

Notice of Meeting:

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

Date: Tuesday 28 May 2024
Time: 9:00 a.m.
Venue: Council Chamber, Dunedin Public Art Gallery, The Octagon,
Dunedin

Sandy Graham
Chief Executive Officer

Council
SUPPLEMENTARY AGENDA

MEMBERSHIP

Mayor
Deputy Mayor

Mayor Jules Radich
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	Cr Lee Vandervis
Cr Steve Walker	Cr Brent Weatherall
Cr Andrew Whiley	

Senior Officer

Sandy Graham, Chief Executive Officer

Governance Support Officer

Lynne Adamson

Lynne Adamson
Governance Support Officer

Telephone: 03 477 4000
governance.support@dcc.govt.nz
www.dunedin.govt.nz

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

ITEM	TABLE OF CONTENTS	PAGE
REPORTS		
22	CEO Overview Report - 2024/25 Budget Update	4
23	Logan Park Hockey Turf - Consultation Feedback	23
24	Tuhura Otago Museum - Funding Options	44
25	Heritage Action Plan Update	52
	RESOLUTION TO EXCLUDE THE PUBLIC	60

REPORTS

CEO OVERVIEW REPORT - 2024/25 BUDGET UPDATE

Department: Finance and Civic

EXECUTIVE SUMMARY

- 1 The purpose of this report is to provide an overview of the 2024/25 Annual Plan (“Annual Plan”) process to date, decisions to be made at this deliberations meeting, and the process to complete the Annual Plan through to its adoption by 25 June 2024.
- 2 The revised capital budget for 2024/25 reflects a decrease of \$1.474 million to \$206.883 million. The revised operating budget for 2024/25 reflects a small increase in operating revenue of \$676k and a corresponding small increase in operating expenditure of \$643k, resulting in a minor change overall.

RECOMMENDATIONS

That the Council:

- a) **Notes** the CEO Overview Report – 2024/25 Budget Update.
- b) **Approves** the proposed capital expenditure for inclusion in the 2024/25 Annual Plan.
- c) **Notes** that any resolution made in this section of the meeting, pursuant to Standing Order 23.5 may be subject to further discussion and decision by the meeting.

BACKGROUND

- 3 The Annual Plan provides an update of year four of the 10 year plan 2021-31.
- 4 Engagement on the draft Annual Plan ran from 28 March to 24 April 2024, and then from 8 May to 15 May 2024. A summary of the feedback received is discussed in the report “Summary of Submission on the Annual Plan” being presented at this meeting.

DISCUSSION

Capital budget

- 5 The capital budget has been updated since the budget was presented to Council in March 2024. Attachment A provides a summary of the changes. The detailed capital budget is presented in Attachment B.
- 6 In order to keep the budget and level of borrowing in line with the draft budget, where possible, staff identified where projects could be deferred for one year, or where budgets are unlikely to be fully spent in the 2024/25 financial year.
- 7 The revised budget is \$206.883 million, compared to the draft budget of \$208.357 million approved in March 2024. The key changes are:
 - a) Savings – a saving has been identified in the Saint Clair pool renewals budget.
 - b) Increases due to timing – current projects that are underway but where timing changes mean budget needs to be carried forward into the next financial year to complete the work. These budgets are now included in the 2024/25 budget. Examples include the South Dunedin Library and Community Complex and Geotech bags.
 - c) New expenditure items – CCTV in central city George Street and minor plant and equipment for Civil Defence.
 - d) Delays - projects included in the draft budget which are unlikely to be fully spent in the 2024/25 financial year or have been rescheduled until the 2025/25 year.
 - e) Reallocated – there are a small number of budget lines where funding has been reallocated between lines, for example the Green Island Landfill.
- 8 The impact of the proposed changes on funding lines include a reduction in external capital revenue from New Zealand Transport Agency (NZTA) Waka Kotahi of \$2.963 million and an increase in borrowing of \$1.489 million. No changes are required to the interest budget.
- 9 The Council may wish to change the timing of the projects that have been rescheduled into the 2025/26 year. In total, these amount to \$5.810 million, funded by NZTA Waka Kotahi of \$2.963 million and debt of \$2.847 million. Noting that NZTA Waka Kotahi funding on these projects is yet to be confirmed.
- 10 Council is asked to consider the proposed changes that result in a net decrease to the 2024/25 capital budget of \$1.474 million.

Operating budget

- 11 The draft operating budget for 2024/25 provides for the day-to-day running of all activities and services the DCC provides.
- 12 The draft budget has updated total revenue of \$413.347 million, compared to \$415.634 million approved in March 2024, as shown on the Income Statement at Attachment C.
- 13 For the purposes of presenting an operating budget to Council, the rates increase remains unchanged at 17.5%. Any amendment to this increase would be a decision of Council.

- 14 The draft budget has updated total operating expenditure of \$441.932 million compared to \$441.289 million approved in March 2024, as shown on the Income Statement at Attachment C.
- 15 Increases to operating revenue of \$676k reflect updated assumptions, in particular where higher revenue is being achieved in the current financial year, for example water meter revenue and rate penalties.
- 16 A reduction in capital revenue of \$2.963 million reflects the proposed changes to the timing of capital expenditure in Transport.
- 17 An increase in operating expenditure of \$643k reflects updated assumptions and contract costs for example, valuation services and insurance. It also reflects the change in timing of expenditure on the 9-year plan.
- 18 Two of the financial limits included in the financial strategy are the operating surplus and balanced budget measures. The operating surplus measure tests whether the operating surplus is greater than zero. The balanced budget measure tests whether the operating surplus is greater than zero while excluding certain revenue streams that are capital in nature. Both measures are highlighted on the income statement in Attachment C. As signalled previously, neither of these measures are achieved in the draft 2024/25 budget. However, as part of the 9 year plan development, Council will consider what is required to meet these financial limits.

NZTA Waka Kotahi

- 19 Further information on NZTA Waka Kotahi funding is expected during the week of 27 May 2024. A verbal update will be provided if available.

Decision making and reports

- 20 The Council is now asked to make decisions on the Annual Plan following feedback received during the engagement period and proposed changes for the capital and operating budgets.
- 21 In considering the reports presented at this meeting, staff will be able to respond to specific questions that Councillors may have. Any additions or changes to the draft budget as a result of decisions taken will be calculated during the course of the meeting and Councillors will be kept apprised of what any changes mean for rates. For clarity an increase or decrease of \$203,000 represents a change of +/- 0.1% on rates.
- 22 This report asks Council to consider the proposed updates to the capital and operational budgets.
- 23 The following reports present options for consideration by Council.
- 24 The “Community Housing – Consultation Feedback” report provides a summary of the feedback received on community housing, and the option to increase community housing rent by 11% for 2024/25. The draft budget includes this rental increase.
- 25 The “Summary of Hockey Turf Feedback” report provides a summary of the feedback received on the option for Council to take ownership of the hockey turfs located at Logan Park and fund the replacement of the playing surfaces at a capital cost of \$1 million. The draft budgets provide for this capital and operating expenditure.

- 26 The “Funding Requests – Annual Plan 2024/25” report has identified all requests for specific funding. The “Annual Plan 2024/25 – Amenity Requests” report has identified requests for specific items, services, or actions.
- 27 The Tuhura Otago Museum report provides a summary of Annual Plan consultation feedback and outlines proposed funding options on the Tuhura Otago Museum’s (the Museum) operating budget requirements. An option is provided to increase the funding to Museum from \$4.965 million to \$5.178 million, an increase of 4.3%. The increase has not been applied to the current draft budget and would increase rates by 0.1%.
- 28 These reports present summary information and Councillors may read these alongside the full submission database. Staff from the relevant departments have provided comment on the requests. Every effort has been made to capture all such requests, but any that may have been missed can be included at the meeting, if Councillors identify them.
- 29 Any changes made to the draft budgets at this meeting will be incorporated into the final Annual Plan that will be presented for adoption at the end of June.
- 30 Requests for reports or additional work flowing from consideration of submissions should be made by way of resolutions. These resolutions will then be captured in the action lists or forward work programmes and reported and progressed accordingly.

OPTIONS

- 31 While no options are presented, Council may wish to make amendments to the proposed operating and capital expenditure budgets. Options are presented in other reports on this agenda, as required.

NEXT STEPS

- 32 Decisions made at this deliberations meeting will be incorporated into the final 2024/25 Annual Plan.
- 33 The final Annual Plan will be presented to the 25 June 2024 Council meeting for adoption.
- 34 Any reports requested will be added to the forward work programmes and reported in time for the 9 year plan.

Signatories

Author:	Hayden McAuliffe - Financial Services Manager Sharon Bodeker - Special Projects Manager
Authoriser:	Sandy Graham - Chief Executive Officer Carolyn Allan

Attachments

	Title	Page
↓A	Summary of proposed changes to the Capital Expenditure Programme	10
↓B	Detailed Capital Expenditure Programme	11
↓C	Income Statement for the year ended 30 June 2025	22

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 type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	✓	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	✓	<input type="checkbox"/>	<input type="checkbox"/>

The Annual Plan contributes to all of the objectives and priorities of the strategic framework as it describes the Council's activities, the community outcomes, and 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

The 10 year plan and Annual Plan 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 10 year plan considered various aspects of the Council's approach to sustainability. Major issues and implications for sustainability are discussed in the Infrastructure Strategy and financial resilience is discussed in the Financial Strategy. The Annual Plan is an update of year 4 of the 10 year plan.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

This report provides an overview of the decisions to be made for the final Annual Plan.

Financial considerations

The decisions made may have financial implications for the final Annual Plan.

Significance

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

Engagement – external

Community engagement was undertaken on the draft Annual Plan.

Engagement - internal

Staff from across Council have been involved in the development of the draft Annual Plan.

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

The Community Boards have participated in the engagement process, and all have submitted on the plan.

