māori have been identified from across the organisation and these projects will work collaboratively with the Māori Partnerships Manager to ensure beneficial outcomes for Māori are achieved.

***Sustainability***

The Annual Plan is not proposing any changes to that provided for in the 10 year plan. Major issues and implications for sustainability are discussed and considered in the 50 year Infrastructure Strategy and financial resilience is discussed in the Financial Strategy of the current 10 year plan 2021-31.

***LTP/Annual Plan / Financial Strategy /Infrastructure Strategy***

This report provides a draft budget for the Economic Development Group for inclusion in the draft 2023/24 Annual Plan.

***Financial considerations***

Financial considerations are detailed in the report.

***Significance***

The 10 year plan 2021-31 budgets were considered significant in terms of the Council's Significance and Engagement Policy, and were consulted on. Variations to those budgets as discussed in this report are not considered significant in terms of the policy.

***Engagement – external***

There has been no external engagement in updating the draft budget for the Economic Development Group.

**SUMMARY OF CONSIDERATIONS**

***Engagement - internal***

Staff and managers from across council have been involved in the development of the draft budget.

***Risks: Legal / Health and Safety etc.***

There are no identified risks.

***Conflict of Interest***

There are no known conflicts of interest.

***Community Boards***

Projects identified in Community Board Plans were considered in the development of the budgets for the 10 year plan, and Community Boards were consulted at this time. Community Boards will have an opportunity to present on the draft 2023/24 Annual Plan.







## **ANNUAL PLAN BUDGET UPDATE - WASTE MANAGEMENT**

Department: Waste and Environmental Solutions

### **EXECUTIVE SUMMARY**

- 1 This report provides an overview of the operating expenditure (opex) budgets for the 2023/24 Annual Plan year for the Waste Management Group as shown at Attachment A. A draft funding impact statement (FIS) is shown at Attachment B.
- 2 A schedule of proposed fees and charges for the 2023/24 year is also presented at Attachment C.

### **RECOMMENDATIONS**

That the Council:

- a) **Approves** the draft 2023/24 operating budget for the Waste Management Group as shown/amended at Attachment A.
- b) **Approves** the draft 2023/24 fees and charges schedules for Waste Management Group as shown/amended at Attachment C.

### **OPERATING BUDGETS**

#### **Revenue**

##### ***Rates***

- 3 The rates contribution for the Group has increased by \$683k, 11.4%.

##### ***External Revenue***

- 4 External revenue has increased by \$672k, 5.4%. This is made up of an increase in Waste Disposal Levy (WDL) revenue of \$456k from Ministry for the Environment (MfE), and an increase in Green Island landfill revenue due to increased ETS charges and Ministry WDL costs being passed on to landfill users through increased landfill charges. These increases are offset by an expected reduction in refuse bag sales.

##### ***Grants and Subsidies Revenue***

- 5 Grants revenue has decreased by \$3.800 million, 100%. The 2022/23 revenue was one-off from the Ministry for the Environment for the purchase of kerbside collection bins.

##### ***Internal Revenue***

- 6 Internal revenue has increased by \$843k, 96.5%. This is primarily due to lime-treated sludge from the Tahuna wastewater treatment plant now able to be disposed of at the Green Island landfill rather than transported to an external provider as previously budgeted.



**Expenditure**

***Personnel Costs***

- 7 Personnel costs have decreased \$176k, 13.8%. This is due to the removal of two fixed-term FTE positions relating to the management and implementation of the new kerbside collection contract. This reduction is offset by increased contracted services costs for the contract implementation.

***Operations and Maintenance***

- 8 Operations and maintenance costs have increased by \$1.062 million, 8.3%. This is partly due to increases at the Green Island landfill for ETS of \$117k, the kerbside collection contract \$462k and contracted services to implement the new kerbside contract \$250k.

***Consumables and General***

- 9 Consumables and General costs have increased by \$628k, 22.6%. This is largely due to increases at the Green Island landfill for Ministry for the Environment WDL \$848k.
- 10 Consultants’ costs have reduced \$335k with costs associated with the Smooth Hill landfill development transferred to capital expenditure.

