

Notice of Meeting:

I hereby give notice that an ordinary meeting of the Audit and Risk Subcommittee will be held on:

Date: Monday 1 September 2025

Time: 11.30 am

Venue: Council Chamber, Dunedin Public Art Gallery, The Octagon,

Dunedin

Sandy Graham Chief Executive Officer

Audit and Risk Subcommittee PUBLIC AGENDA

MEMBERSHIP

ChairpersonWarren AllenDeputy ChairpersonJanet Copeland

Members Cr Christine Garey Cr Cherry Lucas

Mayor Jules Radich Cr Lee Vandervis

Senior Officer Carolyn Allan, Chief Financial Officer

Governance Support Officer Wendy Collard

Wendy Collard Governance Support Officer

Telephone: 03 477 4000 Wendy.Collard@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.



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1 APOLOGIES

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

2 CONFIRMATION OF AGENDA

Note: Any additions must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.



DECLARATION OF INTEREST

EXECUTIVE SUMMARY

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

RECOMMENDATIONS

That the Subcommittee:

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

Attachments

	Title	Page
ŪA	Register of Interest	6

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	Audit and Risk Subcommittee - Register of Interest - current as at 26 August 2025			
Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Warren Allen	Chairperson	Audit and Risk Committee, Porirua City Council	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Audit and Risk Committee, Office of the Auditor General	Potential. Audit NZ are suppliers to Council	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Audit Advisory Board, PWC New Zealand	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Audit and Risk Committee, Anglican Diocesan of Wellington	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Convenor	Audit and Risk Committee, Commerce Commission	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Property Ownership - Wellington	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Property Ownership - Taupo	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Forestry Investment (Gisborne)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Nikau Foundation	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Nikau Foundation's Audit and Risk Committee	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Kiwisaver	Milford Asset Management	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee/Beneficiary	Two Family Trusts - property ownership	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Janet Copeland	Director	Next Investments Ltd	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Ronaki (Southland) Ltd	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Stoney Creek Investments Ltd	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Stoney Creek Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Copeland Ashcroft Law Ltd	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Southland Charitable Hospital Trust	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Various publicly listed Companies	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Past President	Southland Branch of NZ Law Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Clutha Health First Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	New Zealand Law Society - Standards Committee (Southland)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

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

DUNEDIN | kaunihera a-rohe o otepoti

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Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Cr Christine Garey	Trustee	Garey Family Trust - Property Owner - Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Women of Ōtepoti	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Ashburn Hall Charitable Trust Board	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member (alternate)	Grow Dunedin Partnership (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Museum Trust Board (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Sophia Charter (Council Apointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	St Paul's Cathedral Foundation (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Theomin Gallery Management Committee (Olveston) (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Cherry Lucas	Trustee	Otago Farmers Market	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago A & P Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Henderson Lucas Family Trust - Residential Dunedin Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	NZ Institute of Chartered Accountants	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Museum Trust Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Chinese Garden Advisory Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Toitū Otago Settlers Museum Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Local Government New Zealand (Zone 6 Committee) (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member (alternate)	Grow Dunedin Partnership (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Taieri Airport Trust (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Mosgiel Taieri Community Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Te Poāri a Pukekura Partnership (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

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Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Cr Lee Vandervis	Director	Lee Vandervis, Antonie Alm-Lequeux and Cook Allan Gibson Trustee Company Ltd - Residential Property Ownership - Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Bunchy Properties Ltd - Residential Property Ownership - Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Vandervision Audio and Lighting - Hire, Sales and Service Business	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	District Licensing Committee (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Okia Reserve Management Committee (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Staff				
Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Sandy Graham	Owner	Residential property Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Residential Property Millers Flat	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Trustee of the Taieri Airport Facilities Trust	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	St Clair Golf Course	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Family member works as a life guard at Moana Pool	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Vendor	Property purchased by senior member of ORC staff	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Client	Various local contractors (glazing, carpet, fencing and kitchen upgrades)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Carolyn Allan	Owner	Residential property	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Residential rental property	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Mountain Bike Otago	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.



CONFIRMATION OF MINUTES

AUDIT AND RISK SUBCOMMITTEE MEETING - 16 JUNE 2025

RECOMMENDATIONS

That the Subcommittee:

a) **Confirms** the public part of the minutes of the Audit and Risk Subcommittee meeting held on 16 June 2025 as a correct record.

Attachments

	Title	Page
A₫	Minutes of Audit and Risk Subcommittee meeting held on 16 June 2025	11





Audit and Risk Subcommittee

MINUTES

Minutes of an ordinary meeting of the Audit and Risk Subcommittee held in the Council Chamber, Dunedin Public Art Gallery, The Octagon, Dunedin on Monday 16 June 2025, commencing at 11.30 am

PRESENT

Chairperson Mr Warren Allen

Members Cr Christine Garey Cr Cherry Lucas

Cr Lee Vandervis

IN ATTENDANCE Sandy Graham (Chief Executive Officer), Rob West (General

Manager Corporate Services), Hayden McAuliffe (Financial Services Manager), Hayley Knight (Assurance Manager), Mandy Grieve (Heath and Safety Advisor), Richard Davey (Treasurer, Dunedin City Holdings Ltd), Serge Kolman (Procurement and Contracts Manager), Jackie Harrison (Manager Governance), Cr

Sophie Barker and Cr Carmen Houlahan

Governance Support Officer Wendy Collard

1 APOLOGIES

Moved (Warren Allen/Cr Cherry Lucas):

That the Subcommittee:

Accepts the apology from Janet Copeland (for absence) and Mayor Radich (for lateness)

Motion carried (AR/2025/014)

2 CONFIRMATION OF AGENDA

Moved (Warren Allen/Cr Cherry Lucas):

That the Subcommittee:



Confirms the agenda without addition or alteration

Motion carried (AR/2025/015)

3 DECLARATIONS OF INTEREST

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

Moved (Warren Allen/Cr Cherry Lucas):

That the Subcommittee:

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

Motion carried (AR/2025/016)

4 CONFIRMATION OF MINUTES

4.1 AUDIT AND RISK SUBCOMMITTEE MEETING - 10 MARCH 2025

Moved (Warren Allen/Cr Cherry Lucas):

That the Subcommittee:

a) **Confirms** the public part of the minutes of the Audit and Risk Subcommittee meeting held on 10 March 2025 as a correct record.

Motion carried (AR/2025/017)

PART A REPORTS

5 AUDIT AND RISK SUBCOMMITTEE WORK PLAN 2025

A report from Civic provided the Audit and Risk Subcommittee Work Plan 2025 which has been aligned with work programme scheduling and decision making.

The Chief Executive Officer (Sandy Graham) and the Assurance Manager (Hayley Knight) spoke to the report and responded to questions.

Moved (Warren Allen/Cr Cherry Lucas):



That the Committee:

a) Notes the Audit and Risk Subcommittee Work Plan for 2025

Motion carried (AR/2025/018)

6 AUDIT AND RISK SUBCOMMITTEE UPDATES REPORT - JUNE 2025

A report from Civic provided updates on the progress of various sundry matters that have been noted by the Subcommittee.

The Chief Executive Officer (Sandy Graham), the Financial Services Manager (Hayden McAuliffe) and the Assurance Manager (Hayley Knight) spoke to the report and responded to questions.

Moved (Warren Allen/Cr Cherry Lucas):

That the Committee:

a) Notes the Audit and Risk Subcommittee Updates Report – June 2025

Motion carried (AR/2025/019)

7 FINANCIAL REPORT - PERIOD ENDED 30 APRIL 2025

A report from Finance provided the financial results for the period ended 30 April 2025 and the financial position as at that date. It noted that the report was presented to the Finance and Council Controlled Committee meeting held on 11June 2025.

The Financial Services Manager (Hayden McAuliffe) spoke to the report and responded to questions.

Moved (Warren Allen/Cr Cherry Lucas):

That the Subcommittee:

a) **Notes** the Financial Performance for the period ended 30 April 2025 and the Financial Position as at that date.

Motion carried (AR/2025/020)

8 WAIPORI FUND - QUARTER ENDING 31 MARCH 2025

A report from Dunedin City Treasury Limited provided information on the results of the Waipori Fund for the quarter ended 31 March 2025. It noted that the report was presented to the Finance and Council Controlled Committee meeting held on 11June 2025.

The Treasurer, Dunedin City Treasury Limited (Richard Davey) spoke to the report and responded to questions.

Moved (Warren Allen/Cr Cherry Lucas):



That the Subcommittee:

a) **Notes** the report from Dunedin City Treasury Limited on the Waipori Fund for the quarter ended 31 March 2025

Motion carried (AR/2025/021)

9 HEALTH, SAFETY AND WELLBEING MONTHLY REPORT FOR APRIL 2025

A report from Health and Safety provided the monthly Health, Safety and Wellbeing report for April 2025 for the Subcommittee's information.

The General Manager Corporate (Robert West) and the Health and Safety Advisor (Mandy Grieve) spoke to the report and responded to questions.

Moved (Warren Allen/Cr Christine Garey):

That the Subcommittee:

a) **Notes** the monthly Health, Safety and Wellbeing report for April 2025.

Motion carried (AR/2025/022)

RESOLUTION TO EXCLUDE THE PUBLIC

Moved (Warren Allen/Cr Cherry Lucas):

That the Subcommittee:

Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting 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
C1 Audit and Risk Subcommittee meeting - 10 March 2025 - Public Excluded	S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. S7(2)(b)(ii) The withholding of the information is necessary		



to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

S7(2)(b)(i)

The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret.

S7(2)(c)(i)

The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.

S7(2)(a)

The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.

S7(2)(g)



The withholding of the information is necessary to maintain legal professional privilege.

S7(2)(i)

C2 Audit Arrangements for the year ending 30 June 2025

C3 Long Term Plan

Document Audit

C4 DCC Risk 'Deep

and Contract

Management

Dive' - Procurement

Consultation

The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including

negotiations (including commercial and industrial negotiations).

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).

S7(2)(c)(i)
The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of

any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should

continue to be supplied. S7(2)(a)
The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.

S48(1)(a)

The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7. S48(1)(a)

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S48(1)(a)

The public conduct of the part of the meeting would be likely to result in the disclosure of information for

C5 Improvement Opportunities



C6 Internal Audit Workplan Update

S7(2)(b)(i)

The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret.

S7(2)(c)(i)

The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.

S7(2)(h)

The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.

C7 DCC External Audit
Actions Update - June

2025

S7(2)(c)(i)
The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of

S48(1)(a)

The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

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The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists

under section 7.



any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.

C8 Treasury Risk Management **Compliance Report** S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.

S48(1)(a)

The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7. S48(1)(a)

The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C9 Dunedin City Holdings Ltd - Update on Audit and Risk Activity

S7(2)(b)(ii) The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

C10 Protected Disclosure Register -June 2025

S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.

S7(2)(c)(i)

The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide

S48(1)(a)

The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.



under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied. S7(2)(a)

C11 Investigation Register - June 2025 continue to be supplied. S7(2)(a)
The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.

S7(2)(c)(i)

The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.

S48(1)(a)

The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

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.

Motion carried (AR/2025/023)



The meeting went into non-public at 12.36 pm and concluded at 3.02 pm.
CHAIRDEDCON
CHAIRPERSON



PART A REPORTS

HEALTH, SAFETY AND WELLBEING MONTHLY REPORT FOR JULY 2025

Department: Health and Safety

EXECUTIVE SUMMARY

1 The monthly Health, Safety and Wellbeing report for July 2025 is attached for consideration.

RECOMMENDATIONS

That the Subcommittee:

a) **Notes** the monthly Health, Safety and Wellbeing report for July 2025.

Signatories

Author:	Jane Pearce - Health and Safety Manager
Authoriser:	David Ward - General Manager, 3 Waters and Transition

Attachments

	Title	Page
ŪA	Health, Safety and Wellbeing monthly report for July 2025	22



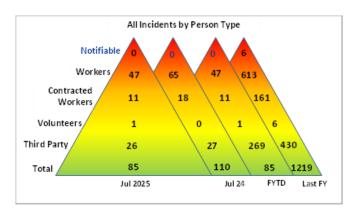
Health, Safety and Wellbeing Reporting for 1 July to 31 July 2025 and FYTD (1 July 2025 – 30 June 2026)

ORGANISATION OVERVIEW

1. Total Events Recorded FYTD: 85 →

Note: Event refers to all accidents, incidents that cause damage or harm, or have the potential to cause damage or harm (near miss) and hazards.

Event Type	July 2025	FYTD
Incident	53	53
Injury	13	13
Injury – Lost time Work	1	1
Near Miss / Hazard	18	18
Notifiable Events	0	0



Note: The notifiable events are included in the person type

2. Tier 1 to 3 Projects and with Critical Risks

Events, inspections and audits for July 2025 for the Tier 1 to 3 Projects with critical risks and where there is active site work.

Project	No. of Events	Inspections	Audits	Positive Observation	Comments
Property					
Civic Centre Upgrade (CCU)			1		
Moana Pool Redevelopment (MOA)			1		
South Dunedin Library (SDL)			1		
Town Hall Heritage Restoration (5066)		1			Expected start late August
Archives Compliance			1		
Main Switchboard – Civic			1		

Project	No. of Events	Inspections	Audits	Positive Observation	Comments
DPAG Door replacement			1	1	
Parks & Recreation					
Playground Renewals	1				
Transport					
Maintenance Contract (8515)			2		
Bath Street (9240)			1		
3 Waters					
Wastewater Treatment Plant UV System					
Integrated System Planning Programme					
Waste and Environmental Solu					
Organics Receivals Building					
New Collection System			2		

3. Improvements

Property: Camera Detections System on Scaffold (Critical Risk Control Fall from Height).

A review of the CCTV system, which alerts us to after-hours activity on the scaffolding outside the Municipal Chambers, has helped identify access points. Our contractor has secured these areas, leading to fewer activations and a reduced risk of persons falling from height.

Property/Library: Removal of the Electric Bookbus from the Lower Basement (Critical Risk Control **Hazardous Energy Sources)**

The electric bookbus has been moved out of the Lower Basement and is in storage until the new site at Toitū is established. The new site needs to have constructed both a concrete pad and the electric charging unit facility.

Parking Enforcement: Licence Plate Recognition (LPR) Technology

Parking have shared videos showing the operating features of the new LPR technology. We believe that this technology will reduce several health and safety risks, as follows:

- Musculoskeletal injuries
- Third party behaviours
- Reduced hours for staff operating from motor scooters
- Good rotation of duties for staff
- Less impact from environmental factors such poor weather conditions.

3 Waters Mosgiel WWTP Inspections

A review of recent vault check inspections identified over 30 corrective actions that the 3 Waters team are currently addressing. Key highlights include:

- Improving chemical cabinet and storage area safety.
- An electrical review uncovered multiple hazards on-site, which are being managed by MDT electricians.
- A design project is underway to enhance emergency stops and sensors for clarifier bridges and skimmers, emphasising safety in its execution.

These efforts aim to ensure a safer working environment at the facility.

→ = Lead Indicator 🔁 = Lag Indicator

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3 Waters Leadership Observations

In the past year, John McAndrew and Dale Herron (H&S Partner) have conducted biweekly observations across the sites. This partnership has clearly demonstrated leadership's dedication to onsite health and safety. Key outcomes from these safety walks include:

- Identification of over 50 corrective actions for safety improvements.
- Clarification of the difference between "work-as-imagined" (WAI) and "work-as-done" (WAD), highlighting gaps between planned procedures and actual practices.
- Active promotion of a safety culture by engaging directly with staff, building relationships, and emphasising the importance of safety.

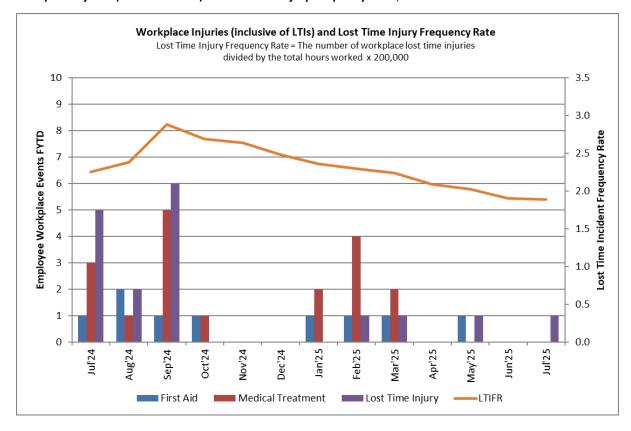
John is dedicated to fostering a positive safety culture and prioritising the well-being of his team.

Events of Note for July 2025 🔁

	Incident Type	Team	Description	Actual Risk	Potential Risk	Related to Critical/ Common Risk	Underlying Cause	Corrective Action	Status
þ	Near Miss / Hazard (#15589)	3 Waters	Hydrogen sulphide reading from drain by ACH bund		H12	Hazardous substances	Lack of maintenance	Drains have been cleaned noting that there are missing/damaged seals in the pipework.	Underway
þ	Incident (#15581)	3 Waters	Sight glass blew out of outlet valve of primary clarifier due to pressure build-up	M6	H12	Hazardous energy sources	Equipment/Design / Failure	Will use a contractor to suction the pipe.	Completed
þ	Near Miss / Hazard (#15631)	3 Waters	Extraction fan faulted removing half the ventilation from HRAS	L3	H15	Hazardous substances	Equipment/Design/ Failure	Drive fan was replaced.	Completed
P	Near Miss / Hazard (#15657)	3 Waters	Old access/exit doors to fan room are broken and unable to be locked	M6	H12	Unsafe Structure	Lack of maintenance	New doors are ordered and will be installed late August.	Not started
þ	Incident (#15578)	Toitū	Fire alarm activation	M8	E16		Equipment/Design / Failure	Failure of a smoke detector.	Completed
Po	Incident (#15591	Aquatic's	Child stuck under boat, child yelled and pushed boat upwards to alert people.	M8	H12	Working around Water	People/ Not following procedure	Instructor to remain in pool to ensure all students have safely exited the pool. Students must be handed over to the supervisor or parent.	Completed
þ	Incident (#15632)	Events	Abusive phone call following notification of funding outcome	M9	H12	Aggression/ Violence	External /Abusive	Rethink how the applicants are notified when unsuccessful.	Underway
þ	Incident (#15663)	WES	Truck hit transformer on power pole, spilling cooling oil	H10	H12	Environmental	Equipment/Design / Use	New driver without the knowledge.	Underway
þ	Incident (#15625)	Parking Services	Overtook vehicle well in excess of the speed limit	M6	H12	Use of a vehicle	People/ Stress	Attending Advanced Driving Safety course. Driver to identify escalation techniques when triggered.	Underway
Po	Injury (#15630) (LTI 2 days)	WES	Lower back muscle strain	L3	L3	Musculo skeletal injury	People/ Conscious risk taking	Minor strain unrelated to any work activity.	Completed
V	Vorker Lost Time	e Injury	Worker Events	Thi	ird Party Eve	ents Con	tractor Events	Volunteer Events	

** Incidents have been included which, upon reading the description, we believe the potential risk will be high, and we will be ensuring that these items are being raised to the appropriate level.

₽ = Lag Indicator Page 4 of 18 Workplace Injuries (inclusive of LTIs) and Lost Time Injury Frequency Rate

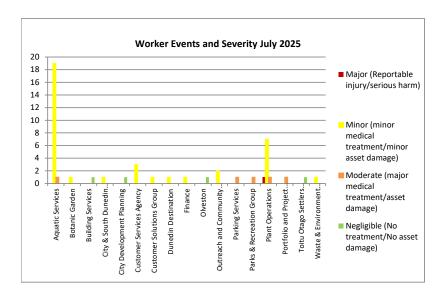


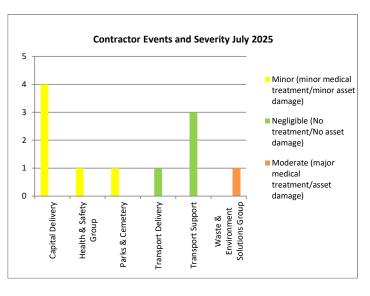
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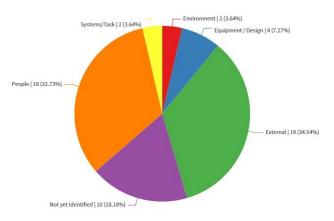
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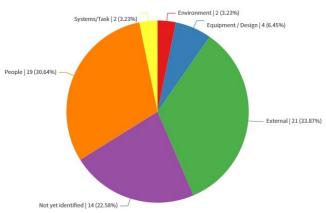




Worker Event Causation for July 2025







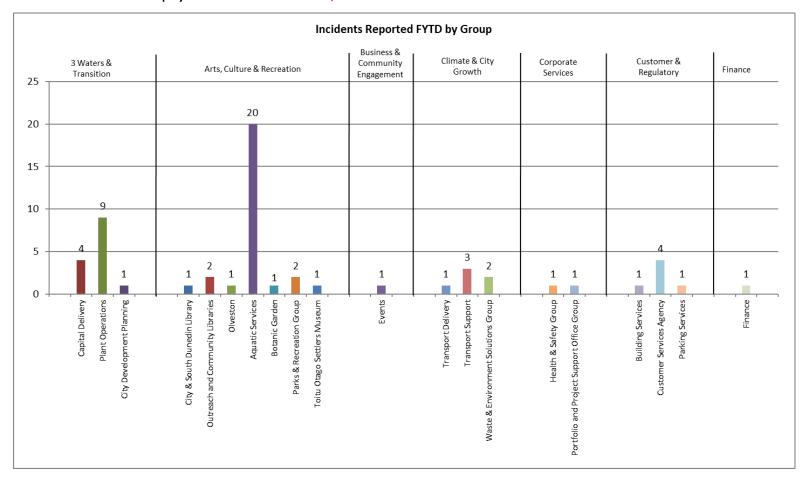
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₽ = Lag Indicator

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Total events recorded for employees and contractors YTD: 58 6.



Key:

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₽ = Lag Indicator Page 7 of 18



7. Overdue work event investigations for employees and contractors 1

Department	Event ID	Potential Risk	Critical Risk	Event Date	Status	Days' overdue	Description
Communications	15555			3/3/2025	Not started	34	Team stress from 9 year plan shifting expectations and deadlines
Governance	15580			24/6/2025	Not started	28	Security guard not alert during Council meeting
Property	15324	H12	Unsafe Structure	17/4/2025	Underway	54	Gasworks chimney deemed structurally unsafe
Road Maintenance	15412		Working at Height	20/11/2024	Not started	39	Subcontractor standing on aggregate on deck no fall protection
	15427		Service Strike	21/1/2025	Not started	68	Weight of chip truck burst old pipe
Transport	15612		Working on/near Roads	7/7/2025	Underway	19	Tenants access fenced off for road works
3 Waters	12961	H12	Working at Height	12/7/2023	Underway	83	Fixed platforms/ladder access hazard review at Deep Creek
	15406			9/5/2025	Not started	64	Weather getting into meter box
	15421		Operating machinery and Equipment	9/5/2025	Underway	69	Tractor stuck in bog

ey: 🔁 = Lead Indicator

🔁 = Lag Indicator



8. Active Corrective Actions 🔁

The table below shows the status of the corrective actions for Vault Check, Incidents, Injury, Near Miss/Hazard and Site Inspections.

Not started	Underway	Overdue
23	33	56

9. Ongoing event outcomes for employees and contractors 12

Parks:

Helicopter Chain Hit Occupied Vehicle (#15107 - 27/2/2025): Notifiable

Helicopter used to move equipment, the chain system hit an occupied parked vehicle, airbags have activated and minor injury to one contractor worker. Several corrective actions have been undertaken by Delta and the Parks team. Awaiting the CAA investigation report to understand their recommendations. *August 2025*

Property:

Cut Hand on Battery Chainsaw While Assisting Co-worker (#14677- 7/11/2024): Notifiable

Corrective actions below have been identified and are being worked through. Property engaged a H&S expert to assist on the overall improvements required:

- Define scope of work for attendants.
- Identify appropriate tools for tasks.
- Create SOP's for the tasks.
- Identify training/competencies required.
- Create actions in your AIMP. September 2025

Chimney Structure Issues (#15324 - 17/04/2025):

A drone inspection on the chimney structure at the Gasworks Museum discovered concerning changes in the brick structure, believed to be after a recent earthquake.

The corrective actions have included:

- An engineering report to establish the state of the chimney.
- Immediate closure of the area to ensure public safety.
- Scaffolding in place to undertake further remedial work.
- The removal of the top half of the chimney to make the area safe. September 2025

Transport:

Hatch Cover Gave Way (#12231- 25/1/2023):

Pedestrian was hurt when a Chorus hatch cover gave way, a replacement centre support bar has been installed. Chorus is undertaking a national inspection programme to check all covers and will provide an update once they've got through our network. **December 2025**

3 Waters:

Work Turnaround Space for Trucks Onsite (#15404 - 15/5/2025):

Turnaround space for trucks is tight and no controls in place to prevent incidents occurring:

- Wheel stop and bump stop for this project as a short-term measure June 2025
- Engage with Task Force Green to remove the gum tree June 2025

Key: ☐ = Lead Indicator ☐ = Lag Indicator

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Uncontrolled Spray of Caustic Soda (#14497 - 26/9/2024) Notifiable:

A loose non-return valve for caustic to neutralisation tank caused caustic to spray and damage the airlines. Third party H&S auditor was engaged to complete an ICAM, the corrective actions remaining include:

- Install a conductivity meter and an alarm to stop the process when required. March 2025
- Enhance training for staff on alarm systems and update the training matrix. June 2025

Deep Creek Trip and Fall Hazard Review (#12961 – 12/07/2023)

The hazard review identified that several platforms and handrails required maintenance to remove trip hazards and increase the protection against fall from heights. Most of the maintenance work has been undertaken and the remaining action is to organise signage at the entry points to Deep Creek. June 2025

Winch Lift Capacity (#12725 – 29/5/2023):

Risk identified that the crane truck which is fitted with a crane boom and winch is being operated outside of its lift capacity rating which could result in an uncontrolled lift. A business case has been put forward for replacement options, in the meantime the work is being outsourced. June 2026.

Mosgiel WWTP - Overdue Maintenance of Slip Rings (#9782-7/12/2020):

Clarifier burnt out due to lack of maintenance of the slip rings. New slip rings arrived late December 24 but are not compatible. Investigating other slip ring options. October 2025.

10. Critical Risks 🔁

The top 10 critical risks identified by the Board are listed below.

Impairment at Work (CR09): Currently under review with more resources and procedures being established.

The table below details the number of events and audits carried out by critical risk.

		Critical Risk	No. o	No. of	
Critical Risk	Notes	Symbol	Work	Contractor	Audits
Confined Space (CR01)					
Working at Height (CR02)					2
Hot Work (CR03)					
Excavation and/or Trenching Work (CR04)					1
Working on/near Roads (CR05)					8
Hazardous Substances (CR06)			1	1	4
Hazardous Energy Sources (CR07)					11

₽ = Lead Indicator 🔁 = Lag Indicator

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		Critical Risk	No. o	No. of	
Critical Risk	Notes	Symbol	Work	Contractor	Audits
Aggression or Violence (CR08)	With H&S Working Group for review	29.	8		
Impairment (CR09)	Under review				
Lone/Remote Working (CR10)	Updated Quick Guide and Working Alone Guidance				

^{*} Some audits look at more than one critical risk

HEALTH AND SAFETY COLLABORATIVE PROJECTS eta

11. Lock Out Tag Out Procedure (LOTO)

Creating a new procedure around the process of locking out and tagging out all energy sources before undertaking any work on machinery/equipment. The procurement process is still underway, and we are negotiating with one supplier. **August 2025**

12. Leadership Observations

Date	Position	Comment
2/7/2025	GM 3 Waters & Transition	Briefing to staff (4 sessions) to provide update on 9-year plan, capital programme expectations, LWDW, operating model and Christchurch collaboration. Good engagement and debate.

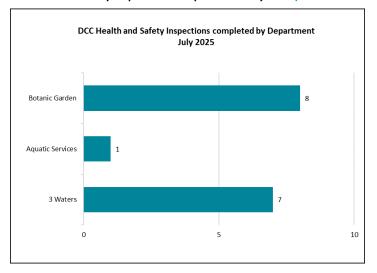
13. Positive Observations

Date	Position	Comment
22/7/2025	Project Manager, Property	Staff at DPAG have shared that working with Naylor Love Contractors has been a genuinely positive experience. The team is courteous and considerate and show respect.
30/7/2025	Building Consent Officer	The Building Services Admin T/L is bringing great wellbeing initiatives to the team. Her work in relation to white ribbon campaign and recently celebrating woman in the workplace during women's health week are great ideas.