Annual Plan 2024/25
Summary of proposed changes to the Capital Expenditure Programme

Group	Activity	Project	Revision \$'000	Comment
Waste Management	Waste Futures	Organics Facility	(500)	Timing Change (to 2025/26)
Waste Management	Waste and Environmental Solutions	Green Island Landfill	-	Transfers within the Green Island landfill budget
Waste Management	Waste Futures	Material Recovery Facility	(2,500)	Timing Change (to 2025/26)
Roading and Footpaths	Transport	Dunedin Urban Cycleways (Tunnels Trail - unsubsidised)	1,875	Timing Change (from 2023/24)
Roading and Footpaths	Transport	Geotech Bags	2,800	Timing Change (from 2023/24)
Roading and Footpaths	Transport	Mosgiel Park and Ride	(2,500)	Delayed (rescheduled to 2025/26)
Roading and Footpaths	Transport	Central City Cycle and Pedestrian Improvements	(3,000)	Delayed (rescheduled to 2025/26)
Roading and Footpaths	Transport	Central City Bike Hubs - Parking and Facilities	(310)	Delayed (rescheduled to 2025/26)
Reserves and Recreational Facilities	Parks and Recreation	Playground Improvements (Destination Playgrounds)	(200)	Timing Change (to 2025/26)
Reserves and Recreational Facilities	Aquatic Services	St Clair Pool Renewals	(500)	Saving
Reserves and Recreational Facilities	Botanic Garden	Botanic Garden Renewals	(200)	Timing Change (to 2025/26)
Property	Property-Operational	South Dunedin Library and Community Complex	2,400	Timing Change (to 2024/25)
Property	Property-Community	CCTV George Street	500	New Project
Property	Property-Commercial	Asset Renewals	(500)	Transfer (to Property-Operational)
Property	Property-Operational	Asset Renewals	1,000	Transfer (from Property-Commercial and Business Information Services)
Governance and Support Services	Civil Defence	Plant and Equipment Replacement	100	New Project
Governance and Support Services	Fleet Operations	General Replacement	100	New Project/Increase to existing programme
Governance and Support Services	Business Information Services	Internal Services Workstream	(250)	Timing Change (to 2025/26)
Governance and Support Services	Business Information Services	Internal Services Workstream	(500)	Transfer (to Property-Operational)
Galleries, Libraries and Museums	Toitū Otago Settlers Museum	New Gallery Space - theatrette	711	Timing Change (from 2023/24)
Net Decrease			(1,474)	

Dunedin City Council
Capital Expenditure 2024/2025

	\$'000	\$'000	\$'000
Activity Group	2024/25 Annual Plan Revised Budget	2024/25 Annual Plan Draft Budget	Increase (Dec)
New Capital			
Community and Planning	100	100	-
Economic Development	-	-	-
Galleries, Libraries and Museums	1,756	1,045	711
Governance and Support Services	1,830	1,980	(150)
Property	22,510	19,610	2,900
Regulatory Services	-	-	-
Reserves and Recreational Facilities	3,352	3,552	(200)
Roading and Footpaths	9,585	10,720	(1,135)
Three Waters	38,655	38,655	-
Waste Management	24,607	27,607	(3,000)
Total New Capital	102,395	103,269	(874)
Renewals			
Community and Planning	5	5	-
Economic Development	60	60	-
Galleries, Libraries and Museums	1,771	1,771	-
Governance and Support Services	2,565	2,965	(400)
Property	14,185	13,685	500
Regulatory Services	600	600	-
Reserves and Recreational Facilities	12,723	13,423	(700)
Roading and Footpaths	30,506	30,506	-
Three Waters	41,468	41,468	-
Waste Management	605	605	-
Total Renewals	104,488	105,088	(600)
Total Capital			
Community and Planning	105	105	-
Economic Development	60	60	-
Galleries, Libraries and Museums	3,527	2,816	711
Governance and Support Services	4,395	4,945	(550)
Property	36,695	33,295	3,400
Regulatory Services	600	600	-
Reserves and Recreational Facilities	16,075	16,975	(900)
Roading and Footpaths	40,091	41,226	(1,135)
Three Waters	80,123	80,123	-
Waste Management	25,212	28,212	(3,000)
Total Capital	206,883	208,357	(1,474)

Community and Planning
Capital Expenditure 2024/2025

			\$'000	\$'000	\$'000
Activity Group	Project	Carbon Zero	2024/25 Annual Plan Revised Budget	2024/25 Annual Plan Draft Budget	Increase (Dec)
New Capital					
City Development	Minor Amenity Centres Upgrades	Contributes	-	-	-
	Street Trees and Furniture	Complements	100	100	-
	Total City Development		100	100	-
Total New Capital			100	100	-
Renewals					
Community Development and Events	Task Force Green	Neutral	5	5	-
	Total Community Development and Events		5	5	-
Total Renewals			5	5	-
Total Capital			105	105	

Economic Development
 Capital Expenditure 2024/2025

			\$'000	\$'000	\$'000
Activity Group	Project	Carbon Zero	2024/25	2024/25	Increase (Dec)
			Annual Plan Revised Budget	Annual Plan Draft Budget	
Renewals					
Economic Development	Minor Equipment Renewals	Neutral	50	50	-
	Total Economic Development		50	50	-
Destination Marketing	Digital Content - Camera and Video Gear	Neutral	-	-	-
	Minor Equipment Renewals	Neutral	10	10	-
	Total Destination Marketing		10	10	-
Total Renewals			60	60	-
Total Capital			60	60	-

Galleries, Libraries and Museums
Capital Expenditure 2024/2025

			\$'000	\$'000	\$'000
Activity Group	Project	Carbon Zero	2024/25 Annual Plan Revised Budget	2024/25 Annual Plan Draft Budget	Increase (Dec)
New Capital					
Dunedin Public Art Gallery	Acquisitions - Donation Funded	Neutral	35	35	-
	Acquisitions - DPAG Society Funded	Neutral	30	30	-
	Acquisitions - Rates Funded	Neutral	120	120	-
	Minor Capital Works	Neutral	100	100	-
	Total Dunedin Public Art Gallery		285	285	-
Toitū Otago Settlers Museum	Acquisitions - Rates Funded	Neutral	50	50	-
	Minor Capital Works	Neutral	40	40	-
	New Gallery Space - Theatrette	Neutral	711	-	711
	Total Toitū Otago Settlers Museum		801	90	711
Dunedin Public Libraries	Heritage Collection Purchases - Rates Funded	Neutral	60	60	-
	Heritage Collection Purchases - Trust Funded	Neutral	10	10	-
	South Dunedin Library Opening Collection	Complements	600	600	-
	Total Dunedin Public Libraries		670	670	-
Total New Capital			1,756	1,045	711
Renewals					
Dunedin Public Art Gallery	Exhibition Lighting	Neutral	-	-	-
	Heating and Ventilation System	Neutral	30	30	-
	Total Dunedin Public Art Gallery		30	30	-
Toitū Otago Settlers Museum	Minor Equipment Renewals	Neutral	100	100	-
	Exhibition Lighting Renewal	Neutral	550	550	-
	Total Toitū Otago Settlers Museum		650	650	-
Dunedin Public Libraries	Acquisitions - Operational Collection	Neutral	996	996	-
	Minor Capital Equipment	Neutral	55	55	-
	Total Dunedin Public Libraries		1,051	1,051	-
Olveston House	Minor Capital Works	Neutral	40	40	-
	Total Olveston House		40	40	-
Total Renewals			1,771	1,771	-
Total Capital			3,527	2,816	711

Governance and Support
Capital Expenditure 2024/2025

			\$'000	\$'000	\$'000
Activity Group	Project	Carbon Zero	2024/25 Annual Plan Revised Budget	2024/25 Annual Plan Draft Budget	Increase (Dec)
New Capital					
Business Information Services	Value Added External Services Workstream	Complements	1,500	1,500	-
	Internal Legacy Corrections	Neutral	100	100	-
	Internal Services Workstream	Neutral	100	350	(250)
	Total Business Information Services		1,700	1,950	(250)
Civil Defence	Civil Defence Plant Equipment	Contributes	100	-	100
	Total Civil Defence		100	-	100
Fleet Operations	EV Charging Infrastructure	Core	30	30	-
	Total Fleet Operations		30	30	-
Total New Capital			1,830	1,980	(150)
Renewals					
Customer Services	Self Service Kiosks	Neutral	-	-	-
	Total Customer Services		-	-	-
Business Information Services	Internal Legacy Corrections	Neutral	1,100	1,100	-
	Internal Services Workstream	Neutral	1,025	1,525	(500)
	Total Business Information Services		2,125	2,625	(500)
Fleet Operations	General Replacement	Contributes	390	290	100
	Total Fleet Operations		390	290	100
Council Communications and Marketing	Minor Equipment Renewals	Neutral	50	50	-
	Total Council Communications and Marketing		50	50	-
Total Renewals			2,565	2,965	(400)
Total Capital			4,395	4,945	(550)

**Property
Capital Expenditure 2024/2025**

			\$'000	\$'000	\$'000
Activity Group	Project	Carbon Zero	2024/25 Annual Plan Revised Budget	2024/25 Annual Plan Draft Budget	Increase (Dec)
New Capital					
Community	Public Toilets Growth	Neutral	510	510	-
	Performing Arts	Neutral	-	-	-
	CCTV George Street	Neutral	500	-	500
	Total Community		1,010	510	500
Operational	District Energy Scheme	Contributes	-	-	-
	South Dunedin Library and Community Complex	Contributes	19,900	17,500	2,400
	Total Operational		19,900	17,500	2,400
Housing	Housing Growth	Neutral	1,600	1,600	-
	Total Housing		1,600	1,600	-
Total New Capital			22,510	19,610	2,900
Renewals					
Community	Asset Renewals	Neutral	1,000	1,000	-
	Edgar Centre Refurbishment	Neutral	300	300	-
	Public Toilet Renewals	Neutral	300	300	-
	Community Hall Renewals	Neutral	250	250	-
	Taripits	Neutral	-	-	-
	Total Community		1,850	1,850	-
Housing	Asset Renewals	Neutral	500	500	-
	Fitzroy St Housing Upgrade	Neutral	1,500	1,500	-
	Total Housing		2,000	2,000	-
Investment	Asset Renewals	Neutral	850	850	-
	Lift Renewals	Neutral	-	-	-
	Total Investment		850	850	-
Operational	Asset Renewals	Neutral	1,000	-	1,000
	Asbestos Remediation	Neutral	-	-	-
	Civic Centre	Neutral	5,030	5,030	-
	Furniture	Neutral	50	50	-
	Dunedin Library Refurbishment	Neutral	400	400	-
	Dunedin Public Art Gallery Refurbishment	Neutral	310	310	-
	Octagon CCTV	Neutral	100	100	-
	Olveston House Renewal	Neutral	250	250	-
	Toitū Otago Settlers Museum	Neutral	105	105	-
	Town Hall/Municipal Chamber Exterior and Lift	Neutral	1,600	1,600	-
	Total Operational		8,845	7,845	1,000
Commercial	Asset Renewals	Neutral	-	500	(500)
	Sims Building Renewal	Neutral	640	640	-
	Total Commercial		640	1,140	(500)
Total Renewals			14,185	13,685	500
Total Capital			36,695	33,295	3,400

Regulatory Services
 Capital Expenditure 2024/2025

			\$'000	\$'000	\$'000
Activity Group	Project	Carbon Zero	2024/25	2024/25	Increase (Dec)
			Annual Plan Revised Budget	Annual Plan Draft Budget	
Renewals					
Compliance Solutions	Minor Equipment Renewals	Neutral	50	50	-
	Total Compliance Solutions		50	50	-
Parking Operations	Parking Meter Renewals	Neutral	-	-	-
	Car Park Building Equipment	Neutral	-	-	-
	On and Off Street Parking Renewals	Neutral	550	550	-
	Total Parking Operations		550	550	-
Parking Services	Electronic Ticket Writers Renewals	Neutral	-	-	-
	Total Parking Services		-	-	-
Total Renewals			600	600	-
Total Capital			600	600	

