

Notice of Meeting:

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

Date: Friday 27 March 2026
Time: 9:45 a.m.
Venue: Council Chamber, Dunedin Public Art Gallery, The Octagon, Dunedin

Sandy Graham
Chief Executive Officer

Audit, Risk and Assurance Committee
PUBLIC AGENDA

MEMBERSHIP

Chairperson	Mr Bruce Robertson	
Deputy Chairperson	Ms Rachael Dean	
Members	Mayor Sophie Barker	Cr John Chambers
	Cr Cherry Lucas	Cr Andrew Simms
	Cr Lee Vandervis	

Senior Officer Carolyn Allan, Chief Financial Officer

Governance Support Officer Jean Cockram

Jean Cockram
Governance Support Officer

Telephone: 03 477 4000
jean.cockram@dcc.govt.nz
www.dunedin.govt.nz

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

ITEM	TABLE OF CONTENTS	PAGE
1	Apologies	4
2	Confirmation of Agenda	4
3	Declaration of Interest	5
4	Confirmation of Minutes	10
4.1	Audit, Risk and Assurance Committee meeting - 4 December 2025	10
PART A REPORTS (Committee has power to decide these matters)		
5	ARAC Workplan Update 2026-27	21
6	General Matters Update Report - March 2026	24
7	Health, Safety and Wellbeing Monthly report for January 2026	30
8	Financial Report - Period ended 31 January 2026	50
9	Waipori Fund - Quarter ending 31 December 2025	79
10	Financial Strategy Compliance	85
	RESOLUTION TO EXCLUDE THE PUBLIC	97

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 independent or elected 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 Committee:

- 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
↓A	Register of Interests - March 2026	6

Audit, Risk and Assurance Committee - Register of Interest - current as at 27 March 2026				
Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Bruce Robertson		To be updated		
Rachael Dean		To be updated		
Mayor Sophie Barker	Shareholder	Ayrmed Limited	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.
	Property Owner	Residential Property Owner - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Beneficiary	Sans Peur Trust (Larnach Castle)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Mentor	Business Mentors NZ	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Vegetable Growers Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Alexander McMillan Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Patron	New Zealand International Science Festival	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Patron	Dunedin Horticultural Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Institute of Directors	No conflict Identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Dunedin Heritage Fund (Council Appointment)	No conflict Identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Grow Dunedin Partnership (Council Appointment)	No conflict Identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Heritage Advisory 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) (Council Appointment)	No conflict Identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Co-Chair	Ōtepoti Dunedin Destination Management Plan Advisory Panel (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.	
Family Member	Family Member employed at Wilkinson Rogers	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.	
Cr John Chambers	Owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Rental Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otakau Golf Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Opera Otago	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Hereweka Harbour Cone Trust (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Member	Okia Reserve Management Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Waikouaiti Coast Community Board (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.
	Partner	Southway Enterprises	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	Dunedin Shanghai Association (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) (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tūhura Otago Museum Trust Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Ōtepoti Dunedin Destination Management Plan Advisory Panel (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	Tertiary Precinct Planning Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Te Poāri a Pukekura (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.
Cr Andrew Simms	Director	Landseer Motor Investments Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Landseer Motor Investments Auckland Limited t/a Andrew Simms - Motor vehicle retail	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Stephen Duff Motors Limited t/a Andrew Simms Dunedin - Motor vehicle retail	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Three Diamond Automotive t/a Ralliart NZ - Race car preparation	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Cambridge Finance Limited - Financial Services	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	The Landseer Group Limited - Investments	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Otago Motorhome Centre Limited - Motor vehicle retail	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Landseer Motor Investments Henderson Limited - Motor vehicle retail	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Landseer Motor Investments Moorhouse Limited - Motor vehicle retail	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Minaret Property Investments Limited - Property Investment	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	The Newfoundland Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Trustee	The Moturata Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Taieri Trails Group	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Taieri Cricket Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Mosgiel AFC	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Commercial Property. Andersons Bay Road, Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Heritage Fund (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Heritage Advisory Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tūhura Otago Museum Trust Board (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.
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 and Lifestyle Farm Property Ownership - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Various publicly Audio and Lighting - Hire, Sales and Service Business	May contract and provide service to DCC	Withdraw from discussion and leave the table. If the meeting is in public excluded leave the room. Seek advice prior to the meeting.
	Member	District Licensing Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Heritage Fund (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.
	Member	St Clair Golf Club	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	Transaction was arms length through an agent with no direct interaction.
	Client	Various local contractors (glazing, carpet, fencing and kitchen upgrades)	No conflict identified	Seeks advice in advance of meeting if actual conflict arises.
	Family member	Family member works for the DCC	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.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	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, RISK AND ASSURANCE COMMITTEE MEETING - 4 DECEMBER 2025