***Depreciation***

- 11 Depreciation has decreased by \$106k, -11.7%.

***Interest***

- 12 Interest expense has increased by \$684k as a result of the capital expenditure programme and higher interest rate.

**FEES AND CHARGES**

- 13 Fees and charges have been categorised as ‘inclusive’ or ‘exclusive’ of Emissions Trading Scheme (ETS) costs. The landfill charges include costs associated with ETS as these general waste loads contribute to landfill emissions. ETS recoveries have increased from \$51.50 to \$90.35 per tonne.
- 14 All waste to landfill attracts the Ministry for the Environment Waste Disposal Levy, which is currently set at \$30 per tonne rising to \$50 per tonne on 1 July 2023.
- 15 As of 1 July 2023, the Ministry for the Environment Waste Disposal Levy will also include material used for daily cover at Green Island Landfill.
- 16 Changes to fees and charges due to ETS and Levy increases range from 2.7% to 200%.
- 17 Where there has been no cost increase, fees and charges have been held at current rates.

**Signatories**

Author:	Chris Henderson - Group Manager Waste and Environmental Solutions
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Authoriser:	Simon Drew - General Manager Infrastructure and Development
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**Attachments**

	<b>Title</b>	<b>Page</b>
<a href="#">↓A</a>	Income Statement	109
<a href="#">↓B</a>	FIS Statement	110
<a href="#">↓C</a>	Waste Fees Schedule	111

**SUMMARY OF CONSIDERATIONS**

***Fit with purpose of Local Government***

This decision enables democratic local decision making and action by, and on behalf of communities, and promotes the social economic, environmental, and cultural well-being of communities in the present and for the future.

***Fit with strategic framework***

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Spatial Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other strategic projects/policies/plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The activities of Waste Management primarily contribute to the objectives and priorities of the above strategies.

***Māori Impact Statement***

Council budgets impact broadly across all Dunedin communities including Māori. The Council is committed to developing ongoing relationships with Māori communities, particularly with mana whenua. Strategic projects that have significance to Māori have been identified from across the organisation and these projects will work collaboratively with the Maori Partnerships Manager to ensure beneficial outcomes for Māori are achieved.

***Sustainability***

The Annual Plan is not proposing any changes to that provided for in the 10 year plan. Major issues and implications for sustainability are discussed and considered in the 50 year Infrastructure Strategy and financial resilience is discussed in the Financial Strategy of the current 10 year plan 2021-31.

***LTP/Annual Plan / Financial Strategy /Infrastructure Strategy***

This report provides a draft budget for the Waste Management Group for inclusion in the draft 2023/24 Annual Plan.

***Financial considerations***

Financial considerations are detailed in the report.

***Significance***

The 10 year plan 2021-31 budgets were considered significant in terms of the Council's Significance and Engagement Policy, and were consulted on. Variations to those budgets as discussed in this report are not considered significant in terms of the policy.

***Engagement – external***

There has been no external engagement in updating the draft budget for the Waste Management Group.

**SUMMARY OF CONSIDERATIONS**

***Engagement - internal***

Staff and management from across council have been involved in the development of the draft budget.

***Risks: Legal / Health and Safety etc.***

There are no identified risks.

***Conflict of Interest***

There are no known conflicts of interest.

***Community Boards***

Projects identified in Community Board Plans were considered in the development of the budgets for the 10 year plan, and Community Boards were consulted at this time. Community Boards will have an opportunity to present on the draft 2023/24 Annual Plan.