Reserves and Recreational Facilities
Capital Expenditure 2024/2025

			\$'000	\$'000	\$'000
Activity Group	Project	Carbon Zero	2024/25 Annual Plan Revised Budget	2024/25 Annual Plan Draft Budget	Increase (Dec)
New Capital					
Aquatic Services	Moana Pool Improvements	Neutral	20	20	-
	Total Aquatic Services		20	20	-
Botanic Garden	Botanic Garden Improvements	Neutral	105	105	-
	Total Botanic Garden		105	105	-
Cemeteries and Crematorium	Cemetery Strategic Development Plan	Neutral	500	500	-
	City Wide Beam Expansion	Neutral	360	360	-
	Total Cemeteries and Crematorium		860	860	-
Parks and Recreation	Hockey Turfs - Logan Park	Neutral	1,000	1,000	-
	Playground Improvements	Neutral	817	1,017	(200)
	Track Network Development	Contributes	100	100	-
	Recreation Facilities Improvements	Neutral	450	450	-
	Total Parks and Recreation		2,367	2,567	(200)
St Clair - St Kilda Coastal Plan	St Kilda Transition Plan	Neutral	-	-	-
	Total St Clair - St Kilda Coastal Plan		-	-	-
	Total New Capital		3,352	3,552	(200)
Renewals					
Aquatic Services	Moana Pool Renewals	Complements	8,902	8,902	-
	Te Puna o Whakaehu Renewals	Neutral	-	-	-
	Port Chalmers Pool Renewals	Neutral	-	-	-
	St Clair Pool Renewals	Neutral	350	850	(500)
	Total Aquatic Services		9,252	9,752	(500)
Botanic Garden	Botanic Garden Renewals	Neutral	79	279	(200)
	Total Botanic Garden		79	279	(200)
Cemeteries and Crematorium	Structures Renewals	Complements	142	142	-
	Total Cemeteries and Crematorium		142	142	-
Parks and Recreation	Greenspace Renewals	Neutral	570	570	-
	Playground Renewals	Neutral	1,160	1,160	-
	Recreation Facilities Renewals	Neutral	1,520	1,520	-
	Total Parks and Recreation		3,250	3,250	-
Total Renewals			12,723	13,423	(700)
Total Capital			16,075	16,975	(900)

loading and Footpaths
Capital Expenditure 2024/2025

			\$'000	\$'000	\$'000
Activity Group	Project	Carbon Zero	2024/25	2024/25	Increase (Dec)
			Annual Plan Revised Budget	Annual Plan Draft Budget	
New Capital					
Transport	Central City Upgrade	Core	-	-	-
	Central City Upgrade Bath Street	Neutral	1,500	1,500	-
	Central City Upgrade Retail Quarter	Core	60	60	-
	City to Waterfront Connection	Contributes	-	-	-
	Coastal Plan	Neutral	150	150	-
	Dunedin Urban Cycleways	Core	1,875	-	1,875
	Major Centres and Other Centres Upgrade	Core	-	-	-
	Low Cost, Low Risk Improvements	Core	2,000	2,000	-
	Geotech Bags	Neutral	2,800	-	2,800
	Total Transport		8,385	3,710	4,675
Shaping Future Dunedin	Harbour Arterial Efficiency Improvements	Complements	-	-	-
	Central City Parking Management	Complements	1,200	1,200	-
	Mosgiel Park and Ride	Core	-	2,500	(2,500)
	Central City Bike Hubs - Parking and Facilities	Core	-	310	(310)
	Central City Cycle & Pedestrian Improvements	Core	-	3,000	(3,000)
	Total Shaping Future Dunedin		1,200	7,010	(5,810)
	Total New Capital		9,585	10,720	(1,135)
Renewals					
Transport	Footpath Renewals	Complements	5,750	5,750	-
	Gravel Road Re-Metaling	Neutral	1,184	1,184	-
	Major Drainage Control	Neutral	6,102	6,102	-
	Pavement Rehabilitations	Neutral	3,248	3,248	-
	Pavement Renewals	Neutral	10,824	10,824	-
	Structure Component Replacement	Neutral	2,076	2,076	-
	Traffic Services Renewal	Neutral	1,322	1,322	-
	Total Transport		30,506	30,506	-
Total Renewals		30,506	30,506	-	
Total Capital			40,091	41,226	(1,135)

Three Waters Capital Expenditure 2024/2025

			\$'000	\$'000	\$'000
Activity Group	Project	Carbon Zero	2024/25 Annual Plan Revised Budget	2024/25 Annual Plan Draft Budget	Increase (Dec)
New Capital					
Stormwater	New Capital Supporting Growth		924	924	-
	New Resource Consents	Neutral	322	322	-
	Mosgiel Stormwater Pumpstations and Network	Neutral	1,750	1,750	-
	South Dunedin Flood Alleviation	Neutral	750	750	-
	Stormwater New Capital Other	Neutral	3,762	3,762	-
	Bath Street Piped Watercourse to Stormwater	Neutral	5,059	5,059	-
	Total Stormwater		12,567	12,567	-
Wastewater	New Capital Supporting Growth		851	851	-
	Wastewater New Capital Other	Neutral	4,679	4,679	-
	Metro Wastewater Treatment Plant Resilience	Contributes	8,707	8,707	-
	Total Wastewater		14,237	14,237	-
Water Supply	New Capital Supporting Growth		1,176	1,176	-
	Port Chalmers Water Supply	Neutral	1,068	1,068	-
	Water New Capital Other	Neutral	4,748	4,748	-
	Water Supply Resilience	Neutral	4,859	4,859	-
	Total Water Supply		11,851	11,851	-
Total New Capital			38,655	38,655	-
Renewals					
Stormwater	Central City Renewals	Contributes	-	-	-
	Mosgiel Stormwater Pumpstations and Network	Neutral	-	-	-
	Other Stormwater Renewals	Neutral	3,418	3,418	-
	Renewals Supporting Growth	Neutral	2,015	2,015	-
	Total Stormwater		5,433	5,433	-
Wastewater	Central City Renewals	Contributes	-	-	-
	Other Wastewater Renewals	Neutral	8,623	8,623	-
	Rural Wastewater Schemes	Neutral	894	894	-
	Wastewater Pumpstation Renewals	Neutral	291	291	-
	Metro Wastewater Treatment Plant Resilience	Neutral	3,731	3,731	-
	Renewals Supporting Growth	Neutral	648	648	-
	Total Wastewater		14,187	14,187	-
Water Supply	Central City Renewals	Contributes	-	-	-
	Other Water Renewals	Neutral	15,125	15,125	-
	Water Supply Resilience	Neutral	5,437	5,437	-
	Renewals Supporting Growth	Neutral	1,286	1,286	-
	Total Water Supply		21,848	21,848	-
Total Renewals			41,468	41,468	-
Total Capital			80,123	80,123	-

Waste Management
Capital Expenditure 2024/2025

			\$'000	\$'000	\$'000
Activity Group	Project	Carbon Zero	2024/25	2024/25	Increase (Dec)
			Annual Plan Revised Budget	Annual Plan Draft Budget	
New Capital					
Waste and Environmental Solutions	City Recycling Facilities	Complements	15	15	-
	City Recycling Hubs	Complements	260	260	-
	Green Island Landfill Aftercare	Neutral	300	200	100
	Green Island Landfill Gas Collection System	Core	1,255	2,050	(795)
	Green Island Landfill Leachate System	Complements	755	100	655
	Green Island Landfill Southern Valley Leachate Drain	Neutral	740	700	40
	Rural Community Hubs	Contributes	30	30	-
	Sawyers Bay Closed Landfill	Neutral	18	18	-
	Total Waste and Environmental Solutions		3,373	3,373	-
Waste Futures	Organics Facility	Core	3,013	3,513	(500)
	Construction and Demolition Facility	Core	383	383	-
	Material Recovery Facility	Neutral	13,466	15,966	(2,500)
	Glass Facility	Complements	860	860	-
	Resource Recovery Park Precinct	Complements	3,512	3,512	-
	Smooth Hill Landfill	Complements	-	-	-
	Total Waste Futures		21,234	24,234	(3,000)
Total New Capital			24,607	27,607	(3,000)
Renewals					
Waste and Environmental Solutions	Green Island Landfill and Transfer Station	Neutral	150	150	-
	Public Place Recycling and Rubbish Bins	Neutral	165	165	-
	Kerbside Bin Latches	Neutral	60	60	-
	Kerbside Bin Replacements	Neutral	200	200	-
	Green Island Leachate System Pump and Pumpstation	Neutral	15	15	-
	Forester Park Landfill Culvert Pipe Renew/Line/Re-route	Neutral	15	15	-
	Middlemarch Closed Landfill	Neutral	-	-	-
	Total Waste and Environmental Solutions		605	605	-
Total Renewals			605	605	-
Total Capital			25,212	28,212	(3,000)

Dunedin City Council

Income Statement for the Year Ended 30 June 2025

	Draft Budget	Opex Changes	Capex Changes	Revised Draft Budget
	2024-25	2024-25	2024-25	2024-25
	\$000	\$000	\$000	\$000
Revenue				
Rates revenue	238,987	-	-	238,987
Rates penalties	1,000	300	-	1,300
External revenue	96,309	376	-	96,685
Grants and subsidies operating	14,346	-	-	14,346
Grants and subsidies capital	16,965	-	(2,963)	14,002
Development contributions	3,850	-	-	3,850
Vested assets	3,000	-	-	3,000
Internal revenue	40,927	-	-	40,927
Tax refund current year	250	-	-	250
Total revenue	415,634	676	(2,963)	413,347
Expenditure				
Personnel costs	83,879	-	-	83,879
Operations & maintenance	89,635	155	-	89,790
Occupancy costs	35,498	175	-	35,673
Consumables & general	25,853	313	-	26,166
Grants & subsidies	10,717	-	-	10,717
Internal charges	40,927	-	-	40,927
Depreciation	122,356	-	-	122,356
Interest	32,424	-	-	32,424
Total expenditure	441,289	643	-	441,932
Net surplus/(deficit)	(25,655)	33	(2,963)	(28,585)

Financial strategy Information

Operating Surplus

Operating surplus greater than zero	(25,655)	(28,585)
Target Achieved	Not achieved	Not achieved

Balanced Budget

Operating surplus	(25,655)	(28,585)
Less:		
Development Contributions	(3,850)	(3,850)
Vested Assets	(3,000)	(3,000)
External Subsidies for new capital projects	(4,855)	(1,892)
Gain on fair value of investments	(916)	(916)
Balanced budget surplus/(deficit)	(38,276)	(38,243)
Target Achieved	Not achieved	Not achieved

LOGAN PARK HOCKEY TURF - CONSULTATION FEEDBACK

Department: Parks and Recreation

EXECUTIVE SUMMARY

- 1 The purpose of this report is to:
 - a. Provide an overview of the Hockey Turfs at Logan Park and Otago Hockey's current lease arrangements at Logan Park, and past DCC funding arrangements.
 - b. Provide a summary of the Annual Plan 2024-2025 public consultation feedback on Dunedin City Council (DCC) taking ownership of the hockey turf located at Logan Park and funding for the replacement of the turfs.
- 2 The following question was included in the Annual Plan 2024-2025 Consultation Document:
 - 1 *Council plans to take over ownership of the turfs and replace the playing surfaces in 2024-2025 at a cost of \$1 million. What do you think of this?*
- 3 DCC received a total of 319 submissions on the hockey turf replacement question during the annual plan submission period.
- 4 209 of the 319 submissions were in favour of Dunedin City Council taking ownership and funding the replacement of the hockey turfs.
- 5 78 of the 319 submissions were against the Dunedin City Council taking ownership and funding the replacement of the hockey turfs.
- 6 32 submissions were undecided or unclear of their views on the question asked.

RECOMMENDATIONS

That the Council:

- a) **Decides** if it will take ownership of the hockey turfs located at Logan Park and fund the replacement of the hockey turfs at a capital cost of \$1 million, in the Annual Plan 2024-2025.
- b) **Requests** a review of ground rental charges for sports fields and facilities in time to inform development of the 9 year plan 2025-34.