RECOMMENDATIONS

That the Committee:

- a) **Confirms** the public part of the minutes of the Audit, Risk and Assurance Committee meeting held on 04 December 2025 as a correct record.

Attachments

	Title	Page
A↓	Minutes of Audit, Risk and Assurance Committee meeting held on 4 December 2025	11

Audit, Risk and Assurance Committee MINUTES

Minutes of an ordinary meeting of the Audit, Risk and Assurance Committee held in the Council Chamber, Dunedin Public Art Gallery, The Octagon, Dunedin on Thursday 04 December 2025, commencing at 11.30 am

PRESENT

Chairperson	Warren Allen	
Deputy Chairperson	Janet Copeland (via audio visual link)	
Members	Mayor Sophie Barker	Cr John Chambers
	Cr Cherry Lucas	Cr Andrew Simms
	Cr Lee Vandervis	

IN ATTENDANCE

Sandy Graham (Chief Executive), Carolyn Allan (Chief Financial Officer), Hayley Knight (Assurance Manager), Paul Henderson (General Manager Corporate and Regulatory Services), Scott MacLean (General Manager City Services), David Ward (General Manager 3 Waters, Property and Urban Development), Jane Pearce (Health and Safety Manager), Jinty MacTavish (Manager Zero Carbon), Jonathan Rowe (Programme Manager, South Dunedin Future), Tania Cribb (Risk Manager), Councillors Doug Hall, Mandy Mayhem, Benedict Ong and Russell Lund.

Governance Support Officer Wendy Collard

1 APOLOGIES

An apology has been received from Janet Copeland for early departure.

Moved (Warren Allen/Cr Cherry Lucas):

That the Committee:

Accepts the apology from Janet Copeland for early departure.

Motion carried (ARAAC/2025/001)

2 CONFIRMATION OF AGENDA

Moved (Warren Allen/Mayor Sophie Barker):

That the Committee:

Confirms the agenda without addition or alteration

Motion carried (ARAAC/2025/002)

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 (Mr Warren Allen/Cr Cherry Lucas):

That the Committee:

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

Motion carried (ARAAC/2025/003)

PART A REPORTS

4 DELEGATIONS FOR THE AUDIT, RISK AND ASSURANCE COMMITTEE

A report from Civic provided a copy of the Audit, Risk and Assurance Committee's delegations for the Committee's information.

The Chairperson (Warren Allen) provided an overview of roles and responsibilities of an Audit, Risk and Assurance Committee.

Moved (Warren Allen/Cr Cherry Lucas):

That the Committee:

Notes the delegations and overview of the Audit, Risk and Assurance Committee.

Motion carried (ARAAC/2025/004)

5 AUDIT, RISK AND ASSURANCE COMMITTEE WORK PLAN 2025-26

A report from Civic provided a copy of the Audit, Risk and Assurance Committee Work Plan 2025-26 which had been aligned to work programme scheduling and decision making.

The Chief Financial Officer (Carolyn Allan) and the Assurance Manager (Hayley Knight) spoke to the report and responded to questions.

Moved (Warren Allen/Mayor Sophie Barker):

That the Committee:

- a) **Notes** the Audit, Risk and Assurance Committee Work Plan for 2025-26.

Motion carried (ARAAC/2025/005)

6 AUDIT, RISK AND ASSURANCE COMMITTEE UPDATES REPORT - DECEMBER 2025

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

The Chairperson (Warren Allen), the Chief Financial Officer (Carolyn Allan) and the Assurance Manager (Hayley Knight) spoke to the report and responded to questions.

The Chairperson thanked the staff and the external auditors for their conscientious hard work with the preparation of the Annual Report 2024-2025 to meet the 31 October 2025 deadline.