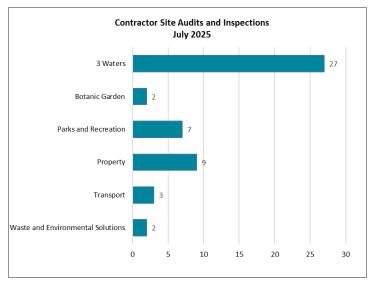
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14. DCC Health & Safety Inspections completed for July 2025



15. Contractor Site Audits Completed for July 2025



Compliance ID (Metric)	Dept	Date	Contractor	Potential Risk	Activity	Findings	Status
10124	3 Waters	1/7/2025	Fulton Hogan	H12	10986 – KV Chapman	Updated environmental audit required	Completed

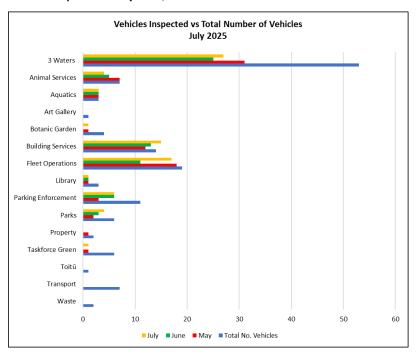
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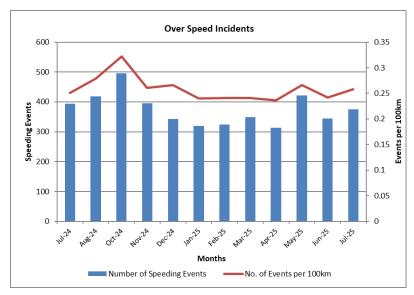


TRENDS AND OBSERVATIONS

16. Vehicles Inspected in July 2025



17. Over Speed Incidents 🔁



For the month of July 2025, there was an **increase** of **9.01**% when compared to June 2025, and a **decrease** of **5**% in events compared to July 2024.

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EMPLOYEE INFORMATION AND PROCESSES

18.	New Employee Inductions – July	Health monitoring completed FYTD	Workstation Assessments FYTD	
	8 new starts	0	5	
	1 induction received			

19. Training Courses completed FYTD

Course Name	# of workers
First Aid Training	28
First Responder	1
Hazard and Risk Management - inhouse	4
Health & Safety Rep	1
Hazardous Substances for Workers	2
Pool Lifeguard Training	3
Risk Workshop	10
Safeguarding Children	9

20. Wellbeing

Engagement and Wellbeing Survey closed 5 August 2025 with a 68% participation rate. Department reports will be shared with Managers with teams greater than 5 staff, in the coming weeks.

21. Health and Safety Framework and Reviews

Trespass Process:

A trespass process has been drafted and a test of Damstra as the system to hold the trespass register and automated expiry notification process is underway. This will be brought to the Board for approval to engage on with appropriate teams in August 2025.

Fit For Work Policy/Safety Sensitive Positions:

As part of the development of the Fit for Work Policy it is important to understand which positions have functions that often involve them working with one or more of our identified critical risks e.g. working in a confined space or working at height etc. Due to the greater risk of harm, knowing that some positions are 'safety sensitive' is important for managing the risks of impairment (e.g. suffering from injury or illness, taking prescribed medication that has side effects) in the workplace and ensuring the appropriate controls are in place for these positions. A Safety Sensitive Positions matrix has been created and the P&C and H&S teams are testing the matrix before presenting it to the Board for approval to engage on with the organisation. August 2025.

22. Annual Department Health and Safety Improvement Plans

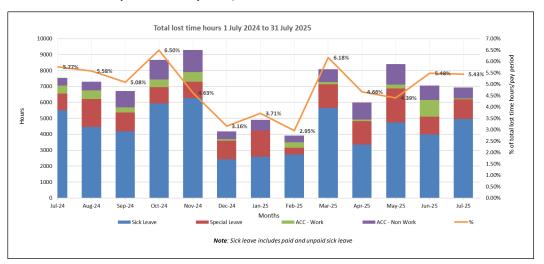
Several departments have started developing their 2025/26 Improvement Plans. A reminder will be sent in August to WLT to ensure the plans are established.

No further feedback was received from Board members on the Board's 2025/26 HSW Improvement Plan, and this has now been finalised and added to the HSW Toolbox.

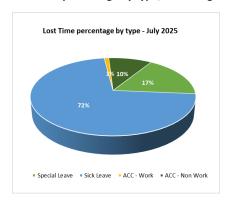
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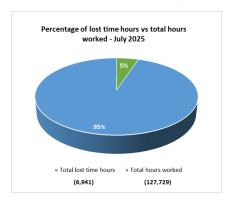
Lost Time – 1 July 2024 to 31 July 2025 🖯 23.

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Lost Time percentage by type/Percentage of Lost time hours vs total hours worked \nearrow 24.





Distribution per ELT of Lost Time hours for FYTD - 1 July 2024 to 31 July 2025 25.

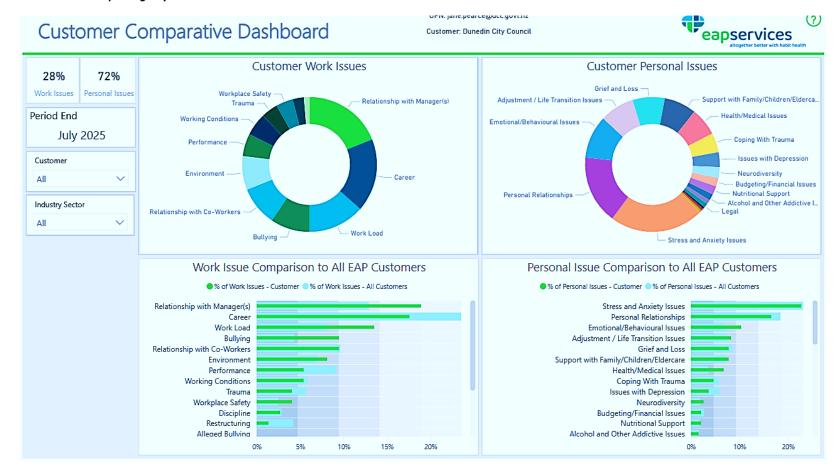
ELT	ACC - Non Work	ACC - Work	Leave Without Pay	Sick Leave	Special Leave	Unpaid Sick Leave	Grand Total
3 Waters & Transition	4,297	1,621	612	6,755	2,424	18	15,727
Arts,Culture&Recreation	3,290	485	6,352	17,366	3,187	1,051	31,731
Business&Comm Engagement			409	3,364	2,339	8	6,119
CEO Office			17	350	11		378
Climate & City Growth	334		1,861	3,408	729	63	6,395
Corporate Services	1,050		548	5,935	1,393	70	8,996
Customer & Regulatory	607	1,188	960	6,773	3,624	150	13,302
Finance			4	1,255	72		1,332
Policy & Partnerships	30		10	1,276	152	17	1,485
Grand Total	9,608	3,294	10,774	46,482	13,931	1,377	85,464

% Lost Time Hours vs Total Contracted Working Hours					
	6%				
	6%				
	5%				
	3%				
	5%				
	4%				
	5%				
	2%				
	3%				
	5%				

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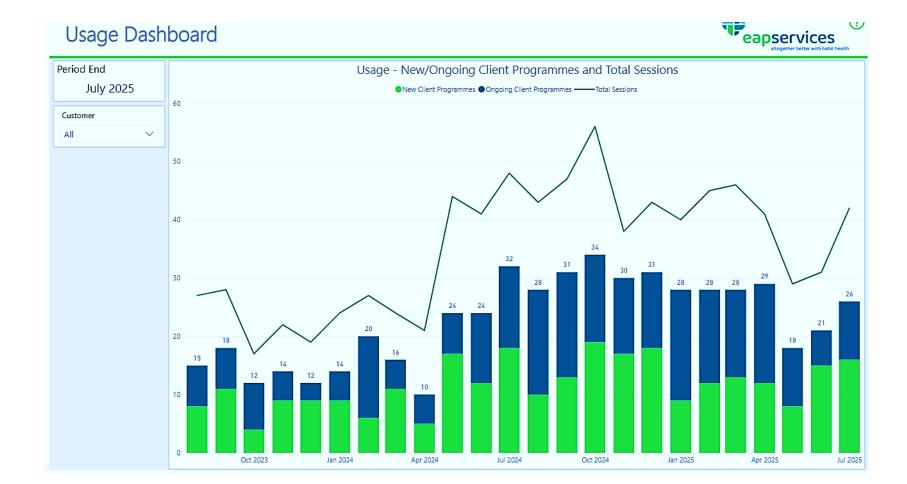
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EAP Services - Reporting July 2025



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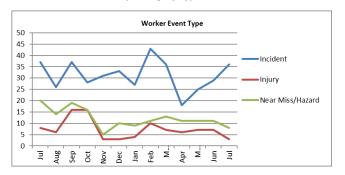
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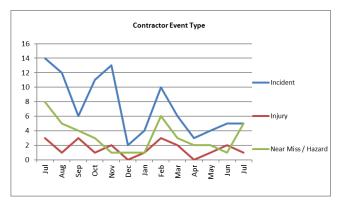


26. Worker Event Reporting by type



Total Worker Workplace Events July 2025

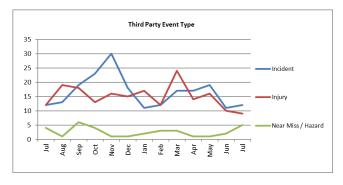
27. Contractor Event Reporting by type



Contractors pre-approved to date 589

Total Contractor Events
July 2025

28. Third Party Event Reporting by type



Total Third Party Events
July 2025

29. Volunteer Event Reporting by type

There was one volunteer event involving a sprain injury in July.



AUDIT AND RISK SUBCOMMITTEE WORK PLAN 2025

Department: Civic

EXECUTIVE SUMMARY

- 1 This report provides a copy of the Audit and Risk Subcommittee Work Plan 2025 which has been aligned with work programme scheduling and decision making.
- Please note that the items without ticks shown have not been scheduled for action. A Deep Dive work programme will be developed after the Corporate Risk Register has been reviewed. Deep dive topics will reflect high or emerging risks.
- 3 As this is an administrative report only, the Summary of Consideration is not required.

RECOMMENDATIONS

That the Subcommittee:

a) Notes the Audit and Risk Subcommittee Work Plan for 2025.

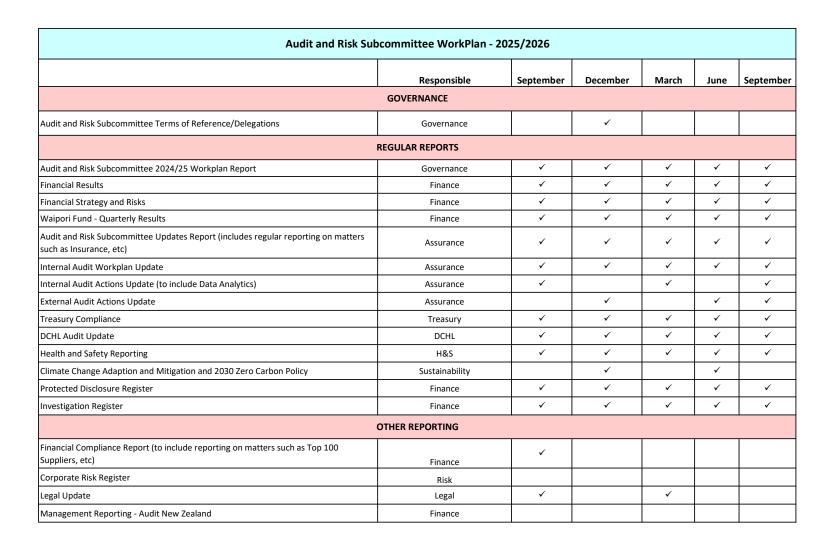
Signatories

Author:	Wendy Collard - Governance Support Officer
Authoriser:	Carolyn Allan - Chief Financial Officer

Attachments

Title Page

♣A Audit and Risk Subcommittee Work Plan 41



Audit and Risk Subcommittee WorkPlan - 2025/2026						
	Responsible	September	December	March	June	September
	POLICY REVIEWS/UPDATES					
Asset Management Policy November 2020	Infrastructure					
Asset Disposal and Write-Off Policy June 2021	Finance		✓			
Purchase Card Policy August 2023	Finance	✓				
Sensitive Expenditure Policy September 2023	Finance	✓				
ICT Acceptable Use Policy September 2023	BIS		✓			
Leave Management Policy July 2025	People and Capability			√		
Information Management Policy New Policy	BIS		✓			
Staff Code of Conduct (Employee Values and Practices)	People and Capability		✓			
Health, Safety and Wellbeing Policy November 2025	H&S		✓			
Protected Disclosure "Whistle-Blower" Policy February 2026	Finance			✓		
Risk Management Policy September 2026	Risk			✓		
Treasury Risk Management Policy December 2026	Treasury					
Staff Conflict of Interest Policy May 2027	Corporate and Quality					
Legal Compliance Policy May 2027	Legal					
Internal Audit Policy July 2027	Assurance					
Child Protection Policy July 2027	People and Capability					
Koha Policy September 2027	Māori Partnerships					

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Audit and Risk Subcommittee WorkPlan - 2025/2026						
Fraud Bribery & Corruption Prevention Policy November 2027	Responsible Assurance	September	December	March	June	September
Gifts and Hospitality Policy November 2027	Corporate and Quality					
Procurement and Contracts Management Policy June 2028	Procurement and Contracts					
RISK	OVERVIEW (DEEP DIVE)					
Deep Dive Work Programme	Risk		✓			
Financial Risk	Finance		✓			
Insurance Strategy (Aon)	Finance			✓		

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AUDIT AND RISK SUBCOMMITTEE UPDATES REPORT - SEPTEMBER 2025

Department: Finance

EXECUTIVE SUMMARY

This report provides updates on the progress of various sundry matters that have been noted by the Subcommittee.

RECOMMENDATIONS

That the Subcommittee:

a) Notes the Audit and Risk Subcommittee Updates Report – September 2025

DISCUSSION

Insurance

- 2 The main insurance renewal occurred on 30 June 2025 and incorporated the following policies:
 - Material Damage Above Ground
 - Business Interruption Above Ground
 - Material Damage Below Ground Infrastructure
 - Annual Contract Works
 - Fine Arts
 - Civil Engineering Taieri River Water Supply Viaduct Bridge
 - Motor Vehicle
 - Liability Policies Internet, Crime, Directors, and Officers
 - Travel and Personal Accident
- The renewal process was completed on time with consistent terms and no changes to loss limits or deductibles. Insured values were updated in line with current above ground asset schedules and fleet assets. Cover under the annual contract works policy was increased to reflect the larger capital programme in 2025/26. Business interruption cover was updated based on recent modelling.
- 4 Overall, a 7% reduction in premiums was achieved, reflecting improved market conditions, saving approximately \$400k on 2024/25 costs and approximately \$500k against budget.



The remaining liability policies (general/public, statutory, professional indemnity and employer) are due for renewal 1 November 2025. The renewal proposal is currently being compiled in relation to these policies.

9-Year Plan

- Audit of the 9-year plan by Audit NZ started on 9th June and finished on 30th June 2025, resulting in an unqualified audit opinion.
- 7 Following the audit process, Council adopted the plan on 30th June 2025.
- 8 Individual letters were sent in response to submissions from each Community Board, and to submitters with amenity or funding requests.
- 9 A digital version of the 9-year plan was made available on the DCC website in the week following its adoption. Two hard copies of the plan were sent to each DCC service centre in early August.

2024/25 Annual Report

- 10 The interim audit was completed in May. All audit requests have been submitted and there are no outstanding requests.
- 11 Asset valuations have been scheduled for three departments with the following valuers:
 - Transport Beca
 - Property (Investment Property portfolio only) JLL
 - Three Waters Beca
- Audit New Zealand will be engaging WSP as an auditors' expert to assist with their audit of the Three Waters valuation. There will continue to be a strong focus between the Finance team and relevant departments to understand the rationale for valuation adjustments.
- The final audit fieldwork will be commencing on the week of 15th September. The Finance Team will have the financial statements for Core Council delivered to Audit New Zealand on this date. The group consolidated financial statements will be delivered by 7th October after the completion of the DCHL audit.
- Giving the time required to complete audits of DCHL and the group companies, the 2024/25 Annual Report will not be ready for adoption by Council before the local government elections on 11 October 2025.
- Staff are looking at presenting a draft, unaudited version of some sections of the 2024/25 Annual Report to the Council meeting on 23 September 2025, enabling the current Council to review draft performance and results for the year ended 30 June 2025. The draft version would not include consolidated financial results.
- 16 Following audit, the 2024/25 Annual Report will be adopted by Council at its inaugural meeting of the new triennium on 31 October 2025.



The Communications and Marketing Team have again been engaged to improve the readability and presentation of the Annual Report document, building on work done during the development of the 2023/24 Annual Report. Suggested work to improve the presentation, accessibility and readability of the Annual Report and Summary includes adding a performance snapshot, which summarises overall performance of services and activities. Design elements will also be considered such as layout, themes, images, and graphics, with a view to make detailed reporting of service and activity performance more accessible to a general reader. The proposed changes align with examples of accessible and engaging Annual Reports and Summaries from the sector which have visual elements to aid understanding and transparency of performance results.

2026/27 Annual Plan

- 18 Initial work on the development of the 2026/27 Annual Plan has started. Staff will use the development of the Plan as an opportunity to identify new or improved revenue streams, and to review expenditure.
- The schedule for development of the 2026/27 Annual Plan includes sufficient time for an amendment, including audit, should one be required to address a significant or material change from Year 2 of the 9 Year Plan. Community engagement is tentatively scheduled for March/April 2026.
- The Annual Plan 2026/27 will be adopted by Council by 30 June 2026.

Elections Update

- 21 Nominations closed on 1st August with all areas requiring an election. We received record number of candidates for Mayor and Councillors.
- 22 Candidate Signs are now up, and full the campaigning has begun.
- We are now moving into voting period with special voting beginning on 9th September, with an office opening in the plaza meeting room.

Local Water Done Well

- The Government is now in the final stage of their three-stage process implementing its "Local Water Done Well" (LWDW) reform programme.
- The third stage of LWDW is in progress with the introduction of the Local Government (Water Services) Bill (the December Bill) on 10 December 2024. The December Bill provides the enduring settings for LWDW including the framework for economic regulation as well as the more detailed powers and duties for service delivery models. Council has made a submission on the Bill. The Bill which has now been separated into two Bills is expected to be enacted in August 2025. The Bills provide for:



- Structural arrangements for water service delivery including establishment, ownership, and governance of water organisations.
- b) Operational matters such as arrangements for charging, bylaws, and management of stormwater networks.
- c) Planning, reporting, and financial management.
- d) A new economic regulation and consumer protection regime.
- e) Changes to the water quality regulatory framework and the water services regulator.
- f) Repeals and amendments to other legislation resulting from the December Bill (separated into a second Bill now).
- Following consultation on the Water Consultation Options, Council at its meeting on 26 May 2025 approved the in-house delivery option as the water services delivery model and that this decision would be reflected in the 9-year plan 2025-34.
- 27 At the Council meeting dated 12 August 2025 Council adopted the draft WSDP presented by staff subject to minor edits. Staff submitted the WSDP to the Secretary for Local Government on 25 August 2025.
- 28 Staff are currently working through the contents of the December Bills to identify further actions required.

Climate Mitigation and Adaptation Report

- As requested by the ARS, Zero Carbon and South Dunedin Futures are developing a regular update report on climate change mitigation and adaptation. This report will cover the risks, controls, and planned improvement actions.
- The aim will be to have the first high level version of this report to ARS at the December 2025 meeting and have this as a regular 6-monthly report.

OPTIONS

This is a noting report so there are no options.

Signatories

Author:	Hayley Knight - Assurance Manager
Authoriser:	Carolyn Allan - Chief Financial Officer

Attachments

There are no attachments for this report.



SUMMARY OF CONSIDERATIONS			
Fit with purpose of Local Government			
This report provides an update on various audit a	and risk related i	matters.	
Fit with strategic framework			
	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	✓		
Economic Development Strategy	✓		
Environment Strategy	✓		
Arts and Culture Strategy	✓		
3 Waters Strategy	✓		
Future Development Strategy	✓		
Integrated Transport Strategy	✓		
Parks and Recreation Strategy	✓		
Other strategic projects/policies/plans			✓
This report provides an update on the progress m by the Audit and Risk Subcommittee, which is a cost effective	•	•	
Māori Impact Statement			
There are no known impacts for mana whenua			
Sustainability			
There are no implications for sustainability			
Zero carbon			
There are no implications for zero carbon			
LTP/Annual Plan / Financial Strategy /Infrastruc	cture Strategy		
There are no implications			
Financial considerations			
No financial implications have been identified			
Significance			
This report is rated low under the Council's Signi	ficance and Enga	agement Policy	/
Engagement – external			
No external engagement has been undertaken			
Engagement - internal			
Activities noted herein include cross Council enga	agement and co	llaboration	
Risks: Legal / Health and Safety etc.			
No risks have been identified			



SUMMARY OF CONSIDERATIONS Conflict of Interest There are no conflict of interest identified Community Boards There have been no implications for Community Boards identified



DCC POLICY UPDATE REPORT

Department: Finance

EXECUTIVE SUMMARY

This report provides an update on DCC policies as identified in the Audit and Risk Subcommittee (ARS) Workplan and ongoing audit and business improvement activities.

RECOMMENDATIONS

That the Subcommittee:

- a) **Notes** the Policy Update Report August 2025.
- b) **Provide feedback** on the Sensitive Expenditure Policy (Attachment A clean, Attachment B track changes).
- c) **Notes** the Sensitive Expenditure Guidelines (Attachment C).
- d) **Provide feedback** on the Purchase Card Policy (Attachment D clean, Attachment E track changes).
- e) **Notes** the Purchase Card Procedures (Attachment F).

DISCUSSION

- 2 The following policies are undergoing review:
 - a) Asset Disposal and Write-Off Policy
 - b) ICT Acceptable Use Policy
 - c) Information Management Policy
 - d) Staff Code of Conduct
 - e) Health, Safety and Wellbeing Policy
- 3 After the review process, updated copies of DCC policies will be provided to the Subcommittee for either feedback or noting.

Sensitive Expenditure Policy

The Office of the Auditor General (OAG) recommends that public sector have robust policies and procedures for managing sensitive expenditure as a way of promoting the public's trust and confidence.



- The reviewed policy (Attachment A and B) has been provided for feedback, and the guidelines (Attachment C) are presented to provide further context. Minor changes have been made to the policy to provide further details in line with guidance from the OAG. These changes include:
 - a) Updated the Responsible Officer to 'Chief Financial Officer'
 - b) Changed the scheduled review date period from 2 to 3 years reviews can be conducted at any stage as required to address substantial changes.
 - c) The Policy has been updated to follow the new template.
 - d) Updating the definition for employee to align with other policies.
 - e) Expanding what is meant by each of the six-principles required for sensitive expenditure.
- The guidelines have used the six-principles approach to provide greater clarity on what is appropriate sensitive expenditure at the DCC.

Purchase Card Policy

- A review has been undertaken on the Purchase Card Policy (Attachment D and E) as part of the regular scheduled review (review date scheduled for August 2023). The review has been undertaken by the Assurance Manager, with representatives from Finance and has incorporated recommendations from the recent Purchase Cards Internal Audit completed by Crowe.
- 8 The following updates have been made to the Purchase Card Policy:
 - a) Updated the Responsible Officer to 'Chief Financial Officer'
 - b) Changed the scheduled review date period from 2 to 3 years reviews can be conducted at any stage as required to address substantial changes.
 - c) The Policy has been updated to follow the new template.
 - d) Added detail about Mayoral purchase card to follow current practice.
 - e) Added details on the monthly limits which are applied to all DCC purchase cards.
 - f) Added details on the requirement for a signed declaration for transactions without receipts.
- 9 The Purchase Card Procedures (Attachment F) have also been updated based upon Audit recommendations these are highlighted in the document.

NEXT STEPS

Feedback provided by ARS on policies presented will be considered. If the changes are major these will go back to the Executive Leadership Team for final review and approval.

Signatories

Author:	Hayley Knight - Assurance Manager
Authoriser:	Carolyn Allan - Chief Financial Officer



Attachments

	Title	Page
ŪA	Policy Sensitive Expenditure August 2025 Clean	55
ŪB	Policy Sensitive Expenditure August 2025 track changes	61
₫C	Guidelines Sensitive Expenditure August 2025	68
₫D	Policy Purchase Card - August 2025 clean	84
<u> </u>	Policy Purchase Card - August 2025 track changes	87
<u> </u>	Purchase Card Procedures August 2025	90



SUMMARY OF CONSIDERATIONS			
Fit with purpose of Local Government			
This report provides an update on Council Pol Subcommittee Workplan, which is a regulatory fu	•		
Fit with strategic framework			
	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	✓		
Economic Development Strategy	✓		
Environment Strategy	✓		
Arts and Culture Strategy	✓		
3 Waters Strategy	✓		
Spatial Plan	✓		
Integrated Transport Strategy	✓		
Parks and Recreation Strategy	✓		
Other strategic projects/policies/plans			✓
The Audit and Risk Subcommittee monitors an management of core Council Policies – thereby su and the realisation of strategic objectives.	•		
Māori Impact Statement			
There are no know impacts for mana whenua.			
Sustainability			
There are no implications for sustainability.			
LTP/Annual Plan / Financial Strategy /Infrastruc	ture Strategy		
There are no known implications.			
Financial considerations			
No financial implications have been identified.			
Significance			
This report is considered low in terms of the Cour	ncil's Significano	e and Engagen	nent Policy.
Engagement – external			
The Serious Fraud Office was consulted on for Prevention Policy. Other local authorities were contacted to underst offered as a part of the Gifts and Hospitality Police.	tand their thres	hold for declar	,
Engagement - internal			
Activities noted herein include cross Council endevelopment.	ngagement and	collaboration	on Policy review and



SUMMARY OF CONSIDERATIONS

Risks: Legal / Health and Safety etc.

A failure to maintain effective and appropriate Policy framework across core Council functions exposes the DCC to a range of operational and strategic risks, including financial, business and service performance, community, business and sector confidence, as well as potential fraud and litigation.

Conflict of Interest

No conflicts of interest have been identified.

Community Boards

There are no known implications for the Community Boards.



SENSITIVE EXPENDITURE	POLICY	DU CITY	NEDIN kaunihera a-rohe o COUNCIL Ötepoti
Approved by:	Council		
Sponsor:	Chief Financial Officer		
Department responsible:	Finance		
Date approved:	July 2015	Last Reviewed:	August 2025
Next review date:	August 2028	DOC ID:	

1. PURPOSE

- 1.1. The purpose of the Sensitive Expenditure Policy (the Policy) is to provide Dunedin City Council (DCC) management and employees with a clear framework for reviewing, approving, and managing sensitive expenditure, and addressing any potential conflicts of interest or impropriety that may arise.
- 1.2. Prudent sensitive expenditure policies and processes are strongly endorsed by the Office of the Auditor General (OAG), and the principles and standards set out in this policy have been drawn from published material issued by the OAG¹.
- 1.3. The Policy should be read in conjunction with DCC's **Sensitive Expenditure Guidelines**, **Conflict of Interest Policy**, **Gifts and Hospitality Policy**, **Koha Policy** and associated financial operating procedures.

2. SCOPE

- 2.1. The Policy applies to:
 - a) All employees of the DCC, including temporary employees and contractors.
 - b) Any person who is involved in the operation of the DCC including, but not limited to, volunteers and those people with honorary or unpaid employee status.
 - c) Every business, service, or activity of the DCC.

3. **DEFINITIONS**

- 3.1. **"Employee"**, in relation to the DCC means someone who is:
 - a) an employee of the DCC, volunteers working for the DCC without any expectations of reward for their work
 - b) a secondee to the DCC
 - c) concerned in the management of the DCC
 - d) engaged or contracted under a contract for services to do work for the DCC.

Sensitive Expenditure Page 1 of 6

NZ Office of the Auditor General 'Controlling sensitive expenditure: Guide for public organisations' www.oag.govt.nz/2007/sensitive-expenditure



- 3.2. "Koha (tikaka)" is a present, offering, or contribution given to takata whenua (tangata whenua indigenous people to New Zealand i.e., Māori), as an individual, group, or marae. It is given in the spirit of acknowledgment of the receiver and maintaining social relationships between whānau, hapū and iwi.
- 3.3. "Conflict of interest" is a situation (whether actual, potential, or perceived) where an employee's duties or responsibilities to the DCC may be impacted or compromised by a personal or professional interest that the employee may have.
- 3.4. "Purchase cards" has the normal meaning, and specifically includes vehicle fuel cards, purchase cards and equivalent cards used to obtain goods and services.
- 3.5. "Probity" is defined as uprightness, honesty, correct and ethical conduct.
- 3.6. "Sensitive expenditure" is any DCC expenditure that provides (or has the potential or perception to provide) a private benefit to an employee or any third parties associated (see below) with that employee, that is additional to the business benefit to the DCC. It also includes expenditure by the DCC that could be considered unusual for the DCC's purpose and/or functions. ² Sensitive expenditure includes, but is not limited to:
 - 1) Employee travel related expenses, including:
 - a. Travel
 - b. Accommodation
 - c. Daily expenses
 - 2) Business related expenses including:
 - a. Hospitality meals and alcohol
 - b. Entertainment
 - c. Gifts
 - d. Koha (refer to the Koha Policy for further details)
 - e. Donations and sponsorship
 - 3) Employee support and welfare expenditure, including:
 - a. Reward and recognition
 - b. Farewells, retirements
 - c. Employee long service recognition
 - d. Bereavement and condolences
 - e. Private use of DCC assets
- 3.7. "Associate" of an employee includes a partner, parent, child, sibling or any close relative, friend or business associate, and any organisation which these people may work for or have an interest in.