BACKGROUND

- 7 The Otago Hockey Association (1990) Incorporated (Otago Hockey), submitted to the draft 2023-24 Annual Plan, seeking a funding grant of between \$685,000 to \$950,000 to replace the two artificial turfs at McMillan Hockey Centre at Logan Park.
- 8 Council asked staff to work with Otago Hockey to investigate options for the replacement of the hockey turfs and bring these options back in time for the 10-year plan 2024-34.
- 9 On 27 February 2024, Council resolved to defer the 10-year plan 2024-34 and to prepare an Annual Plan for 2024/25.
- 10 On 12 March 2024 a report was presented to Council which proposed that feedback be sought through the Annual Plan 2024/25 consultation process on Council's preferred option for funding the replacement of the hockey turfs at the McMillan Hockey Centre at Logan Park.
- 11 At that meeting, Councillors resolved the following.

Moved (Cr Andrew Whiley/Cr Steve Walker):

That the Council:

- a) **Decides** that Council's preferred option is to take over ownership of the turfs and replace the turfs in the 2024/25 year at a cost of \$1 million, for the purpose of consulting with the community on the draft Annual Plan 2024/25.
- b) **Notes** that Council's preferred option will be added into the draft Annual Plan 2024/25 budgets for the purpose of consulting with the community.

Motion carried (CNL/2024/001) with Cr Lee Vandervis recording his vote against.

History of Hockey Turfs at Logan Park

- 12 Formal hockey competition was established in Dunedin during the late 19th century. Since then, and up until 1990, hockey was played on grass fields. The DCC was responsible for furnishing and upkeeping 28 grass playing fields for this purpose.
- 13 There are typically two types of artificial hockey turfs, being sand-based and the more modern water-based surface. Water-based turfs are the preferred playing surface as the water lubricates the pitch, reducing friction and allowing for quicker and smoother play, giving the ball a true and uniform roll. The water is continuously recycled and reused through a recovery pump and irrigation system.
- 14 Following a meeting in April 1988, The Otago Artificial Surfaces Trust (the Trust) was established for the purpose of raising funds for the construction of an artificial hockey turf.
- 15 This facility was Dunedin's first sand based artificial hockey surface comprising approximately 12,000m² to be sited at Logan Park. The surface was for the benefit of the public of Otago and to provide a multi-purpose sporting and recreation area. This development led to a reduction in the number of grass fields required from the DCC for hockey.
- 16 By 1990, the Trust, alongside Otago Hockey had completed the first turf, accessed via a footpath from Union Street. This development was achieved entirely from funding raised by the Trust.

- 17 Over the next few years, the Trust raised further funds, including a Council funding grant of \$175,000 and a loan of \$450,000 that was guaranteed by the DCC. This enabled the construction of a second turf, this time a water-based turf, in 1998. The onsite pavilion was also completed the same year. The facility is known as the McMillan Hockey Centre.
- 18 After the completion of the second turf and the pavilion, all hockey games transferred to the McMillan Hockey Centre. At this time, the hockey facilities were passed over from the Trust to Otago Hockey for ongoing management.
- 19 In 2009, the original sand-based turf was replaced with a second water-based turf.
- 20 Due to increasing player numbers, capacity issues emerged at the McMillan Hockey Centre. Otago Hockey managed these capacity issues until 2021, when a third artificial turf was constructed to meet growing demand, this time at King's High School and known as the Otago Community Trust King's Turf (OCTKT).
- 21 Otago Hockey have reported that there are approximately 2,700 registered competition hockey players in Dunedin.

Supporting quality sport and recreation facilities

- 22 Supporting quality sport and recreation facilities is a key part of the Parks and Recreation Strategy 2017 - 2027.
- 23 The McMillan Hockey Centre provides for formal and casual hockey games, festival, tournaments, and training.
- 24 Otago Hockey estimate that during the hockey season, the turfs are booked for 130 hours per week, from early morning into the night. Outside of the hockey season, the turfs are used for a variety of sporting codes for organised training purposes, plus casual, informal use.
- 25 The two existing turfs were installed in 2009 and 2012 respectively. With a nominal life expectancy of 10 years, both turfs are now past their useful life and require replacement. Otago Hockey report that the playing surfaces on both turfs at the McMillan Hockey Centre are becoming difficult and costly to repair and increasingly dangerous to play on.
- 26 Otago Hockey have indicated that if the turfs are not replaced with urgency, they will be approaching DCC to request the preparation of up to 20 dedicated grass fields for junior and lower grade adult hockey to allow for the continuation of the sport at current participation rates.
- 27 There is an insufficient number of available DCC owned grass fields to accommodate hockey if this were to happen.

Economic Impact - Tournaments

- 28 In 2022, Dunedin hosted the National Hockey Championship, which attracted 35 teams and 60 officials from across New Zealand. That tournament was held over seven days and eight nights, resulting in an estimated 7,000 bed night impact for Dunedin accommodation providers.
- 29 In 2023, Hockey New Zealand Incorporated (Hockey New Zealand) awarded the National U18 Boys tournament hosting rights to Dunedin. That tournament was also held over seven days and eight nights, with 21 teams from across New Zealand. This resulted in an estimated 4,000 participant bed nights impact for Dunedin accommodation providers.
- 30 Hockey New Zealand has stated that Dunedin is an important hosting venue for premier national (Tier 1) tournaments, as one of only two Hockey Associations in the South Island with 3 turfs within proximity of each other.
- 31 Hockey New Zealand has further stated that despite Dunedin's importance as a tournament venue, the core infrastructure needs to be at a level that supports premier national events.

- 32 Staff understand that Hockey New Zealand’s opinion now is that the turfs at the McMillan Hockey Centre are no longer at that level and feedback from recent premier tournament participants indicates a reluctance to return to Dunedin until the turfs have been replaced.

Otago Hockey and Lease Arrangements at Logan Park

- 33 DCC and the Trust entered a lease for the premises forming part of Logan Park which commenced on 1 July 1999 and expired on 30 June 2019. A Deed of Variation of Lease was entered to vary the boundary of land.
- 34 A new lease was entered between DCC and Otago Hockey for the land situated on part of Logan Park at 65 Harbour Terrace (Premises) on 21 September 2020. The lease is for a term of 15 years, commencing on 1 July 2020 and expiring 30 June 2035.
- 35 The annual lease cost for the 2023/24 year for the Premises including 35 carparks is \$9,518.20 (plus GST) being:
- Rent \$6,438.20 (plus GST)
 - 35 carparks \$3,080.00 (plus GST)
- 36 The lease provides for annual rent reviews in line with the percentage increase or decrease of the Council’s general and community services rates.
- 37 In accordance with the lease, Otago Hockey must pay for all outgoings associated with the Premises, including building maintenance. The lease recognises that all buildings on the Premises are owned by Otago Hockey and also acknowledges that as at 1 July 2020 Otago Hockey owns all improvements located on the Premises including the building and associated facilities located on the Premises.
- 38 The lease provides that Otago Hockey may on the expiry of the Lease remove all or any of its improvements from the Premises on certain conditions. Otago Hockey may also be required by DCC to remove all or any of its improvements (including but not limited to drains, fencing and buildings) on written notice under the Lease.

Otago Hockey and Past DCC Funding Arrangements

- 39 A summary of DCC funding for hockey turfs is shown in Table 1.

Table 1 DCC Funding Grants for Hockey Turfs

Year	Type	Annual Amount	Term	Total Amount
1998	Funding Grant	N/A	One-off	\$175,000
2008	Loan \$500,000 (principal plus interest - forgiven)	\$72,373.30 (incl interest)	10 years	\$725,373
2012	Funding Grant	\$30,000	10 years	\$300,000
2021	Funding Grant (OCTKT)	\$500,000	One-off	\$500,000
2021	Funding Grant (OCTKT)	\$10,000	10 years (to June 2030)	\$100,000
Total 1998 - 2030				\$1,800,373

- 40 In addition to the original funding grant of \$175,000 and underwriting of a \$450,000 loan in 1998, DCC has provided financial assistance in various forms over the years, to support Otago Hockey with the provision of the artificial turfs.
- 41 In 2008, Otago Hockey asked DCC for financial assistance to replace the original sand-based turf, which had worn out, with a new, water-based turf.
- 42 In 2012, Otago Hockey submitted to the draft 2012-22 Long Term Plan requesting funding for the replacement of the original water-based turf that had reached the end of its useful life.
- 43 A new artificial hockey turf was constructed at King's High School in 2021. DCC provided Otago Hockey with a \$500,000 funding contribution towards the construction of this facility.
- 44 DCC also provides Otago Hockey with an annual funding grant of \$10,000 (ending June 2030) as a contribution towards maintenance of the King's Hockey Turf.

DISCUSSION

Summary of Annual Plan 2024-2025 Consultation Feedback

- 45 As part of the Annual Plan 2024-2025 process the DCC consulted with the community on taking ownership of the hockey turf located at Logan Park and funding the replacement of the two hockey turfs.
- 46 The following question was included in the Annual Plan 2024-2025 Consultation Document:
- Council plans to take over ownership of the turfs and replace the playing surfaces in 2024-2025 at a cost of \$1 million. What do you think of this?*
- 47 Council received a total of 319 submissions in response to the hockey turf replacement question.
- 48 209 of the 319 (66%) submissions were in favour of Council taking ownership and funding the replacement of the hockey turfs.
- 49 78 of the 319 (24%) submissions were against Council taking ownership and funding the replacement of the hockey turfs.
- 50 32 of the 319 (10%) submissions were undecided or unclear of their views on the question asked.
- 51 Overall, Dunedin residents supported Council taking ownership of the hockey turf at Logan Park and funding the replacement of the turfs. A summary of the consultation feedback received is outlined below.

209 (66%) Submissions in support of Council taking ownership and funding the replacement of Hockey Turfs

- 52 Supporters emphasised the importance of maintaining quality sporting facilities like the hockey turfs for community well-being.
- 53 Supporters suggested that the investment is justified due to the high usage of the turfs and the benefits they bring to the city, including economic and social advantages.
- 54 Many supporters emphasised the role of the Council in providing quality facilities for various sports and the need to keep the turfs up to standard for hosting tournaments and events.

55 Supporters also highlighted the broader benefits of sports participation for physical and mental health, as well as the positive impact on the community's overall quality of life.

56 78 submitters specifically identified a direct connection to Otago Hockey.

78 (24%) Submissions against supporting Council taking ownership and funding the replacement of Hockey Turfs

57 The responses against supporting Council to take ownership and fund the Hockey Turfs primarily related to concerns about the affordability of the project for residents and ratepayers.

58 Some expressed scepticism about the necessity of replacing the turf and questioned why the Hockey Association cannot fund it themselves.

59 Others argued that the funding could be better directed towards other priorities, such as community housing, road safety or other infrastructure projects the submitters deemed more essential.

Financial Considerations

60 The cost of \$1 million to take over ownership of the turf and replace the playing surfaces is capital expenditure and would be funded from debt.

61 If Council agrees to take over the ownership and replace the playing surfaces, operating costs for the 2024/25 year are estimated to be \$41,000, made up primarily of depreciation, interest, and maintenance costs. Operating costs from 2025/26 onwards are estimated to be around \$127,000 per annum.

62 It is estimated that the life of the playing surfaces is 10 years.

Lease and ground rental charges

63 If Council agrees to take over the ownership and replace the playing surfaces, the lease will need to be revised because it is currently premised on Otago Hockey owning the turf. Otago Hockey are aware of the need to review the lease.

64 Alongside this, staff will work with Otago Hockey to determine the level of ground level charges that Otago Hockey will pay for use of the turfs. Staff have had early high-level discussions with Otago Hockey and there is an expectation from Otago Hockey that ground rental charges will be required.