Moved (Warren Allen/Cr Cherry Lucas):

That the Committee:

- a) **Notes** the Audit, Risk and Assurance Committee Updates Report – December 2025

Motion carried (ARAAC/2025/006)

7 HEALTH, SAFETY AND WELLBEING MONTHLY REPORT FOR SEPTEMBER AND OCTOBER 2025

A report from Health and Safety provided the monthly Health, Safety and Wellbeing report for September and October 2025 for the Committee's information.

The Chief Executive (Sandy Graham), the General Manager 3 Waters, Property and Urban Design (David Ward), the General Manager City Services (Scott MacLean) and the Health and Safety Manager (Jane Pearce) spoke to the report and responded to questions.

Moved (Warren Allen/Cr Cherry Lucas):

That the Committee:

- a) **Notes** the monthly Health, Safety and Wellbeing report for September and October 2025.

Motion carried (ARAC/2025/007)

8 WAIPORI FUND - QUARTER ENDING 30 SEPTEMBER 2025

A report from Dunedin City Treasury provided information on the results of the Waipori Fund for the quarter ended 30 September 2025. The report was presented to the Council meeting held on Tuesday, 11 November 2025.

The Treasury Manager (Richard Davey) spoke to the report and responded to questions.

Moved (Warren Allen/Cr Lee Vandervis):

That the Committee:

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

Motion carried (ARAC/2025/008)

9 CLIMATE-RELATED RISK MANAGEMENT

A report from Zero Carbon, Climate and City Growth and Quality and Improvement provided information on the DCC's current climate-related risk management framework, and compared this with evolving best practice. It discusses potential to strengthen the DCC's approach.

The General Manager, City Services (Scott MacLean), the Zero Carbon Manager (Jinty MacTavish), the Programme Manager, South Dunedin Future (Jonathan Rowe) and the Risk Manager (Tania Cribb) spoke to the report and responded to questions.

Moved (Warren Allen/Mayor Sophie Barker):

That the Committee:

- a) **Notes** the climate-related risk management report
- b) **Recommends** staff investigation of ways the DCC could align more strongly with the NZ Climate Standards approach to climate-related risk management

Motion carried (ARAC/2025/009) with Cr Vandervis recording his vote against

10 FINANCIAL REPORT - PERIOD ENDED 30 SEPTEMBER 2025

A report from Finance provided the financial results for the period ended 30 September 2025 and the financial position as at that date. It noted that the report was presented to the Council meeting held on Tuesday, 11 November 2025.

The Chief Financial Officer (Carolyn Allan) spoke to the report and responded to questions.

Moved (Warren Allen/Cr Cherry Lucas):

That the Committee:

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

Motion carried (ARAAC/2025/010)

11 FINANCIAL STRATEGY COMPLIANCE - NOVEMBER 2025

A report from Finance provided provides a summary of rate and debt limits, including group debt limits. It noted that the purpose of the report is to monitor compliance against these limits.

The Chief Financial Officer (Carolyn Allan) spoke to the report and responded to questions.

Moved (Warren Allen/Cr Cherry Lucas):

That the Committee:

- a) **Notes** the Financial Strategy Compliance – November 2025.

Motion carried (ARAAC/2025/011)

12 ELECTED MEMBER GIFTS AND HOSPITALITY - GUIDANCE

A report from Finance provided an overview of the management of gifts and hospitality offered to elected members for the Committee's information.

The Chief Financial Officer (Carolyn Allan) and the Assurance Manager (Hayley Knight) spoke to the report and responded to questions.

Moved (Warren Allen/Cr Lee Vandervis):

That the Committee:

- a) **Notes** the Elected Member Gifts and Hospitality – Guidance report.

Motion carried (ARAAC/2025/012)

RESOLUTION TO EXCLUDE THE PUBLIC

Moved (Warren Allen/Cr Cherry Lucas):

That the Committee:

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 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.	
C2 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.	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.	
C3 Report to the Council on the Audit of Dunedin City Council for year end 30 June 2025	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.	
C4 Finance Operational Assurance Report	S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of	The information in this report is commercially sensitive.

	disadvantage, commercial activities.	information for which good reason for withholding exists under section 7.	
C5 Finance Operational Assurance Report to be deleted	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 Risk Deep Dive: Fraud and Corruption	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.	
C7 DCC External Audit Actions Update - November 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 any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from 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.	