Sensitive Expenditure

² NZ Office of the Auditor General 'Controlling sensitive expenditure: Guide for public organisations' (page 6) www.oag.govt.nz/2007/sensitive-expenditure



4. POLICY

- 4.1. As the DCC is dealing with 'public money', all expenditure shall be subject to the standards of probity and financial prudence expected of a public entity and be capable of withstanding public scrutiny as justified and cost-effective business expenditure.
- 4.2. The DCC shall provide clear and specific guidance to managers and employees regarding appropriate sensitive expenditure practices, through an appropriately maintained Policy and Sensitive Expenditure Guidelines.
- 4.3. All DCC employees are required to act with probity i.e., to be honest, upstanding, impartial, responsible and trustworthy, and to act in a way that maintains public confidence in the DCC.
- 4.4. All decisions to undertake sensitive expenditure must reflect the following principles:
 - a) A justifiable business purpose; and
 - b) The preservation of **impartiality**; and
 - c) The expenditure is made with integrity and professionalism; and
 - d) The expenditure is moderate and conservative; and
 - e) The expenditure is made transparently; and
 - f) The expenditure occurs under appropriate authority; and
 - g) Appropriate and prudent in all respects, having regard to all circumstances.
- 4.5. The above principles cannot be relied on individually to justify sensitive expenditure as each is considered by DCC as equally important. All principles shall therefore be applied equally as a set to any sensitive expenditure activity.
- 4.6. Purchase card expenditure is not, in of itself considered by DCC to be sensitive expenditure. The use of purchase cards is subject to the DCC Purchase Card Policy. All transactions must strictly adhere to the Policy and all associated process control measures.
- 4.7. Sensitive Expenditure must not replace legitimate payment or remuneration and must not be inappropriate or excessive. Please refer to the **Gifts and Hospitality Policy**, the **Koha Policy**, and the **Sensitive Expenditure Guidelines** for further information.

Justifiable business purpose

4.8. The sensitive expenditure needs to have a clear benefit and purpose to the function of the DCC and/or for the community.

Impartiality

4.9. Sensitive expenditure decisions must appropriately manage situations where actions taken in an official capacity could be seen to be influenced by private interests, or create an actual or

Sensitive Expenditure Page 3 of 6



- perceived bias, conflict of interest or obligation to another party. See the **Conflicts of Interest Policy** for more information.
- 4.10. Steps need to be taken to avoid/mitigate the potential to provide (or perceived potential) a private benefit to an employee or any third parties associated with that employee

Integrity

4.11. Sensitive expenditure decisions should be undertaken with integrity. This means that the sensitive expenditure should not only comply with the law (that is a given), but it should demonstrate honesty and adherence to our DCC values.

Moderate and Conservative

- 4.12. Sensitive expenditure should be moderative and conservative, rather than extravagant or excessive. Examples of some money limits for different sensitive expenditure types can be found in the Sensitive Expenditure Guidelines.
- 4.13. Individual transactions and the total value of expenditure shall be considered when determining the nature and extent of sensitive expenditure. Even when sensitive expenditure decisions can be justified at the item level, the combined amount spent on a category of expenditure may be such that, when viewed in total, the DCC could be considered as inappropriate, extravagant, or wasteful, and not in adherence with the principles outlined in this Policy.

Transparency

- 4.14. All sensitive expenditure shall be supported by appropriate documentation including GST invoices and receipts, detailed narration of business activity undertaken, and names of those employee and external parties involved, as required.
- 4.15. To support transparency across the DCC, regular oversight and analysis of sensitive expenditure transactions will be provided to the Wider Leadership Team, Executive Leadership Team (ELT) and the Audit and Risk Subcommittee quarterly.
- 4.16. The DCC shall undertake appropriate monitoring and reporting of sensitive expenditure to ensure compliance with the DCC Sensitive Expenditure Policy and associated Sensitive Expenditure Guidelines.

Appropriate Authority

- 4.17. All sensitive expenditure shall be subject to appropriate and robust authorisation and control processes. This includes:
 - Sensitive expenditure should be approved prior to the expense being incurred wherever possible.
 - b) Those who are approving have the appropriate financial delegations.
 - c) Approvals will follow the 'one-up' principle at a minimum, or an identified appropriate authority as listed below.

Sensitive Expenditure Page 4 of 6



- d) The approver receives all appropriate documentation, so they understand what they are approving.
- e) Those approving sensitive expenditure must ensure they do not benefit from that expenditure. For example, in those instances where both an employee and managers are attending the same event on behalf of the DCC, any associated expenditure must be approved by a relevant Line or Senior Manager not in attendance, in accordance with the 'one up' rule.
- 4.18. All sensitive expenditure must be approved by an appropriate manager (minimum 'one up' rule applies), except in the following cases:
 - All domestic employee travel, accommodation and associated expenses must be approved by the relevant member of ELT.
 - All overseas employee travel, accommodation and associated expenses must be preapproved by the Chief Executive Officer (CEO).
- 4.19. The approval for giving of Koha is subject to specific approval criteria please refer to the **DCC Koha Policy**.

CEO, Mayor, and Audit and Risk Subcommittee Independent Members Sensitive Expenditure Approval

- 4.20. Sensitive expenditure by the CEO, Mayor and ARS independent members must be approved as follows:
 - a) The CEO's sensitive expenditure must be approved by the Mayor.
 - b) The Mayor's sensitive expenditure must be approved by the Chair of the Audit and Risk Subcommittee.
 - c) Where the Mayor and CEO attend an event together, the expenditure must be approved by the Chair of the Audit and Risk Subcommittee.
 - d) The Independent members of the ARS will have their travel related expenses for attending ARS meetings approved by the Governance Manager.
 - e) Due to the nature of the Mayor and CEO's role, approval for sensitive expenditure (e.g., travel and accommodation bookings) may be retrospective.

Sensitive Expenditure Payment and Reimbursement

- 4.21. All reimbursement should be formally recorded on a **DCC Reimbursement Claim Form** and approved by the relevant manager ('one up' rule), or as identified within this Policy. This will have a further sense check by the Assurance Manager to ensure compliance with this policy and associated guidelines.
- 4.22. The Finance team responsible for processing sensitive expenditure must ensure that all transactions are reviewed, clearly evidence an appropriate business-related purpose, and that ledger coding is correct prior to processing.
- 4.23. For further detail on DCC's Sensitive Expenditure obligations and processes please refer to the **Sensitive Expenditure Guidelines**.

Sensitive Expenditure Page 5 of 6

4.24. A failure to comply with the Policy and any associated procedures may result in disciplinary procedures.

Relevant Legislation:	NZ Office of the Auditor General. <i>Controlling sensitive expenditure:</i> Guidelines for public entities (2007)
Associated Documents:	Asset Disposal and Write–Off Policy
	Conflict of Interest Policy
	Fraud, Bribery and Corruption Prevention Policy
	Fraud, Bribery and Corruption Prevention Procedure
	Gifts and Hospitality Policy
	ICT Acceptable Use Policy
	Koha Policy
	Sensitive Expenditure Guidelines
	Staff Code of Conduct
	Staff Delegations and General Procedures Manual
	Procurement and Contract Management Policy
	Protected Disclosures' (Protection of Whistleblowers) Policy
	Purchase Card Policy

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SENSITIVE EXPENDITURE F	POLICY	DU CITY	NEDIN kaunihera a-rohe o 7 COUNCIL Ōtepoti
Approved by: Council			
Sponsor:	General Manager Finance Ch	nief Financial Off	icer
Department responsible:	Finance and Commercial		
Date approved:	July 2015	Last Reviewed:	September 2020 July 2025
Next review date:	September 2023 July 2027	DOC ID:	

1. PURPOSE

- 1.1. The purpose of the Sensitive Expenditure Policy (the Policy) is to provide Dunedin City Council DCC (DCC) management and employees with a clear framework for reviewing, approving, and managing sensitive expenditure, and addressing any potential conflicts of interest or impropriety that may arise.
- 1.2. Prudent sensitive expenditure policies and processes are strongly endorsed by the Office of the Auditor General (OAG), and the principles and standards set out in this policy have been drawn from published material issued by the OAG¹.
- 1.3. Theis Policy should be read in conjunction with DCC's Sensitive Expenditure Guidelines, Conflict of Interest Policy, Gifts and Hospitality Policy, Koha Policy and associated financial operating procedures.
- 1.4. The Sensitive Expenditure Policy provides a contextual and principles-based framework for Council's sensitive expenditure practices. It clearly identifies the parameters within which the Council shall authorise and incur expenditure of a potentially sensitive nature.

2. SCOPE

- 2.1. Theis policy Policy applies to:
 - a) -All employees of the DCC, including temporary employees and contractors.
 - b) Any person who is involved in the operation of the DCC including, but not limited to, volunteers and those people with honorary or unpaid employee status.
 - c) Every business, service, or activity of the DCC.

3. **DEFINITIONS**

3.1. "Employee", in relation to the DCC means someone who is:

Sensitive Expenditure Page 1 of 7

¹ NZ Office of the Auditor General 'Controlling sensitive expenditure: Guide for public organisations' www.oag.govt.nz/2007/sensitive-expenditure



- a) an employee of the DCC, volunteers working for the DCC without any expectations of reward for their work
- b) a secondee to the DCC

a) concerned in the management of the DCC

c)

engaged or contracted under a contract for services to do work for the DCC.

——"Koha (tikaka)" is a present, offering, or contribution given to takata whenua (tangata whenua – indigenous people to New Zealand – i.e., Māori), as an individual, group, or marae. It is given in the spirit of acknowledgment of the receiver and maintaining social relationships between whānau, hapū and iwi.

3.2.

3.2. "Conflict of interest"

3.3. is a situation (whether actual, potential, or perceived) where an employee's duties or responsibilities to the DCC may be impacted or compromised by a personal or professional interest that the employee may have.

3.3.

- 3.4. "Purchase Credit cards" has the normal meaning, and specifically includes vehicle fuelleet cards, purchase cards and equivalent cards used to obtain goods and services.
- 3.5. "Probity" is defined as uprightness, honesty, correct and ethical conduct.
- 3.6. "Sensitive expenditure" is any DCC expenditure that provides or , (or , (
 - a) travel and accommodation expenditure
 - entertainment and hospitality expenditure, including:
 - meals and alcohol
 - functions and events
 - b) Employee support and welfare expenditure, including:
 - personal care
 - private use of DCC assets
 - farewells and retirements
 - recognition of performance, professional membership, and development
 - c) miscellaneous expenditure, including:

Sensitive Expenditure

² NZ Office of the Auditor General <u>'Controlling sensitive expenditure: Guide for public organisations' (page 6)</u> <u>www.oag.govt.nz/2007/sensitive-expenditure</u>

- - gifts and donations
 - Koha
 - -Sponsorship

3.7.—"Associate" of an employee includes a partner, parent, child, sibling or any close relative, friend or business associate, and any organisation which these people may work for or have an interest <u>in.</u>

3.8.3.7.

POLICY

- 4.1. As the DCC is dealing with 'public money', all expenditure shall be subject to the standards of probity and financial prudence expected of a public entity and be capable of withstanding public scrutiny as justified and cost-effective business expenditure.
- 4.1.4.2. The DCC shall provide clear and specific guidance to managers and employees regarding appropriate sensitive expenditure practices, through an appropriately maintained Policy framework and Sensitive Expenditure Guidelines.
- 4.2.—All DCC employees are required to act with probity i.e., to be honest, upstanding, impartial, responsible and trustworthy, and to act in a way that maintains public confidence in the DCC.

4.3.

- All decisions to undertake sensitive expenditure mustshall reflect the following principles:
 - A justifiable business purpose; and a)
 - The preservation of impartiality; and b)
 - The expenditure is made with Absolute integrity and professionalism; and
 - The expenditure is moderate and conservative; and
 - The expenditure is made transparently; and
 - The expenditure occurs under appropriate authority; and
 - -Appropriate and prudent in all respects, having regard to all circumstances.

e)g)

- The abovese principles cannot be relied on individually to justify sensitive expenditure as each is considered by DCC as equally important. All principles shall therefore be applied equally as a set to any sensitive expenditure activity.
- 4.5.4.6. Purchase card expenditure is not, in of itself considered by DCC to be sensitive expenditure. The use of purchase cards is subject to the DCC Purchase Card Policy. All transactions must strictly adhere to the Policy and all associated process control measures.

Sensitive Expenditure Page 3 of 7



4.6. Sensitive Expenditure must not replace legitimate payment or remuneration and must not be inappropriate or excessive. Please refer to the **Gifts and Hospitality Policy**, the **Koha Policy**, and the **Sensitive Expenditure Guidelines** for further information.

4.7.

Justifiable business purpose

4.8. The sensitive expenditure needs to have a clear benefit and purpose to the function of the DCC and/or for the community.

Impartiality

- 4.9. Sensitive expenditure decisions must always appropriately manage any situations where actions taken in an official capacity could be seen to be influenced by private interests, or create an actual or perceived bias, conflict of interest or obligation to another party. See the Conflicts of Interest Policy for more information.
- 4.10. Steps need to be taken to avoid/mitigate the potential to provide (or perceived potential) a private benefit to an employee or any third parties associated with that employee

Integrity

4.11. Sensitive expenditure decisions should be undertaken with integrity. This means that the sensitive expenditure should not only comply with the law (that is a given), but it should demonstrate honesty and adherence to our DCC values.

Moderate and Conservative

Sensitive expenditure should be moderative and conservative, rather than extravagant or excessive. Examples of some money limits for different sensitive expenditure types can be found in the Sensitive Expenditure Guidelines.

4.12.

Individual transactions and the total value of expenditure shall be considered when determining the nature and extent of sensitive expenditure. Even when sensitive expenditure decisions can be justified at the item level, the combined amount spent on a category of expenditure may be such that, when viewed in total, the DCC could be considered as inappropriate, extravagant, or wasteful, and not in adherence with the principles outlined in this Policy.

4.8.4.13.

Transparency

Sensitive Expenditure Page 4 of 7



4.9. All sensitive expenditure shall be supported by appropriate documentation including (GST) invoices and receipts, detailed narration of business activity undertaken, and names of those employee and external parties involved, as required.

4.10.4.14.

- 4.11.4.15. To support transparency across the DCC, regular oversight and analysis of sensitive expenditure transactions will be provided to the Wider Leadership Team, Executive Leadership Team (ELT) and the Audit and Risk Subcommittee quarterly.
- 4.12. The DCC shall undertake appropriate monitoring and reporting of sensitive expenditure to ensure compliance with the DCC Sensitive Expenditure Policy and associated Sensitive Expenditure Guidelines.

4.16.

Appropriate Authority

- 4.17. All sensitive expenditure shall be subject to appropriate and robust authorisation and control processes. This includes:
 - a) Sensitive expenditure should be approved prior to the expense being incurred wherever possible.
 - b) Those who are approving have the appropriate financial delegations.
 - c) Approvals will follow the 'one-up' principle at a minimum, or an identified appropriate authority as listed below.
 - d) The approver receives all appropriate documentation, so they understand what they are approving.
 - e) Those approving sensitive expenditure must ensure they do not benefit from that expenditure. For example, in those instances where both an employee and managers are attending the same event on behalf of the-DCC, any associated expenditure must be approved by a relevant Line or Senior Manager not in attendance, in accordance with the 'one up' rule.
- 4.13.4.18. All sensitive expenditure must be approved by an appropriate manager (minimum 'one up' rule applies), except in the following cases as follows:
 - a) Employee sensitive expenditure must be approved by the relevant Line Manager or member of the Wider Leadership Team (WLT) with appropriate financial delegation.
 - b) Wider Leadership Team (WLT) sensitive expenditure must be approved by the relevant member of the Executive Leadership Team (ELT).
 - c)a) ELT sensitive expenditure must be approved by the Chief Executive Officer. All domestic employee travel, accommodation and associated expenses must be approved by the relevant member of ELT.

Sensitive Expenditure Page 5 of 7

- d)b) All Ooverseas employee travel, accommodation and associated expenses must be preapproved by the relevant member of ELT (travel to Australia) and the Chief Executive Officer (CEO) (all other international travel).
- 4.14.4.19. The approval for giving of Koha is subject to specific approval criteria please refer to the DCC Koha Policy.

CEO₂-and Mayor, and Audit and Risk Subcommittee Independent Members Sensitive Expenditure Approval

- 4.15.4.20. Sensitive expenditure by the Chief Executive OfficerCEO, and Mayor and ARS independent members must be approved as follows:
 - The Chief Executive OfficerCEO's sensitive expenditure must be approved by the Mayor.
 - b) The Mayor's sensitive expenditure must be approved by the Chair of the Audit and Risk Subcommittee.
 - Where the Mayor and Chief Executive CEO attend an event together, the expenditure must be approved by the Chair of the Audit and Risk Subcommittee.
 - c)d) The Independent members of the ARS will have their travel related expenses for attending ARS meetings approved by the Governance Manager.
 - <u>d)e)</u> Due to the nature of the Mayor and CEO's role, approval for sensitive expenditure (e.g., travel and accommodation bookings) may be retrospective.

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Sensitive Expenditure Payment and Reimbursement

- 4.16.4.21. All reimbursement should be formally recorded on a DCC Reimbursement Claim Form and approved by the relevant manager ('one up' rule), or as identified within this Policy. This will have a further sense check by the Assurance Manager to ensure compliance with this policy and associated guidelines.
- 4.17.4.22. Theose approving Finance team responsible for processing sensitive expenditure must ensure that all transactions are reviewed, clearly evidence an appropriate business-related purpose, and that ledger coding is correct prior to processing.
- <u>4.23.</u> For further detail on DCC's Sensitive Expenditure obligations and processes please refer to the **Sensitive Expenditure Guidelines**.

4.18.

4.19.

Sensitive Expenditure Page 6 of 7

___A failure to comply with Breaches of thisthe Sensitive Expenditure Policy and any associated procedures may result in disciplinary procedures action.

DUNEDIN | kaunihera a-rohe o CITY COUNCIL | Ōtepoti

Relevant Legislation:	NZ Office of the Auditor General. <i>Controlling sensitive expenditure:</i> Guidelines for public entities (2007)
Associated Documents:	Asset Disposal and Write-Off Policy
	Conflict of Interest Policy
	Fraud, Bribery and Corruption Prevention Policy
	Fraud, Bribery and Corruption Prevention Procedure
	Gifts and Hospitality Policy
	ICT Acceptable Use Policy
	Koha Policy
	Sensitive Expenditure Guidelines
	Staff Code of Conduct
	Staff Delegations and General Procedures Manual
	Procurement and Contract Management Policy
	Protected Disclosures' (Protection of Whistleblowers) Policy
	Purchase Card Policy

Sensitive Expenditure Page 7 of 7



SENSITIVE EXPENDITURE GUIDELINES		DUNEDIN kaunihera a-rohe o CITY COUNCIL Ōtepoti
Approved by:	Council	
Sponsor:	Chief Finance Officer	
Department responsible:	Finance	
Reviewed:	August 2025	

WHAT IS SENSITIVE EXPENDITURE?

Sensitive expenditure is any Dunedin City Council (DCC) expenditure that provides or has the potential, real or perceived, to provide a private benefit to an employee or any third party associated with an employee¹, that is in addition to the business benefit to the DCC.

Sensitive expenditure includes, but is not limited to:

- 1) Employee travel related expenses, including:
 - a. Travel
 - b. Accommodation
 - c. Daily expenses
- 2) Business related expenses including:
 - a. Hospitality meals
 - b. Entertainment
 - c. Gifts
 - d. Koha (refer to the Koha Policy for further details)
 - e. Donations and sponsorship
- 3) Employee support and welfare expenditure, including:
 - a. Reward and recognition
 - b. Farewells, retirements
 - c. Employee long service recognition
 - d. Bereavement and condolences
 - e. Private use of DCC assets

Exceptions to these Guidelines may be made under extenuating circumstances at the discretion of the Chief Executive Officer.

All decisions to undertake sensitive expenditure shall reflect the following principles:

a. A justifiable business purpose; and

Sensitive Expenditure Guidelines

¹ Third parties include a partner, parent, child, sibling or any close relative, friend or business associate, and any organisation which these people may work for or have a vested interest in. Refer to the DCC **Conflict of Interest Policy.**



- b. The preservation of impartiality, and transparency; and
- c. Absolute integrity and professionalism; and
- d. The expenditure is moderate and conservative; and
- e. The expenditure occurs under appropriate authority; and
- f. Appropriate and prudent in all respects, having regard to all circumstances.

The following sections provide guidance in line with the above principles and the processes for identified types of sensitive expenditure.

For sensitive expenditure outside of these areas it is recommended that consultation occurs with the direct manager and Assurance Manager before the expense is incurred to understand the best approach.

EMPLOYEE TRAVEL RELATED EXPENSES

The following are the set criteria for employee travel, accommodation, and meal expenses.

1. Travel

Criteria	Guidance	
Justifiable	The DCC MAY fund travel and associated costs for justifiable business purposes,	
business purpose	this may include, but is not limited to:	
	Conference	
	Functions	
	Events	
	Training	
	Professional development	
	Business meetings	
	An activity that is not related to an employee's employment, role and responsibilities will not be paid for by DCC.	
Impartiality and	Employee travel related expenses are to be coded under the following object	
transparency	codes:	
	Domestic travel – flights: 522301	
	Domestic travel - taxis/shuttles: 522311	
	International travel – flights: 522303	
	International travel - taxis/shuttles: 522311	
	Other travel costs (parking, car hire, trains etc.): 522313	
	There will be records of the decision-making, approvals and costs incurred maintained and attached to relevant transactions in the finance systems. For example:	
	All flight bookings to go through travel booking process.	
	Use of DCC fleet vehicle to be logged through ERoad Booklt.	
	Use of personal vehicle to be declared (in writing) to direct line manager prior.	
	A travel report from Orbit will be provided to ELT on a regular basis	

Sensitive Expenditure Guidelines

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Integrity	Employee have demonstrated that the travel is necessary, with either virtual
integrity	attendance or a local option not possible or not appropriate.
	attenuance of a local option not possible of not appropriate.
Moderate and	Employees are to consider the different travel options to find moderate and
conservative	conservative means. For example:
	If using a vehicle, try to carpool with others if possible.
	Use cost effective travel means (e.g., shuttles from airports rather than taxis).
	Reimbursement for travel with personal vehicle MAY be given.
	The DCC reserves the right to reimburse employees for travel expenses based on the most cost-effective mode of transport available, taking into account practicality, time constraints, and business needs. Where multiple transport options are available, reimbursement will be limited to the lowest reasonable cost unless prior approval is obtained for an alternative.
Appropriate	The following approvals are required for travel:
authority	Domestic Travel (beyond Dunedin city limits) approved by their General Manager (ELT).
	• International travel, or travel expenses for General Managers, approved by CEO.
	 CEO travel approved by Mayor (unless Mayor is also attending, then approval must be from the Chair of the Audit and Risk Subcommittee). Mayor travel approved by Chair of the Audit and Risk Subcommittee.
	I wiayor traver approved by Chair or the Addit and Kisk Subcommittee.

Additional Information for travel expenses

- 1.1. With prior approval, personal travel MAY be permitted in conjunction with a business trip provided there is no additional cost to the DCC. Any personal leave taken must be applied for, managed, and approved within the normal leave approval process in advance of that leave being taken.
- 1.2. Any travel-related costs for accompanying spouses, partners or other family members will not be organised or paid for by the DCC.
- 1.3. All travel expenses must be made within approved budgets.

Travel Booking Process

- 1.4. All travel bookings, including flights and accommodation should be made via the DCC booking agent 'Orbit World Travel' using the DCC **Travel Request Form** (email travelrequests@dcc.govt.nz) in the first instance.
- 1.5. In exceptional circumstances and with the approval of the relevant ELT member, travel may be booked outside of the DCC booking agent process noted above. Any such travel bookings should leverage savings from DCC's All of Government contracts, including booking flights through the dedicated AirNZ booking portal.

Sensitive Expenditure Guidelines



- 1.6. Travel should be prudent, booked as far in advance as is practical, and should prioritise securing the most cost-effective economy fares available. Ticket changes or cancellations are strongly discouraged. Should a change or cancellation be required, the booking agent should be notified and/or the changes made as soon as possible to minimise any associated costs.
- 1.7. DCC employees required to travel internationally shall travel by economy class and be provided a 24-hour recuperation period where any flight exceeds 9 hours.
- 1.8. Premium Economy travel is permitted only under exceptional circumstances and subject to the approval by the CEO, for flights exceeding 9 hours where a 24-hour recuperation period is not possible, or if economy travel is not available and travel plans cannot be altered.
- 1.9. Any planned stopovers where costs are to be covered by the Council must receive prior approval. Approval will only be granted if there is a clearly demonstrated purpose related to employee health, safety, and wellbeing, or a valid business need. Unplanned stopovers (e.g. caused by fight delays) expenses will be covered by the DCC.
- 1.10. Where domestic travel is required, an employee may under certain circumstances be permitted to travel the day before the business event, subject to specific circumstances. This includes reducing the risk of delays to early morning flights caused by fog and other weather events, and the opportunity for business networking on the evening prior to the business event. Where this results in additional costs to DCC (including accommodation and meals), written approval must be obtained from the relevant manager as outlined in these Guidelines prior to the expenditure.
- 1.11. The DCC has travel insurance in place for employees travelling on DCC-related international business travel, subject to the approval of the CEO and arranged by the Chief Financial Officer.
- 1.12. Travel insurance details are available by emailing Travel Requests (travelrequests@dcc.govt.nz).
- 1.13. Employees are not permitted to personally benefit from 'air dollars' or other travel reward schemes that result from DCC travel. However, it is recognised that if rewards are collected incidentally while travelling, these may be used to upgrade an individual's business travel. Should such an upgrade occur, the requirement for a 24-hour recuperation period on international flights may be waived.
- 1.14. Koru Membership may be granted where there is a genuine business reason for having the membership, subject to the approval of the CEO. There is an expectation of at least 10 business-related flights per annum for any such membership to be permitted. An employee may however purchase Koru Membership at their own expense and access the corporate rate.
- 1.15. Rental cars are only permitted when it is not cost effective or practical to use a DCC fleet vehicle, or a taxi or shuttle service. In such instances, the most economical type and size of rental car, consistent with purpose, distance and number of people should be used.
- 1.16. Rideshare options (such as Uber) may be considered if cost effective and practical. As rideshare options involve charging through an application (app) linked to a credit card, DCC

- employee are required to use their own personal credit card in the first instance and seek reimbursement for DCC business related travel (see section 8 on reimbursement processes). It is not permitted to link a DCC purchase card to link to an rideshare account.
- 1.17. Using local public transport option can require different payment methods. DCC employee are required to use their own funds in the first instance and seek reimbursement for DCC business related travel (see section 8 on reimbursement processes).
- 1.18. Employees are expected to comply with all traffic, parking and other laws when using a vehicle for DCC business activities. The driver is responsible for any fines or traffic offences incurred (while in charge of the vehicle). For more information refer to the DCC Safe Use of a Vehicle Policy.
- DCC vehicles shall not be used for private purposes, unless specified in formal employment 1.19. agreements or under certain business-related circumstances. Please refer to the DCC Safe Use of a Vehicle Policy for further information.



2. Accommodation

Criteria	Guidance			
Justifiable	The DCC MAY fund accommodation costs when travel is required for justifiable			
business purpose	business purposes (see above in travel).			
	An activity that is not related to an employee's employment, role and			
	responsibilities will not be paid for by DCC.			
Impartiality and	Employee accommodation related expenses are to be coded under the			
transparency	following object codes:			
	Domestic travel – accommodation: 522305			
	International travel – accommodation: 522306			
	There will be records of the decision-making, approvals and costs incurred			
	maintained and attached to relevant transactions in the finance systems. For			
	example:			
	Approval for accommodation costs			
	Receipts/invoices from the accommodation provider			
	A travel report from Orbit will be provided to ELT on a regular basis.			
Integrity	Employee have demonstrated that the accommodation is necessary, for			
.	example:			
	The return distance to travel by car is too far to carry out safely in one day.			
	Flight on the morning of the event won't arrive at the destination in time.			
	No flights available at the end of event, need to wait until the next day.			
	, , , , , , , , , , , , , , , , , , , ,			
Moderate and	Consider moderate and conservative accommodation options, for example a			
conservative	single room in a moderately priced business-class hotel or motel. Booking			
	through the DCC travel agent can provide a discounted rate.			
	Accommodation option should ideally include breakfast. In cases where this is			
	not an option a meal allowance for breakfast will apply.			
	,			
Appropriate	Domestic accommodation (beyond Dunedin city limits) approved by their			
authority	General Manager.			
-	International accommodation, or accommodation expenses for General			
	Managers, are approved by CEO.			
	CEO accommodation to be approved by Mayor (unless Mayor is also			
	attending, then approval must be from the Chair of the Audit and Risk			
	Subcommittee).			
	Mayor accommodation to be approved by Chair of the Audit and Risk			
	Subcommittee.			
	1			



3. Meal expenses

Criteria	Guidance		
Justifiable business purpose	The DCC MAY fund daily travel expenses by reimbursement or DCC issued purchase card when travel is required for justifiable business purposes (see above in travel).		
Impartiality and transparency	 Employee meal expenses is to be coded under the following object code: Meals: Details need to be maintained in Approval Plus either in the narration or with supporting evidence on: Staff name Meal type Receipt 		
Integrity	Meal expenses will be covered for the time periods that the employee is travelling.		
Moderate and conservative	The DCC will provide up to the following for meal expenses: a) Breakfast: \$30 (in the first instance breakfast should be included in the accommodation costs) b) Lunch: \$40 c) Dinner: \$60 Costs above these amounts will need to be covered by the employee.		
Appropriate authority	Purchase card transactions and reimbursement forms will be approved by the employee's direct manager. CEO expenditure is to be approved by Mayor (unless Mayor is also attending, then approval must be from the Chair of the Audit and Risk Subcommittee). Mayor expenditure is to be approved by Chair of the Audit and Risk Subcommittee.		

