

Notice of Meeting:

I hereby give notice that an ordinary meeting of the Finance and Council Controlled Organisations Committee will be held on:

Date: Tuesday 14 February 2023
Time: 1:00pm (or at the conclusion of Infrastructure Services Committee whichever is the later)
Venue: Council Chamber, Level 2, Dunedin Public Art Galley, The Octagon, Dunedin

Sandy Graham
Chief Executive Officer

Finance and Council Controlled Organisations Committee
PUBLIC AGENDA

MEMBERSHIP

Chairperson	Cr Lee Vandervis	
Deputy Chairperson	Cr Cherry Lucas	
Members	Cr Bill Acklin	Cr Sophie Barker
	Cr David Benson-Pope	Cr Christine Garey
	Cr Kevin Gilbert	Cr Carmen Houlahan
	Cr Marie Laufiso	Cr Mandy Mayhem
	Cr Jim O'Malley	Mayor Jules Radich
	Cr Steve Walker	Cr Brent Weatherall
	Cr Andrew Whiley	
Senior Officer	Gavin Logie, Chief Financial Officer	
Governance Support Officer	Lauren Riddle	

Lauren Riddle
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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1 PUBLIC FORUM

At the close of the agenda no requests for public forum had been received.

2 APOLOGIES

At the close of the agenda no apologies had been received.

DECLARATION OF INTEREST

EXECUTIVE SUMMARY

1. Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have.
2. Elected members are reminded to update their register of interests as soon as practicable, including amending the register at this meeting if necessary.

RECOMMENDATIONS

That the Committee:

- a) **Notes/Amends** if necessary the Elected Members' Interest Register attached as Attachment A; and
- b) **Confirms/Amends** the proposed management plan for Elected Members' Interests.

Attachments

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Finance and Council Controlled Organisations Committee Councillor Register of Interest - Current as at 7 February 2023				
Councillors are members of all committees				
Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Mayor Jules Radich	Shareholder	Izon Science Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Taurikura Drive Investments Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Golden Block Developments Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Cambridge Terrace Properties Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Southern Properties (2007) Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Arrenway Drive Investments Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Golden Centre Holdings Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	IBMS Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Raft Holdings Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Otago Business Coaching Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Effectivise Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Athol Street Investments Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Allandale Trustee Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Aberdeen St No2 Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Road Safety Action Plan	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	100% Shareholder/Director	Panorama Developments Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Hospital Local Advisory Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Council of Social Services (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tertiary Precinct Planning Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tertiary Sector Steering Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Member	Local Government New Zealand (Zone 6 Committee) (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.	
Member	Connecting Dunedin (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.	

PART A REPORTS

FINANCE AND COUNCIL CONTROLLED ORGANISATIONS COMMITTEE FORWARD WORK PROGRAMME

Department: Civic

EXECUTIVE SUMMARY

- 1 The purpose of this report is to provide a regular update of the Finance and Council Controlled Organisations Committee forward work programme to show areas of activity, progress and expected timeframes for decision making across a range of areas of work. (Attachment A). 2
As this is an administrative report only, there are no options or Summary of Considerations.

RECOMMENDATIONS

That the Committee:

- a) **Notes** the Finance and Council Controlled Organisations Committee forward work programme as shown in Attachment A.

DISCUSSION

- 3 The forward work programme will be a regular agenda item which shows areas of activity, progress and expected timeframes for decision making across a range of areas of work.
- 4 As an update report, purple highlights show changes to timeframes. New items added to the schedule will be highlighted in yellow. Items that have been completed or updated are shown as bold.

Signatories

Author:	Wendy Collard - Governance Support Officer
Authoriser:	Sharon Bodeker - Manager Governance

Attachments

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↴A Forward work programme - February 2023	15

FINANCIAL RESULT - PERIOD ENDED 31 DECEMBER 2022

Department: Finance

EXECUTIVE SUMMARY

- 1 This report provides the financial results for the period ended 31 December 2022 and the financial position as at that date.
- 2 As this is an administrative report only, there are no options or Summary of Considerations.

\$ Million	Actual	Budget	Variance		Last Year
Revenue	177.379	173.724	3.655	F	163.209
Expenditure	205.309	182.975	(22.334)	U	169.297
Net Surplus/(Deficit) excluding Waipori	(27.930)	(9.251)	(18.679)	U	(6.088)
Waipori Fund Net	0.546	1.685	(1.139)	U	3.290
Net Surplus/(Deficit) including Waipori	(27.384)	(7.566)	(19.818)	U	(2.798)
Capital Expenditure	104.119	85.183	(18.936)		59.771
Debt					
Short Term Borrowings	76.000	51.000	(25.000)	U	31.800
Term Loans	334.273	334.273	-		271.973
Total Debt	410.273	385.273	(25.000)	U	303.773

RECOMMENDATIONS

That Committee:

- a) **Notes** the Financial Performance for the period ended 31 December 2022 and the Financial Position as at that date.

BACKGROUND

- 3 This report provides the financial statements for the period ended 31 December 2022. It includes reports on financial performance, financial position, cashflows and capital expenditure. The operating result is also shown by group, including analysis by revenue and expenditure type.