C8 Internal Audit
Workplan Update

same source and it is in the public interest that such information should continue to be supplied.

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.

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.

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.

C9 Improvement
Opportunities -
Actions Update

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

<p>C10 Protected Disclosure Register - November 2025</p>	<p>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.</p> <p>S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p>	<p>for withholding exists under section 7.</p> <p>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.</p>
<p>C11 Investigation Register - November 2025</p>	<p>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.</p> <p>S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>S7(2)(c)(i) The withholding of the information is necessary</p>	<p>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.</p>

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.

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 (ARAAC/2025/013)

The meeting adjourned at 1.21 pm and reconvened in non-public at 1.30 pm.
The meeting concluded at 3.02 pm.

.....
CHAIRPERSON

PART A REPORTS

ARAC WORKPLAN UPDATE 2026-27

Department: Civic

EXECUTIVE SUMMARY

- 1 This report provides a copy of the Audit, Risk and Assurance Committee (ARAC) Workplan 2026-27 which has been aligned to work programme scheduling and decision making.
- 2 Please note that the items without ticks shown have not been scheduled for action. Please also note that an action register will be included in future agendas.
- 3 As this is an administrative report only, the Summary of Consideration is not required.

RECOMMENDATIONS

That the Committee:

- a) **Notes** the Audit, Risk and Assurance Committee Workplan for 2026-27.

Signatories

Author:	Jean Cockram - Governance Support Officer
Authoriser:	Carolyn Allan - Chief Financial Officer

Attachments

	Title	Page
↓A	Audit, Risk and Assurance Committee Work Plan March 2026	22

Audit, Risk and Assurance Committee WorkPlan - 2026/2027							
March 2026							
	Responsible	March	June	September	December	March	Frequency
PUBLIC REPORTS							
Terms of Reference/Delegations	Governance						Once per trienium
2026/2027 Workplan Report	Governance	✓	✓	✓	✓	✓	Quarterly
General Matters Update Report	Assurance	✓	✓	✓	✓	✓	Quarterly
Health, Safety and Wellbeing Reporting	H&S	✓	✓	✓	✓	✓	Quarterly
Financial Strategy Compliance	Finance	✓		✓		✓	As required
Climate Related Risk Management	Sustainability			✓		✓	6 monthly
Financial Report	Finance	✓	✓	✓	✓	✓	Quarterly
Waipori Fund - Quarterly Results	Finance	✓	✓	✓	✓	✓	Quarterly
POLICY REVIEWS/UPDATES							
Asset Management Policy <i>November 2020</i>	Infrastructure				✓		
Asset Disposal and Write-Off Policy <i>June 2021</i>	Finance		✓				
ICT Acceptable Use Policy <i>September 2023</i>	BIS			✓			
Leave Management Policy <i>July 2025</i>	People and Capability			✓			
Information Management Policy <i>New Policy</i>	BIS		✓				
Staff Code of Conduct (Employee Values and Practices)	People and Capability		✓				
Health, Safety and Wellbeing Policy <i>November 2025</i>	H&S		✓				
Protected Disclosure "Whistle-Blower" Policy <i>February 2026</i>	Finance		✓				
Risk Management Policy <i>September 2026</i>	Risk			✓			
Treasury Risk Management Policy <i>December 2026</i>	Treasury			✓			
Staff Conflict of Interest Policy <i>May 2027</i>	Corporate and Quality						
Legal Compliance Policy <i>May 2027</i>	Legal						
Internal Audit Policy <i>July 2027</i>	Assurance						
Child Protection Policy <i>July 2027</i>	People and Capability						
Koha Policy <i>September 2027</i>	Māori Partnerships						
Fraud Bribery & Corruption Prevention Policy <i>November 2027</i>	Assurance						