65 Those discussions and the work that staff have completed in developing this option for Council to consider has highlighted a lack of consistency of approach to how ground rental charges have been calculated and applied. For example, some grounds users cover the cost of lighting, whereas others are included in the ground rental charge, or are paid directly by Council and not recovered. As a result, staff propose that a review of existing ground rental charges be undertaken with a view to ensuring an equitable approach to charges across various sports facilities.

66 Staff have had high level early-stage discussions about field hire charges given that Council will potentially own the asset.

OPTIONS

Option One – Recommended Option

- 67 Council decides to take ownership of the hockey turf located at Logan Park and replace the playing surfaces in 2024/25, at a capital cost of \$1 million.

Advantages

- Supports the consultation feedback received.
- Allows competition hockey to continue to be played on a quality surface and retain current player numbers for the sport.
- Dunedin would be recognised by Hockey New Zealand as having facilities that are suitable for Tier 1 national level tournaments.

Disadvantages

- Ongoing operating costs associated with ownership and maintenance of the turfs.

Option Two – Status Quo

- 68 Council decides not to take ownership or fund the replacement of the hockey turfs at Logan Park.

Advantages

- There would be no ongoing operating costs associated with ownership and maintenance of the turfs.

Disadvantages

- The hockey turfs will not be replaced in 2024-2025.
- Does not allow competition hockey to continue to be played on a quality surface.
- Dunedin would lose recognition by Hockey New Zealand as having facilities that are suitable for Tier 1 national level tournaments.
- Does not support the consultation feedback received.

- 2 67 Other options for the replacement of the Hockey Turf were presented as part of the March 12, 2024, report to Council. The report is attached (Attachment A) if Council wish to reconsider the original options presented.

NEXT STEPS

- 69 If approved by Council, staff will start the procurement process for the replacement of the turfs from 1 July 2024.

- 70 If approved by Council, staff will commence a review of DCC’s approach to ground hire charges in general to ensure consistency across all sports. This review will take place in time for 9-Year Plan.
- 71 If not approved by Council, staff will inform Otago Hockey to seek funding as part of Council’s 9-year plan 2025-2034 for the replacement of the hockey turfs.

Signatories

Author:	Heath Ellis - Acting Group Manager Parks and Recreation
Authoriser:	Jeanette Wikaira - General Manager Arts, Culture and Recreation

Attachments

	Title	Page
↓A	Options for the replacement of Hockey Turfs at Logan Park Report - 12 March 2024	33

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 type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Spatial Plan	<input type="checkbox"/>	<input type="checkbox"/>	✓
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Parks and Recreation Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	<input type="checkbox"/>	<input type="checkbox"/>	✓

Supporting quality sport and recreation facilities is a key part of the Parks and Recreation Strategy 2017. Hockey tournaments provide an economic benefit to Dunedin.

Māori Impact Statement

Feedback gained through engagement with Māori during the Sports Facilities Review, indicates that provision of quality sport and recreational facilities is one way that would encourage greater participation of Māori in sports and active recreation. Mana whenua and Māori have an opportunity to engage with the Annual Plan consultation process.

Sustainability

The hockey turfs at Logan Park are near major public transport routes and cycleways, enabling alternative modes of transport to be used for those participating and watching hockey.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

These considerations are the subject of the report.

Financial considerations

The financial considerations are included in the report.

Significance

Council plans to take over ownership of the Hockey Turfs at Logan Park and fund the replacement of the playing surfaces were part of engagement with the community on the Annual Plan.

Engagement – external

Extensive engagement with Otago Hockey and New Zealand Hockey has been undertaken. Council plans to take over ownership of the Hockey Turfs at Logan Park and fund the replacement of the playing surfaces were part of engagement with the community on the Annual Plan.

Engagement - internal

Staff and managers from Parks and Recreation Services, Governance and Finance staff have been involved in the background work with Otago Hockey and in the analysis of the submissions received.

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

Community Boards have participated in the engagement process.

OPTIONS FOR THE REPLACEMENT OF THE HOCKEY TURFS AT LOGAN PARK

Department: Executive Leadership Team

EXECUTIVE SUMMARY

- 1 The Otago Hockey Association (1990) Incorporated (Otago Hockey), submitted to the draft 2023-24 Annual Plan, seeking a funding grant of between \$685,000 to \$950,000 to replace the two artificial turfs at McMillan Hockey Centre at Logan Park.
- 2 Council asked staff to work with Otago Hockey to investigate options for the replacement of the hockey turfs and bring these options back in time for the 10 year plan 2024-34.
- 3 Council resolved at the meeting on 27 February 2024 to defer the 10 year plan 2024-34 and to prepare an Annual Plan for 2024/25.
- 4 This report updates Council on discussions held with Otago Hockey in relation to the replacement of artificial turfs at the McMillan Hockey Centre at Logan Park.
- 5 This report proposes that feedback be sought through the Annual Plan 2024/25 consultation process on Council's preferred option for funding the replacement of the hockey turfs at the McMillan Hockey Centre at Logan Park.
- 6 Staff will report back to Council with recommendations during deliberations on the Annual Plan 2024/25.

RECOMMENDATIONS

That the Council:

- a) **Decides** on preferred option for the replacement of the hockey turfs at Logan Park.
- b) **Notes** that Council's preferred option will be added into the draft Annual Plan 2024/25 budgets for the purpose of consulting with the community.

BACKGROUND

History of the artificial turfs at Logan Park

- 7 Records indicate that a formal hockey competition was established in Dunedin during the late 19th century. Since then, and up until 1990, hockey was played on grass fields. The DCC was responsible for furnishing and upkeeping 28 grass playing fields for this purpose.

- 8 Due to the ongoing, variable condition of grass playing surfaces in Dunedin during winter and recognising the need for a more reliable and suitable playing surface, discussions about the introduction of artificial turfs gained momentum in the late 1980s.
- 9 There are typically two types of artificial hockey turfs, being sand-based and the more modern water-based surface. Water-based turfs are the preferred playing surface as the water lubricates the pitch, reducing friction and allowing for quicker and smoother play, giving the ball a true and uniform roll. The water is continuously recycled and reused through a recovery pump and irrigation system.
- 10 Following a meeting in April 1988, The Otago Artificial Surfaces Trust (the Trust) was established for the purpose of raising funds for the construction of an artificial hockey turf.
- 11 This facility would be Dunedin's first sand based artificial hockey surface comprising approximately 12,000m² to be sited at Logan Park. The surface was for the benefit of the public of Otago and to provide a multi-purpose sporting and recreation area. This development led to a reduction in the number of grass fields required from the DCC for hockey.
- 12 By 1990, the Trust, alongside Otago Hockey had completed the first turf, accessed via a footpath from Union Street. This development was achieved entirely by funding raised by the Trust.
- 13 Over the next few years, the Trust raised further funds, including a Council funding grant of \$175,000 and a loan of \$450,000 that was guaranteed by the DCC. This enabled the construction of a second turf, this time a water-based turf, in 1998. The onsite pavilion was also completed the same year. The facility is known as the McMillan Hockey Centre.
- 14 After the completion of the second turf and the pavilion, all hockey games transferred to the McMillan Hockey Centre. At this time, the hockey facilities were passed over from the Trust to Otago Hockey for ongoing management.
- 15 In 2009, the original sand-based turf was replaced with a second water-based turf.
- 16 Due to increasing player numbers, capacity issues emerged at the McMillan Hockey Centre. Otago Hockey managed these capacity issues until 2021, when a third artificial turf was constructed to meet growing demand, this time at King's High School and known as the Otago Community Trust King's Turf (OCTKT).
- 17 Otago Hockey have said that there are around 2700 registered competition hockey players in Dunedin.

Lease Agreement at Logan Park

- 18 DCC and the Trust entered a lease for the premises forming part of Logan Park which commenced on 1 July 1999 and expired on 30 June 2019. A Deed of Variation of Lease was entered to vary the boundary of land.
- 19 A new lease was entered between DCC and Otago Hockey for the land situated on part of Logan Park at 65 Harbour Terrace (Premises) on 21 September 2020. The lease is for a term of 15 years, commencing on 1 July 2020 and expiring 30 June 2035.
- 20 The annual lease cost for the 2023/24 year for the Premises including 35 carparks is \$9,518.20 + GST, being:

- Rent \$6,438.20 + GST
- 35 carparks \$3,080.00 + GST

- 21 The lease provides for annual rent reviews in line with the percentage increase or decrease of the Council's general and community services rates.
- 22 In accordance with the lease, Otago Hockey must pay for all outgoings associated with the Premises, including building maintenance. The lease recognises that all buildings on the Premises are owned by Otago Hockey and also acknowledges that as at 1 July 2020 Otago Hockey owns all improvements located on the Premises including the building and associated facilities located on the Premises.
- 23 The lease provides that Otago Hockey may on the expiry of the Lease remove all or any of its improvements from the Premises on certain conditions. Otago Hockey may also be required by DCC to remove all or any of its improvements (including but not limited to drains, fencing and buildings) on written notice under the Lease.

Logan Park Reserve Management Plan

- 24 The McMillan Hockey Centre is located within the area known as Logan Park.
- 25 At its 27 April 2023 meeting, Council approved the Statement of Proposal to prepare a Reserve Management Plan for Logan Park.

Moved (Cr Andrew Whiley/Cr Jim O'Malley):

That the Council:

- a) **Approves the Statement of Proposal and the Stage 1 Engagement Questions for Logan Park Recreation Reserve, and the commencement of the public consultation process required by section 41(5) of the Reserves Act 1977.**

Motion carried (CNL/2023/090)

- 26 While Logan Park is a long-established sport and recreation space in Dunedin there is no site-specific reserve management plan for the space. Logan Park is currently managed under the General Policies Reserve Management Plan and the Sports Grounds Reserve Management Plan.
- 27 The development of Logan Park in the past has been ad-hoc, compromising the efficient and effective use of the available space. Council occasionally receives requests to develop discrete parts of Logan Park for specific uses, for example the establishment of a sports hub.
- 28 Users of Logan Park have suggested that the area would benefit from a management plan to enable a more integrated approach to the management and use of the area.
- 29 Development of a site-specific management plan for Logan Park will establish an overarching approach which outlines Council's role in the current and future planning, development, and management of the area. This will enable more informed and consistent decision making.
- 30 The development of a management plan will give the Council an opportunity to respond to the community's changing needs and requirements and will enable best practice models and trends to be considered.

Previous DCC Funding Arrangements

- 31 A summary of DCC funding for hockey turfs is shown in Table 1.

Year	Type	Annual Amount	Term	Total Amount
1998	Funding Grant	N/A	One-off	\$175,000
2008	Loan \$500,000 (principal plus interest - forgiven)	\$72,373.30 (incl interest)	10 years	\$725,373
2012	Funding Grant	\$30,000	10 years	\$300,000
2021	Funding Grant (OCTKT)	\$500,000	One-off	\$500,000
2021	Funding Grant (OCTKT)	\$10,000	10 years (to June 2030)	\$100,000
Total 1998 - 2030				\$1,800,373

Table 1 DCC Funding Grants for Hockey Turfs

- 32 In addition to the original funding grant of \$175,000 and underwriting of a \$450,000 loan in 1998, DCC has provided financial assistance in various forms over the years, to support Otago Hockey in the provision of the artificial turfs.
- 33 In 2008, Otago Hockey asked DCC for financial assistance to replace the original sand-based turf, which had worn out, with a new, water-based turf.
- 34 A report was presented to DCC's Community Development Committee at their meeting of 15 July 2008 outlining the urgency and the funding required.