Additional Information for daily travel expenses

- 3.1. Any other daily expenses beyond the above must be covered by the employee.
- 3.2. For International travel an assessment will be made on a case-by-case basis to determine if the above is an appropriate given the exchange rate. The agreed amount will be authorised by the CFO.
- 3.3. International travel roaming charges will be covered by DCC if on DCC-related business. However, if a DCC phone incurs roaming charges while the employee is **NOT** on DCC relate travel, reimbursement from the employee may be required.



BUSINESS RELATED EXPENSES

All business-related expenses must be made within approved budgets, in accordance with the following guidelines:

4. External Party Related Hospitality, Entertainment and Gifts

Criteria	Guidance		
Justifiable business purpose	Hosting business meals/catering is to recognise good hosting practise for our external stakeholders. There is to be no DCC funded catering/meals for events that involve only DCC employees. Exceptions for this are at the discretion of the CEO.		
	Business-related hospitality, entertainment and gifts, expenditure shall only be permitted for the purposes of: Building professional sector relationships Representation of the organisation at business-related events		
	 Reciprocity of business-related hospitality Recognition of significant business collaboration and achievement. 		
Impartiality and transparency	External party business related expenses are to be coded under the following object codes: Business related hospitality – food: 522717 Business related gifts (non staff): 522403		
	Any reimbursement claims, or DCC transactions for business-related hospitality, entertainment and gifts must be accompanied by a detailed record of: the business activity and justification for expenditure, evidence of transaction including GST receipts, the purpose of the expenditure and who was in attendance (names, positions and organisation represented)		
	This is to be completed by the most senior employee member present at the event. This will be captured in the financial systems against the transaction(s)		
Integrity	All expenditure must be bound by the principles of probity, integrity, and prudence. No entertainment, hospitality or gifts may be provided where there is the potential for a conflict of interest for the employee member or Council. Refer to the DCC Conflict of Interest Policy for more information.		
Moderate and conservative	The cost of any stakeholder hospitality should be in the 'mid-range', both in respect of the establishment or activity concerned and the meal(s) ordered. Maximum amounts for 'reasonable' business-related meal expenditure are provided as follows (per person incl. GST): Breakfast: \$30 Morning tea / afternoon tea: \$10 Lunch \$40 Dinner \$60.		

Sensitive Expenditure Guidelines



	All gifts paid for by DCC, are subject to a recognised business-related need and the prior approval of the relevant General Manager or CEO. For Koha specifically see the Koha Policy for further details.
Appropriate authority	Approval from the relevant ELT member must be given prior to the expenditure, whenever possible.

Additional information for business related hospitality, entertainment, and gifts

4.1. Receiving gifts from external stakeholders is not permitted for DCC employee, except under very limited circumstances and prescribed \$ values. Please refer to the **Gifts and Hospitality Policy and Procedure** for further details.

5. Donations and Sponsorship

- 5.1. A donation is a voluntary payment (primarily financial or by way of goods or services) made by the DCC, without expectation of receiving goods or services in return.
- 5.2. Similarly, sponsorship is the voluntary support by the DCC of an event, activity or organisation through a financial contribution or the provision of business support or services.

Criteria	Guidance		
Justifiable business purpose	DCC donations and third-party sponsorship MAY be made for those donations that demonstrate a clear and genuine business-related purpose that is consistent with the strategic objectives of the DCC.		
Impartiality and transparency	Donations and sponsorship related expenses are to be coded under the following object code: • Donations / sponsorships: 522719 Payments should be made to the organisation and not directly to individuals – unless under exceptional circumstances with the prior approval of the CEO or Mayor. All donations and sponsorship must be supported by detailed narration and documentation outlining the nature of the donation/sponsorship. This will be captured in the financial systems against the transaction(s)		
Integrity	No donations or sponsorship may be given where there is the potential for a conflict of interest for the employee member or Council. No donations may be given in cash.		
Moderate and conservative	Any donation or sponsorship made by the DCC must be modest, and appropriate to the circumstances, and commensurate with the nature of the relationship, stakeholders and/or activity.		

Sensitive Expenditure Guidelines

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Appropriate	Pre-approval must be gained from the CEO or Mayor.
authority	

6. Koha

- 6.1. Koha are gifts given in the spirit of aroha and manaaki (kindness and respect) towards the occasion and those in attendance. Council acknowledges the importance of koha as an integral component of tikaka and kawa.
- 6.2. Council representatives may give appropriate koha on behalf of their respective activity in recognition of tikaka.
- 6.3. The value and nature of koha given should reflect the occasion, the mana and prestige of the Council representatives in attendance. For example, if the Mayor, Councillors, ELT or WLT are attending a hui, a koha which is befitting their status should be given.
- 6.4. Koha should not be confused with legitimate payments for services i.e., when attending a Marae or function the koha or gift is given as a token of goodwill and respect, while catering or other associated hospitality costs should be managed separately, in accordance with relevant financial delegations and processes.
- 6.5. Please refer to the DCC **Koha Policy** for further details and approval processes.



EMPLOYEE SUPPORT AND WELFARE

The following are the set criteria for employee support and welfare expenses.

7. Employee Reward and Recognition

Criteria	Guidance			
Justifiable 	DCC Reward and Recognition Programme recognises employee effort,			
business purpose	 behaviour, and achievements, for example: Being responsive to our Customers and Communities Ensuring Quality in Delivery Developing and Supporting our People Exemplifying the DCC Values 			
Impartiality and transparency	Employee reward and recognition related expenses are to be coded under the following object code: • Reward and recognition: 501251 A register will be maintained on all reward and recognition instances. It is the responsibility of the direct line manager to enter the details into the register. The register will be reported to ELT on an annual basis.			
Integrity	Reward and recognition are to be awarded in a fair, and equitable manner. There is clear reason for the reward or recognition, and this is to recognise effort, behaviour, or achievements beyond normal expectations of the role. Under no circumstances shall alcohol or cash (or cash equivalent) be given to employee as part of the Reward and Recognition Programme			
Moderate and conservative	As a guide \$20 per person is considered an appropriate level for most forms of reward and recognition.			
Appropriate authority	All requests for employee or team rewards must be approved by the relevant WLT and made via the Reward and Recognition Toolbox on DCC Connect			

Additional information for employee reward and recognition

7.1. The budget for employee reward and recognition is held centrally. There is no guarantee of available funding.



8. Employee Farewells and Retirements

Criteria	Guidance		
Justifiable	Recognising the time and efforts of the employee to the DCC at the conclusion		
business purpose	of their employment.		
Impartiality and transparency	Employee farewell and retirement related expenses are to be coded under the following object codes: • Employee farewells and retirements - gifts/cards/flowers: 522403 • Employee farewells and retirements - catering: 522717 All transactions will be reviewed by the Finance department for FBT considerations.		
Integrity	The DCC shall not purchase alcoholic drinks for employee events, except under special circumstances and with the prior approval of the CEO.		
Moderate and conservative	As a guide: DCC can fund moderate catering for farewell and retirement functions for employees who have served at least 3 years, with a maximum spend of \$250. Gifts can be purchased with DCC funding for employees who have served 3 years or more with a rough guide of \$20 per year of service, up to a maximum of \$500. For employees who have worked for the DCC less than 3 years, farewell functions, and gifts can still be provided through a 'whip around'. Anything outside of these guidelines require prior CEO approval.		
Appropriate authority	 Combined employee farewell and retirement expenses under \$250 to be approved by the relevant WLT member. Combined employee farewell and retirement expenses over \$250 to be approved by the relevant General Manager. 		

Additional information for Employee Farewells and Retirements

- 8.1. The size and scale of the function should be commensurate with the employee member's length of service and role. If the spend is to be greater than \$250, approval from the relevant member of ELT must be sought.
- 8.2. It is not expected that formal farewell functions paid for by the DCC will be held for employee with less than three years of service. Exceptions are permitted under exceptional circumstances only and must be pre-approved by the relevant ELT member or CEO.
- 8.3. The DCC shall not purchase alcoholic drinks for employee events, except under special circumstances and with the prior approval of the CEO.

Sensitive Expenditure Guidelines



8.4. In such instances, any alcohol provided shall be mid-range and appropriate to the nature of the event and those in attendance, and limited to a reasonable and responsible amount, at the discretion of the CEO.

9. Employee Long Service Recognition

- 9.1. The DCC does not provide funding for gifts or catering in recognition of long-service milestones. These milestones are formally acknowledged through the provision of longservice leave entitlements.
- 9.2. This policy does not prevent individual teams or colleagues from choosing to personally contribute to gifts or catering to celebrate an employee's achievement.

10. Bereavement and Condolences

Criteria	Guidance
Justifiable	To express compassion and support for those experiencing the loss of a loved
business purpose	one a gift may be provided.
Impartiality and	Bereavement and condolences related expenses are to be coded under the
transparency	following object code:
	Bereavement and condolences: 501225
	Details will need to be maintained on the recipient's name and reason.
Integrity	An example of when such a gift may be appropriate is in the event of the death
	of an immediate family member or another person with whom the employee had a close relationship.
	Tiau a close relationship.
Moderate and	Appropriate gifts may include:
conservative	Sympathy flowers or a small plant
	A condolence card with a personal message Gifts are not to be given in the form
	of vouchers or cash.
Appropriate	Gifts for bereavement and condolences are to be approved by the relevant ELT
authority	member prior to purchase.

Additional information for employee bereavement and condolences

10.1. Providing a bereavement or condolences gift acknowledges the employee's loss with compassion and respect, reinforcing a supportive workplace culture and demonstrating the organisation's commitment to employee wellbeing during difficult times.

Sensitive Expenditure Guidelines



11. Private use of DCC Assets

- 11.1. As general rule DCC assets are **NOT** to be used for private use.
- 11.2. Incidental DCC use of personal employee assets for DCC business activities, including but not limited to private motor vehicles, personal phones and home computers/laptops is not encouraged, however may occur from time to time. Appropriate reimbursement for such usage may be given, subject to prior approval by the relevant member of the ELT/ WLT.
- 11.3. Likewise, Council IT equipment may be used for a reasonable level of personal use during non-work time. However, in exceptional circumstances the Council may require reimbursement for undue costs (i.e., employee usage that is deemed excessive or unauthorised mobile data or roaming charges).
- 11.4. Any such expenditure must comply with all relevant employee guidance including ICT Acceptable Use Policy and Standards, and the DCC Safe Use of a Vehicle Policy.
- 11.5. Any privileges for the DCC with suppliers (e.g. discounted rates on goods and services) that are available should not be used on behalf of any third-party including family and friends.
- 11.6. The DCC cannot be used as a source of credit and any payments that are incurred must be made by employee to the supplier in full.



12. PROCESS FOR THE REIMBURSEMENT OF EMPLOYEE EXPENDITURE

- 12.1. All reimbursement claims must be recorded on a DCC Reimbursement Claim Form and approved by the relevant direct manager or Member of the ELT/ WLT in accordance with the Sensitive Expenditure Policy and Guidelines (minimum 'one up' rule applies).
- 12.2. Approvers must ensure that all sensitive expenditure transactions are appropriate, adequate narration is provided, and that ledger coding is correct prior to processing.
- 12.3. All sensitive expenditure transactions must provide full and accurate details regarding the nature of the expenditure and business activity, include original documentation such as GST compliant tax invoices and be submitted as soon as possible after the expenditure was incurred.
- 12.4. In those instances where a GST receipt is not able to be provided, employee must provide a compelling reason for the expenditure, and reimbursement is subject to the approval of a member of the ELT/ WLT.
- 12.5. All employee expense arrangements and reimbursements will be made by Finance upon receipt of the necessary documentation and approval from the appropriate authority.
- 12.6. A temporary cash advance facility on a purchase card or traveller's cheques may be provided to employee travelling on DCC business, subject to approval by a member of the ELT. Cash advances and traveller's cheques are to cover those business-related expenses incurred where it is not feasible to charge the expense to a DCC credit card or by an invoice, e.g., bus fares.
- 12.7. In instances where a cash advance has been provided, all receipts must be retained, and reconciliation produced upon return from travel within 10 working days. Any monies not expended must be returned to Finance who will re-bank any excess to the appropriate expense code. The employee travelling overseas should endeavour to minimise the amount of coinage to be re-banked as it is not always possible to exchange this back to NZ currency.
- 12.8. All amounts claimed are to be in New Zealand currency. Where foreign currency is involved, each invoice must include the NZD amount, which is being claimed, together with the exchange rate used. Note: the exchange rate to be used is that which applied to the actual transaction.

13. MONITORING AND REPORTING

- 13.1. Monthly management financial reports will highlight sensitive expenditure, including but not limited to those laid out in this guidance document.
- 13.2. Managers/approvers shall ensure that all sensitive expenditure transactions are appropriate, adequate narration is provided, and that ledger coding is correct prior to processing.
- 13.3. The Finance department shall maintain appropriate oversight of business sensitive expenditure to ensure compliance with the **Sensitive Expenditure Policy** and **Guidelines**.
- 13.4. Breaches of the DCC **Sensitive Expenditure Policy** and any associated procedures may result in disciplinary action.

Sensitive Expenditure Guidelines



Appendix 1 – Quick guide, approval responsibilities

Role	Responsibilities / Approval Areas
Chair of the Audit and Risk Subcommittee	Approves Mayor travel and related expenses (if required). Approves CEO travel and related expenses (when traveling with the Mayor). Approves Mayor's expenses.
Mayor	Approves CEO travel and related expenses (if not traveling together). Approves Elected Members' travel-related expenses.
Chief Executive Officer (CEO)	Approves all international travel and related expenses for employees. Approves General Manager domestic travel and related expenses. Approves high-value hosting and business gifts. Approves all donations and sponsorships. Approves Koha for GM Policy and Partnerships. Approves exceptions to guidelines. Approves alcohol at employee events under special circumstances.
ELT Member (General Manager / CFO)	Approves employee domestic travel and related expenses. Approves low-value hosting and business gifts. Approves all reward and recognition expenses. Approves employee farewell/retirement expenses over threshold. Approves Koha (via GM Policy and Partnerships).
General Manager Policy and Partnerships	Sole approver for all Koha expenses except their own.
Wider Leadership Team (WLT)	Approves employee farewell/retirement expenses under threshold. Conveys to staff what appropriate sensitive expenditure does and does not look like
Direct Line Manager	Conveys to staff what appropriate sensitive expenditure does and does not look like
Finance Department	Maintains oversight of sensitive expenditure. Reviews transactions for FBT. Processes reimbursements upon receiving proper documentation.
Employees	Must follow sensitive expenditure policy and processes. Must not use DCC as a source of credit. Must retain receipts and provide accurate documentation. Must comply with all relevant policies (e.g., Conflict of Interest).



PURCHASE CARD POLICY DUNEDIN saunihera a-rohe o otepoti			
Approved by:	Executive Leadership	Executive Leadership Team	
Sponsor:	Chief Financial Officer	Chief Financial Officer	
Department responsible:	Finance		
Date approved:	August 2017	Reviewed:	August 2025
Next review date:	August 2028	DOC ID:	

1. PURPOSE

1.1. The purpose of this policy is to define the rules governing the management and use of Dunedin City Council (DCC) Purchase Cards.

2. SCOPE

- 2.1. This Policy applies to:
 - 2.1.1 All DCC employees, including temporary employees and contracted staff.
 - 2.1.2 Any person who is involved in the operation of the DCC, including elected members, volunteers and those people with honorary or unpaid staff status.
 - 2.1.3 Every business, service or activity of the DCC.

3. **DEFINITIONS**

- 3.1. **Purchase Card:** A bank issued credit card. The purpose of a Purchase Card is to provide an effective means of paying for everyday purchases and to reduce the reliance on petty cash floats, cash advances and the number of small payment transactions processed through Accounts Payable.
- 3.2. **Card Holders:** Those who have been issued a DCC purchase card.

4. POLICY

- 4.1. The DCC Purchase Card is to be used for the purchase of goods and/or services which support legitimate DCC purposes.
- 4.2. The Purchase Card is a means of payment only and the use of the Purchase Card does not reduce the requirement for appropriate purchase decision making and compliance with authorisation processes for entering a commitment on behalf of the DCC. This includes:
 - a) the purchase has a justified business purpose,
 - ensuring the appropriate authority has been provided (in line with delegations or DCC policies)
 - c) ensuring that a budget has been approved for the value of the purchase.
- 4.3. The Chief Financial Officer authorises the issuing of purchase cards.

Purchase Card Policy Page 1 of 3



- 4.4. Each Purchase Card is issued to one person. It must be solely used by that person and cannot be transferred or delegated to anyone else.
- 4.5. Purchase Cards will only be issued to employees of the DCC with approved financial delegations and who are permanent or are employed on a fixed term contract of at least six months.
- 4.6. The one exception to this is a purchase card can be issued to the Mayor of the Dunedin City Council for the purpose of travel related expenses while conducting mayoral duties. This card will have a monthly limit of \$5,000 and transactions will be approved by the Chair of the Audit and Risk Subcommittee.
- 4.7. Purchase Cards will be issued with a monthly limit of \$5,000, and if the card holder's financial delegation is less than this amount, a single transaction limit will be applied to equal the employee's financial delegation. Expenditure on the Purchase Card must not exceed the monthly credit limit.
- 4.8. Card holders should exercise the same duty of care and responsibility when using a Purchase Card as they would any other form of transacting for the purchase of goods and/or services on behalf of DCC.
- 4.9. The use of Purchase Cards must always be in accordance with the requirements of the issuing bank.
- 4.10. Consistent with any purchase on behalf of the DCC, expenditure must be supported by appropriate documentation.
- 4.11. Where expenditure documentation (e.g., receipts) is unable to be supplied a declaration must be signed by the card holder to confirm the transaction is business related and meets the requirements of the Purchase Card Policy and Procedure.
- 4.12. Where the Purchase Card is unavoidably used for personal purchases the value of those purchases must be repaid to the DCC in full immediately, and no later than the date of the affected month's Purchase Card statement.
- 4.13. In exceptional circumstances a cash advance facility is available on the Purchase Card and activated upon request following approval from a member of the Executive Leadership Team (ELT).
- 4.14. Purchase Cards cannot be used for a cash advance for koha. See the **DCC Koha Policy** for more
- 4.15. Purchase Cards are valuable and should be treated in the same way as a passport or cash.
- 4.16. Purchase Cards that have not been used for a period of six months maybe cancelled.
- 4.17. Purchase Cards may be issued for a specified period or for a specific purpose and once that time has elapsed, or the purpose has been completed the Purchase Card will be cancelled.
- 4.18. Any breach of purchasing policies or procedures may result in the cancellation of the Purchase Card and possible disciplinary action.

Purchase Card Policy Page 2 of 3

Relevant Legislation:	
Associated Documents:	Koha Policy
	Purchase Card Procedures
	Procurement Policy
	Sensitive Expenditure Policy
	Sensitive Expenditure Guidelines
	Other Expenditure Related Policies

Purchase Card Policy Page 3 of 3

DUNEDIN | kaunihera a-rohe o OITY COUNCIL | Otepoti



PURCHASE CARD POLICY DUNE DIN kaunihera a-rohe o otepoti							
Approved by: Executive Leadership Team							
Sponsor:	General Manager Finance Chief Financial Officer						
Department responsible:	Finance						
Date approved:	August 2017	Reviewed:	August 2020Augustxxx 2025				
Next review date:	August August 2023 2028	DOC ID:					

1. PURPOSE

1.1. The purpose of this policy is to define the rules governing the <u>management and</u> use of <u>Dunedin</u> <u>City Council (DCC)</u> Purchase Cards.

2. SCOPE

- 2.1. This Policy applies to:
 - ${\it 2.1.1} \quad \hbox{All DCC employees, including temporary employees and contracted staff.}$
 - 2.1.2 Any person who is involved in the operation of the DCC, including elected members, volunteers and those people with honorary or unpaid staff status.
 - 2.1.3 Every business, service or activity of the DCC.

3. **DEFINITIONS**

- 3.1. Purchase Card: A bank issued credit card. The purpose of a Purchase Card is to provide an effective means of paying for everyday purchases and to reduce the reliance on petty cash floats, staff reimbursements, cash advances and the number of small payment transactions processed through the Accounts Payable office.
- 3.1.3.2. Card Holders: Those who have been issued a DCC purchase card.

4. POLICYRINCIPLES

- 4.1. The <u>DCCCouncil</u> Purchase Card is to be used for the purchase of goods and/or services which support legitimate <u>DCCCouncil</u> purposes.
- 4.2. The Purchase Card is a means of payment only and the use of the Purchase Card does not reduce the requirement for appropriate purchase decision making and compliance with authorisation processes for entering a commitment on behalf of the DCC. This includes:
 - 4.3. a) the purchase has a justified business purpose,
- 4.4. b) ensuring the appropriate authority has been provided (in line with delegations or DCC+ policies)
- 4.5. c) ensuring that a budget has been approved for the value of the purchase.

Purchase Card Policy Page 1 of 3

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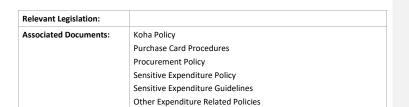
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- 1.6. d) The Chief Financial Officer authorises the issuing of purchase cards.
- 4.7.4.3. Each Purchase Card is issued to one <u>personnamed staff member</u>. It must be solely used by that person and cannot be transferred or delegated to anyone else.
- 4.4. Purchase Cards will only be issued to employees of the DCC with approved financial delegations and who are permanent or are employed on a fixed term contract of at least six months.
- 4.8.4.5. The one exception to this is a purchase card can be issued to the Mayor of the Dunedin City
 Council for the purpose of travel related expenses while conductingien mayoral duties. This
 card will have a monthly limit of \$5,000 and transactions will be approved by the Chair of the
 Audit and Risk Subcommittee.
- 4.6. Purchase Cards will be issued with a monthly limit of \$5,000, and if the card holder's financial delegation is less than this amount, a single transaction limit will be applied to equal the employee's financial delegation. Expenditure on the Purchase Card must not exceed the monthly credit limit.
- 4.9.4.7. Card holders Staff should exercise the same duty of care and responsibility when using a Purchase Card as they would any other form of transacting for the purchase of goods and/or services on behalf of DCCCouncil.
- 4.10.4.8. The use of Purchase Cards must always be in accordance with the requirements of the issuing bank.
- 4.9. Consistent with any purchase on behalf of the <u>DCCCouncil</u>, expenditure must be supported by appropriate documentation.
- 4.11.4.10. Where expenditure documentation (e.g., receipts) is unable to be supplied a declaration must be signed by the card holder to confirm the transaction is business related and meets the requirements of the Purchase Card Policy and Procedure.
- 4.12.4.11. Where the Purchase Card is unavoidably used for personal purchases the value of those purchases must be repaid to the DCC in full immediately, and no later than the date of the affected month's Purchase Card statement.
- 4.13.4.12. In exceptional circumstances a cash advance facility is available on the Purchase Card and activated upon request following approval from a member of the Executive Leadership Team (ELT).
- 4.14.4.13. Purchase Cards cannot be used for a cash advance for koha. See the **DCC Koha Policy** for more details.
- 4.15.4.14. Purchase Cards are valuable and should be treated in the same way as a passport or cash.
- 4.16.4.15. Purchase Cards that have not been used for a period of six months maybe cancelled.
- 4.17.4.16. Purchase Cards may be issued for a specified period or for a specific purpose and once that time has elapsed, or the purpose has been completed the Purchase Card will be cancelled.
- 4.18.4.17. Any breach of purchasing policies or procedures may result in the cancellation of the Purchase Card and possible disciplinary action.

Purchase Card Policy Page 2 of 3

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Purchase Card Policy Page 3 of 3

PURCHASE CARD PROCE	DUNEDIN kaunihera a-rohe o CITY COUNCIL Ötepoti				
Approved by:					
Sponsor:	Chief Financial Officer				
Department responsible:	Finance				
Date approved:	August 2017	Reviewed:	July 2025		
Next review date:	July 2028	DOC ID:			

PURPOSE

ISSUE OF PURCHASE CARDS

- To be eligible for a Purchase Card, an employee must have approved financial delegations 1.1 and meet one or more of the following criteria:
 - a) Purchase significant volumes of minor goods and services on behalf of the Council,
 - b) Incur regular expenses of a kind appropriately paid for by a purchase card,
 - c) Travel frequently in the course of their duties, or
 - d) Travel overseas in the course of their duties.
- 1.2 An application for a Purchase Card must be approved by the applicants Department Manager and forwarded to the Purchase Card Administrator in Finance to process.
- Recipients of a Purchase Card will be required to sign a Declaration confirming their 1.3 understanding of Council policy in relation to the use of a Purchase Card.

DISTRIBUTION OF PURCHASE CARDS 2.

- The Bank will forward the Purchase Card directly to the Council's Finance Department. The 2.1 Purchase Card Administrator in Finance will contact the employee, to arrange issuing of the card and training in the use of the Approval Plus Corporate Card system.
- Upon completion of the training, the Purchase Card must be signed for by the employee. The employee will also receive a copy of the Purchase Card Policy document.
- 2.3 The Purchase Card can be used from the commencement date printed on the face of the card. A PIN (4-digit number) will need to be applied to the card by going to a branch of the issuing bank with photo identification. The PIN selected should be unique to this Purchase Card i.e: should not be the same number as other cards and kept confidential to the holder. They should never be disclosed to anyone or written down.

MAYORAL PURCHASE CARD

The Mayor of the Dunedin City Council can be issued a DCC purchase card for the purpose of 3.1 travel related expenses while carrying out mayoral duties.



3.2 All transactions are to be approved by the Chair of the Audit and Risk Subcommittee.

PURCHASE CARD LIMITS

- 4.1 Each Purchase Card will be issued with a maximum monthly credit limit of \$5,000. Approval of a higher limit may be made on application to the Purchase Card Administrator. Applications will be considered on a case by case basis and should state clearly the reasons for the higher limit. All requests should be approved by the applicants Manager. An individual transaction limit will be applied where an employee has a financial delegation of less than \$5,000. For example – if the employee has a delegation of \$1,000, this will be applied as an individual transaction limit with the maximum monthly credit limit remaining at \$5,000.
- 4.2 The final approval for any higher credit limit resides with the Chief Financial Officer.
- 4.3 Credit limits will be reviewed on a regular basis, and where a Purchase Card is being operated well below the assigned limit, that limit may be reduced at the discretion of the Chief Financial Officer.
- Temporary limit increases may be applied for as and when required. The Finance Department 4.4 must be notified of the dates for which the temporary limit increase is required (e.g., International Travel).

USE OF THE PURCHASE CARD

- 5.1 The Purchase Card can be used at any location displaying the VISA logo.
- The Purchase Card must only be used by the individual staff member to whom it was issued. 5.2 Under no circumstances should the details of a Purchase Card be shared with another person, or the Purchase Card be used by another person on the holder's behalf.
- 5.3 Purchase Cards should not be used as departmental cards by several members of staff.
- Expenditure charged to Purchase Cards must be business-related. It must be reasonable, appropriate and in accordance with the Council's policies and procedures related to expenditure. Where expenditure is incurred on behalf of several cardholders and one of the cardholders is the supervisor of the other card holders, then the expenditure must be charged to the Purchase Card of the supervisor.
- A Purchase Card may be used to make purchases over the internet. To reflect good security practices, such purchases should only be from established reputable companies known to the Council. Purchase Card details should only be entered on an identified secure web site.

RESTRICTED TRANSACTIONS

- Purchase Card must not be used for the following expenditure:

 - b) fuel, oil or car wash (this expenditure is to occur on fuel cards only)
 - c) cash withdrawal (except where section xx applies)

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Commented [HK2]: Audit recommendation FN02-01



- d) personal expenditure
- 6.2 A Purchase Card should not be used where the Council has established specific procurement arrangements for certain goods and services with preferred or mandatory suppliers that do not anticipate the use of Purchase Cards. Examples of this include utility type payments (electricity, gas, telecommunications etc.) contract payments.