Audit, Risk and Assurance Committee WorkPlan - 2026/2027							
March 2026							
	Responsible	March	June	September	December	March	Frequency
Gifts and Hospitality Policy <i>November 2027</i>	Corporate and Quality						
Procurement and Contracts Management Policy <i>June 2028</i>	Procurement and Contracts						
Purchase Card Policy <i>August 2028</i>	Finance						
Sensitive Expenditure Policy <i>August 2028</i>	Finance						
NON-PUBLIC REPORTING							
Management Reporting - Audit New Zealand	Finance				✓		Annually
Audit Arrangements	Finance	✓					Annually
Treasury Risk Management Compliance	Treasury	✓	✓	✓	✓	✓	Quarterly
DCHL Audit and Risk Activity Update	DCHL	✓	✓	✓	✓	✓	Quarterly
Internal Audit: Workplan Update	Assurance	✓	✓	✓	✓		Quarterly
Internal Audit: Recommendations and Actions Update	Assurance	✓		✓		✓	6 monthly
External Audit Actions Update	Assurance		✓		✓		6 monthly
Financial Management Risk Assurance	Finance	✓	✓	✓	✓	✓	Quarterly
Integrity Risk Assurance	Assurance	✓	✓	✓	✓	✓	Quarterly
Corporate Risk Register / Risk Management Update	Risk	✓		✓		✓	6 monthly
Legal Matters Update (Major Litigation)	Legal	✓		✓		✓	6 monthly
Legal Compliance Survey - Actions Progress	Assurance	✓		✓		✓	6 monthly
Protected Disclosure Register	Finance	✓	✓	✓	✓	✓	Quarterly
Investigation Register	Finance	✓	✓	✓	✓	✓	Quarterly
RISK OVERVIEW (DEEP DIVE)							
Deep Dive Work Programme	Risk		✓			✓	Annually
Fraud and Corruption	Risk						Completed Dec 25

- c) The timeline for the development of the Annual Report is incrementally brought forward each year, in consultation with Dunedin City Holdings Limited and Audit NZ. This will ensure that the 2027/28 Annual Report can be adopted ahead of the next local government elections.
- 18 Council is on track for 3 Waters assets to be valued as at 31 March 2026. A competitive tender process for the valuation work has been completed, and a new supplier has been approved.
- 19 Staff met with Audit New Zealand in mid-March to discuss an audit plan for the 2025/26 Annual Report. In line with recommended improvements above, the adoption of the Annual Report is proposed to be moved a week earlier than in 2025, and adopted at an additional Council meeting on 23 October 2026.

Policy Updates

- 20 The following policies are undergoing review:
- a) Asset Management Policy
 - b) Asset Disposal and Write-Off Policy
 - c) ICT Acceptable Use Policy
 - d) Information Management Policy
 - e) Health, Safety and Wellbeing Policy
 - f) Staff Code of Conduct
 - g) Protected Disclosures (Whistleblower) Policy.
- 21 After the review process, updated copies of DCC policies will be provided to ARAC for approval.

Waters Services Delivery Plan (Local Water Done Well)

- 22 The Water Services Delivery Plan - Implementation Plan has been developed and approved; this includes the actions that are required to meet the new regulations within set timeframes.
- 23 A project control group has been established and includes two members from ELT (Chief Financial Officer and General Manager 3 Waters, Property and Urban Development), the Project Control Group will be responsible for ensuring the programme of work is on track. The largest impacts from this work will be on the 3 Waters and Finance teams. The group is currently establishing workstreams and responsible officers.
- 24 The first report to the Department of Internal Affairs on implementation plan progress is due at the end of April 2026 and will cover the period from January to March 2026.
- 25 The Commerce Commission finalised the requirements for Water Services - Information Disclosures on 24th February 2026. This informs entities on what they need to report on, starting from the 2026/27 financial year. The Finance and 3 Waters teams are in the process of

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This report provides an update on various audit, risk and assurance related matters.