Following discussion, it was moved (Butcher/Cull):

- "1 That the Council loans Otago Hockey Association (Otago Hockey) \$500,000 for construction of a second water turf. The Loan Interest plus principal would be forgiven at a rate of \$76,355 pa for 10 years, subject to the Otago Hockey meeting criteria to be set out in a Service Level Agreement. The reduction in debt would begin in the 2008/09 year and would continue for 10 years.
- 2 That the over-expenditure of \$38,178 in the 2008/09 financial year is met by a reprioritisation or deferral of items in the 2008/09 Parks and Reserves Budget.
- 3 That from the 2009/10 year this debt forgiveness in Parks and Reserves be funded by an increase in rates. The total cost to ratepayers will be \$725,373 over the 10 years."

- 35 In 2012, Otago Hockey submitted to the draft 2012-22 Long Term Plan requesting funding for the replacement of the original water-based turf that had reached the end of its useful life.
- 36 The minutes of the Annual Plan Hearings of May 2012 reflect that:

xii) **Otago Artificial Surface Trust**

It was moved (Staynes/Noone):

- "1 That an additional \$30,000 be included annually commencing in 2013/14 for a period of 10 years to assist the Otago Artificial Surface Trust to replace the worn out artificial turf situated at the Otago Hockey Facility at Logan Park.

- 2 That staff work with the Otago Hockey Association to identify the best mechanism, up to \$30,000 pa, to achieve the upgrade of an artificial turf.
- 3 That Otago Hockey make the turf available to other sporting organisations when not required for hockey purposes."

Following discussion, the motion was **put and carried**.

- 37 A new artificial hockey turf was constructed at King's High School in 2021. DCC provided Otago Hockey with a \$500,000 funding contribution towards the construction of this facility.
- 38 DCC also provides Otago Hockey with an annual funding grant of \$10,000 (ending June 2030) as a contribution towards maintenance of the King's Hockey Turf.

DISCUSSION

- 39 Supporting quality sport and recreation facilities is a key part of the Parks and Recreation Strategy 2017 - 2027.
- 40 The McMillan Hockey Centre provides for formal and casual hockey games, festival, tournaments, and training.
- 41 Otago Hockey estimate that during the hockey season, the turfs are booked for 130 hours per week, from early morning into the night. Outside of the hockey season, the turfs are used for a variety of sporting codes for organised training purposes, plus casual, informal use.
- 42 The two existing turfs were installed in 2009 and 2012 respectively. With a nominal life expectancy of 10 years, both turfs are now past their useful life and require replacement. Otago Hockey report that the playing surfaces on both turfs at the McMillan Hockey Centre are becoming difficult and costly to repair and increasingly dangerous to play on.
- 43 Otago Hockey have indicated that if the turfs are not replaced with urgency, they will be approaching DCC to request the preparation of up to 20 dedicated grass fields for junior and lower grade adult hockey to allow for the continuation of the sport at current participation rates.
- 44 There is an insufficient number of available DCC owned grass fields to accommodate hockey if this were to happen.

Economic Impact - Tournaments

- 45 In 2022, Dunedin hosted the National Hockey Championship, which attracted 35 teams and 60 officials from across New Zealand. That tournament was held over seven days and eight nights, resulting in an estimated 7000 bed night impact for Dunedin accommodation providers.
- 46 In 2023, Hockey New Zealand Incorporated (Hockey New Zealand) awarded the National U18 Boys tournament hosting rights to Dunedin. That tournament was also held over seven days and eight nights, with 21 teams from across New Zealand. This resulted in an estimated 4000 participant bed nights impact for Dunedin accommodation providers.
- 47 Hockey New Zealand have stated that Dunedin is an important hosting venue for premier national (Tier 1) tournaments, as one of only two Hockey Associations in the South Island with 3 turfs within proximity of each other.

- 48 Hockey New Zealand have further stated that despite Dunedin's importance as a tournament venue, the core infrastructure needs to be at a level that supports premier national events.
- 49 We understand that Hockey New Zealand's opinion now is that the turfs at the McMillan Hockey Centre are no longer at that level and feedback from recent premier tournament participants indicates a reluctance to return to Dunedin until the turfs have been replaced.
- 50 Otago Hockey has recently completed the "Expressions of Interest" phase with Hockey New Zealand for 2024 tournaments. Hockey New Zealand allocated a Schools Second Eleven tournament to Dunedin. No higher tier tournaments were allocated and are unlikely to be allocated until the turfs are replaced.

Funding options

- 51 Otago Hockey submitted to the draft 2023-24 Annual Plan, seeking a funding grant of between \$685,000 to \$950,000 to replace the two artificial turfs at Logan Park. Council asked that staff work with Otago Hockey to explore funding options.
- 52 Otago Hockey report that it is increasingly difficult to secure third-party funding (e.g., gaming trust funding) and that any such funding is used to support the operating costs of running a regional sports association. There is usually insufficient additional funding to pay for large-item capital upgrades such as turf replacement.
- 53 DCC has previously guaranteed loan arrangements for resurfacing the turfs since the establishment of the McMillan Hockey Centre. Acting as a financial guarantor for a third-party presents unnecessary risk to the DCC and may no longer be a viable position for Council.
- 54 If Council wishes to fund the replacement of the hockey turfs, there are two funding models that can be utilised:
 - i. funding the replacement work and taking over the ownership of the hockey turfs at the McMillan Hockey Centre, or;
 - ii. providing a grant to Otago Hockey.
- 55 To support Otago Hockey's submission to the 2023-24 Annual Plan, Otago Hockey obtained a quote for between \$685,000 and \$950,000 to replace the turfs. The higher figure being a full replacement of the underlay (this would not be known until the turfs were lifted).

OPTIONS

Option 1 – Take over ownership of the turfs and replace the turfs in the 2024-25 year (Recommended Option)

- 56 If Council wishes to replace the hockey turfs and take over ownership of the turfs and the associated irrigation system, the cost could be capitalised and be depreciated over a ten-year period.
- 57 The turfs would be managed and maintained by Parks and Recreation Services and leased back to the users of the turf through annual hire-agreements, aligned to DCC's fees and charges for sports fields. This is consistent with how the multi-use artificial turfs at Logan Park are managed.

- 58 This option would require a variation to the Lease to acknowledge the change of ownership of the turfs at the Premises from Otago Hockey to DCC.
- 59 Otago Hockey have said that the annual maintenance costs for the McMillan Hockey Centre turfs are approximately \$10,000 per annum, which includes annual turf grooming undertaken by the turf supplier. Towards the end of their nominal ten-year life, some repairs are typically required. This increases the annual maintenance costs to approximately \$15,000.
- 60 This option would require capital budget to be added to the draft Annual Plan 2024/25.
- 61 A breakdown of annual budget impact over 10 years for this option is shown in Table 2.

Expenditure Option 1 – ownership of turfs	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Capital	1,000									
Operational (incl Depreciation, maintenance, principal and interest)	41	207	207	207	207	207	207	212	212	212

Table 2 – Expenditure 2024-34 – Option 1

Advantages

- Gives DCC the opportunity to undertake an integrated planning approach of the recreational assets at Logan Park and decision-making ability for reserve management planning on the future use of the site.
- Allows competition hockey to continue to be played on a quality surface and retain current player numbers for the sport.
- Does not impact on DCC grass sports fields that are at capacity during the winter.
- Dunedin would be recognised by Hockey New Zealand as having facilities that are suitable for Tier 1 national level tournaments.

Disadvantages

- Impacts Council's capital (year 2024-25) and operational budget (depreciation and maintenance), in years 2024-34.

Option Two – Grant Funding – Lump sum

- 62 If Council decides to provide a lump sum grant then Otago Hockey would continue to own, manage and maintain the turfs at Logan Park and would manage the replacement project and draw upon the grant funds in the 2024-25 year.
- 63 A new funding agreement would be entered into with Otago Hockey.
- 64 A breakdown of annual budget impact over 10 years for this option is shown in Table 3.

Expenditure Option 2 – Grant – Lump Sum	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Capital	0	0	0	0	0	0	0	0	0	0
Operational (incl. Depreciation, maintenance, principal and interest)	1,000	0	0	0	0	0	0	0	0	0

Table 3 – Expenditure 2024-34 - Option two

Advantages

- Allows competition hockey to continue to be played on a quality surface and retain current player numbers for the sport.
- Does not impact on DCC grass sports fields that are at capacity during the winter.
- Dunedin would be recognised by Hockey New Zealand as having facilities that are suitable for Tier 1 national level tournaments.
- Does not impact Council's capital budget.

Disadvantages

- Does not give DCC greater control of the recreational assets at Logan Park and decision-making ability on the future use of the site.
- Impacts Council's operational budget in the 2024-25 year.

Option Three – Grant funding – Annual

65 If Council decides to provide an annual grant for 10 years then Otago Hockey will need to secure a loan for the full replacement costs. Otago Hockey would continue to own, manage and maintain the turfs at Logan Park and would manage the replacement project and draw upon the grant funds each year between 2024-34.

66 A new funding agreement would be entered into with Otago Hockey.

67 A breakdown of annual budget impact over 10 years for this option is shown in Table 4.

Expenditure Option 3 – Grant - Annual	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Capital	0	0	0	0	0	0	0	0	0	0
Operational (incl. Depreciation, maintenance, principal and interest)	100	100	100	100	100	100	100	100	100	100

Table 4 Expenditure 2024-34 Option three

Advantages

- Allows competition hockey to continue to be played on a quality surface and retain current player numbers for the sport.
- Does not impact on DCC grass sports fields that are at capacity during the winter.
- Dunedin would be recognised by Hockey New Zealand as having facilities that are suitable for Tier 1 national level tournaments.
- Does not impact Council's capital budget.

Disadvantages

- Does not give DCC greater control of the recreational assets at Logan Park and decision-making ability on the future use of the site.

- Impacts Council's operational budgets in the years 2024-34.
- Risk that Otago Hockey would not be able to secure a loan facility without a guarantor.

Option Four – Do not fund the replacement of the hockey turfs.

Advantages

- Does not impact Council budgets.

Disadvantages

- Hockey games are likely to be suspended while Otago Hockey seek alternative third-party funding.
- Dunedin will not be recognised by Hockey New Zealand as having facilities that are suitable for Tier 1 national level tournaments until the turfs at the McMillan Hockey Centre are replaced.
- Otago Hockey will request the preparation of DCC grass fields for lower and junior grade hockey for continuity of the hockey competition. DCC grass sports fields are already at capacity during the winter.

NEXT STEPS

- 68 The Annual Plan 2024/25 consultation information will reference Council's preferred option and enable the community to provide feedback.

Signatories

Author:	Scott MacLean - General Manager, Climate and City Growth
Authoriser:	Jeanette Wikaira - General Manager Arts, Culture and Recreation

Attachments

There are no attachments for this report.