DISCUSSION

- 4 Revenue was \$177.379 million for the period or \$3.655 million greater than budget. This was primarily due to unbudgeted government grants for Economic Development, as well as increased revenue for Aquatic Services, landfill revenue, and roading capital expenditure subsidies.
- 5 These favourable variances were partially offset by lower than expected revenue from parking operations, water sales and water reform project subsidy revenue.
- 6 Expenditure was \$205.309 million for the period or \$22.334 million greater than budget. Operational expenditure was greater than expected due to additional roading maintenance expenditure (see revenue above), landfill contract and Ministry levies costs, along with costs associated with applying to extend the Green Island landfill consents and monies spent for government funded projects in Economic Development.
- 7 Depreciation expenditure was also higher than expected following asset revaluations as at 30 June 2022, impacting asset replacement cost (Three Waters and Transport). The level of uplift for Three Waters reflects a change in valuation methodology away from historical indexed costs to a fairer estimate of current replacement cost.
- 8 These unfavourable variances were partially offset by savings in personnel costs and delays for some project expenditure.
- 9 The Waipori Fund saw a month of negative valuations in equity markets following a period of recovery since the start of the financial year. There continues to be negative valuations for fixed term investments as wholesale interest rates continue to rise.
- 10 Capital expenditure was \$104.119 million for the period or 122.2% of the year-to-date budget (55.0% of the full year budget). Transportation and 3 Waters renewals expenditure continues to track ahead of budget with a number of large water and sewer renewal projects underway. The level of spend in other areas of the organisation reflected delays for some projects.

NEXT STEPS

- 11 Financial Result Reports continue be presented to future meetings of either the Finance and Council Controlled Organisation Committee or Council.

Signatories

Authoriser:	Gavin Logie - Chief Financial Officer
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WAIPORI FUND - QUARTER ENDING DECEMBER 2022

Department: Finance

EXECUTIVE SUMMARY

- 1 The attached report from Dunedin City Treasury Limited provides information on the results of the Waipori Fund for the quarter ended 31 December 2022.
- 2 As this is an administrative report only, there are no options or Summary of Considerations.

RECOMMENDATIONS

That the Committee:

- a) **Notes** the report from Dunedin City Treasury Limited on the Waipori Fund for the quarter ended 31 December 2022.

BACKGROUND

- 3 Not applicable.

DISCUSSION

- 4 Not applicable.

OPTIONS

- 5 Not applicable.

NEXT STEPS

- 6 Not applicable.

Signatories

Author:	Richard Davey - Treasury Manager
Authoriser:	Gavin Logie - Chief Financial Officer

Attachments

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↓A Waipori Report 31 December 2022	35

DUNEDIN CITY HOLDINGS LIMITED PARENT FINANCIALS - YEAR ENDED 30 JUNE 2022

Department: Executive Leadership Team

EXECUTIVE SUMMARY

- 1 This report provides the financial results for the year ended 30 June 2022 and the financial position as at that date for the Dunedin City Holdings Limited parent company.

\$ Million	Actual	Budget	Variance		Last Year
Revenue	10.072	7.860	2.212	F	10.310
Expenditure	(9.736)	(9.749)	(0.013)	U	(7.907)
DRL Impairment	-	-	-		-
Net Surplus/(Deficit)	0.336	(1.889)	2.225	F	2.403
Revenue					
Dividend Aurora Energy	-	-	-		-
Dividend City Forests	6.800	5.500	1.300	F	8.200
Dividend Delta Utility	2.600	2.000	0.600	F	1.750
Dividend Subsidiaries	9.400	7.500	1.900	F	9.950
Dividend DIAL	0.312	-	0.312	F	-
Group Management Fees	0.360	0.360	-		0.360
Other Revenue	-	-	-		-
Total Revenue	10.072	7.860	2.212	F	10.310

RECOMMENDATIONS

That the Committee:

- a) **Notes** the Financial Performance for the year ended 30 June 2022 and the Financial Position as at 30 June 2022 for Dunedin City Holdings Limited Parent Company.

BACKGROUND

- 2 This report provides a commentary of the financial performance of Dunedin City Holdings Limited (Parent) for the year ended 30 June 2022 and the financial position as at that date.

DISCUSSION

- 3 The net surplus for the year was \$336k or \$2.225 million better than budget.
- 4 The favourable result was driven by a higher than expected dividend income.
- 5 Note that the 2022 operating result included an impairment of the investment held in Dunedin Railway Limited.
- 6 Investment in Subsidiaries as at 30 June was represented as follows:

\$ Million	Actual	Budget	Last Year
Aurora Energy Ltd	57.400	57.400	57.400
City Forests Ltd	91.725	91.725	91.725
Delta Utility Services Ltd	17.000	17.000	17.000
Dunedin City Treasury Ltd	0.100	0.100	0.100
Dunedin Railway Ltd	0.450	0.450	0.450
Dunedin Stadium Property Ltd	127.179	127.179	124.929
Dunedin Venues Management Ltd	3.960	3.960	3.660
Investment in Subsidiaries	<u>297.814</u>	<u>297.814</u>	<u>295.264</u>

OPTIONS

- 7 Not applicable.

NEXT STEPS

- 8 Not applicable.

Signatories

Authoriser:	Gavin Logie - Chief Financial Officer
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