Fit with strategic framework

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

This report provides an update on the progress made by Council to deliver upon the activities identified by the Audit, Risk and Assurance Committee, which is a regulatory function and considered good quality and 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 /Infrastructure Strategy

There are no implications

Financial considerations

No financial implications have been identified

Significance

This report is rated low under the Council’s Significance and Engagement Policy

Engagement – external

No external engagement has been undertaken

Engagement - internal

Activities noted herein include cross Council engagement and collaboration

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

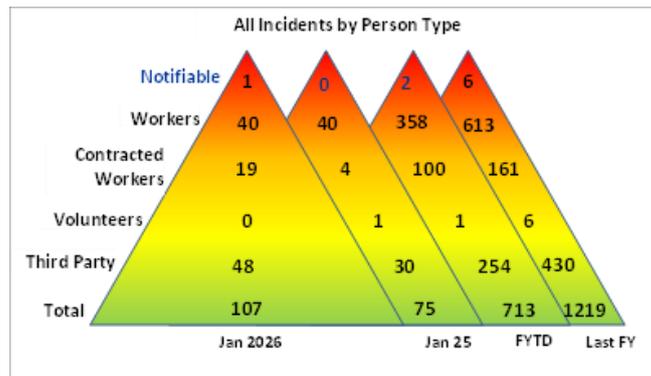
Health, Safety and Wellbeing Reporting for 1 January to 31 January 2026 and FYTD (1 July 2025 – 30 June 2026)

ORGANISATION OVERVIEW

1. Total Events Recorded FYTD: 713

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	January 2026	FYTD
Incident	58	396
Injury	33	176
Injury – Lost time Work	0	5
Near Miss / Hazard	15	134
Notifiable Events	1	2



Note: The notifiable events are included in the person type

2. Critical Risks

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

The table below details the number of events (worker or contractor) and audits carried out by critical risk for January 2026.

Critical Risk	Notes	Critical Risk Symbol	No. of Events		No. of Audits
			Work	Contractor	
Confined Space (CR01)					
Working at Height (CR02)					

Critical Risk	Notes	Critical Risk Symbol	No. of Events		No. of Audits
			Work	Contractor	
Hot Work (CR03)					
Excavation and/or Trenching Work (CR04)					2
Working on/near Roads (CR05)					3
Hazardous Substances (CR06)			1		4
Hazardous Energy Sources (CR07)			1	1	4
Aggression or Violence (CR08)	Review completed Dec' 2025		2	1	
Impairment (CR09)	Under review				
Lone/Remote Working (CR10)	Review completed August 2025				

* Some audits look at more than one critical risk

3. High Risk Contracts

Events, inspections and audits for January 2026 for contracts with critical risks and *where there is active site work*.

Contract	No. of Events	Inspections	Audits	Positive Observation	Comments
Property					
Civic Centre Upgrade			1		
Moana Pool Redevelopment			1		
Town Hall Restoration (5066)					
Fitzroy St – 4 Housing units			1		
Station Overbridge Toilets					
Toitū Emergency Lighting Repl (11873)					
Parks & Recreation					
Playground Renewals					
Refurbish BG Café					
Security Services (10351)	2				
Transport					
Maintenance Contract (8515)	3		4		
Streetlights (7794)					
Signals (7886)					
Bridge structure (11781)					
Retaining walls (11796)					

Key:  = Lead Indicator
 = Lag Indicator

Contract	No. of Events	Inspections	Audits	Positive Observation	Comments
3 Waters					
Infra Rnwl and Upgrades with McConnell Dowell (9490)	2		4		
Maint and Minor Cap Works (9221)					
Provide grounds maint (9411)					
Critical Pipeline CCA (11541)					
Maint Contract for WS, WW and Stormwater (3651)					
Civil Pipeline Rnwl – Downer (9459)			2		
Electrical maint serv (9813)					
Civil Pipeline Rnwl - FH (9228)					
Water Pump Rnwl (11014)			1		
WW Pump Renewals (10541)			1		

4. Improvements

Notifiable Event #16371 – Pool cleaning equipment electric shock

A staff member at St Clair Pool received an electric shock while attempting to unplug an extension cord connected to an underwater pool vacuum. The power had not been isolated at the main switch, leaving the equipment live. The wet pool environment increased both the likelihood and severity of the shock, and the investigation identified inadequate sealing around electrical connections as a contributing factor. This was identified as a notifiable event and was reported to WorkSafe.