DISPUTED TRANSACTIONS

- 7.1 Disputed transactions must be resolved by the cardholder with either the supplier or the bank.
- 7.2 If the cardholder is unable to resolve the issue with the supplier, they must contact the Purchase Card Administrator (Finance Department) so that the bank can be advised immediately the disputed transaction is identified.
- The transaction must be placed in dispute within the Corporate Card module in Approval 7.3 Plus with a narration describing the issue. It should be noted that Approval Plus does not allow for individual transactions within a Corporate Card invoice to be disputed. Therefore, cardholders must make every effort to resolve any dispute promptly.
- The cardholder is responsible for the transactions identified on their statement. If an audit 7.4 is conducted on your account, you must be able to produce receipts and/or proof that the transaction occurred. If an error is discovered, it is the cardholder's responsibility to show that the error or dispute resolution process has been invoked.

CASH ADVANCES

- Purchase Cards will only be issued with a cash advance facility if the cardholder has indicated the intention to travel overseas, although such a facility may be provided to other cardholders on request to Finance Department. Each request should state fully the reasons for needing to access cash advances.
- Where a cash advance facility is provided, the use of the facility must comply with the 8.2
 - a) Drawing cash within New Zealand is not permitted unless the cardholder is travelling overseas on Council business at the time the cash is required.
 - Prior to withdrawing cash, the cardholder should exhaust all other options of payment including using the standard Purchase Card functionality.
 - Cash withdrawn must be accounted for as with all other expenditure, including appropriate supporting documentation.
 - A reconciliation detailing how the cash was used will be prepared upon return to NZ. This will be attached to the Corporate Card transaction of the advance.
 - Unspent cash should be converted back to NZ currency, banked into the Council's bank account, and coded to the general ledger account used for the original advance. Evidence of this deposit should be included with the Purchase Card monthly statement.

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If unspent funds cannot be converted back to NZ currency, such as with coins or an uneconomic amount, then the money should be held in the cost center for future travel use. This fact should be noted on the appropriate Purchase Card Monthly Statement

EXPENDITURE DOCUMENTATION

- 9.1 Consistent with any purchase on behalf of the Council, expenditure must be supported by appropriate documentation. Invoices and/or receipts must be originals. Tax invoices or receipts must be supplied for expenditure more than \$50.00.
- 9.2 The requirements of a valid tax invoice issued by a New Zealand organisation can be found under Section 9 of this procedure document.
- 9.3 Where expenditure documentation is unable to be supplied a declaration must be signed by the cardholder to confirm the transaction is business related and meets the requirements of the Purchase Card Policy and Procedure.

10 CODING OF PURCHASE CARD TRANSACTIONS

- Purchase Card transactions will be loaded into the Council's Corporate Card module in 10.1 Approval Plus daily using an import file provided by the bank. If a cardholder has new transactions requiring coding action, they will receive an email from Approval Plus advising
- Coding of transactions for posting to the Council's general ledgers will occur in the Corporate Card Module in Approval Plus. The process will include identifying any applicable New 10.2 Zealand GST, the inclusion of suitable comments supporting each transaction and a summarised narration for transfer to the general/project ledgers. Receipts must be scanned and attached to the relevant transaction within Approval Plus.
- 10.3 Note that narrations will appear on the monthly purchase card statement. Therefore, it is important that they include sufficient detail to corroborate each transaction.

11 **GOODS AND SERVICES TAX (GST) REQUIREMENTS**

- 11.1 It is a legal requirement that the Dunedin City Council complies fully with the Goods and Services Tax Act 1985 to ensure that the correct GST is claimed on all purchases.
- 11.2 All GST claims must be substantiated with the supporting documentation (ie. Tax Invoice).
- From 1 April 2023, Inland Revenue Department updated their requirements in relation to the use of tax invoices. The use of tax invoices has been replaced by a more general requirement to provide and keep certain records known as Taxable Supply Information. Refer below to the revised IRD requirements:
- Amounts of \$200 or less:
 - o Name or trade name of seller
 - o Buyer's details not required
 - o Date of invoice
 - o Description of the goods and services



- o Amount paid for the supply
- Amounts more than \$200 but less than \$1,000
 - o Name or trade name of the seller
 - o Seller's GST number
 - o Buyer's details not required
 - o Date of invoice
 - o Description of the goods and services
 - o Payment information comprising either:
 - GST exclusive amount, GST amount and GST inclusive amount; OR
 - GST inclusive amount and a statement that GST is included, charged at the standard rate for all the goods and services listed.
- Amounts more than \$1,000
 - o Name or trade name of the seller
 - o Seller's GST number
 - o Name of buyer and one or more contact details, including:
 - Address
 - Contact Number
 - Email Address
 - Trading Name
 - NZ Business Number
 - Website URL Address
 - o Date of invoice
 - o Description of the goods and services provided
 - o Payment information comprising either:
 - GST exclusive amount, GST amount and GST inclusive amount; OR
 - GST inclusive amount and a statement that GST is included, charged at the standard rate for all the goods and services listed.
- 11.4 Cardholders should be aware that there are some transactions for which the Council cannot ${\it claim GST \, reimbur sement. \, This \, includes \, purchases \, relating \, to \, residential \, property, \, overseas}$ transactions, and bank fees. It is therefore extremely important that Cardholders exercise due diligence when approving their transactions each month to ensure that GST is accounted
- Important Note: The Corporate Card system will import the GST content directly from the bank file. There is no ability to edit the GST in the Corporate Card System in Approval Plus. Therefore, users will need to contact their Financial Analyst to arrange for the necessary accounting adjustment to correct this anomaly.



PURCHASE CARD TRANSACTIONS – PREPARING AND AUTHORISING

- 12.1 Once imported to Approval Plus, card transactions will be sent to the relevant preparer to add the appropriate GL codes and attach appropriate supporting documentation. The transaction will then be forwarded to the card user's direct line manager for approval. It is important that all transactions are approved on a timely basis and before the end of the current month so that the card expense is represented in the month-end financial reporting. The Purchase Card transactions must be authorised by the cardholder's supervisor, as per the 'One-up" principle.
- If a Purchase Card transaction contains expenditure relating to the supervisor, then it should be referred to a higher authority for approval.
- For purchase card transactions by the CEO the transactions will need to be approved by 12.3
 - a) The Major, or
 - b) The Chair of the Audit and Risk Subcommittee if the transaction was related to the

LOST OR STOLEN CARDS 13

- 13.1 Purchase Cards are valuable and should be treated in the same way as a passport or cash.
- 13.2 If your card is lost or has been stolen, notify the Accounts Payable team or Financial Accounting Manager. The Finance department will contact the issuing bank's customer service immediately.
- Finance will provide the issuing bank with written confirmation that the card is to be 13.3
- Upon receipt of your call, further use of the card will be blocked. Prompt action in these 13.4 circumstances can reduce the organisation's liability for fraudulent charges.
- 13.5 We anticipate it will take five business days for the bank to reissue cards.

UPDATING CARDS

- There can be a need to update purchase card, and Approval Plus details to align to changes
 - a) Role
 - b) Delegation limits
 - c) Management / department alignment
 - d) Purpose of card
- 14.2 All change requests must be made in writing by the employees manager to the Financial Accounting Manager for approval. When the change is for non-standard changes (e.g.

Purchase Card Procedures

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temporary increases in delegation limits, or providing a card to a role that has not previously held a card) additional approval will be required by the Chief Financial Officer for review and approval.

- 14.3 The change request must be supported by the card holder's 'one-up' manager.
- $14.4 \qquad \text{If approved changes will be made to the purchase card and/or Approval Plus set-up to reflect} \\$ the request.

ROLES AND RESPONSIBILITIES

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Commented [HK6]: Audit recommendations FN03-01, and FN01-01

Role	Responsibility
Cardholder	- Use the card only for legitimate Council business expenses Retain and submit all required documentation (receipts, tax invoices) Ensure transactions are coded and approved in Approval Plus Report lost/stolen cards immediately Reconcile and return the card upon termination or transfer Notify Finance of any accidental misuse and reimburse promptly.
Finance Department	- Process card applications and issue cards Provide training and policy documentation Monitor card usage and compliance Handle disputed transactions and card cancellations Conduct regular reviews and audits of card usage Maintain records and update cardholder details Receive repayments for misuse Ensure correct reimbursement to Council Assist with card cancellation and reissue Review of transactions
Department Manager / One- up Manager	- Approve card applications and changes for consideration by CFO Support change requests for card limits or roles Authorise transactions in line with the 'One-up' principle Refer transactions involving themselves to higher authority.
Chief Financial Officer (CFO)	- Final approval for higher credit limits and non-standard changes Review audit findings and recommendations Oversee policy compliance and financial accountability.
Financial Accounting Manager	- Approve change requests Receive reports of suspected misuse Coordinate resolution of misuse cases.
Assurance Manager and	- Investigate suspected misuse. - Collaborate with CFO and Financial Accounting Manager on resolutiosn.



Assistant Accountant Compliance	
Audit and Risk Subcommittee Chair	- Approve Mayoral card transactions Review CEO card transactions Receive audit reports for oversight.
Mayor	- Approve CEO card transactions (if not related to Mayor).
Internal/External Auditors	- Conduct regular audits of cardholder purchases. - Review delegations, transaction anomalies, and compliance.

16 AUDITING AND MONITORING

- 16.1 Audit of cardholder purchases will be performed on a regular basis by Finance Department personnel, and internal and external auditors.
- 16.2 Regular audits will be conducted by the Finance department, or the Internal Auditors for the following aspects. Evidence of these reviews will be stored in Finances document management systems:
 - a) Delegations: Card holder and approver delegations within the purchase card systems align to the DCC delegations manual.
 - b) Card holders: Reviewing if the roles that are holders of purchase cards are still relevant to the business practices for the department. This will include evaluating transaction history, usage patterns and alignment with job roles and responsibilities.
 - Transaction Review: Reviewing the transactions for any anomalies or non-compliance with policies:

Weekend Transactions

Transactions with No Receipt

Transaction not Approved

Transactions from employees not on the Employee Masterfile

Transactions with Entertainment Descriptions – Sensitive Expenditure Guidelines

Transactions with the Description and Vendor name as the Same

Transactions with a Blank Supplier Name

Transactions where Approvals are over Delegation Limit

Transactions – Cardholder with no Authorisation Limits

Transactions that fall under the following category (Sensitive Expenditure Guidelines):

8 of

Duplicate Transactions Test

6 or Lower Transaction in the Audit Period for cardholders

Transactions with Nil GST over \$50

Purchase Card Procedures

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Transactions Amount including GST is greater than Spend Limit Transactions with no Description Transactions where Cardholders are over their Authorisation Limits d) CEO Transactions: A table of CEO purchase card transactions will be provided regularly to Audit and Risk Subcommittee meeting for transparency. Commented [HK8]: Audit recommendation FN06-02 Management Overview: This is a monthly report designed to identify opportunities for efficiencies or improvements through other expenditure mechanism, and to identify any unwanted behaviours. Such tests include, but are not limited to: Commented [HK9]: FN05-01 and FN05-02 Comparison with previous periods Spending by Supplier Spending by individual or Department Spending anomalies and trends Highest Valued Vendor Highest/Lowest Usage of Credit Cards % of Unapproved Transactions for the period % of Rejected Transactions for the period Instances of non-compliance Actions taken for instances of non-compliance. Rejected Transactions for the period. Spend outside business hours Summary reports of the findings from audits and/or reviews will be provided to WLT, ELT 16.3 Commented [HK10]: Audit recommendation FN05-01 and the Audit and Risk Subcommittee. 16.4 If a cardholder is suspected of misusing their Purchase Card, then this will be reported to the cardholder's immediate supervisor, the Assurance Manager, Financial Accounting Manager and the Chief Financial Officer for comment and/or resolution. 17 MISUSE OF PURCHASE CARD 17.1 Misuse of a Purchase Card could include, but is not limited to: a) Inappropriate expenditure b) Personal expenditure c) Inappropriate or inadequate supporting documentation d) Inappropriate use of a cash advance facility Use of a Purchase Card by someone other than the cardholder f) Failure to provide a correctly authorised monthly statement Purchase Card Procedures 9 of

Commented [HK11]: Audit recommendation FN01-01



g) Failure to comply with any other Council policy or procedure related expenditure

Misuse of the Purchase Card by the cardholder will lead to:

- a) Cancellation of the Purchase Card
- Request for immediate reimbursement of the inappropriate expenditure if repayment has not been made per Clause 5 of the Purchase Card Policy
- c) Possible internal disciplinary action
- 17.3 Intentional misuse of a Purchase Card for personal gain is fraudulent behaviour under the Council's Fraud Policy and will be referred to the relevant authorities for the purposes of investigation and possible prosecution.
- 17.4 If you inadvertently use your card to make a purchase, which is not a legitimate Council purchase, please notify your Manager as soon as possible.
- 175 The Cardholder must also inform the Purchase Card Administrator, Assurance Manager or the Financial Accounting Manager that such a purchase has occurred.
- 17.6 To resolve any accidental misuse of the card full payment from the Cardholder will be required immediately. Payment should be notified to the Financial Accounting Manager who will ensure that the payment is reimbursed to the Dunedin City Council in the correct
- Transactions within the system will still need to be processed cardholder should code the 17.7 transaction to 130150-522725.

TERMINATION OF EMPLOYMENT 18

- 18.1 If a cardholder leaves the employment of the Council, it is their responsibility to:
 - a) Reconcile all Purchase Card expenditure since the last statement and provide the necessary supporting documentation for this expenditure
 - b) Advise the Accounts Payable Expenditure Officer so the card can be cancelled
 - Surrender the Purchase Card to their immediate supervisor, or Finance Department staff

REVIEW OF CONTINUED USE 19

- A regular review of the Purchase Cards on issue will be performed by the Accounts Payable 19.1 Expenditure Officer. The results of the review together with recommendations will be presented to the Chief Financial Officer for consideration.
- 192 If a cardholder no longer has a need for their Purchase Card, they should return the Purchase Card to the Accounts Payable Expenditure Officer who will arrange for it to be cancelled.

Purchase Card Procedures

10 of

19.3 In all cases the cardholder must account for all outstanding expenditure incurred prior to the Purchase Card being cancelled.

Purchase Card Procedures

11 of



PURC	HASING CARD EMPLOYEE DECLARATION
This fo	rm will be retained by the Finance Department (Accounts Payable).
	have attended the Purchasing Card training session and stand the following rules associated with using the BNZ Visa Purchasing Card.
1	The card and its use is my responsibility.
2	The card remains the property of the BNZ.
3	This card can only be used for actual and necessary business expenditure. It must not be used for personal expenses.
4	I understand that the purchase card is not to be used for restricted transactions such as the purchase of alcohol, fuel, etc.
5	I understand I have a monthly credit limit of \$
6	I also understand that my DCC financial delegated authority is \$ per transaction. (As per the Financial Delegations Manual.)
7	I must retain all tax invoices/receipts when making a purchase. I understand that any purchase not supported by the appropriate documentation will be deemed personal expenditure and reimbursement will be sought.
8	Any purchase not supported by the appropriate documentation will be deemed personal expenditure and reimbursement will be sought from the cardholder.
9	If the card is lost or stolen, report immediately to BNZ (0800-735 901) AND the Purchase Card Administrator (Finance Department).
10	In the event of termination, resignation, retirement and inter department transfer, I undertake to return the card to the Purchase Card Administrator, Finance Department immediately.
Purcha	rstand and agree that the use of my Purchasing Card is covered by the policies in the asing Card Policy and Procedures, the Dunedin City Council Financial Delegations, e Human Resources Manual.
	e to comply with these Council Policies or breach of the understandings above may in disciplinary action, including dismissal.
Cardho	older's Signature: Date:
Purchase	Card Procedures Page 12 of 12



FINANCIAL REPORT - PERIOD ENDED 30 JUNE 2025

Department: Finance

EXECUTIVE SUMMARY

- This report provides the provisional financial results for the period ended 30 June 2025 and the financial position as at that date, noting the results presented are subject to final adjustments and external audit. The report was presented to the Council meeting held on Tuesday, 26 August 2025.
- 2 As this is an administrative report only, there are no options or Summary of Considerations.

Financial Overview For the period ended 30 June 2025

\$ Million	Actual	Budget	Variance	Variance		
	YTD	YTD	YTD		YTD	
Revenue	405.040	408.756	(3.716)	U	389.595	
Expenditure	425.489	441.767	16.278	F	430.252	
Net Surplus/(Deficit) excluding Waipori	(20.449)	(33.011)	12.562	F	(40.657)	
Waipori Fund Net	8.852	4.425	4.427	F	5.446	
Net Surplus/(Deficit)	(11.597)	(28.586)	16.989	F	(35.211)	
including Waipori						
Capital Expenditure	147.958	206.883	58.925		205.615	
Debt						
Current Year Loan	60.499	120.500	60.001	F	130.200	
Prior Year Loan	590.473	588.973	(1.500)	U	460.273	
Accrued Interest	5.968	-	(5.968)	U	-	
Total Debt	656.940	709.473	52.533	F	590.473	

RECOMMENDATIONS

That the Subcommittee:

a) **Notes** the Financial Performance for the period ended 30 June 2025 and the Financial Position as at that date.



b) **Notes** the 30 June 2025 result is subject to final adjustments and external audit, by Audit New Zealand.

BACKGROUND

This report provides the financial statements for the period ended 30 June 2025. It includes reports on financial performance, financial position, cashflows and capital expenditure. Summary information is provided in the body of this report with detailed results attached. The operating result is also shown by group, including analysis by revenue and expenditure type.

DISCUSSION

This report includes a high-level summary of the financial information to 30 June 2025. Please refer to Attachment I for the detailed financial update, including a summary of Better Off Funding expenditure for the quarter to 30 June 2025.

Statement of Financial Performance

- 5 Revenue was \$405.040 million for the period or \$3.716 million less than budget.
- Operating revenue (external and internal combined) was unfavourable \$739k, mainly due to lower-than-expected revenue from the Parking Services, Transport, Aquatic Services, Resource Consents and Building Services activities.
- Grants revenue was unfavourable \$924 reflecting funding decisions by NZTA under the National Land Transport Programme, and a reduction in the contractor work programme in specific areas to offset cost over runs in some activities. NZTA subsidy revenue totalling \$2.250 million relating to the October rain event has been received, with a further \$2.488 million approved which will be claimed as costs are incurred.
- 8 Expenditure was \$425.489 million for the period, or \$16.278 million less than budget.
- 9 Personnel costs was unfavourable \$1.345 million, reflecting overtime payments for 3 waters and union negotiated contract increases, which is being managed with vacancy management. The month of June showed an unfavourable variance of \$605k, mainly due to accrued leave adjustments.
- Operations and maintenance expenditure was favourable \$2.732 million; however, this favourable variance was offset by an unfavourable \$1.283 million variance in internal costs, largely due largely to landfill disposal costs for kerbside collections now recorded as internal costs. Unfavourable Transport maintenance costs are more than offset by under expenditure in other activities, including Three Waters and Waste and Environmental Services. Transport costs included emergency works totalling \$2.027 million associated with the October 2024 rain event.
- Depreciation costs were favourable \$12.599 million, mainly due to the revaluation of Three Waters assets, and to a lesser extent Property and Parks assets.
- 12 Interest costs were favourable \$4.939 million, reflecting a lower interest rate than budgeted and lower debt.
- The Waipori Fund has reported a net operating surplus for the year of \$8.852 million, \$4.427 million more than budget. Operating revenue was favourable \$4.435 million. Australian,



International and New Zealand equities saw an increase in value of \$480k million during June. Fixed term investments values saw an increase in value for the month of \$614k, maintaining favourable results for the year. Despite these results, year-end market volatility, influenced by tariff policies and geopolitical tensions, meant the Fund's value wasn't sufficiently above its inflation-adjusted capital base to support a distribution of \$3 million or more.

Statement of Financial Position

- 14 Capital expenditure was \$147.958 million or 71.5% of the full year budget. Capital expenditure in most activities was generally within budget for the period.
- The loans balance at 30 June was \$650.972 million which was \$58.501 million less than budget. This a reflection of the capital expenditure programme, which was underspent by \$58.925 million to June. Additional to the June loans balance there was accrued interest of \$5.968 million.
- Attachment B includes a chart showing actual group and DCC debt for the years ending June 2004-2025. It provides forecast information for the years ending June 2026 -2028 based on the current Statements of Intent (SOI), and the first two years of the draft 9-year plan.

Final Adjustments and External Audit

- 17 Final adjustments in addition to this report include:
 - Completion of vested assets
 - Revaluation of assets (Three Waters, Transport, Investment Property)
 - Landfill aftercare provisions
 - Depreciation
- Audit New Zealand is scheduled to start their audit in early September 2025, with an expected signoff date of 31 October 2025.

OPTIONS

19 As this is an administrative report only, there are no options provided.

NEXT STEPS

20 Financial Result Reports continue be presented to future meetings of Council.

Signatories

Author:	Lawrie Warwood - Financial Analyst
Authoriser:	Carolyn Allan - Chief Financial Officer



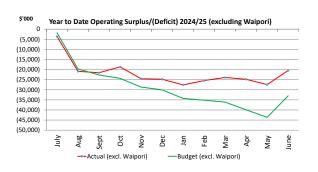
Attachments

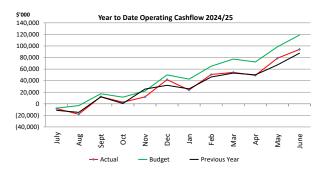
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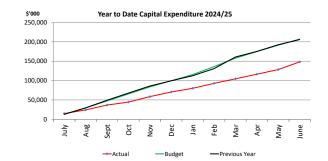


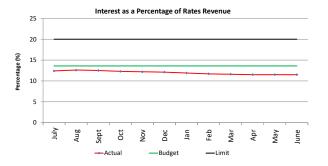
DUNEDIN CITY COUNCIL

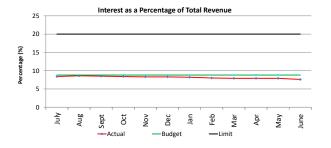
Summary Financial Information For the Twelve months Ending 30 June 2025





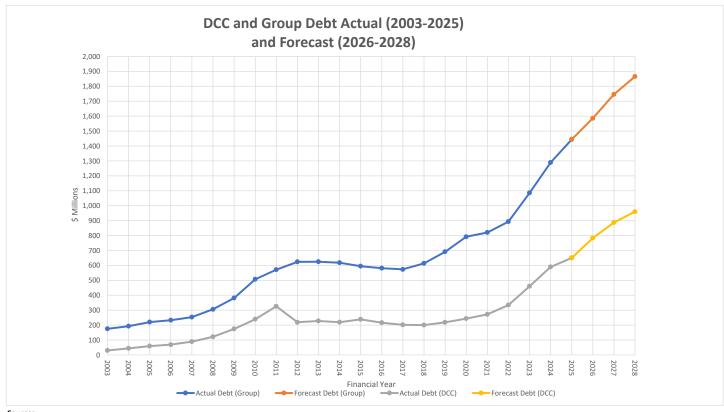






Actual Budget Interest as a % rates revenue 11.5% 13.6% < 30% 7.6% 8.8% Interest as a % total revenue < 20% Debt % annualised revenue 181.1% 192.9% 250.0%

Year to Date Borrowing Metrics 2024/25



Sources:

DUNEDIN | kaunihera a-rohe o otepoti

Actual debt: Dunedin City Council annual reports from 2003 to 2024.

Forecast debt (Group): Dunedin City Treasury Ltd Statement of Intent for the year ending 30 June 2026, Dunedin City Holdings Ltd projections and the DCC 9 year plan 2025-34.





DUNEDIN CITY COUNCIL

Statement of Financial Performance For the Twelve Months Ending 30 June 2025 Amount: \$'000

Month Actual	Month Budget	Month Variance		REVENUE	Year to Date Actual	Year to Date Budget	Year to Date Variance		LY YTD Actual	LY Full Year Actual	Full Year Budget
 19.917	19.918		U	Rates Revenue	239,802	239,021	781	F	203.946	203.946	239.021
143	101	42	F	Rates Penalties	1.871	1,300		F	1.654	1.654	1,300
17.885	17.667	218	F	External Revenue	91.308	93.331	2.023		92,741	92.741	93.331
2,086	1,464	622	F	Grants	26,403	27,327	924		42,830	42,830	27,327
298	3,321	3.023		Contributions	3,445	6,850	3,405		8.823	8,823	6,850
3,512	3,410	102	F	Internal Revenue	42,211	40,927	1,284	F	39,601	39,601	40,927
 43,841	45,881	2,040	U	TOTAL REVENUE	405,040	408,756		U	389,595	389,595	408,756
				EXPENDITURE				-			
7,433	6,828	605	U	Personnel Costs	85,224	83,879	1,345	U	83,091	83,091	83,879
8,791	7,295	1,496	U	Operations & Maintenance	87,078	89,810	2,732	F	88,227	88,227	89,810
1,988	1,320	668	U	Occupancy Costs	36,079	35,673	406	U	33,360	33,360	35,673
2,397	3,167	770	F	Consumables & General	26,674	25,792	882	U	33,571	33,571	25,792
376	259	117	U	Grants & Subsidies	10,981	10,906	75	U	10,835	10,835	10,906
3,512	3,410	102	U	Internal Charges	42,211	40,927	1,284	U	39,601	39,601	40,927
10,173	10,243	70	F	Depreciation	109,757	122,356	12,599	F	117,100	117,100	122,356
2,163	2,702	539	F	Interest	27,485	32,424	4,939	F	24,467	24,467	32,424
36,833	35,224	1,609	U	TOTAL EXPENDITURE	425,489	441,767	16,278	F	430,252	430,252	441,767
7,008	10,657	3,649	U	NET SURPLUS (DEFICIT)	(20,449)	(33,011)	12,562	F	(40,657)	(40,657)	(33,011)
				Add							
1,072	367	705	F	Waipori Fund Net Operating	8,852	4,425	4,427	F	5,446	5,446	4,425
8,080	11,024	2,944	U	NET SURPLUS (DEFICIT)	(11,597)	(28,586)	16,989	F	(35,211)	(35,211)	(28,586)

F: (favourable variance to budget) U: (unfavourable variance to budget)





As at 30 June 2025 Amount : \$'000

30-Jun-24		30-Jun-25	30-Jun-25	30-Jun-25	30-Jun-24
LY Full Year		This Month	This Month	Full Year	LY Month
Actual		Actual	Budget	Budget	Actual
	Current Assets				
8,555	Cash and cash equivalents	14,356	6,052	6,052	8,555
13,749	Other current financial assets	8,011	10,883	10,883	13,749
29,558	Trade and other receivables	22,903	29,229	29,229	29,558
512	Current Tax Asset	489	250	250	512
586	Inventories	1,039	574	574	586
	Non-current assets held for sale	_,	-		-
1,769	Prepayments	2.221	1,483	1.483	1,769
54,729	Total Current Assets	49,019	48,471	48,471	54,729
	Non Current Assets				
197,292	Other non-current financial assets	211,438	200,404	200,404	197,292
136,339	Shares in subsidiary companies	138,889	138,889	138,889	136,339
5,806		4,176	4,553	4,553	5,806
•	Intangible assets	·			
110,826	Investment property	110,443	122,907	122,907	110,826
4,520,340	Property, plant and equipment	4,560,602	4,846,706	4,846,706	4,520,340
4,970,603	Total Non Current Assets	5,025,548	5,313,459	5,313,459	4,970,603
5,025,332	TOTAL ASSETS	5,074,567	5,361,930	5,361,930	5,025,332
	Current Liabilities				
40,315	Trade and other payables	39,588	40,425	40,425	40,315
4,554	Short Term Borrowings	5,968	-	-	4,554
6,185	Revenue received in advance	7,863	5,446	5,446	6,185
11,252	Employee entitlements	8,995	10,066	10,066	11,252
62,306	Total Current Liabilities	62,414	55,937	55,937	62,306
	Non Current Liabilities				
590,473	Term Loans	650,972	709,473	709,473	590,473
1,257	Employee entitlements	1,482	1,245	1,245	1,257
22,206	Provisions	22,206	17,001	17,001	22,206
320	Other Non-Current Liabilities	320	320	320	320
614,256	Total Non Current Liabilities	674,980	728,039	728,039	614,256
676,562	TOTAL LIABILITIES	737,394	783,976	783,976	676,562
	Equity				
1,651,592	Accumulated funds	1,637,915	1,633,600	1,633,600	1,651,592
2,686,878	Revaluation reserves	2,686,879	2,933,277	2,933,277	2,686,878
10,300	Restricted reserves	12,382	11,079	11,079	10,300
4,348,770	TOTAL EQUITY	4,337,173	4,577,954	4,577,954	4,348,770
5,025,332		5,074,567	5,361,930	5,361,930	5,025,332
			-,,		-,,

Statement of Change in Equity As at 30 June 2025 Amount : \$'000

30-Jun-24 LY Full Year Actual		30-Jun-25 This Month Actual	30-Jun-25 This Month Budget	30-Jun-25 Full Year Budget	30-Jun-24 LY Month Actual	
4,354,978	Opening Balance	4,348,770	4,538,637	4,538,637	4,354,978	
(35,211)	Operating Surplus (Deficit)	(11,597)	(28,586)	(28,586)	(35,211)	
29,003	Movements in Reserves		67,903	67,903	29,003	
4,348,770		4,337,173	4,577,954	4,577,954	4,348,770	





Statement of Cashflows For the Twelve Months Ending 30 June 2025 Amount : \$'000

	Year to Date Actual	Year to Date Budget	Full Year Budget	LY YTD Actual
Cash Flow from Operating Activities				
Cash was provided from operating activities				
Rates Received	242,708	273,912	273,912	202,929
Other Revenue	127,455	121,692	121,692	114,874
Interest Received	8,282	7,878	7,878	8,238
Dividend Received	12,452	12,954	12,954	12,487
Income Tax Refund	21	370	370	394
Cash was applied to				
Suppliers and Employees	(271,106)	(265,336)	(265,336)	(228,542)
Interest Paid	(25,720)	(32,580)	(32,580)	(22,763)
Net Cash Inflow (Outflow) from Operations	94,092	118,890	118,890	87,617
Cash Flow from Investing Activities				
Cash was provided from investing activities:				
Sale of Assets	32	120	120	1,090
Reduction in Loans & Advances		-	-	-
Reduction in Investments Other	18,940	-	-	5,965
Cash was applied to:				
Increases in Loans & Advances		-	-	-
Increase in Investments DCHL	(2,550)	(2,550)	(2,550)	(2,550)
Increase in Investments Other	(21,613)	(2,850)	(2,850)	(9,553)
Capital Expenditure	(143,718)	(236,772)	(236,772)	(213,299)
Net Cash Inflow (Outflow) from Investing Activity	(148,909)	(242,052)	(242,052)	(218,347)
Cash Flow from Financing Activities				
Cash was provided from financing activities:				
Loans Raised	100,000	120,500	120,500	130,200
Increase in Short Term Borrowings	118	-	-	-
Cash was applied to:				
Loans Repaid	(39,500)	-	-	-
Decrease in Short Term Borrowings	-	-	-	-
Net Cash Inflow (Outflow) from Financing Activity	60,618	120,500	120,500	130,200
Total Increase/(Decrease) in Cash	5,801	(2,662)	(2,662)	(530)
Opening Cash and Deposits	8,555	8,714	8,714	9,085
Closing Cash and Deposits	14,356	6,052	6,052	8,555

Note: the statement of cashflow has a GST presentation inconsistency between the approved budget and actual result, with the budget presenting a GST inclusive total and actual result presenting an exclusive total.