- 7 The rating method comprises two main elements, general rates and targeted rates, as demonstrated on Attachment A. Attachment A provides a summary of current and proposed rates, provides details of the individual rates and the amount collected from each rate. Attachment B, summary information, provides a summary of fixed charges, general rates and total rates.
- 8 DCC rates are made up of general rates (57%) and targeted rates (43%). General rates are based on capital value. Targeted rates are made up of fixed charges (76%) and rates based on capital value (24%). When property values change as a result of a revaluation, the largest impact relates to the general rate.
- 9 The general rate is collected as a rate in the dollar on the capital value (CV) of each property. The Council sets the general rate differentially for six property categories; residential, lifestyle, commercial, farmland, residential Heritage Bed and Breakfast establishments, and the Stadium.
- 10 A differential, described as a factor, is the degree to which the rate (the cents in the dollar) on each category of property is higher or lower than residential property. For example, the rate paid by commercial properties for the current year is 2.45 times more than the rate paid by residential properties.
- 11 Targeted rates fund particular activities and are either fixed charges, ie the same amount per property, or collected as a rate in the dollar on the CV of each property.
- 12 The impact of a rates increase on individual properties is driven by the budget increase, the rating method (how we rate), changes in the property database (for example, new improvements or new houses) and the 2022 general revaluation.

#### ***Community Services Rate***

- 13 The Council has a community services targeted rate (CSTR) which funds the Botanic Garden and part of the Parks and Reserves activity. The CSTR is a fixed charge on all rateable properties and is normally increased annually by an indexed amount. Allowing for an increase based on the June 2022 Local Government Cost Index (LGCI) of 7.6% would increase this from \$103.50 to \$111.50 for the 2023-24 year.

#### ***Stadium Rates***

- 14 The Council has a rating differential for the Forsyth Barr Stadium for the general rate, the economic development/tourism rate, the capital value-based drainage rate and the capital value-based fire protection rate. Since the 2013-14 year, the differentiated Stadium rates have been inflation adjusted annually. For the 2023-24 year, it is proposed to increase these rates by the June 2022 LGCI of 7.6%.

#### ***Revaluation Impact***

- 15 Dunedin properties were revalued as at 1 July 2022 and these property values form the basis for rating for the 2023-24 rating year.
- 16 Overall, there has been a 38.6% increase in capital value (CV) of Dunedin properties. The table below shows the overall change in CV by property category for all properties that pay the general rate.

	Old Capital Value <sup>1</sup> 2022-23	% of CV	New Capital Value 2023-24	% of CV	CV Inc/(Dec)	% Inc/ (Dec)
Residential	22,672,265,180	71.6	31,549,486,700	71.9	8,877,221,520	39.2
Lifestyle	1,982,885,500	6.2	3,057,042,500	6.9	1,074,157,000	54.2
Commercial	5,056,602,150	16.0	6,767,806,200	15.4	1,711,204,050	33.8
Farmland	1,773,749,700	5.6	2,267,243,650	5.2	493,493,950	27.8
Heritage B&Bs	3,465,000	0.0	4,300,000	0.0	835,000	24.1
Stadium	187,300,000	0.6	249,700,000	0.6	62,400,000	33.3
<b>Total</b>	<b>31,676,267,530</b>	<b>100.0</b>	<b>43,895,579,050</b>	<b>100.0</b>	<b>12,219,311,520</b>	<b>38.6</b>

- 17 The impact on rates paid by individual properties depends on whether a property's CV has changed by more than, or less than, the overall increase or decrease in CV. For example, if the CV of a particular property increased by more than the overall increase, then the general rate for this property would increase by more than the overall increase.

### Overall Impact

- 18 The following table shows the overall rates income (including GST) by property category for 2022-23 and 2023-24.

Category	2022-23 (\$'000)	2023-24 (\$'000)	\$ change (\$'000)	% change
Residential	142,926	152,270	9,344	6.5%
Lifestyle	7,140	8,628	1,488	20.8%
Commercial	63,894	67,185	3,291	5.2%
Farmland	5,422	5,559	137	2.5%
<b>Total</b>	<b>219,382</b>	<b>233,642</b>	<b>14,260</b>	<b>6.5%</b>

- 19 Attachment C provides sample property rate changes for each category of property. The sample property rate changes incorporate:

- The forecast rate increase of 6.50%,
- An increase of 7.7%, \$8.00 in the community services rate, and
- An increase of 7.6% in the differentiated rates paid by the Stadium.