SUMMARY OF CONSIDERATIONS			
<i>Fit with purpose of Local Government</i>			
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.			
<i>Fit with strategic framework</i>			
	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Supporting quality sport and recreation facilities is a key part of the Parks and Recreation Strategy 2017. Hockey tournaments provide an economic benefit to Dunedin.			
<i>Māori Impact Statement</i>			
Feedback gained through engagement with Māori during the Sports Facilities Review, indicates that provision of quality sport and recreational facilities is one way that would encourage greater participation of Māori in sports and active recreation. Mana whenua and Māori have an opportunity to engage with the Annual Plan consultation process.			
<i>Sustainability</i>			
The hockey turfs at Logan Park are near major public transport routes and cycleways, enabling alternative modes of transport to be used for those participating and watching hockey.			
<i>LTP/Annual Plan / Financial Strategy / Infrastructure Strategy</i>			
No allowance has been made in the draft Annual Plan budgets for the replacement of the hockey turfs.			
<i>Financial considerations</i>			
Financial considerations are discussed in the report.			
<i>Significance</i>			
Information on the hockey turf replacement will be made available as part of the Annual Plan 2024/25 consultation.			
<i>Engagement – external</i>			
Extensive engagement with Otago Hockey and New Zealand Hockey has been undertaken.			
<i>Engagement - internal</i>			
Parks and Recreation Services, Legal and Finance staff have been consulted.			

SUMMARY OF CONSIDERATIONS

Risks: Legal / Health and Safety etc.

The are no identified legal risks. As DCC is the primary provider of sport and recreational facilities in Dunedin, there is reputational risk of not funding the turf replacement.

Conflict of Interest

There are no identified conflicts of interest.

Community Boards

There are no implications for Community Boards, although this decision may be of interest to Community Boards.

TUHURA OTAGO MUSEUM - FUNDING OPTIONS

Department: Executive Leadership Team

EXECUTIVE SUMMARY

- 1 This report updates Council on the outcome of discussions between DCC staff and the Tuhura Otago Museum (the Museum) in relation to the Museum's proposed 2024-2025 draft budget.
- 2 The report notes that Otago Museum's proposed 2024-25 draft budget includes an increase of 4.3%. This increase has not been included in the DCC's proposed annual plan budget 2024-2025.
- 3 The report provides a summary of Annual Plan consultation feedback in relation to Tūhura Otago Museum (the Museum).
- 4 The report outlines proposed funding options on the Museum's operating budget requirements for Council's Annual Plan 2024-2025.

RECOMMENDATIONS

That the Council:

- a) **Considers** the level of funding for the Tūhura Otago Museum levy payment for 2024-2025.

BACKGROUND

- 5 At the 12 March 2024 Council meeting a report for noting was presented to Council. This report provided background information about the museum levy paid by the DCC to the Museum under the Otago Museum Trust Board Act 1996 (the Act).
- 6 The DCC has a commitment to provide opportunities to access and experience arts, culture and heritage by viewing and experiencing collections held in safe and quality environments. The DCC maintains and preserves a rich heritage of stories, treasures and knowledge through the cultural facilities we own and operate as well as through the support we provide to the Museum.

DCC and Museum collaboration

- 7 DCC staff have met with Museum staff to discuss and understand the Museum's operating budget requirements. At this meeting it was acknowledged that the funding environment is challenging for both the DCC and the Museum.
- 8 Both parties have noted the need for longer term financial certainty for the Museum and recognised the importance of further collaboration to explore options for a sustainable long term funding mechanism. The DCC sees strong merit in working on matters of shared interest going forward for the benefit of both parties including:

- a) Accessing external funding to support the redevelopment of Museum facilities in Dunedin.
- b) Operating efficiencies and areas where resources can be shared; and
- c) Working collaboratively on long-term planning with a view that a plan will be developed to inform the 9-year plan.

Otago Museum funding arrangements

- 9 The Otago Museum Trust Board is a legal entity established under the Otago Museum Trust Board Act (1996). The Act requires the DCC to provide two functions:
- a) Serve as an appointment body and select four Board members to the Otago Museum Trust Board.
 - b) To make an annual payment to the Museum (known as the Levy).
- 10 Schedule 2 of the Act directs that the levy be paid by each contributing authority; Central Otago District Council; Clutha District Council; and Waitaki District Council. The DCC provides the remainder of the levy, which generally amounts to over 90% of the annual local government funding contribution. Under the Act the DCC is required to pay any shortfall.
- 10 Attachment A provides a detailed breakdown of total payments made to the Museum from 2013 to 2023.

DISCUSSION

- 11 Currently no provision has been included in the DCC Annual Plan budget 2024-25 for an increase in the Museum levy.
- 12 The amount provided for in the draft Annual Plan budget 2024/25 is \$4,965,000 being the same amount provided for in the 2023/24 budget. This amount covers the DCC Museum Levy, the shortfall Museum Levy and the Museum's rates rebate. The 2023/24 amounts are outlined below.

2023/24	DCC Museum Levy	4,876,212
2023/24	Shortfall Museum Levy	75,710
2023/24	Rates rebate	8,266
TOTAL		\$4,960,188

- 13 The Otago Museum's proposed 2024-25 draft budget includes a 4.3% increase in the DCC's Museum levy, being an increase of \$213,495.
- 14 A 4.3% increase in the DCC's Museum levy would increase the amount provided for in the DCC's draft annual plan 2024-25 budget from \$4,965,000 to \$5,178,495.
- 15 If the DCC decides not to increase the Museum levy and maintain the levy as it is currently proposed in the Annual Plan budget 2024-25, the DCC is required under the Act to give notice in writing objecting to the levy proposed by the Otago Museum Board.
- 16 This notice must be undertaken prior to 31 May 2024 and state the grounds for DCC's objection. The process following this notice is set out in section 16 of the Act.

- a) The DCC is to write to the Museum Board, no later than 31 May 2024, stating the grounds of objection.
- b) Within 14 days the Museum Board is to convene a meeting of all contributing authorities, who are to be represented by at least one delegate. The meeting is to be held no later than 1 month following 31 May 2024.
- c) Within 14 days of this meeting, the delegates are required to make a recommendation to their authority who are to inform the Board of such recommendations.
- d) If an agreement cannot be reached within 28 days of the meeting, the contributing authorities may resolve that the total Levy be reduced to an amount not less than the previous year.

Summary of Annual Plan 2024-2025 Consultation Feedback

- 17 Council received a total of 192 submissions related to Tūhura Otago Museum.
- 18 187 submissions were in favour of Council increasing the Museums funding in line with inflation. Commentary was largely focused on the valuable contribution the Museum made to science, education and the cultural life of Dunedin.
- 19 5 submissions opposed Council increasing the Museum's funding. Commentary was generally focused on increased funding negatively impacting on rates.

OPTIONS

Option One: Recommended Option - Approves the 4.3% increase (or another amount) of the Otago Museum levy in the DCC Annual Plan budget 2024-25.

Advantages

- Provides the Museum with the requested financial increase.
- Addresses increasing financial pressures on the Museum.
- Provides staff with time to develop a long-term plan as part of the 9-year plan.
- Supports the consultation feedback.

Disadvantages

- Impacts Council's 2024-2025 Annual Plan Budget and adds costs to rate payers.

Option Two – Writes to the Museum objecting to the 4.3% increase of the Otago Museum levy in the DCC Annual Plan budget 2024-25

If Council wishes to pursue this option, the grounds on which Council objects to the proposed increase will need to be outlined in a letter.

Advantages

- Does not impact Council's 2024-2025 Annual Plan budget and there is no added cost to ratepayers.

Disadvantages

- Does not provide the Museum with the requested financial increase.
- Does not address increasing financial pressures on the Museum.
- Does not support consultation feedback.

NEXT STEPS

- 20 If Council decides not to increase the Museum levy in the DCC Annual Plan budget 2024-25, a letter will be sent to the Museum Board no later than 31 May 2024, stating the grounds of objection to the increase in levy.
- 21 Staff of both organisations have agreed to continue to meet on a regular basis. Staff will work together to develop a long term forecast of operating revenue and operating expenditure. This information would form the basis of a sustainable funding mechanism to provide the necessary certainty to both parties for how the DCC will continue to support the Museum. A report outlining the plan with options will be prepared for consideration as part of the DCC's 9 Year Plan.

Signatories

Author:	Jeanette Wikaira - General Manager Arts, Culture and Recreation
Authoriser:	Sandy Graham - Chief Executive Officer

Attachments

	Title	Page
↓A	Total DCC Payment to Tuhura Otago Museum 2013-2023	50

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 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"/>
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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	✓	<input type="checkbox"/>	<input type="checkbox"/>

Tūhura – The Otago Museum primarily contributes to the objectives and priorities of DCC’s Arts and Culture Strategy.

Māori Impact Statement

As a cultural heritage institution, Tūhura – The Otago Museum impacts broadly across all Dunedin communities including Māori. The adoption of Te Taki Haruru – Māori Strategic Framework signals Council’s commitment to mana whenua and to its obligations under the Treaty of Waitangi.

Sustainability

Major issues and implications for sustainability are discussed in the 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

These considerations are the subject of the report.

Financial considerations

The financial considerations are included in the report.

Significance

The decision is assessed to be of low significance in terms of the Council’s Significance and Engagement Policy.

Engagement – external

Relevant DCC staff have met and been in contact with senior Museum representatives and financial advisors to the Museum.

Engagement - internal

Staff and managers from across council have been involved in the development of this report.

Risks: Legal / Health and Safety etc.

There are no identified risks.

SUMMARY OF CONSIDERATIONS

Conflict of Interest

There are no known conflicts of interests.

Community Boards

Tūhura – The Otago Museum is of interest to all Community Boards in Dunedin.

A. Total DCC Payments to Tūhura Otago Museum 2013-2023				
Year	Type	Amount	Term	Total Annual Amount + GST
2013	DCC Levy	4,333,085.00	Annual	4,333,085.00
2014	DCC Levy	3,843,258.00	Annual	4,426,646.70
	Rates rebate	6,000.00	Annual	
2015	DCC Levy	3,843,258.00	Annual	4,500,746.70
	Rates rebate	6,000.00	Annual	
	Grant – Shanghai natural history	75,000.00	One-off	
2016	DCC Levy	3,843,258.00	Annual	4,500,746.70
	Rates rebate	6,000.00	Annual	
	Grant – Discovery World	75,000.00	One-Off	
2017	DCC Levy	3,920,123.16	Annual	4,589,141.63
	Rates rebate	6,000.00	Annual	
	Grant – Discovery World	75,000.00	One-off	
2018	DCC Levy	4,037,726.85	Annual	4,726,063.88
	Rates rebate	7,678.00	Annual	
	Grant – Shanghai natural history	75,000.00	One-off	
2019	DCC Levy	4,239,613.19	Annual	5,041,030.27
	Shortfall Museum Levy	67,649.65	Annual	
	Rates rebate	7,678.00	Annual	
	Grant – Tangata whenua gallery	75,000.00	One-off	
	Grant - Biodiversity	5,000.00	One-off	
2020	DCC Levy	4,451,594.00	Annual	5,289,398.89
	Shortfall Museum Levy	75,709.53	Annual	
	Rates rebate	8,000.00	Annual	
	Grant – Tangata whenua gallery	75,000.00	One-off	
2021	DCC Levy	4,451,593.85	Annual	5,244,466.54
	Shortfall Museum Levy	83,855.31	Annual	
	Rates rebate	8,000.00	Annual	
	Grant - Matariki	18,000.00	One-off	

2022	DCC Levy	4,644,012.00	Annual	5,668,411.31
	Shortfall Museum Levy	79,669.31	Annual	
	Rates rebate	10,372.00	Annual	
	Grant - Matariki	20,000.00	One-off	
	Grant – Seismic Survey	175,000.00	One-off	
2023	DCC Levy	4,876,212.00	Annual	5,727,216.80
	Shortfall Museum Levy	75,710.52	Annual	
	Rates rebate	8,266.00	Annual	
	Grant - Matariki	20,000.00	One-off	
Total Amount (includes GST) 2013-2023				54,135,541.22

B. Total DCC Levy Payments to Tūhura Otago Museum 2013-2023 (includes GST)	52,806,331.41
C. Total Shortfall Museum Levy Payments 2019-2023 (includes GST)	439,983.48

HERITAGE ACTION PLAN UPDATE

Department: City Development

EXECUTIVE SUMMARY

- 1 The purpose of this report is to provide an update to the Council on the Heritage Action Plan, and its Implementation Plan and to highlight aspects of the draft Implementation Plan that may be ready for consideration for the Annual Plan.
- 2 The report also highlights an action from the Heritage Action Plan related to resource consent fees that could be considered as part of the Annual Plan.