During the year investments held by the Waipori Fund totalling \$18.940 million have matured, and replaced by new investments totalling \$24.163 million





Capital Expenditure Summary by Activity For the Twelve Months Ending 30 June 2025 Amount : \$'000

Group	Year to Date Actual	Year to Date Budget	Year to Date Variance	Year to Date Variance %		LY YTD Actual	Full Year Budget	YTD Actual vs FY Budget
Community & Planning	101	105	4	96.2%	U	3	105	96.2%
Economic Development	6	60	54	10.0%	U	486	60	10.0%
Galleries, Libraries & Museums	2,710	3,527	817	76.8%	U	1,836	3,527	76.8%
Governance & Support Services	1,976	3,895	1,919	50.7%	U	2,050	3,895	50.7%
Property	27,344	37,195	9,851	73.5%	U	36,652	37,195	73.5%
Regulatory Services	668	600	68	111.3%	0	91	600	111.3%
Reserves & Recreational Facilities	9,421	16,075	6,654	58.6%	U	8,103	16,075	58.6%
Roading & Footpaths	33,745	40,091	6,346	84.2%	U	61,770	40,091	84.2%
Three Waters	65,893	80,123	14,230	82.2%	U	79,838	80,123	82.2%
Waste Management	6,094	25,212	19,118	24.2%	U	14,786	25,212	24.2%
	147,958	206,883	58,925	71.5%	U	205,615	206,883	71.5%

U: (favourable variance/underspend to budget) O: (unfavourable variance/overspend to budget)

Item 9



Capital Expenditure Detail by Activity For the Month Ending 30 Jun 2025

Group	Activity Name	Expenditure Type	Project Name	YTD Actual	YTD Budget	YTD Var	FY Budget
Community & Planning	City Development	New Capital	Street Trees and Furniture	61,311	100,000	(38,689)	100,00
		Total New Capital		61,311	100,000	(38,689)	100,00
	Total City Development			61,311	100,000	(38,689)	100,00
	Community Development & Events	New Capital	Plant Equipment	40,252	-	40,252	
		Total New Capital		40,252	-	40,252	
		Renewals Capital	Task Force Green	-	5,000	(5,000)	5,00
		Total Renewals Capital		-	5,000	(5,000)	5,00
	Total Community Development & Event	s		40,252	5,000	35,252	5,00
otal Community & Plannin	g			101,563	105,000	(3,437)	105,00
Economic Development	Destination Marketing	New Capital	Digital Content - Camera and Video Gear	5,544	60,000	(54,456)	60,00
		Total New Capital		5,544	60,000	(54,456)	60,00
	Total Destination Marketing			5,544	60,000	(54,456)	60,00
otal Economic Developme	nt			5,544	60,000	(54,456)	60,00
Galleries, Libraries & Mu	Dunedin Public Art Gallery	New Capital	Acquisitions - Donation Funded	-	35,000	(35,000)	35,00
			Acquisitions - DPAG Society Funded	6,957	30,000	(23,043)	30,00
			Acquisitions - Rates Funded	114,062	120,000	(5,938)	120,00
			Art in Public Places	217	-	217	
			Minor Capital Works	60,044	100,000	(39,956)	100,0
		Total New Capital		181,280	285,000	(103,720)	285,00
		Renewals Capital	Heating and Ventilation System	21,200	30,000	(8,800)	30,00
		Total Renewals Capital		21,200	30,000	(8,800)	30,00
	Total Dunedin Public Art Gallery			202,480	315,000	(112,520)	315,00
	Dunedin Public Libraries	New Capital	Heritage Collection Purchases	50,234	70,000	(19,766)	70,0
			South Dunedin Library and Community Complex	527,892	600,000	(72,108)	600,0
		Total New Capital		578,126	670,000	(91,874)	670,00
		Renewals Capital	Acquistions - Operational Collection	983,283	996,000	(12,717)	996,0
			Minor Capital Equipment	23,481	55,000	(31,519)	55,00
		Total Renewals Capital		1,006,764	1,051,000	(44,236)	1,051,00
	Total Dunedin Public Libraries			1,584,890	1,721,000	(136,110)	1,721,00
	Olveston House	Renewals Capital	Minor Capital Works	12,239	40,000	(27,761)	40,00
		Total Renewals Capital	· · · · · · · · · · · · · · · · · · ·	12,239	40,000	(27,761)	40,00
	Total Olveston House			12,239	40,000	(27,761)	40,00
'	Toitū Otago Settlers Museum	New Capital	Acquisitions - Rates Funded	6,950	50,000	(43,050)	50,00
	· ·	•	Minor Capital Works	44,259	40,000	4,259	40,00
			New Gallery Space - Theatrette	212,901	711,000	(498,099)	711,00
		Total New Capital	<i>,</i> .	264,110	801,000	(536,890)	801,00
		Renewals Capital	Gallery Furniture and Office/Gallery Renewal	549,155	550,000	(845)	550,00
		r	Minor Equipment Renewals	88,373	100,000	(11,627)	100,00
			Plant Renewal	9,178	,	9,178	
		Total Renewals Capital		646,706	650,000	(3,294)	650,00
To	Total Toitū Otago Settlers Museum	Total Nellewals capital		910,816	1,451,000	(540,184)	1,451,00
otal Galleries, Libraries & I	-			2,710,424	3,527,000	(816,576)	3,527,00



Group	Activity Name	Expenditure Type	Project Name	YTD Actual	YTD Budget	YTD Var	FY Budget
Governance & Support se	Fleet Operations	New Capital	EV Charging Infrastructure	-	30,000	(30,000)	30,000
		Total New Capital		-	30,000	(30,000)	30,000
		Renewals Capital	General Replacement	289,737	390,000	(100,263)	390,000
		Total Renewals Capital		289,737	390,000	(100,263)	390,000
	Total Fleet Operations			289,737	420,000	(130,263)	420,000
	Civil Defence	New Capital	Plant Equipment	-	100,000	(100,000)	100,000
		Total New Capital		-	100,000	(100,000)	100,000
	Total Civil Defence			-	100,000	(100,000)	100,000
	Council Communications and Marketing	Renewals Capital	Minor Equipment Renewals	-	50,000	(50,000)	50,000
		Total Renewals Capital		-	50,000	(50,000)	50,000
	Total Council Communications and Market	ing		-	50,000	(50,000)	50,000
	Business Information Solutions	New Capital	Internal Legacy Corrections	-	100,000	(100,000)	100,000
			Internal Services Workstream	501,843	350,000	151,843	350,000
			Value added External Services Workstream	7,950	1,500,000	(1,492,050)	1,500,000
		Total New Capital		509,793	1,950,000	(1,440,207)	1,950,000
		Renewals Capital	Internal Legacy Corrections	1,166,787	1,100,000	66,787	1,100,000
			Internal Services Workstream	9,510	275,000	(265,490)	275,000
		Total Renewals Capital		1,176,297	1,375,000	(198,704)	1,375,000
	Total Business Information Solutions			1,686,090	3,325,000	(1,638,911)	3,325,000
Total Governance & Support	rt services			1,975,827	3,895,000	(1,919,173)	3,895,000



Group	Activity Name	Expenditure Type	Project Name	YTD Actual	YTD Budget	YTD Var	FY Budget
Property	Commercial	New Capital	Commercial Property Purchases	(15,000)	-	(15,000)	-
		Total New Capital		(15,000)	-	(15,000)	-
		Renewals Capital	Asset Renewals	217,498	640,000	(422,502)	640,000
		Total Renewals Capital		217,498	640,000	(422,502)	640,000
	Total Commercial			202,498	640,000	(437,502)	640,000
	Housing	New Capital	Housing Growth	(29,669)	1,600,000	(1,629,669)	1,600,000
		Total New Capital		(29,669)	1,600,000	(1,629,669)	1,600,000
		Renewals Capital	Asset Renewals	373,942	500,000	(126,058)	500,000
			Fitzroy St Housing Upgrade	2,903	1,500,000	(1,497,098)	1,500,000
			Healthy Homes Upgrades	43,839	-	43,839	-
		Total Renewals Capital		420,684	2,000,000	(1,579,316)	2,000,000
	Total Housing			391,015	3,600,000	(3,208,985)	3,600,000
	Operational	New Capital	South Dunedin Library and Community Complex	15,409,306	19,900,000	(4,490,694)	19,900,000
		Total New Capital		15,409,306	19,900,000	(4,490,694)	19,900,000
		Renewals Capital	Asset Renewals	1,132,693	1,055,000	77,693	1,055,000
		·	Civic Centre	5,894,498	5,030,000	864,498	5,030,000
			Dunedin Public Art Gallery Refurbishment	(183)	310,000	(310,183)	310,000
			Octagon CCTV	100,092	100,000	92	100,000
			Olveston House Renewal	26,814	250,000	(223,186)	250,000
			Town Hall/Municipal Chamber Exterior and Lift	1,215,559	1,600,000	(384,441)	1,600,000
		Total Renewals Capital		8,369,473	8,345,000	24,473	8,345,000
	Total Operational			23,778,779	28,245,000	(4,466,221)	28,245,000
	Investment	Renewals Capital	Asset Renewals	229,679	850,000	(620,321)	850,000
		·	Lift Replacements	14,261	-	14,261	,
			Seismic Remediation	223,479	-	223,479	-
		Total Renewals Capital		467,419	850,000	(382,581)	850,000
	Total Investment	·		467,419	850,000	(382,581)	850,000
	Community	New Capital	CCTV George Street	345,331	500,000	(154,669)	500,000
	•	·	Public Toilets Growth	620,476	510,000	110,476	510,000
		Total New Capital		965,807	1,010,000	(44,193)	1,010,000
		Renewals Capital	Asset Renewals	1,550,975	2,000,000	(449,025)	2,000,000
			Community Hall Renewals	105,585	250,000	(144,415)	250,000
			Edgar Centre Refurbishment		300,000	(300,000)	300,000
			Public Toilet Renewals	194,715	300,000	(105,285)	300,000
			Railway Station Exterior and Lift	(5,318)	-	(5,318)	-
			Tarpits	(307,650)	-	(307,650)	_
		Total Renewals Capital	· a: p:	1,538,308	2,850,000	(1,311,692)	2,850,000
	Total Community	rotal Kellewals Capital		2,504,115	3,860,000	(1,355,885)	3,860,000
Total Property	Total Community			27,343,826	37,195,000	(9,851,174)	37,195,000



Group	Activity Name	Expenditure Type	Project Name	YTD Actual	YTD Budget	YTD Var	FY Budget
Reserves & Rec facilities	Aquatic Services	New Capital	Moana Pool Improvements	-	20,000	(20,000)	20,000
			Mosgiel Pool	57,239	-	57,239	-
		Total New Capital		57,239	20,000	37,239	20,000
		Renewals Capital	Moana Pool Renewals	3,197,383	8,902,000	(5,704,617)	8,902,000
			St Clair Pool Renewals	227,007	350,000	(122,993)	350,000
		Total Renewals Capital		3,424,390	9,252,000	(5,827,610)	9,252,000
	Total Aquatic Services			3,481,629	9,272,000	(5,790,371)	9,272,000
	Botanic Gardens	New Capital	Botanic Garden Improvements	103,831	105,000	(1,169)	105,000
		Total New Capital		103,831	105,000	(1,169)	105,000
		Renewals Capital	Botanic Garden Renewals	75,623	79,000	(3,377)	79,000
		Total Renewals Capital		75,623	79,000	(3,377)	79,000
	Total Botanic Gardens			179,454	184,000	(4,546)	184,000
	Cemeteries & Crematorium	New Capital	Cemetery Strategic Development Plan	168,751	500,000	(331,249)	500,000
			City Wide Beam Expansion	354,262	360,000	(5,738)	360,000
		Total New Capital		523,012	860,000	(336,988)	860,000
		Renewals Capital	Structures Renewals	123,734	142,000	(18,266)	142,000
		Total Renewals Capital		123,734	142,000	(18,266)	142,000
	Total Cemeteries & Crematorium			646,746	1,002,000	(355,254)	1,002,000
	Parks & Recreation	New Capital	Logan Park Hockey Turf	992,009	1,000,000	(7,991)	1,000,000
			Playground Improvements	821,782	817,000	4,782	817,000
			Recreation Facilities Improvements	282,436	450,000	(167,564)	450,000
			Track Network Development	68,312	100,000	(31,688)	100,000
		Total New Capital		2,164,540	2,367,000	(202,460)	2,367,000
		Renewals Capital	Greenspace Renewals	516,345	570,000	(53,655)	570,000
			Playground Renewals	1,135,834	1,160,000	(24,166)	1,160,000
			Recreation Facilities Renewals	1,366,849	1,520,000	(153,151)	1,520,000
		Total Renewals Capital		3,019,028	3,250,000	(230,972)	3,250,000
	Total Parks & Recreation			5,183,567	5,617,000	(433,433)	5,617,000
	St Clair-St Kilda Coastal Plan	Renewals Capital	Coastal Plan	(70,806)	-	(70,806)	-
		Total Renewals Capital		(70,806)	-	(70,806)	-
	Total St Clair-St Kilda Coastal Plan			(70,806)	-	(70,806)	-
Total Reserves & Rec faciliti	ies			9,420,592	16,075,000	(6,654,409)	16,075,000



tivity Name	Expenditure Type	Project Name	YTD Actual	YTD Budget	YTD Var	FY Budget
Compliance Solutions	New Capital	Minor Equipment	4,525	-	4,525	-
	Total New Capital		4,525	-	4,525	
	Renewals Capital	Minor Equipment Renewals	6,678	50,000	(43,322)	50,000
	Total Renewals Capital		6,678	50,000	(43,322)	50,000
tal Compliance Solutions			11,203	50,000	(38,797)	50,000
Parking Operations	Renewals Capital	Car Park Buildings Equipment	266,785	-	266,785	
		Offstreet Carparks	176,651	380,000	(203,349)	380,000
		Parking Meter Renewals	213,225	170,000	43,225	170,000
	Total Renewals Capital		656,660	550,000	106,660	550,000
tal Parking Operations			656,660	550,000	106,660	550,000
			667,863	600,000	67,863	600,000
Shaping Future Dunedin	New Capital	Central City Cycle & Pedestrian Improvements	45,584	-	45,584	
		Central City Parking Management	62,885	1,200,000	(1,137,115)	1,200,000
		Mosgiel & Burnside Park & Ride	92,163	-	92,163	
	Total New Capital		200,632	1,200,000	(999,368)	1,200,00
tal Shaping Future Dunedin			200,632	1,200,000	(999,368)	1,200,00
Transport	New Capital	Central City Upgrade Bath Street	253,192	1,500,000	(1,246,808)	1,500,00
		Central City Upgrade Retail Quarter	207,476	60,000	147,476	60,00
		City to Waterfront Connection	357	-	357	
		Coastal Plan	1,378,818	2,950,000	(1,571,183)	2,950,00
		Dunedin Urban Cycleways	259,725	1,874,715	(1,614,990)	1,874,71
		LED Street Lights	1,320	-	1,320	
		Low Cost, Low Risk Improvements	2,621,650	2,000,000	621,650	2,000,00
		Other Unsubsidised New Capital	35,036	-	35,036	
		Peninsula Connection	135,987	-	135,987	
	Total New Capital		4,893,560	8,384,715	(3,491,155)	8,384,71
	Renewals Capital	Footpath Renewals	5,099,804	5,750,000	(650,196)	5,750,00
		Gravel Road Re-Metaling	1,062,748	1,184,000	(121,252)	1,184,00
		Major Drainage Control	5,022,320	6,102,000	(1,079,680)	6,102,00
		Minor Capital Works	2,317,108	-	2,317,108	
		Pavement Rehabilitations	1,008,260	3,248,000	(2,239,740)	3,248,00
		Pavement Renewals	11,195,522	10,824,000	371,522	10,824,00
		Structure Component Replacement	1,738,794	2,076,000	(337,206)	2,076,00
		Traffic Services Renewal	1,206,300	1,322,000	(115,700)	1,322,00
	Total Renewals Capital		28,650,856	30,506,000	(1,855,145)	30,506,000
tal Transport			33,544,416	38,890,715	(5,346,299)	38,890,715
tal Transpor	t	·	Traffic Services Renewal Total Renewals Capital	Structure Component Replacement 1,738,794 Traffic Services Renewal 1,206,300 Total Renewals Capital 28,650,856	Structure Component Replacement 1,738,794 2,076,000 Traffic Services Renewal 1,206,300 1,322,000 Total Renewals Capital 28,650,856 30,506,000 t 33,544,416 38,890,715	Structure Component Replacement 1,738,794 2,076,000 (337,206) Traffic Services Renewal 1,206,300 1,322,000 (115,700) Total Renewals Capital 28,650,856 30,506,000 (1,855,145) t 33,544,416 38,890,715 (5,346,299)



DUNEDIN | kaunihera a-rohe o Ottoberation

Group	Activity Name	Expenditure Type	Project Name	YTD Actual	YTD Budget	YTD Var	FY Budget
Three Waters	Stormwater	New Capital	Mosgiel Stormwater Pumpstations and Network	767,384	1,750,000	(982,616)	1,750,000
			New Capital Supporting Growth	203,215	924,000	(720,785)	924,000
			New Resource Consents	-	322,000	(322,000)	322,000
			South Dunedin Flood Alleviation	224,418	750,000	(525,582)	750,000
			Stormwater New Capital Other	4,037,111	5,059,000	(1,021,889)	5,059,000
		Total New Capital		5,232,128	8,805,000	(3,572,872)	8,805,000
		Renewals Capital	Central City Renewals	68,883	-	68,883	-
			Mosgiel Stormwater Pumpstations and Network	32,801	-	32,801	-
			Other Stormwater Renewals	5,483,317	7,180,000	(1,696,683)	7,180,000
			Renewals Supporting Growth	56,783	2,015,000	(1,958,217)	2,015,000
		Total Renewals Capital		5,641,784	9,195,000	(3,553,216)	9,195,000
	Total Stormwater			10,873,912	18,000,000	(7,126,088)	18,000,000
	Wastewater	New Capital	Metro Wastewater Treatment Plant Resilience	187,108	8,707,000	(8,519,892)	8,707,000
			New Capital Supporting Growth	383,540	851,000	(467,460)	851,000
			Wastewater New Capital Other	1,333,583	4,679,000	(3,345,417)	4,679,000
		Total New Capital		1,904,231	14,237,000	(12,332,769)	14,237,000
		Renewals Capital	Biofilter Media Replacement	(207)	-	(207)	-
			Central City Renewals	10,146	-	10,146	-
			Metro Wastewater Treatment Plant Resilience	6,624,848	3,731,000	2,893,848	3,731,000
			Other Wastewater Renewals	12,956,064	5,023,000	7,933,064	5,023,000
			Renewals Supporting Growth	1,135,508	648,000	487,508	648,000
			Rural Wastewater Schemes	907,401	894,000	13,401	894,000
			Wastewater Pumpstation Renewals	4,044,194	3,891,000	153,194	3,891,000
		Total Renewals Capital		25,677,952	14,187,000	11,490,952	14,187,000
	Total Wastewater			27,582,184	28,424,000	(841,816)	28,424,000
	Water Supply	New Capital	New Capital Supporting Growth	25,452	1,176,000	(1,150,548)	1,176,000
			Port Chalmers Water Supply	1,471,910	1,068,000	403,910	1,068,000
			Water New Capital Other	121,316	4,748,000	(4,626,684)	4,748,000
			Water Supply Resilience	5,554,066	4,859,000	695,066	4,859,000
		Total New Capital		7,172,744	11,851,000	(4,678,256)	11,851,000
		Renewals Capital	Central City Renewals	(34,692)	-	(34,692)	-
			Dam Safety Action Plan	87,326	-	87,326	-
			Other Water Renewals	18,050,536	15,125,000	2,925,536	15,125,000
			Renewals Supporting Growth	932,688	1,286,000	(353,312)	1,286,000
			Water Supply Resilience	1,228,403	5,437,000	(4,208,597)	5,437,000
		Total Renewals Capital		20,264,261	21,848,000	(1,583,739)	21,848,000
	Total Water Supply			27,437,005	33,699,000	(6,261,995)	33,699,000
Total Three Waters				65,893,101	80,123,000	(14,229,899)	80,123,000



Group	Activity Name	Expenditure Type	Project Name	YTD Actual	YTD Budget	YTD Var	FY Budget
Waste Management	Waste Futures	New Capital	Bulk Waste System	125,615	-	125,615	-
			Construction and Demolition Facility	44,157	383,000	(338,843)	383,000
			Glass Facility	-	860,000	(860,000)	860,000
			Material Recovery Facility	959,628	13,466,000	(12,506,372)	13,466,000
			New Collection System (Waste, Recycling, Organics &	437,349	-	437,349	-
			Organics Facility	1,496,177	3,013,000	(1,516,823)	3,013,000
			Resource Recovery Park Precinct	209,174	3,512,000	(3,302,826)	3,512,000
			Smooth Hill Landfill	5,686	-	5,686	-
		Total New Capital		3,277,787	21,234,000	(17,956,214)	21,234,000
	Total Waste Futures			3,277,787	21,234,000	(17,956,214)	21,234,000
	Waste & Environmental Solutions	New Capital	Community Recycling Hubs	65,705	305,000	(239,295)	305,000
			Green Island Landfill Aftercare	399,124	300,000	99,124	300,000
			Green Island Landfill and Transfer Station	(7,344)	-	(7,344)	-
			Green Island Landfill Gas Collection System	1,093,515	1,255,000	(161,485)	1,255,000
			Green Island Landfill Leachate System	892,965	1,495,000	(602,035)	1,495,000
			Minor Capital Equipment	1,479	-	1,479	-
			Sawyers Bay Closed Landfill	14,358	18,000	(3,643)	18,000
		Total New Capital		2,459,801	3,373,000	(913,199)	3,373,000
		Renewals Capital	Asset Renewals	3,557	-	3,557	-
			Forester Park Landfill Culvert Pipe	-	15,000	(15,000)	15,000
			Green Island Landfill and Transfer Station	20,327	150,000	(129,673)	150,000
			Green Island Leachate System Pump/Pumpstation	(500)	15,000	(15,500)	15,000
			Kerbside Bin Replacements	182,548	260,000	(77,452)	260,000
			Public Place Recycling and Rubbish Bins	150,687	165,000	(14,313)	165,000
		Total Renewals Capital		356,619	605,000	(248,381)	605,000
	Total Waste & Environmental Solutions			2,816,419	3,978,000	(1,161,581)	3,978,000
Total Waste Management				6,094,206	25,212,000	(19,117,794)	25,212,000
Grand Total				147,957,993	206,882,715	(58,924,722)	206,882,715





Summary of Operating Variances For the Twelve Months Ending 30 June 2025 Amount: \$'000

	Year to Da	ate Surplus(E	Deficit)			Year to Date \	Variance Fa	vourable (Unfa	vourable)		
Group	Actual	Budget	Variance	Rates Revenue	Operating Revenue	Internal Revenue	Staff	Ops & Other Exps	Internal Costs	Interest	Depr'n
Community & Planning	(718)	_	(718)	-	(46)	(261)	(14)	(439)	(1)	_	43
Economic Development	(35)	-	(35)	-	(144)	4	16	81	(1)	-	9
Galleries, Libraries & Museums	302	-	302	-	(68)	(20)	25	360	(4)	120	(111)
Governance & Support Services	(2,423)	(725)	(1,698)	784	480	(488)	(3,190)	(422)	1,217	(248)	169
Property	(653)	(1,516)	863	-	676	(2)	(450)	(1,368)	(1)	899	1,109
Regulatory Services	(309)	950	(1,259)	-	(1,491)	(44)	321	(124)	47	-	32
Reserves & Recreational Facilities	1,376	402	974	-	(141)	(1)	128	(207)	(2)	319	878
Roading & Footpaths	(6,742)	(3,738)	(3,004)	(3)	(2,769)	(138)	1,154	(1,269)	(129)	1,341	(1,191)
Three Waters	(12,372)	(28,384)	16,012	-	(330)	(15)	618	1,098	464	2,189	11,988
Waste Management	1,125	-	1,125	-	(1,948)	2,249	47	3,659	(2,874)	319	(327)
Total Council (excluding Waipori)	(20,449)	(33,011)	12,562	781	(5,781)	1,284	(1,345)	1,369	(1,284)	4,939	12,599
Waipori Fund	8,852	4,425	4,427	-	4,435	-	-	(8)	-	-	-
Total Council	(11,597)	(28,586)	16,989	781	(1,346)	1,284	(1,345)	1,361	(1,284)	4,939	12,599





DETAILED FINANCIAL UPDATE

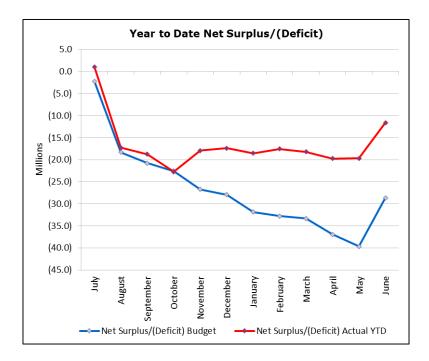
For the period ended 30 June 2025

This report provides a detailed commentary on the Council's financial result for the period ended 30 June 2025 and the financial position at that date.

STATEMENT OF FINANCIAL PERFORMANCE

The statement of financial performance is provided in Attachment C.

NET SURPLUS/(DEFICIT) (INCLUDING WAIPORI)



The net deficit (including Waipori) for the period ended 30 June 2025 was \$11.597 million or \$16.989 million less than budget.



REVENUE

The total revenue for the period was \$405.040 million or \$3.716 million less than budget.

The major variances were as follows:

External Revenue

Actual \$91.308 million, Budget \$93.331 million, Unfavourable variance \$2.023 million

Waste and Environmental Services was unfavourable \$1.948 million. Landfill commercial and domestic waste revenue was unfavourable \$2.754 million. Changes relating to the new kerbside collections contract mean disposal fees totalling \$3.073 million was reported as internal revenue resulting in an unfavourable external revenue variance. Offsetting this variance, waste levy revenue for waste minimisation initiatives, received from the Ministry for the Environment, was favourable \$566k.

Parking Operations revenue was unfavourable \$806k, mainly in on-street metered parking, but also the Frederick St and Lower Moray Place carparks. A new parking dashboard has been developed which can provide additional site-specific occupancy analysis. This analysis has helped identify areas where budgets have been historically inaccurate and enabled more accurate budgets for 2025/26. Parking revenue in the new Licence Plate Recognition sites is improving.

Building Services revenue was unfavourable \$468k. Overall, the number of building consent applications received, and inspections undertaken remain below expectation.

Transport revenue was unfavourable \$387k partly due to corridor accessway revenue being \$245k less than budgeted, as well as revenue from dust suppression work being unfavourable \$110k.