### Rate Maximum

- 20 Under the Local Government (Rating) Act 2002, certain rates must not exceed 30% of total rates revenue. This includes the use of a uniform annual general charge and any targeted rates that are set on a uniform basis excluding targeted rates set solely for water supply or sewage disposal. Based on the draft budgets, these rates represent 20% of total rates revenue.

<sup>1</sup> Includes properties liable for 50% general rates.

## OPTIONS

- 21 No options are provided as this report is giving effect to the current rating method and previous decisions of the Council.

## NEXT STEPS

- 22 While the Council is engaging with the community on the annual plan 2023-24, rate account information will be available on the DCC website that shows the proposed rating impact by individual rate account.

## Signatories

Author:	Carolyn Allan - Senior Management Accountant
Authoriser:	Gavin Logie - Chief Financial Officer

## Attachments

	<b>Title</b>	<b>Page</b>
<a href="#">↓A</a>	Summary of Current and Proposed Rates	120
<a href="#">↓B</a>	Summary Information	121
<a href="#">↓C</a>	Sample Rate Accounts	122

**SUMMARY OF CONSIDERATIONS**

***Fit with purpose of Local Government***

This decision enables democratic local decision making and action by, and on behalf of communities, and promotes the social, economic, environmental and cultural well-being of communities in the present and for the future.

***Fit with strategic framework***

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The annual plan 2023-24 contributes to objectives across the strategic framework, as it describes the Council’s activities, which are aligned to community outcomes. It also provides a long-term focus for decision making and coordination of the Council’s resources, as well as a basis for community accountability.

***Māori Impact Statement***

Council budgets impact broadly across all Dunedin communities including Māori. The Council is committed to developing ongoing relationships with Māori communities, particularly with mana whenua. Strategic projects that have significance to Māori have been identified from across the organisation and these projects will work collaboratively with the Māori Partnerships Manager to ensure beneficial outcomes for Māori are achieved.

***Sustainability***

Sustainability is an underlying principle of the DCC’s strategic framework. Activity in the annual plan 2023-24 supports the DCC to embed the principles of sustainability across DCC work.

***LTP/Annual Plan / Financial Strategy /Infrastructure Strategy***

The rating method gives effect to the draft budget. The financial implications of the draft budget are discussed in annual plan 2023-24 overview report and the group budget reports. The application of the rating method is consistent with the 10 year plan 2021-2031.

***Financial considerations***

The rating method gives effect to the draft budget. The financial implications of the draft budget are discussed in annual plan 2023-24 overview report and the group budget reports.

***Significance***

The 10 year plan 2021-31 budgets, including the rating method, were considered significant in terms of the Council’s Significance and Engagement Policy, and were consulted on. Variations to those budgets and rating method are not considered significant in terms of the policy.













## REVENUE POLICY COMPLIANCE

Department: Civic

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### EXECUTIVE SUMMARY

- 1 A Revenue and Financing Policy (“the Policy”) is required by the Local Government Act. It sets out how Council’s operating and capital expenditure will be funded, and the sources of those funds.
- 2 This report presents the level of compliance that the draft 2023/24 Annual Plan budget has with the Policy.

### RECOMMENDATIONS

That the Council:

- a) **Notes** the Revenue Policy Compliance report.

### BACKGROUND

- 3 Section 102 of the Local Government Act 2002 (LGA) requires all councils to prepare and adopt a Revenue and Financing Policy. The Policy sets out for each activity of Council, how operating and capital expenditure will be funded, and the sources of those funds.
- 4 The Policy is reviewed every three years but can be amended earlier if required. No amendments are proposed at this time.

### DISCUSSION

- 5 A review has been undertaken of how the draft operating budgets for the 2023/24 Annual Plan comply with the Policy, as shown in Table 1 below.
- 6 In any budget year, there is likely to be a level of variability between the policy and the budget, but it would not be expected to be more than +/- 5%.
- 7 A full review of the policy will occur as part of the development of the next 10 year plan.