RECOMMENDATIONS

That the Council:

- a) **Notes** the Heritage Action Plan Update report.

BACKGROUND

- 3 A Council resolution on 22 February 2023 instructed staff to develop a Ōtepoti Dunedin Heritage Action Plan (Heritage Action Plan) to replace the 2007 Heritage Strategy. The plan and associated actions were developed from workshops held by the Heritage Action Plan Advisory Group (HAPAG) that was established to provide input into the Heritage Action Plan, with input from mana whenua consultancy Aukaha, and a community and heritage building owner survey.
- 4 The draft Heritage Action Plan and Implementation Plan was presented to Council on 12 December 2023. The council resolution was:

Moved (Cr Sophie Barker/Cr Kevin Gilbert):

That the Council:

- a) **Agrees** the vision for the Ōtepoti Dunedin Heritage Action Plan was: “Ōtepoti Dunedin is a city that treasures its heritage as a living inheritance from its past and a legacy for future generations.”
- b) **Adopts** the Ōtepoti Dunedin Heritage Action Plan with the following amendments:
 - Inclusion of the vision;

- Change Paragraph 4 on page 2 to “The mission for the Heritage Action Plan.”
 - Change Paragraph 8 to “The 2023 Heritage Action Plan envisages a city where historic buildings are conserved and restored, maintained and strengthened, re-used rather than replaced, valued by the community, and promoted as a defining characteristic of Ōtepoti Dunedin’s built environment”
 - Adds to Introduction paragraph 2 on page 4 “Ōtepoti Dunedin is considered Aotearoa New Zealand’s premier heritage destination”.
- c) **Notes** the draft Ōtepoti Dunedin Heritage Action Plan Implementation Plan.
- d) **Requests** staff to continue to engage with key stakeholders and investigate the following additions to the implementation plan:
- The establishment of a Heritage Building Owners Forum to provide feedback and lobby on any built heritage issues.
 - Work to ensure that heritage tourism (including product and market development) is highlighted.
 - Consider options for a zero-carbon adaptive reuse policy.
 - Recognise and support the existing skills resource.
- e) **Notes** that staff will bring an updated draft Implementation Plan to Council in time for 10 year plan 2024-34 deliberations in May 2024.
- f) **Notes** that confirmation of a governance approach for oversight of the implementation of the Heritage Action Plan, will follow approval by Council of a governance framework.

Motion carried (CNL/2023/305)

DISCUSSION

Progress on finalising the Heritage Action Plan and Implementation Plan

- 5 The resolution notes that the final Heritage Action Plan and Implementation Plan will be presented to Council before the long term plan hearings (now scheduled for 2025). Progress on the Heritage Action Plan and Implementation Plan has been affected by competing commitments. It is intended to present the finalised Heritage Action Plan and Implementation Plan to Council later in 2024 once consultation with key stakeholders has been completed.

Progress on Heritage Action Plan actions

- 6 The Heritage Action Plan includes the following outcomes that may be supported by the 2GP:
- a) Outcome 4: More heritage places with significant heritage values are identified and protected in the 2GP,
 - b) Outcome 5: Ōtepoti Dunedin’s heritage places are understood, valued, and promoted.

- 7 Actions to deliver on these outcomes include:
 - a) Assessing buildings for inclusion on Schedule of Protected Heritage Items and Sites and notifying changes for a plan change/variation in 2024,
 - b) Develop a regular programme to add places to the heritage schedule of the 2GP,
 - c) Investigate further ways of recognising and protecting the collective heritage significance of precincts and groups of associated buildings,
 - d) Identifying and assessing historic buildings, structures, and sites, as well as heritage precincts and character-contributing buildings on 2GP maps and schedule.
- 8 The following policy projects are in progress to deliver on the above actions:
 - a) Variation 3, which is due to be notified by the end of 2024, will include new proposed scheduled heritage buildings. Ninety-five buildings have been assessed for scheduling and work to assess places with potential heritage significance is ongoing. Buildings that have been assessed were either identified by members of the public, heritage advocacy groups, had received conditional grants from the Dunedin Heritage Fund, Heritage New Zealand Pouhere Taonga, and staff. All buildings proposed for scheduling will be subject to a public submission and independent hearing process.
 - b) Review the heritage provisions of the 2GP plan to determine appropriate methods to protect historic buildings that have not yet been assessed for scheduling, along with addressing any other issues that are identified. This plan review is partly in response to increasing public concern over the loss of historic buildings as a result of previous plan changes that enabled intensification.

Annual Plan Funding

- 9 The individual actions in the Heritage Action Plan Implementation Plan have not yet been costed. There is no budget in this year's annual plan relating to the Heritage Action Plan Implementation Plan.
- 10 It is noted that there is existing funding, based on previous years' budgets, to support the following heritage-related activities:
 - a) Dunedin Heritage Fund (\$680,700)
 - b) Heritage Awards (\$2,500)
 - c) Undertaking Heritage Assessment (\$20,000)
- 11 Ahead of finalising the Heritage Action Plan Implementation Plan alongside the development of the 9 year plan 2025-34, an action that could be undertaken during 2024/25 is to "investigate changing the fee structure for heritage resource consents that affect heritage buildings, including seismic strengthening". This change would require a review of the fees for resource consents for activities involving Scheduled Heritage Buildings and Character Contributing Buildings (located within heritage precincts) that qualify to have consent fees waived.
- 12 For resource consents, the following work currently qualifies for consent fees to be waived under Category A of Schedule A (Appendix A).

- Replacing roof on buildings that are located in a townscape or heritage precinct, or on a scheduled building
 - Painting of buildings that are located in the townscape or heritage precincts, or a scheduled building
 - Modifying windows above verandah height of buildings located in a townscape or heritage precinct, or a scheduled building, or replacing a door on a scheduled building
- 13 This list could be expanded to include resource consents to undertake seismic strengthening and potentially for other situations where other resource consents are required for works that help adaptively use and conserve our heritage buildings. It is noted that repairs, maintenance, retrofit double glazing, and restoration (excepting HNZPT Category 1 Historic Places) does not currently require resource consent.
- 14 It is noted that building consent applications proposing standalone seismic strengthening are already free from DCC fees. Where strengthening is included within a broader application, the processing time for the seismic strengthening component is undertaken free of charge. This policy (established in 2012) relates to seismic strengthening; heritage status of the building is not taken into account. Note that non-DCC levies still apply.
- 15 Additional buildings are proposed for scheduling as part of Variation 3. Therefore, during 2024/25, staff could consider ways to assist these building owners undertake work that would, prior to scheduling, not require resource consent.

Financial Implications

- 16 Resource consents are processed by consents staff on a cost recovery basis. For all consent types, there are no fees charged for the time spent by Heritage or Urban Design Advisors.
- 17 In the 2023-24 financial year, a relatively small number of resource consent applications would qualify for fee waivers under this proposal (data is not available to quantify the exact number of applications). Applications proposing seismic strengthening are expected to increase over the next 40 years.
- 18 Staff will review the need for a policy that would distribute an agreed budget per financial year. The policy would establish an amount of fee waiver for each type of eligible application.

OPTIONS

- 19 There are no options as this report is for noting.

NEXT STEPS

- 20 There are no next steps as this report is for noting.

Signatories

Author:	Dr Anna Johnson - City Development Manager Mark Mawdsley - Team Leader Advisory Services
Authoriser:	David Ward - General Manager, 3 Waters and Transition

Attachments

	Title	Page
↓A	Resource Consent Fees_Schedule A	59

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This decision enables democratic local decision making and action by, and on behalf of communities. This decision 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 type="checkbox"/>	<input type="checkbox"/>	✓
Economic Development Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Arts and Culture Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Spatial Plan	✓	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Other strategic projects/policies/plans	✓	<input type="checkbox"/>	<input type="checkbox"/>

The Heritage Action Plan contributes to the strategic framework strategies noted above.

Māori Impact Statement

All District Plan policy work referenced in report is requires engagement with mana whenua at multiple stages.

Sustainability

Supporting reuse of heritage buildings contributes to sustainability noting the carbon footprint of demolition and rebuilding.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

There are no implications for the Annual Plan.

Financial considerations

These 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

The report includes a summary of engagement on the Heritage Action Plan

Engagement - internal

There has been no internal engagement.

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.

CITY PLANNING

CATEGORIES OF FEES FOR NON-NOTIFIED LAND USE AND SUBDIVISION CONSENTS

Categories of Fees For Non-Notified Land Use Consents

Category A – Type of Consent

- 2GP Appendix A1.3 Schedule of Trees
- Temporary signs for one off not for profit cultural events (determination by Resource Consent department)
- Murals
- Replacing roof on buildings that are located in a townscape or heritage precinct, or on a scheduled building
- Painting of buildings that are located in the townscape or heritage precincts, or a scheduled building
- Modifying windows above verandah height of buildings located in a townscape or heritage precinct, or a scheduled building, or replacing a door on a scheduled building
- Except for 2GP Appendix A1.3 Schedule of Trees. Category A provides only for non-notified applications

Category B – Type of Consent

- Rural or rural-residential zone accessory buildings, and Residential zone accessory buildings including carports and garages)
- Dwelling alterations including decks and pergolas resulting in minor breach of bulk and location performance standard where density of residential activity complies (except as covered by Category C)
- New dwellings where density of residential activity complies (except as covered by Category C)
- Signs except for permanent hoardings

Category C – Type of Consent

- Retaining walls and/or Earthworks
- Structures, which includes new dwellings and accessory buildings located in a Landscape Management Area or an Urban Landscape Conservation Area
- New dwellings and dwelling alterations not covered by Category A or B
- New buildings in a townscape/heritage precinct
- Alteration to buildings located in a townscape/heritage precinct or to scheduled buildings not covered by Category A
- Community support activities
- Permanent hoarding signs
- National Environmental Standard (Soil)

All non-notified resource consent applications not provided for by other categories will be charged at the Category C rate (deposit and actual cost above the deposit)

Categories of Fees For Non-Notified Subdivision Consents

- All non-notified subdivision applications will be charged as a deposit and actual cost above the deposit. Engineering, geotechnical and contamination input will be an addition fee that recovers actual cost.

Land Use and Subdivisions: If the application is complex or significant, or specialist advice is needed, a higher deposit may be required.

RESOLUTION TO EXCLUDE THE PUBLIC

That the Council excludes the public from the following part of the proceedings of this meeting (pursuant to the provisions of the Local Government Official Information and Meetings Act 1987) namely:

General subject of the matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution	Reason for Confidentiality
26 Confirmation of the Confidential Minutes of Ordinary Council meeting - 30 April 2024 - Public Excluded	<p>S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>S7(2)(g) The withholding of the information is necessary to maintain legal professional privilege.</p> <p>S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>S7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	.	

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987, and the particular interest or interests protected by Section 6 or Section 7 of that Act, or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above after each item.