Compliance Solutions revenue was unfavourable \$272k, partly due to Parking Enforcement revenue being less than budget due to vacancies and staff leave earlier in the year. Animal Services revenue was unfavourable \$140k due to lower than budgeted dog registrations.

Visitor Centre revenue was unfavourable \$143k, partly due to budgeted recoveries from the Department of Conservation not eventuating now that DOC no longer occupies space at the isite. Commission revenue was also unfavourable reflecting tourism recovery at only 85% of pre-covid activity.

DPAG, Toitu and Lan Yuan revenue was unfavourable \$127k due to lower than budgeted venue hire and Lan Yuan admissions revenue. Commercial lease revenue for Dunedin Public Art Gallery is \$75k unfavourable for the year.

Parks and Recreation revenue was unfavourable \$113k. Aquatic Services revenue was unfavourable \$221k with learn to swim and hydroslide revenue being less than expected and revenue recognition timing for some revenue. This was offset with \$263k of revenue for rates recoveries, sportsground charges and rent charges relating to land leased for telecommunications transmitters.

Resource consents revenue was unfavourable \$78k due to fewer consents applied for.

Offsetting these unfavourable variances:

Property revenue was favourable \$779k, with new tenancy agreements in the Investment and Holding portfolios now returning higher revenue than budgeted. Holding property revenue was also favourable due to unbudgeted recovery of MOE waste levy costs from the tenant at the Milners Road property.

Three Waters revenue was favourable \$748k, mainly due to favourable trade waste charges, water sales and meter rentals.

Investment Account revenue was favourable \$683k, due to favourable interest revenue of \$560k.

Grants Revenue

Actual \$26.403 million, Budget \$27.327 million, Unfavourable variance \$924k

Transport grants revenue was unfavourable \$655k, partly due to NZTA co-funding not being approved for some projects. Capital subsidy revenue of \$1.785 million, representing 51% of project expenditure, had been budgeted for these projects. Subsidy revenue was also approximately \$1.400 million unfavourable, largely due to a reduction in the contractor work programme in specific areas to offset cost over runs in vegetation and routine drainage maintenance. Offsetting this, \$2.250 million has been received in unbudgeted NZTA subsidies relating to the October rain event.

Offsetting the Transport unfavourable variance, Olveston revenue was favourable \$272k due to a donation received on the winding up of the Olveston Charitable Foundation. This donation will be held as a reserve fund and used for expenditure in line with the Foundation's wishes.

Parks and Recreation was favourable \$143k due to an unbudgeted donation of \$100k for the upgraded playground at the Botanic Garden.

Internal Revenue

Actual \$42.211 million, Budget \$40.927 million, Favourable variance \$1.284 million

Waste and Environmental Services landfill revenue was favourable \$2.248 million. Changes relating to the new kerbside collections contract mean disposal fees under the contract is reported as internal revenue resulting in a favourable landfill revenue variance of \$2.887 million to date. Offsetting this variance, internal landfill revenue from waste treatment plant sludge disposal was unfavourable \$509k due to less sludge being disposed of at the landfill than anticipated.

Internal revenue from Better Off Funding was unfavourable \$1.184 million across various activities.

EXPENDITURE

The total expenditure for the period was \$425.489 million or \$16.278 million less than budget.

The major variances were as follows:

Personnel Costs

Actual \$85.224 million, Budget \$83.879 million, Unfavourable variance \$1.345 million

Personnel costs was unfavourable \$1.345 million, reflecting overtime payments for 3 waters and union negotiated contract increases, which is being managed with vacancy management. The month of June showed a unfavourable variance of \$605k, partly driven by changes in the annual leave provision. It is important to note that leave movements have had an impact on personnel costs throughout the year. Annual leave is being actively managed, and work is underway to budget these fluctuations for future vears.

Operations and Maintenance Costs

Actual \$87.078 million, Budget \$89.810 million, Favourable variance \$2.732 million

Waste and Environmental Services costs were favourable \$4.248 million. The kerbside collections contract cost was favourable \$2.760 million, due to landfill disposal costs now recorded as internal costs. Overall, the kerbside collection contract costs were higher than budget due to an increase in contract rates after budgets were approved. ETS costs were favourable \$1.614 million due to a lower Unique Emissions Factor and the current projected cost of carbon credits being lower than budgeted. Government announcements around the ETS scheme however may have an unfavourable impact on the cost of carbon credits going forward. Landfill monitoring costs were favourable \$598k, mainly due to a rationalisation of baseline environmental monitoring requirements for the Smooth Hill landfill. Offsetting the favourable variances, landfill contract costs were \$224k unfavourable for the year due to unanticipated machinery maintenance costs.

Three Waters maintenance expenditure was favourable \$1.615 million largely reflecting lower than budgeted costs for treatment plant maintenance to date. Reactive plant maintenance requirements were less than anticipated coupled with proactive management of planned maintenance requirements, and savings associated with optimisation of plant processes around the handling of sludge.

Economic Development costs were favourable \$150k, due to the timing of initiatives relating to the Otepoti Dunedin Destination Management Plan.

Fleet Operations costs were favourable \$117k, mainly due to fuel and E-Road costs being less than budgeted.

These favourable variances were partially offset by:

Transport expenditure was unfavourable \$1.810 million due largely to \$2.022 million unbudgeted costs relating to the October 2024 rain event. Other subsidised and unsubsidised cost variances, including unbudgeted contract cost fluctuations, were being managed.

BIS expenditure was unfavourable \$276k, due mainly to transition costs to the new ITMS contractor. Not all these costs were anticipated when the budget was compiled.

Property costs were unfavourable \$419k, partly due to expensing of \$102k of costs relating to the Hillside Road Tarpit, and \$121k of costs relating to the Oxford St and Thorn St housing projects that had previously been recorded as capital expenditure, as well as \$248k unbudgeted expenditure relating to work to make the Gasworks chimney safe. Planned maintenance costs were over budget as the new grounds maintenance contract was higher than budgeted.

Parks and Recreation costs were unfavourable \$115k. Expenditure on building maintenance was favourable \$174k, largely due to the cost of maintenance on facilities at Logan Park.

Occupancy Costs

Actual \$36.079 million, Budget \$35.673 million, Unfavourable variance \$406k

Electricity and gas costs were unfavourable \$606k across activities, with gas costs high for Moana Pool, the crematorium, the Art Gallery and Wall St mall. Operational cost recoveries for Property, including electricity and gas costs, were favourable. Fuel costs were favourable \$330k, notably at the Tahuna wastewater treatment plant and at the Mosgiel pool.

Contract cleaning costs were unfavourable \$154k, mainly in Property where costs were unfavourable \$114k, largely due to higher cleaning frequency of public toilet cleaning and higher than budgeted Living Wage increases.

Offsetting the unfavourable variances, insurance costs across all activities were favourable \$235k.

Consumable and General Costs

Actual \$26.674 million, Budget \$25.792 million, Unfavourable variance \$882k

People and Capability costs were unfavourable \$681k due to the cost of outsourced professional services.

Property costs were unfavourable \$630k, partly due to unbudgeted MOE waste levy costs at the Milners Rd property. These costs are recovered from the tenant. Also contributing to the unfavourable variance was expensing of \$227k of costs relating to the Hillside Road Tarpit that had previously been recorded as capital expenditure. Also contributing to the unfavourable variance was a number of bad debt write-offs during June totalling \$214k.

Three Waters costs were unfavourable \$518k mainly due to a \$1.005 million transfer from capital to operating expenditure for costs relating to capital projects that will no longer proceed.

Waste and Environmental costs were unfavourable \$615k. Consultants costs were unfavourable \$810k, relating to the Green Island landfill closure consents process and the 2024 unique emissions factor application process. Offsetting this variance MOE waste levy costs were favourable \$179k. The reduced levy cost is a result of less material liable for the waste levy charge arriving at the landfill than expected.

Finance costs were unfavourable \$285k, mainly being additional external audit and outsourced professional services, which were partially offset by BOF revenue for work on Local Water Done Well.

These unfavourable variances were partly offset by:

BIS costs were favourable \$737k, due mainly to software licence costs and IT consultants costs being less than budgeted for the year. Partially offsetting this, postage costs were unfavourable \$89k reflecting the increasing cost of this service. Legal fees associated with the new ITMS contract were $unfavourable \$68k \ due \ to \ the \ volume \ of \ work \ required \ being \ greater \ than \ anticipated.$

Transport costs were favourable \$342k with consultants costs below budget. This favourable variance was partly offset by unfavourable variances in software licence fees and compensation costs.

Parks and Recreation were favourable \$136k mainly due to consultants costs, legal fees and telecommunications being less than budget.

Internal Costs

Actual \$42.211 million, Budget \$40.927 million, Unfavourable variance \$1.284 million

Waste and Environmental Services expenditure was unfavourable \$2.874 million, mainly due to changes relating to the new kerbside collections contract meaning \$2.918 million in disposal fees under the contract was reported as internal expenditure.

Offsetting this, Investment Account expenditure was favourable \$1.208 million, mainly due to Better Off Funding costs being less than budgeted.



Three Waters expenditure was favourable \$464k due to savings in the cost of disposing sludge from the waste treatment plant due to better treatment and incineration of the sludge.

Depreciation Costs

Actual \$109.757 million, Budget \$122.356 million, Favourable variance \$12.599 million

Depreciation costs were favourable \$12.599 million, mainly due to the revaluation of Three Waters assets, and to a lesser extent Property and Parks assets.

Three Waters asset values reduced by \$849 million from \$4.805 billion to \$3.956 billion, resulting in a favourable depreciation variance to June of \$11.988 million.

Interest Costs

Actual \$27.485 million, Budget \$32.424 million, Favourable variance \$4.939 million

This favourable variance reflected a lower interest rate than the 5% rate budgeted and drawdown of debt due to the capital programme. Interest rates will be reviewed quarterly by Dunedin City Treasury Limited. The actual quarterly interest rates are:

Αd	ctua	l Quarterly	Interest Rates
	Q1	Jul-Sep	4.80%
	Q2	Oct-Dec	4.37%
	Q3	Jan-Mar	3.97%
	Q4	Apr-Jun	4.01%

WAIPORI FUND NET OPERATING RESULT

Actual \$8.852 million surplus, Budget \$4.425 million surplus, Favourable variance \$4.427 million

The Waipori Fund has reported a net operating surplus for the year of \$8.852 million, \$4.427 million more than budget. Operating revenue was favourable \$4.435 million. Australian, International and New Zealand equities saw an increase in value of \$480k million during June. Fixed term investments values saw an increase in value for the month of \$614k, maintaining favourable results for the year.

Despite these results, year-end market volatility, influenced by tariff policies and geopolitical tensions, meant the Fund's value wasn't sufficiently above its inflation-adjusted capital base to support a distribution of \$3 million or more.

STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position is provided as Attachment D.

- Other current financial assets of \$8.011 million relate to the Waipori Fund.
- The term loans balance at 30 June 2025 is \$656.940 million. This balance is made up as follows:

	Actual	Budget	Variance	
	\$million	\$million	\$million	
Loan Balance	650.972	709.473	58.501	F
Accrued Interest on Loans	5.968	-	(5.968)	U
Total Loans	656.940	709.473	52.533	F



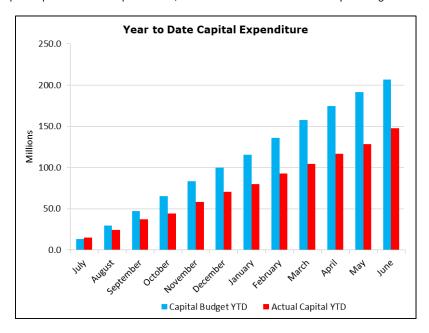
The loans balance at 30 June was \$650.972 million which was \$58.501 million less than budget. This reflects the capital expenditure programme, which was underspent by \$58.722 million to June. Additional to the June loans balance there was accrued interest of \$5.968 million.

A graph showing DCC and Group debt profile is provided as Attachment B.

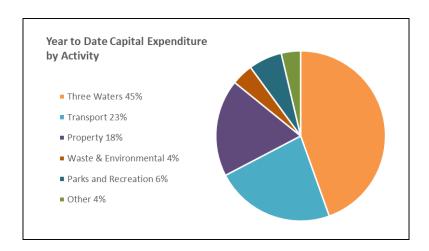
CAPITAL EXPENDITURE

A summary of the capital expenditure programme by Activity is provided as Attachment F. Attachment G provides the detailed capital expenditure programme.

Total capital expenditure for the period was \$147.958 million or 71.5% of the full year budget.



The chart below shows the proportion of year-to-date capital expenditure by Activity:





Galleries, Libraries & Museums capital expenditure was \$817k underspent.

Expenditure was under budget partly due to the timing of collections, including the new South Dunedin Community Library collection, which was budgeted to be acquired over the first six months of the financial year. Most of the collection acquisitions for the new library have now been made.

Work on the new Theatrette gallery space at Toitu has only just commenced, resulting in an underspend of \$498k.

Governance and Support Services capital expenditure was \$1.919 million underspent.

BIS capital was underspent by \$1.639 million. New capital was underspent by \$1.340 million with no expenditure to date on the E-services and Customer Self Service Portal, as well as the Project Management and Budget System projects. IT hardware renewals capital was overspent \$96k with new hardware totalling \$546k procured to replace ageing switches as part of the ITMS transition.

Fleet Operations was underspent \$130k. The vehicle replacement programme was under budget for the year, and there has been no expenditure yet on the budgeted EV charging infrastructure project.

Property capital expenditure was \$9.851 million underspent.

Renewals expenditure overall was underspent by \$3.672 million mainly due to several projects in their early stages or yet to commence, including the Fitzroy St housing renewal, the Sims building renewal and the Olveston renewal project. Minor capital works to renew bathrooms in the Dunedin Library is also delayed. The Town Hall/Municipal Chambers renewal project was underspent \$384k. Expenditure includes \$294k of costs previously accounted for as operational expenditure. The project to renew the council archives facility is nearing completion. The seismic strengthening project at 414 Moray Place was overspent \$223k as the final contract costs of the project were accounted for this financial year. This project was budgeted for completion in June 2024. Included in the renewals variance were costs totalling \$330k relating to the Hillside Rd Tarpits, and \$50k relating to the Thorn St housing project previously accounted for as capital, now reclassified as operational expenditure.

New capital expenditure for the period was underspent \$6.180 million, partly due to the timing of the South Dunedin Community Complex project, which is expected to be within budget and scheduled for completion in the new financial year. The Oxford St Housing upgrade has now been paused, resulting in a \$1.628 million capital under expenditure in the current financial year for this project. The CCTV George St project has experienced a delay meaning the project will now be completed in July 2025. New public toilets expenditure is ahead of budget, with Outram Glen, Navy Park and Harwood toilets now complete.

 $\textbf{Reserves and Recreational Facilities} \ \text{capital expenditure was $6.654 million underspent}.$

The Moana Pool Redevelopment Renewal was underspent \$5.394 million, due partly to changes in project timelines and the scope of work for stage two.

Other Aquatic Services renewals were underspent \$433k due to the timing of Moana Pool general renewals and the St Clair Heating Upgrade project being delivered under budget.

Parks recreational facilities new capital and renewals were underspent \$321k because of delays to some projects such as hard surface renewals and sports equipment replacement.

Roading and Footpaths capital expenditure was \$6.346 million underspent.

Transport's overall renewal spend was under budget \$1.855 million, mainly due to kerb and channel renewals, pavement resealing, retaining wall renewals, footpath resurfacing, and carriageway resurfacing being underspent \$4.308 million. This was partly offset by \$2.317 million unbudgeted expenditure relating to the October 2024 rain event.

In terms of new capital delivery, expenditure was \$4.491 million under budget. The Central City Upgrade Bath Street project was underspent \$1.247 million. The transport phase of this commenced in June. The Parking Management project is underspent \$1.137 million. The delivery methodology of this project has changed, meaning it is expected be completed under budget. Coastal protection capital was underspent \$1.421 million. Dunedin Urban Cycleways — Tunnel Trails was underspent \$1.615 million. This project is currently in procurement with most of the expenditure to occur in the next financial year.

Three Waters capital expenditure was \$14.230 million underspent.

The Three Waters team are continuously reprioritising the work programme whilst maintaining the overall current capital budget.

Renewal expenditure was overspent \$6.354 million. This was due to established renewals programmes delivering effectively and providing flexibility to ramp up. A number of renewals projects were accelerated, where deliverability allowed.

New capital expenditure was \$20.584 million underspent, mainly due to delays in some key projects which has pushed some expenditure into the next financial year. . Some aspects of projects which had been considered new capital at the planning stage were delivered as renewals. This includes \$11.721 million of wastewater projects delayed or deferred as feasibility was developed. The Waikouaiti Water Treatment Plant project accounts for approx. \$3.000 million of the underspend and was delayed due to multiple factors including land purchase approvals and international freight delays. Some other projects requiring significant equipment purchase from overseas were pushed out due to procurement lead times including international freight. The Bath St stormwater project was slightly under budget for the period.

Waste and Environmental capital expenditure was \$19.118 million underspent.

Expenditure on the Material Recovery Facility was underspent \$12.506 million, Organics Facility was underspent \$1.517 million, and Resource Recovery Park was underspent \$3.303 million. Resource consents were granted in January with project budgets anticipating construction to have begun in earnest in the first quarter of 2025/26.

Deposits on the processing equipment for both the Material Recovery Facility and the Organics Processing Facility were budgeted in the 4th quarter of 2024 and 1st quarter of 2025. Detailed design is well advanced, and initial groundwork in preparation for construction is underway. Contracts for the supply of processing equipment have been awarded, with payments to be made in stages over the next 12-15 months, depending on the completion of the various stages of the project.

Glass Facility expenditure was underspent \$860k. Detailed design is underway, with resource consents granted in January 2025.

New Kerbside Collection System expenditure was overspent \$437k. The bin roll-out project is completed, and final wash-up costs have now been completed.



COMMENTS FROM GROUP ACTIVITIES

Attachment H, Summary of Operating Variances, shows by Group Activity the overall net surplus or deficit variance for the period. It also shows the variances by revenue and expenditure type.

Community & Planning - \$718k Unfavourable

External revenue was unfavourable \$46k, mainly due to the \$78k unfavourable variance in resource consents revenue. There have been fewer consents applications than expected.

Internal revenue was unfavourable \$261k due to no Better Off Funding in this activity.

Operating expenditure was unfavourable \$439k, mainly due to Resource Consents consultants spend being over budget for the period as well as the unbudgeted consultants costs in the City Growth activity.

Economic Development - \$35k Unfavourable

Visitor Centre revenue was unfavourable \$143k, mainly due to budgeted recoveries from the Department of Conservation not eventuating now that DOC no longer occupies space at the isite.

Economic Development operating expenditure was favourable \$38k with costs relating to the Otepoti Dunedin Destination Management Plan being less than budgeted.

Visitor Centre operating costs were favourable \$43k due mainly to reduced bank charges because of lower sales and transactions than budgeted.

Galleries, Libraries and Museums - \$302k Favourable

Olveston revenue was favourable \$129k due to a donation received on the winding up of the Olveston Charitable Foundation. This donation will be held as a reserve fund and used for expenditure in line with the Foundation's wishes. Revenue of merchandise sales at the Art Gallery, Toitu and Lan Yuan were less than budget.

Operating costs were favourable \$360k across all activities. Olveston retail purchases were favourable \$109k. Art Gallery and Toitu collection management and exhibitions costs were favourable \$130k.

Governance and Support Services - \$1.698 million Unfavourable

Interest revenue was favourable \$560k as was rates penalties \$571k.

Better-Off Funding internal costs were favourable \$987k, being the allocation of Better-Off funding to various activities.

Staff costs for the Investment Account were unfavourable \$3.279 million. This relates to the provision for planned savings in personnel costs across the organisation through vacancy management.

Operating expenditure was unfavourable \$422k. People and Capability costs were unfavourable \$689k mainly due to the cost of outsourced professional services. Finance operating costs were unfavourable \$280k, mainly due to additional local water done well work and external audit fees. BIS costs were favourable \$454k, mainly due to software licence costs being less than budget, partly offset by unbudgeted costs related to the transition to the new ITMS contract.

Depreciation was favourable \$169k because of lower than budgeted BIS capital expenditure in 2023/24.



Waipori Fund - \$4.427 million Favourable

The Waipori Fund has reported a net operating surplus for the year of \$8.852 million, \$4.427 million more than budget. Operating revenue was favourable \$4.435 million. Australian, International and New Zealand equities saw an increase in value of \$480k million during June. Fixed term investments values saw an increase in value for the month of \$614k, maintaining favourable results for the year.

Despite these results, year-end market volatility, influenced by tariff policies and geopolitical tensions, meant the Fund's value wasn't sufficiently above its inflation-adjusted capital base to support a distribution of \$3 million or more.

Property - \$863k Favourable

Property revenue was favourable \$676k, with Investment property revenue ahead of budget \$428k with new tenancy agreements now returning higher revenue than budgeted. Holding property revenue was favourable \$316k, largely due to unbudgeted recovery of MOE waste levy costs from the tenant at the Milners Road property.

Operating expenditure was unfavourable \$1.368 million. Electricity, gas and ground rent costs were \$142k over budget. Electricity and gas costs are mostly recovered from tenants and ground lease increases have been offset by increases in rents. MOE waste levy costs at the Milners Rd property were \$208k unfavourable. These costs are recovered from the tenant. Contract cleaning costs were unfavourable \$114k, largely due to Living Wage increases being higher than anticipated and increased levels of cleaning in Public Toilets. A grant to the Dunedin Theatre Network for \$107k also contributed to the variance. Staff managed within their overall budget envelope by offsetting increased costs in some areas by reducing spend in others. Also contributing to the variance was the expensing of \$330k of costs associated with the Hillside Rd Tarpits, and \$121k relating to housing projects that had previously been classified as capital expenditure. Offsetting this variance, expenditure totalling \$294k relating to the Town Hall upgrade project have now been transferred from operations to capital. Also contributing to the unfavourable variance was a number of bad debt write-offs during June totalling \$214k.

Interest costs were favourable \$899k reflecting the capital expenditure programme and lower interest rates than budgeted.

Regulatory Services - \$1.259 million Unfavourable

External revenue was \$1.491 million unfavourable. Parking Operations revenue was unfavourable \$806k, mainly in on-street metered parking, but also the Frederick St and Lower Moray Place carparks. A new parking dashboard has been developed which can provide additional site-specific occupancy analysis. This analysis has helped identify areas where budgets have been historically inaccurate and enabled more accurate budgets for 2025/26. Parking revenue in the new Licence Plate Recognition sites is improving.

Building Services revenue was \$468k unfavourable mainly due to reduced consents and inspections revenue. The number of building consents and inspections were lower than previous levels.

Compliance Solutions revenue was unfavourable \$272k, with Parking Enforcement revenue \$73k less than budget due to staff vacancies and leave earlier in the year. Animal Services revenue was unfavourable \$140k due to lower than budgeted dog registrations.

Reserves and Recreational Facilities - \$974k Favourable

External revenue was \$141k unfavourable. Aquatics revenue was less than budget \$221k overall, despite Gym revenue being favourable. Cemeteries and Crematorium revenue was \$177k unfavourable.



Operational costs were unfavourable \$207k, largely due to gas costs which were favourable \$179k.

Interest costs were favourable \$319k reflecting the capital expenditure programme and lower interest rates than budgeted.

Roading and Footpaths - \$3.004 million Unfavourable

Subsidy revenue was unfavourable \$655k. Funding decisions by NZTA under the National Land Transport Programme include caps on funding for footpath resurfacing that were not known at the time budgets were compiled. A reduction in the contractor work programme in specific areas to offset cost over runs in vegetation and routine drainage maintenance also contributed to this variance. Offsetting these unfavourable variances, unbudgeted subsidy revenue relating to the October rain event totalled \$2.250 million to date.

Operating costs were unfavourable \$1.269 million due to \$2.022 million emergency maintenance costs to date relating to the October rain event.

Unsealed pavement maintenance, environmental maintenance and routine drainage maintenance costs were all unfavourable \$1.463 million, mainly due to a high volume of mud tank cleaning resulting from two winter season rain events, a high volume of winter dig out work, slip repairs and contract cost fluctuations. These variances were offset by a \$1.168 million favourable variance in a sealed pavement maintenance.

Three Waters - \$16.012 million Favourable

Three Waters external operating revenue was unfavourable \$330k. Better Off Funding revenue to fund capital expenditure was favourable \$548k. Trade waste charges, water sales revenue and meter rentals were \$696k ahead of budget for the period. Offsetting the favourable variance, development contributions and vested assets revenue was unfavourable \$1.403 million for the year.

Operating costs were favourable \$1.098 million, mainly reflecting lower than budgeted reactive network maintenance costs, a reduction in proactive maintenance and some savings associated with optimisation.

Internal costs were also favourable \$464k due to lower sludge volumes (and associated disposal costs) at the Green Island landfill (see comments below).

Interest costs were favourable \$2.189 million reflecting the capital expenditure programme and lower interest rates than budgeted.

Waste Management - \$1.125 million Favourable

Waste Management external revenue was unfavourable \$1.948 million. Landfill commercial and domestic waste revenue was unfavourable \$2.754 million. Changes relating to the new kerbside collections contract mean disposal fees under the contract are reported as internal revenue. Offsetting this variance, waste levy revenue for waste minimisation initiatives, received from the Ministry for the Environment, was favourable \$566k and unbudgeted revenue from the sale of rubbish bags was \$102k.

Internal revenue was favourable \$2.249 million, mainly due to kerbside collection revenue as mentioned above, partly offset by a \$509k unfavourable variance in sludge revenue from the Wastewater treatment plants. Sludge is now being lime treated or incinerated and therefore not classed as special hazardous waste, resulting in lower disposal fees and volumes.

Operating costs were favourable \$3.659 million. Kerbside collection contract costs were favourable \$2.760 million, which was largely offset by unfavourable internal landfill disposal fees relating to the kerbside collection contract (see comment below). Overall, the kerbside collection contract costs were



higher than budget due to an increase in contract rates after budgets were approved. ETS costs were \$1.614 million less than budgeted. MOE waste levy costs were favourable \$179k as a result of less material liable for the waste levy charge arriving at the landfill than expected. Consultants costs were unfavourable \$810k, relating to the Green Island landfill closure consents, consent costs for the resource recovery park and costs relating to the 2024 unique emissions factor application.

Internal costs were unfavourable \$2.874 million mainly due to changes relating to the new kerbside collections contract resulting in \$2.918 million for landfill disposal fees under the contract being reported as internal expenditure.

Hospital Campaign - \$201k Unfavourable

As at 30 June costs relating to the SOS Hospital Campaign totalled \$217k, mainly being costs associated with the public march, the costs of advertising and promotional material such as badges and shirts, and costs relating to the ambulance travelling around the region and to Wellington.

Council has approved unbudgeted 2024/25 expenditure up to \$346,099 for the campaign.

Revenue from donations totalled \$16k.

October Rain Event - \$3.463 million Unfavourable

As at 30 June operational costs relating to the October rain event totalled \$2.736 million, mainly being emergency maintenance through the Transport roading maintenance contract, but also including other emergency work such as sandbagging costs, floodwater pumping, refuse skip deployment and emergency welfare-related costs.

Capital expenditure relating to the rain event totalled \$2.708 million as at 30 June.

NZTA subsidy revenue received to date totals \$2.250 million.

A welfare subsidy claim totalling \$50k has now been received from NEMA.

October 2024 Rain Event Financial Summary						
As at 30 June 2025						
	excl GST					
<u>Expenditure</u>						
Operating costs	\$2,669,547					
Estimated personnel costs	\$66,162					
Capital Expenditure	\$2,708,277					
Total Expenditure	\$5,443,986					
Funded by:						
NZTA Subsidy revenue received	\$2,249,641					
NEMA Welfare costs reimbursement	\$50,485					
DCC	\$3,143,860					
Total Revenue	\$5,443,986					
Subsidy Summary						
NZTA approved subsidy	\$4,738,000					
Subsidy received to date	\$2,249,641					
Subsidy yet to be received	\$2,488,359					



Better Off Funding

The BOF programme is comprised of five programmes with 14 projects, as approved by Council on 25 November 2024. It has been approved by the Department of Internal Affairs (DIA).

As shown in the table below, a remaining balance across the five programmes was 4.555 million as at 30 June 2025

Programme	Allocation	Balance as at 31 March 2025	Total Spent Apr-Jun 2025	Total Spend to date	Balance as at 30-Jun-25
P1. Future Development & Planning	\$8,312,852	\$4,337,151	\$205,254	\$4,542,405	\$3,770,447
P2. Treaty Partnerships	\$408,048	\$345,689	\$12,850	\$358,539	\$49,509
P3. Climate Action	\$1,873,378	\$1,848,434	\$24,944	\$1,873,378	\$0
P4. Local Water Done Well	\$500,000	\$123,203	\$20,707	\$143,910	\$356,090
P5. Infrastructure Project	\$445,722	\$9,702	\$57,543	\$67,245	\$378,477
Total	\$11,540,000	\$6,664,179	\$321,298	\$6,985,477	\$4,554,523

A summary of the work completed in the quarter from 1 April to 30 June is provided for each programme below.