**Table 1 – Draft policy and draft budgets comparison**

Activity	2021-2031 Policy		2023/24 Budgets		Unfunded deprec.	Variance
	Rates Revenue %	Other Revenue %	Rates Revenue %	Other Revenue %		Within +/- 5%
<b>Community and planning group</b>						
Community development and events	95%	5%	96%	4%		✓
City development	100%	0%	100%	0%		✓
Resource consent management	60%	40%	62%	38%		✓
<b>Economic development group</b>						
Economic development and marketing	90%	10%	90%	10%		✓
Visitor centre (i-Site)	60%	40%	66%	34%		Note 1
<b>Galleries, libraries and museums group</b>						
Ara Toi services	100%	0%	100%	0%		✓
Dunedin Public Art Gallery	85%	15%	89%	11%		✓
Dunedin Public Libraries	98%	2%	99%	1%		✓
Lan Yuan Chinese Garden	75%	25%	53%	47%		Note 2
Olveston	33%	67%	47%	53%		Note 1
Otago Museum levy	100%	0%	100%	0%		✓
Toitū Otago Settlers Museum	92%	8%	89%	11%		✓
<b>Governance and support services group</b>						
Civic & governance support services	100%	0%	100%	0%		✓
Corporate support services	90%	10%	90%	10%		✓
Warm Dunedin	100%	0%	100%	0%		✓

Activity	2021-2031 Policy		2023/24 Budgets		Unfunded deprec.	Variance
	Rates Revenue %	Other Revenue %	Rates Revenue %	Other Revenue %		Within +/- 5%
<b>Property group</b>						
Community housing	10%	90%	10%	76%	14%	Note 3
Other property	45%	55%	47%	53%		✓
<b>Regulatory services group</b>						
Animal Services	10%	90%	14%	86%		✓
Building Services	25%	75%	22%	78%		✓
Environmental Health	65%	35%	72%	28%		Note 4
Liquor Licensing	10%	90%	16%	84%		Note 5
Parking Operations	0%	100%	0%	100%		✓
Parking services (enforcement)	2%	98%	3%	97%		✓
<b>Reserves and recreational facilities group</b>						
Aquatic services	55%	45%	66%	34%		Note 6
Cemeteries (parks and burials)	50%	50%	41%	59%		Note 7
Crematorium	0%	100%	0%	100%		✓
Dunedin Botanic Garden	98%	2%	99%	1%		✓
Parks and reserves	96%	4%	93%	7%		✓
<b>Roading and footpaths group</b>						
Transport	62%	38%	69%	31%		Note 8
<b>Three Waters</b>						
Water supply	80%	20%	55%	15%	30%	Note 9
Wastewater	98%	2%	65%	5%	30%	Note 9
Stormwater	99%	1%	58%	5%	37%	Note 9



- 13 **Note 4** – The budget for Environmental Health recognises that businesses are recovering from the impacts of COVID and as such, no increases in fees have been proposed. Some of the fees are also legislatively set.
- 14 **Note 5** – the fees and charges for Liquor Licensing are set by legislation. The policy will be reviewed as part of the next 10 year plan to align with legislation.
- 15 **Note 6** – An increase of around 3% in fees and charges for aquatics has been budgeted, and other revenue also includes budgeted fees from Te Puna O Whakaehu which will open prior to the start of the 2023/24 year.
- 16 To comply with the Revenue Policy to recover 45% of operating costs from fees and charges, aquatics fees would need to increase by an estimated \$1.5 million. This level of increase may be considered significance in terms of the Council’s Significance and Engagement Policy, and formal consultation would be required. A review of this policy will be undertaken as part of the next 10 year plan.
- 17 The table below provides examples of the proposed budgeted aquatic fees.

Fee or charge (incl. GST)	2022/23 Fees	Proposed fees	\$ change	% change
Adult Swim	\$7.40	\$7.60	\$0.20	2.7%
Concession Swim	\$4.30	\$4.40	\$0.10	2.3%
Child Swim	\$3.40	\$3.50	\$0.10	2.9%
Family Swim	\$15.90	\$16.40	\$0.50	3.1%
Family Swim and Slide	\$33.50	\$34.50	\$1.00	3.0%
Adult Swim and Slide	\$13.20	\$13.60	\$0.40	3.0%
Concession Swim and Slide	\$9.10	\$9.40	\$0.30	3.3%
Child Swim and Slide	\$7.40	\$7.60	\$0.20	2.7%

- 18 **Note 7** – the Cemeteries budget reflects the actual results from 2021/22. The budget provides for a 3% increase in fees, which equates to an additional \$22,000.
- 19 **Note 8** – The operating budget for roading includes increases in depreciation and interest expense. These costs do not qualify for Waka Kotahi grant funding, and so the level of external revenue does not comply with the Revenue Policy.
- 20 **Note 9** – The budget for 3 waters does not comply with the Revenue Policy due to the non funding of depreciation. The budget provides for depreciation increasing by an estimated \$32.630 million, which is based on the latest asset revaluation (subject to confirmation).

## OPTIONS AND NEXT STEPS

- 21 There are no options or next steps.

## Signatories

Author:	Sharon Bodeker - Manager Governance
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### **Attachments**

There are no attachments for this report.

**SUMMARY OF CONSIDERATIONS**

***Fit with purpose of Local Government***

This decision enables democratic local decision making and action by, and on behalf of communities, and promotes the social, economic, environmental and cultural well-being of communities in the present and for the future.

***Fit with strategic framework***

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Annual Plan contributes to the objectives and priorities of the strategic framework. The Revenue and Financing Policy is a key component of the development of the Annual Plan.

***Māori Impact Statement***

The Annual Plan 2023/24 provides a mechanism for Māori to contribute to local decision-making. The Council's engagement with Mana Whenua and Mātāwaka is an ongoing and continuous process.

***Sustainability***

The Revenue and Financing Policy considers the overall impact of its funding requirements on the current and future social, economic, environmental and cultural wellbeing of the community.

***LTP/Annual Plan / Financial Strategy /Infrastructure Strategy***

The Revenue and Financing Policy does not impact on levels of service provided but provides for how the activities of Council are funded.

***Financial considerations***

The financial impacts are discussed in the report.

***Significance***

This report is considered to be of low significance in terms of the Council's Significance and Engagement Policy.

***Engagement – external***

There has been no external engagement.

***Engagement - internal***

Staff and managers from across Council have been involved in the development of the draft budgets.

***Risks: Legal / Health and Safety etc.***

There are no identified risks.

**SUMMARY OF CONSIDERATIONS**

***Conflict of Interest***

There are no known conflicts of interest.

***Community Boards***

There are no implications for Community Boards.

## ENGAGEMENT ON THE 2023/24 ANNUAL PLAN

Department: Civic and Executive Leadership Team

### EXECUTIVE SUMMARY

- 1 The draft 2023/24 Annual Plan (“the draft Plan”) is an update of year three of the 10 year plan 2021-31. The draft Plan proposes no significant changes to the 10 year plan, and there are no engagement topics requiring specific feedback. As such, there is no legal requirement for Council to consult on the draft Plan.
- 2 This report therefore recommends following the community engagement approach that was undertaken for the 2022/23 Annual Plan. This approach utilises both online digital content as well as print-based engagement practices.

### RECOMMENDATIONS

That the Council:

- a) **Approves** the recommended engagement approach as outlined in this report.