Programme 1 —work continued on 3 Water hydraulic models, Accelerated Condition assessment of lifelines and trunk infrastructure has been completed.

Programme 2 – work continued on the cultural capability programme during the period.

Programme 3 - there are no longer any active projects in this programme with South Dunedin Future expenditure via BOF being completed during the reporting period.

Programme 4 - work continued on the Water Services Delivery Plan with consultant support for the Finance Team.

Programme 5 - repairs to the Mt Grand raw water dam are complete while repairs to the Rossville raw water dam continue.



FINANCIAL STRATEGY COMPLIANCE

Department: Finance

EXECUTIVE SUMMARY

- The attached report provides a summary of rate and debt limits, including group debt limits. The purpose of the report is to monitor compliance against these limits.
- As this is an administrative report only, the Summary of Considerations is not required.

RECOMMENDATIONS

That the Committee:

a) Notes the Financial Strategy Compliance Report.

BACKGROUND

A request was made by members of the Audit and Risk Subcommittee to provide a report showing compliance with Financial Strategy limits and group debt limits. The report provided in Attachment A summarises rates and debt limits as well as forecast rates and debt levels for the period of the 9 year plan.

NEXT STEPS

Financial Strategy Compliance Reports will be provided quarterly to the Audit and Risk Subcommittee.

Signatories

Author:	Tony Nelmes - Project Accountant
Authoriser:	Carolyn Allan - Chief Financial Officer

Attachments

Title Page

♣A Financial Strategy Compliance 137



Financial Strategy Compliance

This report provides a summary of financial limits for rate increases and debt and monitors how current forecasts measure against the limits.

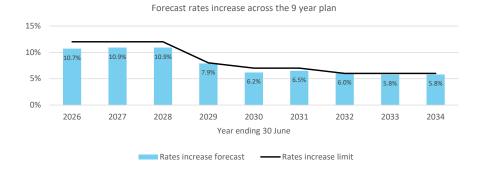
The report shows that forecast rate increases and forecast debt levels are within limits.

Rates

The Council's Financial Strategy includes limits on annual rate increases. These are set out in the 9 year plan 2025-2034 as follows:

Years 1 – 3: no more than 12% per annum
Year 4: no more than 8% per annum
Years 5 – 6: no more than 7% per annum
Years 7 – 9: no more than 6% per annum

The following chart shows the forecast rate increases against the annual rate increase limits for the 9 year plan:

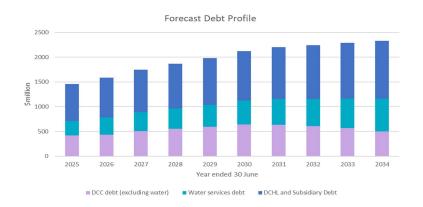




Debt

Total DCC Group debt was \$1.4 billion as at 30 June 2025, and is forecast to be \$2.3 billion by 30 June 2034.

The following graph demonstrates the forecast DCC Group debt profile to 30 June 2034.



Overview of Borrowing Arrangements

The Council's Treasury Risk Management Policy also applies to Dunedin City Holdings Limited (DCHL) and all subsidiaries owned by the Council. It is the basis for the risk management parameters within the Council's Liability Management. The entities that the Policy document applies to are collectively called the Dunedin City Council Group ("DCC Group"). The Policy is the sole Treasury Risk Management Policy within the Group.

Dunedin City Treasury Limited (DCTL) provides funding and financial services to all entities in the DCC group. The principal role of DCTL is to fund the group (including Council) and to identify and manage financial risks.

DCTL provides regular reports to the Audit and Risk Subcommittee on compliance with the Treasury Risk Management Policy.



LGFA Funding and Debt Limits

DCTL may borrow from the Local Government Funding Agency ("LGFA") and, in doing so, the Council and the DCC Group must comply with all relevant financial covenants/ratios of the LGFA as follows:

LGFA Financial Metric	Covenant Limit
Net Debt / Total Revenue ¹	<280%
Net Interest / Total Revenue	<20%
Net Interest / Rates Revenue	<30%
Liquidity	>110%
Credit rating	≥A

Actual and forecast reporting against the LGFA covenants for Council and the DCC Group are shown in the table below:

Financial Covenant	Covenant Limit	2023 Actual	2024 Actual	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
Core Council							
Net Debt / Total Revenue	<280%1	110.4%	141.0%	149.4%	162.2%	178.4%	180.4%
Net Interest / Total Revenue	<20%	0.3%	1.0%	3.2%	2.4%	3.9%	3.9%
Net Interest / Rates Revenue	<30%	0.4%	1.6%	4.7%	3.6%	5.5%	5.4%
Liquidity Ratio	>110%	169.8%	158.8%	154.0%	146.2%	140.8%	137.8%
DCC Group							
Net Debt / Total Revenue	<280% ¹	160.3%	185.4%	170.9%	178.8%	183.3%	183.4%
Net Interest / Total Revenue	<20%	5.6%	7.8%	7.8%	7.2%	7.5%	8.1%
Net Interest / Rates Revenue	<30%	17.4%	23.4%	23.7%	21.5%	21.7%	22.5%
Liquidity Ratio	>110%	130.7%	128.4%	127.5%	124.5%	122.9%	121.5%

Uncalled Capital

The assets of Aurora Energy Limited, DCTL and DCHL — including its uncalled share capital — are included in the DCC Group's existing Debenture Agreement (which underpins all DCC Group debt). The Debenture Agreement outlines the specific details of the security which investors in DCTL securities have.

DCHL has \$1.9 billion of uncalled capital with the Council. This is represented by shares, which have been issued by DCHL to the Council, that are currently unpaid. DCTL is permitted to issue debt securities up to the amount of uncalled capital of \$1.9 billion. Following adoption of the Council's 9 year plan 2025-34 and agreement of the 2025/26 Statements of Intent of DCHL and its subsidiary and associate companies, the Council increased the level of DCHL uncalled share capital from \$1.6 billion

 $^{^1}$ LGFA Alternative Net Debt to Total Revenue ratios: <295% in 2023, <290% in 2024, <285% in 2025. Net Debt to Revenue covenant limit will return to <280% going forward from the 2026 financial year.



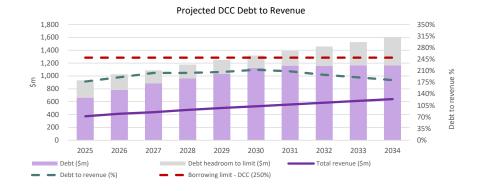
to \$1.9 billion. This is because the current DCC Group borrowing arrangements require the level of DCHL uncalled share capital to be greater than DCC Group debt.

The increase in debt is primarily driven by the planned capital expenditure programmes for Aurora Energy Limited, and the Council including water services as set out in the approved 9 year plan 2025-2034. The level of uncalled capital will be increased in future years as required. It will be reviewed again in July 2027, following adoption of the next 10 year plan and Water Services Strategy. It has been a long-standing practice of DCC to increase the level of uncalled capital to cover the statement of intent period only.

Council Debt Limit

In addition to the LGFA and uncalled capital limits, the Council has a Financial Strategy debt limit. This is set out in the 9 year plan 2025-2034. Council's debt limit is a variable amount that is calculated as a percentage of revenue. The gross debt limit is set as 250% of revenue (excluding investment property gains). This debt limit allows flexibility to deliver the planned capital expenditure programme, while also having capacity to fund potential unplanned events.

The following chart shows forecast revenue and forecast debt as a % of revenue against the limit.

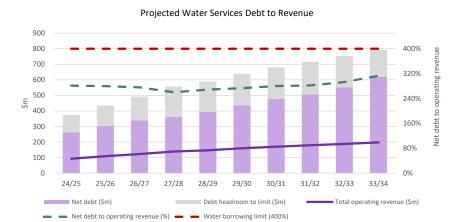


Water Services Debt Limit

Further to the above limits, there is also a self-imposed gross debt limit for water services debt set at 400% of water services revenue. This limit is included in the Water Services Delivery Plan, which has been submitted to the Secretary of Local Government for approval. This limit reflects the level of water services debt required to complete the capital programme and provide headroom in case of unforeseen events. If water services debt reaches 400%, Council will need to ensure that it doesn't breach overall limits.

The following chart shows Water Services forecast revenue and forecast debt as a % of revenue against the limit.





Credit Rating

Credit rating agencies take into account matters relating to debt and expenditure against revenue, liquidity and credit risk. As Council borrows more, revenues will need to increase to ensure council remains financially sustainable. DCC and DCTL have a Standard and Poor's credit rating at March 2025 of AA- with a negative outlook. Credit ratings are assessed at least annually.

Supplementary Information

Supplementary information is provided in the Appendices, including a schedule showing financial strategy limits (Appendix A) and a chart illustrating actual and forecast group debt (Appendix B).



Appendix A
Financial Strategy Limits

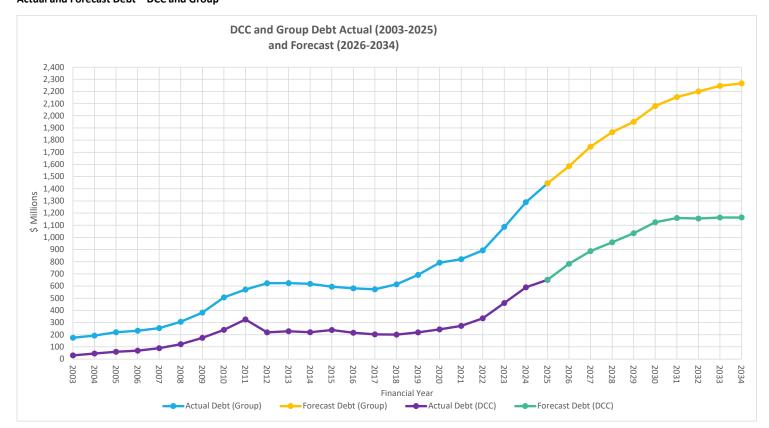
(\$'000s)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Debt (Whole of Council)										
Debt Forecast	662,173	783,173	887,239	960,368	1,035,207	1,125,448	1,159,801	1,155,831	1,164,363	1,164,920
Debt Limit (at 250% of revenue)	931,310	1,025,575	1,088,528	1,176,745	1,250,633	1,318,120	1,389,710	1,459,710	1,528,165	1,601,640
Total Revenue	372,524	410,230	435,411	470,698	500,253	527,248	555,884	583,884	611,266	640,656
Debt Limit (at 250% of revenue)	178%	191%	204%	204%	207%	213%	209%	198%	190%	182%
Debt (Water Services Only)				'						
Debt Forecast (Net Debt)	263,038	304,194	340,293	362,287	396,358	438,428	479,110	508,449	554,911	623,658
Debt Limit (at 400% of revenue)	373,736	434,680	492,640	556,380	588,700	639,600	680,416	717,016	752,932	791,872
Total Revenue	93,434	108,670	123,160	139,095	147,175	159,900	170,104	179,254	188,233	197,968
Debt Limit (at 400% of revenue)	282%	280%	276%	260%	269%	274%	282%	284%	295%	315%
Rates (Whole of Council)										
Rates Revenue	239,021	264,596	293,436	325,423	351,128	372,879	397,105	420,944	445,376	471,194
Rates Limit	216,576	267,704	299,828	335,807	362,672	388,059	415,223	440,136	466,544	494,537
Rates Increase Forecast	17.5%	10.7%	10.9%	10.9%	7.9%	6.2%	6.5%	6.0%	5.8%	5.8%
Rates Increase Limit	6.5%	12.0%	12.0%	12.0%	8.0%	7.0%	7.0%	6.0%	6.0%	6.0%
Rates (Water Services Only)										
Rates Revenue	85,129	97,896	112,606	129,574	137,293	149,682	159,580	168,435	177,166	186,646
Rates Increase Forecast	15.0%	15.0%	15.0%	15.0%	6.0%	9.0%	6.6%	5.5%	5.2%	5.4%
Operating Surplus (Whole of Council)										
Surplus/ (deficit)	(28,585)	0	2,584	14,640	23,313	20,467	14,942	32,501	46,124	60,899
Operating Surplus (Water Services Only)										
Surplus/ (deficit)	(29,808)	(16,040)	(6,895)	2,559	2,559	2,559	2,559	2,559	2,559	2,559

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Appendix B

Actual and Forecast Debt – DCC and Group

DUNEDIN | kaunihera a-rohe o otepoti



Financial Strategy Compliance Page 143 of 155



Glossary

Committed facilities – Loan or credit arrangements enabling Council to draw down funds up to an agreed limit, as needed.

Credit rating - An independent assessment of a Council's creditworthiness, typically provided by an agency like S&P Global Ratings or Fitch, indicating the risk associated with the Council's ability to meet its financial obligations.

Debt Headroom - The difference between the Council's current debt level and its maximum allowable borrowing capacity, based on LGFA or self-imposed limits.

Gross Debt - The total amount of a council's outstanding borrowings or loans, before deducting any cash or financial assets.

LGFA Covenants - Financial rules and limits set by the LGFA that participating councils must comply with as a condition of borrowing.

Liquidity – Refers to ability to fulfil debt obligations using cash, liquid investments and committed bank facilities.

Local Government Funding Agency (LGFA) – An organisation that issues debt in New Zealand dollars to provide local councils and council-controlled organisations with more affordable financing options.

Net Debt – Gross debt less liquid financial assets and investments.

Net Interest – Calculated Interest expense on loans less income earned on investments or cash balances.

Uncalled Capital - A financial commitment representing the value of shares held by Council in DCHL for which payment has not yet been requested. It acts as security, enabling Council to access borrowing facilities.



WAIPORI FUND - QUARTER ENDING 30 JUNE 2025

Department: Finance

EXECUTIVE SUMMARY

The attached report from Dunedin City Treasury Limited provides information on the results of the Waipori Fund for the quarter ended 30 June 2025. This report was presented to the Council meeting held on 26 August 2025.

RECOMMENDATIONS

That the Subcommittee:

a) **Notes** the report from Dunedin City Treasury Limited on the Waipori Fund for the quarter ended 30 June 2025.

DISCUSSION

- The Waipori Fund Statement of Investment Policy and Objectives (SIPO) requires quarterly reporting on the performance and financial position of the fund.
- Dunedin City Treasury Limited has provided the Waipori Fund report for the June 2025 quarter. The report is provided as Attachment A.
- The fund value at 30 June 2025 of \$112 million exceeds the inflation adjusted capital base of \$110 million. Despite this, year end market volatility meant that the Fund's value was not sufficiently above the inflation adjusted capital base to support a distribution.

OPTIONS

5 As this is a noting report, no options are provided.

NEXT STEPS

Quarterly reporting on the performance and financial position of the fund will be provided to future meetings of either the Financial and Council Controlled Organisations Committee or Council.

Signatories

Authoriser:	Carolyn Allan - Chief Financial Officer
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Attachments

	Title	Page
<u> </u>	Waipori Fund- June 2025 Quarter	146



Dunedin City Treasury Ltd

50 The Octagon PO Box 5045 Dunedin 9058 New Zealand Telephone (03) 474 3696 Facsimile (03) 474 3594 Email dunedincitytreasury@dcc.govt.nz

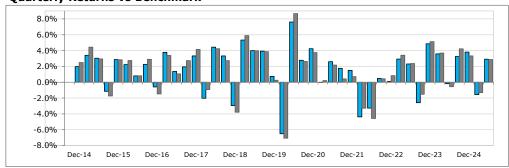
TO: Chief Executive, Dunedin City Council

FROM: Dunedin City Treasury Limited

DATE: 14 July 2025

SUBJECT: WAIPORI FUND - June 2025 Quarter

Quarterly Returns vs Benchmark



June 2025 Quarter

The Fund made a gain of 2.9% over the quarter, relative to the matching Benchmark return of 2.9%. The equity portion of the portfolio delivered a gain, returning 5.1% compared to the benchmark's 4.8% gain. Good stock selection within the International equities contributed to this outperformance. The portfolio slightly lagged the benchmark for the year, returning 11.5% versus the benchmark's 11.9%.

Fund Returns

	Wai	ipori	Bench	mark
Period ended	Quarter	FY	Quarter	FY
30 June 2025	%	%	%	%
NZ Equities (NZ50 Gross)	4.8	9.5	2.7	7.6
Australian Equities (Australian All Acc)	6.4	11.3	7.2	11.3
Int'l Equities (MSCI World Gross)	3.6	11.5	4.8	16.8
Property Equities (NZ Real Estate)	8.5	8.5	7.1	8.7
Short Term Interest (NZ 90 day bb)	0.8	4.9	0.9	4.7
Fixed Interest (NZ Corp Bond index)	1.1	7.9	1.3	7.5
TOTAL	2.9	8.6	2.9	9.3

Note: The Benchmarks used are based on broad market indices and therefore their returns are not directly comparable with Waipori's returns. DCTL continues to review the appropriateness of the benchmark indices used and are comfortable that they are the best available at this time.



Investment Profile

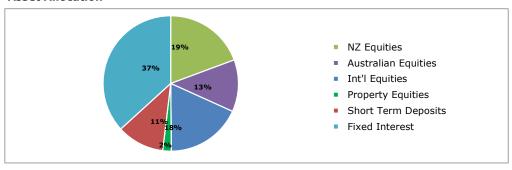
Waipori is diversified across asset classes with 51.9% invested in growth assets (equities and property) and 48.1% invested in income assets (fixed interest investments and short term deposits /cash).

The market value of the investment portfolio (i.e. the total value of all financial assets held) as at 30 June 2025 was \$111.6 million.

Summary of Investments

Market Value 21,572,876	Portfolio	Exposure Range*
21 572 876		-Apoon o Runge
21,3/2,0/0	19.3	16.0
13,865,723	12.4	11.0
20,242,889	18.1	15.0
55,681,488	49.9	20.0 - 60.0
2,253,900	2.0	3.0
2,253,900	2.0	0.0 - 10.0
12,664,442	11.3	10.0
41,021,931	36.8	45.0
53,686,373	48.1	40.0 - 70.0
111,621,761	100.0	100.0
	20,242,889 55,681,488 2,253,900 2,253,900 12,664,442 41,021,931 53,686,373	20,242,889 18.1 55,681,488 49.9 2,253,900 2.0 2,253,900 2.0 12,664,442 11.3 41,021,931 36.8 53,686,373 48.1

Asset Allocation



Market Outlook

On May 28, 2025, the Reserve Bank of New Zealand (RBNZ) reduced its Official Cash Rate (OCR) to 3.25% per annum. This decision was accompanied by a Monetary Policy Statement indicating that inflation is expected to remain within the RBNZ's target band of 1% to 3% over the medium term. The statement also suggested that there is only limited scope for further rate cuts in the current cycle.

The first half of 2025 saw global markets endure significant volatility due to tariff policies and geopolitical tensions. Major equity indices experienced sharp initial declines before rebounding to finish the period with gains, notably influenced by a reversal in tariff proposals. In addition, equities in Europe saw strong positive performance, bolstered by increased defence spending and supportive monetary policy. Domestically, while the local NZ equities market index declined, driven by the underperformance of some large companies, the midcap segment saw positive growth. The NZ dollar strengthened against the US dollar, affecting returns for domestic investors, and showed mixed performance against other significant currencies

The Fund continues to take a long-term investment approach, diversifying across regions and sectors with 51.9% in growth assets (equities) and 48.1% in income-generating assets (fixed interest). It focuses on equities from stable, dividend-paying companies that consistently deliver dividends, even during periods of market uncertainty.

 Tim Loan
 Gerhard Riepl
 Richard Davey

 CHAIR
 TREASURY ANALYST
 TREASURER



WAIPORI FUNDPERFORMANCE VERSUS INVESTMENT OBJECTIVES

30 June 2025

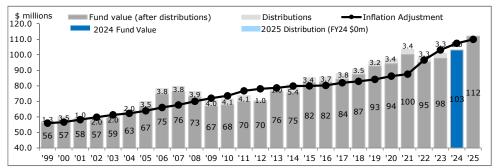
1. INCOME

Objective	2025 Est. Cash Income	2025 Est. Yield	Yield	Period Years
The primary objective of the Fund will be to maximise its income, subject always to a proper consideration of investment risk.	\$4,055,547	3.9%	4.4%	26

2. CAPITAL GROWTH - Values rounded to nearest \$100,000

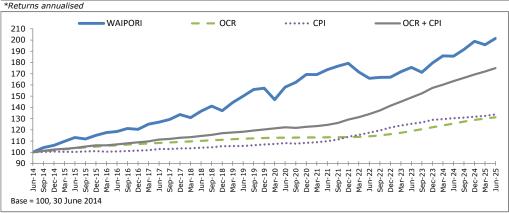
2. CALLIAL GROWIII Values rounded to hearest \$10	.0,000		
	Total Fund Value	Revised	
Objective	30 Jun 2025	Capital Base	Achieved
TOTAL FUND VALUE LESS ACCUMULATED DISTRIBUTION: Subject to the income distribution needs of the Council and the provisions for capital protection, a key objective will be to grow the Fund's capital. Each calendar quarter, the Fund's capital base is to be adjusted by the movement in the CPI as follows: Revised capital base = previous capital base x (1 + quarterly CPI movement)	\$112,000,000	\$109,900,000	✓

Fund value less accrued distribution (\$000) (No dist. in 2025; total dist. since 1999~\$77M, CPI adj. ~\$109M)
The difference between Total Fund Value and Total Summary of Investments (page 2) is other receiveables such as dividends, interest and sales proceeds due but not yet received.



3. TOTAL RETURN (Period June 2014 - June 25)

Objective	Waipori Return*		СРІ*	OCR + CPI	Achieved	Period Years
The Council envisages a minimum return over the medium to long-term, net of all fees and charges attributable to the Fund, equivalent to the weighted average Offical Cash Rate (OCR) plus the movement in the "all groups" Consumer Price Index (CPI).	6.6%	2.5%	2.7%	5.2%	✓	11.00





WAIPORI FUND

Statement of Financial Performance for month ended 30 June 2025

Quarter	Actual YTD			Quarter			Year to Date		Target
30-Jun-24	30-Jun-24		Actual	Target	Variance	Actual	Target	Variance	Full Year
		Income							
339,691	1,345,137	Dividends	299,152	527,510	(228,358)	1,376,214	1,747,074	(370,860)	1,747,074
522,747	1,812,753	Interest	512,822	639,206	(126,384)	2,018,391	2,308,473	(290,082)	2,308,473
(139,372)	(196,310)	Surplus on sale of Equities	189,242	-	189,242	408,396	-	408,396	-
		Unrealised Gains/(Losses)							
(691,118)	1,908,070	Equities	3,231,742	n.a.	n.a.	3,303,922	n.a.	n.a.	n.a.
(288,615)	(506,953)	Exchange Movements	(1,023,948)	n.a.	n.a.	562,065	n.a.	n.a.	n.a.
(979,733)	1,401,117	Revaluation of Equities	2,207,794	451,915	1,755,879	3,865,987	1,807,660	2,058,327	1,807,660
92,779	1,342,089	Revaluation of Bonds	33,030	-	33,030	1,460,702	-	1,460,702	-
149	(1,417)	Revaluation of \$AUD Bank A/C	(625)	-	(625)	1,632	=	1,632	-
(163,739)	5,703,369	Total Income	3,241,415	1,618,631	1,622,784	9,131,322	5,863,207	3,268,115	5,863,207
		less Expenses							
64,196	192,588	Management Fees	49,665	49,666	(1)	198,660	198,665	(5)	198,665
2,993	65,097	Equity Management Advice	20,128	16,898	3,230	80,280	67,591	12,689	67,591
33	152	Bank Fees	33	34	(1)	137	138	(1)	138
67,222	257,837	Total Expenses	69,826	66,598	3,228	279,077	266,394	12,683	266,394
(230,961)	5,445,532	Net Surplus/(Deficit)	3,171,589	1,552,033	1,619,556	8,852,245	5,596,813	3,255,432	5,596,812

WAIPORI FUND

Statement of Movement in Principal of Fund For Period to 30 June 2025

30-Jun-24		30-Jun-25
59,050,000	Principal Opening Additional Capital	59,050,000
59,050,000	Closing Balance	59,050,000
44,667,063 4,227,604	Inflation Adjustment Reserve Opening Balance Transfer from Retained Earnings	48,894,667 2,576,157
48,894,667	Closing Balance	51,470,824
	Retained Earnings	
(6,026,182) 5,445,532 (4,227,604)	Opening Balance Net Surplus/(Deficit) Transfer to Inflation Adjustment Reserve Distribution to Council	(4,808,254) 8,852,245 (2,576,157)
(4,808,254)	Closing Balance	1,467,834
103,136,413	Total Fund at End of the Period	111,988,658

Statement of Financial Position As at 30 June 2025

30-Jun-24		30-Jun-25
	Current Assets	
184,791	Bank Account	63,583
654,923	Debtors/Prepayments	433,466
17,548,980	Short Term Investments	12,600,860
18,388,694	Total Current Assets	13,097,909
	Investments	
53,093,485	Equities	57,935,388
31,717,918	Term Financial Instruments	41,021,931
84,811,403	Total Investments	98,957,319
103,200,097	Total Assets	112,055,228
	less	
	Current Liabilities	
63,684	Accruals	66,570
63,684	Total Current Liabilities	66,570
103,136,413	Total Value of Fund	111,988,658



RESOLUTION TO EXCLUDE THE PUBLIC

That the Audit and Risk Subcommittee:

Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting 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
C1 Confirmation of the Confidential Minutes of Audit and Risk Subcommittee meeting - 16 June 2025 - Public Excluded	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). S7(2)(c)(i) The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.		



S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.		
S7(2)(b)(i) The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret.		
S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.		
S7(2)(b)(ii) The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information		
	640(4)(-)	
S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage,	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists	
	The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. S7(2)(b)(i) The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret. S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. S7(2)(b)(ii) The withholding of the information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. S7(2)(h) The withholding of the information. S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or	The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. 57(2)(b)(i) The withholding of the information is necessary to protect information would disclose a trade secret. 57(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. 57(2)(b)(ii) The withholding of the information where the making available of the information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. 57(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, \$48(1)(a)\$ The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists



C3 DCC Employee Engagement and Wellbeing Survey 2025	S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	
C4 Audit NZ Report on the 9 year plan 2025- 34	S7(2)(b)(ii) The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	
C5 Finance Assurance Report	S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	The information in this report is commercially sensitive
C6 Internal Audit Workplan Update	S7(2)(b)(i) The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret. S7(2)(c)(i) The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	



Such short support sup	e public interest that ch information ould continue to be oplied. (2)(h) e withholding of the ormation is cessary to enable e local authority to rry out, without ejudice or advantage, mmercial activities. (2)(c)(i) e withholding of the ormation is cessary to protect ormation which is oject to an obligation confidence or which y person has been or all be compelled to ovide under the chority of any actment, where the chority of any actment, where the ormation would be ely to prejudice the oply of similar ormation or ormation from the me source and it is in e public interest that ch information ould continue to be oplied. (2)(g)	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	
The info	(2)(g) e withholding of the ormation is cessary to maintain	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure	



	legal professional	of information for	
	privilege.	which good reason for withholding exists	
		under section 7.	
C9 Protected	S7(2)(a)	S48(1)(a)	
Disclosure Register -	The withholding of the	The public conduct of	
August 2025	information is	the part of the meeting	
	necessary to protect the privacy of natural	would be likely to result in the disclosure	
	persons, including that	of information for	
	of a deceased person.	which good reason for	
		withholding exists	
	S7(2)(c)(i) The withholding of the	under section 7.	
	The withholding of the information is		
	necessary to protect		
	information which is		
	subject to an obligation		
	of confidence or which any person has been or		
	could be compelled to		
	provide under the		
	authority of any		
	enactment, where the		
	making available of the information would be		
	likely to prejudice the		
	supply of similar		
	information or		
	information from the same source and it is in		
	the public interest that		
	such information		
	should continue to be		
C10 Investigation	supplied.	C49/1\/a\	
C10 Investigation Register - August 2025	S7(2)(a) The withholding of the	S48(1)(a) The public conduct of	
	information is	the part of the meeting	
	necessary to protect	would be likely to	
	the privacy of natural	result in the disclosure	
	persons, including that of a deceased person.	of information for which good reason for	
	or a acceased person.	withholding exists	
	S7(2)(c)(i)	under section 7.	
	The withholding of the		
	information is		
	necessary to protect information which is		
	subject to an obligation		
	of confidence or which		
	any person has been or		



AUDIT AND RISK SUBCOMMITTEE 1 September 2025

-		
	could be compelled to	
	provide under the	
	authority of any	
	enactment, where the	
	making available of the	
	information would be	
	likely to prejudice the	
	supply of similar	
	information or	
	information from the	
	same source and it is in	
	the public interest that	
	such information	
	should continue to be	
	supplied.	

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.

That Rudie Tomlinson (Director, Audit New Zealand) and Monique Kruger (Manager, Audit New Zealand) be permitted to attend the meeting, after the public has been excluded, because of his knowledge of Items C4. This knowledge, which would been of assistance in relation to the matters discussed, was relevant because they would be reporting on the item under consideration.