### BACKGROUND

- 3 The Local Government Act 2002 (the Act) sets out provisions for preparing and consulting on Annual Plans.
- 4 Section 95 of the Act includes the following provisions:
  - (1) *A local authority must prepare and adopt an annual plan for each financial year.*
  - (2) *Subject to subsection (2A), a local authority must consult in a manner that gives effect to the requirements of section 82 before adopting an annual plan under this section.*
  - (2A) *Subsection (2) does not apply if the proposed annual plan does not include significant or material differences from the content of the long-term plan for the financial year to which the proposed annual plan relates.*
- 5 Section 82 of the Act sets out the principles of consultation, including allowing local authorities to consult in a manner that it considers, in its discretion, to be appropriate. The special consultative procedure is not required to be used for an annual plan.
- 6 Under section 82 (2A), Council is not required to consult on the draft Plan if it does not include significant or material differences from year three of the Council’s 10 year plan 2021-31 (10 year plan).

## DISCUSSION

- 7 The draft 2023/24 Annual Plan (“the draft Plan”) is an update of year three of the 10 year plan. The draft Plan as presented at this meeting proposes no significant changes to the 10 year plan, and if accepted by Council, will not include any topics requiring specific consultation.
- 8 For the 2022/23 Annual Plan, no significant changes were made to year two of the 10 year plan. Because of this, and because of the uncertainty of COVID at that time, Council approved a community engagement mixed method approach.
- 9 It is recommended that, although there are no engagement topics requiring specific feedback, an engagement process is still undertaken this year, and that it follows the engagement approach used for the 2022/23 Annual Plan.
- 10 This is an opportunity to provide updates to the community about projects currently underway, to set the scene for the next 10 Year Plan 2024-34, and for the community to provide feedback to Council more generally.

### Community engagement approach – mixed method

- 11 The mixed method approach to engagement utilises both online digital content and print based engagement practices. A set of high-level principles have been developed that provide guidance for this mixed method approach. The principles are:
  - a) Build trust through transparency and responsiveness
  - b) Set clear expectations
  - c) Be responsive to the Treaty of Waitangi
  - d) Be inclusive and reflect diversity
  - e) Make online engagement embedded practice
- 12 The proposed engagement objectives for the draft Plan will be to:
  - a) Update the community on some of the key decisions and project progress on the 10 year plan 2021-31
  - b) Update the community on the where the DCC is at in the current planning cycle and set the scene for the 10 Year Plan 2024-34 engagement
  - c) Provide online avenues for communities to engage with Council
- 13 A mixed method engagement approach requires different engagement tools for different engagement purposes and for different community stakeholders. In planning the engagement approach, staff took into consideration community diversity, youth and Māori and Pāsifika. Staff also considered accessibility of both print media and online social media platforms. Taking this all into account, the tools for community engagement will include:
  - a) Creating digital content and producing a series of short videos to tell the story of key decisions and progress on current projects



**SUMMARY OF CONSIDERATIONS**

***Fit with purpose of Local Government***

This decision enables democratic local decision making and action by, and on behalf of communities.

***Fit with strategic framework***

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Parks and Recreation Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Annual Plan contributes to all of the objectives and priorities of the strategic framework and provides a focus for decision making and coordination of the Council's resources, as well as a basis for community accountability.

***Māori Impact Statement***

Being responsive to the Treaty of Waitangi has been included as a key principle for the proposed Annual Plan engagement approach. Discussions will be held with Mana Whenua and Mataawaka to ensure their involvement, particularly in the development of digital content, the design of appropriate methods of engagement for Māori communities and how engagement is undertaken.

***Sustainability***

Engagement in the context of the Annual Plan will provide an opportunity for the community to express their views of the DCC's work towards sustainability.

***LTP/Annual Plan / Financial Strategy /Infrastructure Strategy***

Engagement in the context of developing the Annual Plan is an opportunity for the community to express their views.

***Financial considerations***

Engagement costs will be met from within existing budgets.

***Significance***

This report is considered of low significance in terms of the Significance and Engagement Policy.

***Engagement – external***

This report discusses an approach for external engagement on the Annual Plan.

***Engagement - internal***

Engagement planning has been prepared with input from staff across council.

**SUMMARY OF CONSIDERATIONS**

***Risks: Legal / Health and Safety etc.***

There are no identified risks.

***Conflict of Interest***

There are no known conflicts of interest.

***Community Boards***

On line resources and engagement material will be available for use by Community Boards.