Key Findings:

- Failure to isolate power before disconnecting equipment
- Increased risk due to wet conditions
- Lack of protective sealing around electrical plug/socket connections

Corrective Actions Taken

- Refresher training delivered to staff emphasising:
 - isolating power at the main switch before unplugging any equipment
 - correct safe shutdown procedures
- Protective shrouds fitted to the plug/socket connection on the vacuum equipment to prevent water ingress
- Implementation of protective shrouds expanded to all pools and all relevant equipment
- Reinforcement of medical best practice: staff reminded to seek medical assessment (including ECG) after any serious electric shock due to potential delayed cardiac effects

WorkSafe has now closed the investigation.

Mosgiel WWTP- Unsafe Pathways to Clarifiers

A recent safety walk at the plant identified a key risk to staff accessing the clarifiers via muddy grassed areas, creating a significant slip and fall hazard. Additional risks were linked to uncontrolled access to the site and potential exposure to machinery or plant that had not been formally isolated.

Corrective Actions Taken

- Hardstand surface installed around the clarifiers to provide safe, stable, and slip-resistant access
- Two lockable gates installed at site entry points to control access
- Permit to Work requirement introduced for entry beyond the gates

Key:  = Lead Indicator
 = Lag Indicator

- Formal lockout/isolation procedures implemented before access is granted to ensure machinery and plant are safely isolated

These actions strengthen site safety controls, reduce slip hazards, and improve management of isolation and access risks.

3 Waters - Very Early Smoke Detection Apparatus (VESDA) project

VESDA systems provide very early smoke detection by continuously sampling air and identifying minute smoke particles, enabling early intervention and reducing fire risk to critical electrical infrastructure. As part of an electrical review in 2024, the VESDA project outlined some improvements which are nearing completion:

- A clear response and escalation process has been established for system activations
- An electrician will access the affected switchboard and conduct thermal imaging to identify potential faults, abnormal heat signatures, or fire risks.
- A review of this process has been completed by the Electrical Supervisor, ensuring alignment with best-practice fire safety and critical risk management.

Thanks are extended to team for their proactive approach and commitment to maintaining safe and reliable systems.

Key:  = Lead Indicator
 = Lag Indicator

Page 4 of 19

5. Events of Note for January 2026

	Incident Type	Team	Description	Actual Risk	Potential Risk	Related to Critical/ Common Risk	Underlying Cause	Corrective Action	Status
	Incident (#16277)	Transport	Driver hit switch for tail gate by accident spilling gravel	H10	H12	Working on/near roads	Equipment/ Design	Pre-inspection and induction to be completed before use.	Completed
	Near Miss / Hazard (#16349)	3 Waters	Site needs more than a generic TMP Plan for inspections	L4	H12	Mobile Plant (vehicles)	Equipment/ Design	1. Create a TMP for site 2. Install pressure transducers monitoring via scada reducing risk and frequency of accessing site.	Underway
	Incident (#16266)	3 Waters	Super chlorinated water leaking into sump, causing warning alarm	M6	H12	Hazardous Substances	Environment/ Use	Detection system and sump worked as intended, no action required.	Completed
	Incident (#16248)	3 Waters	Dropped floor plate into influent water leaving a hole	L3	H15		Equipment / Design	Action Engineering to install safety grates	Completed
	Incident (#16375)	3 Waters	Intruder gained access to Tahuna causing damage	L3	H12	Third Party Behaviours		1. Close up old gate to improve security 2. Put security screens over windows and re-fit damaged security screen 3. Repair broken window 4. Sign to be made for MCC room to ensure door remains closed and locked.	Underway
	Injury (#16371) Notifiable	Aquatic Services	Electric shock from extension cord for pool vacuum	M6	H12	Hazardous Energy Sources		1. ERP to be updated with potential electrocution procedure 2. New extension cord and shroud to be delivered to St Clair 3. Vacuum SOP to be reviewed and updated.	Underway
	Near Miss / Hazard (#16295)	Parks	Homeless person waving a steel pole aggressively	L4	H12	Third Party Behaviours	External / Abusive behaviour	Contractor to put a procedure in place for their team working in Oval	Completed
	Near Miss / Hazard (#16296)	Parks	Mower slipped in area, where weed eater usually used	L3	H12	Mobile Plant	People / Training Application	Concern raised at the joint DCC/Delta meeting.	Completed
	Incident (#16283)	Fleet	Fire doors on loading dock slammed shut again	M8	H12		Environment / Facilities	Installed a maglock with stronger magnet	Underway

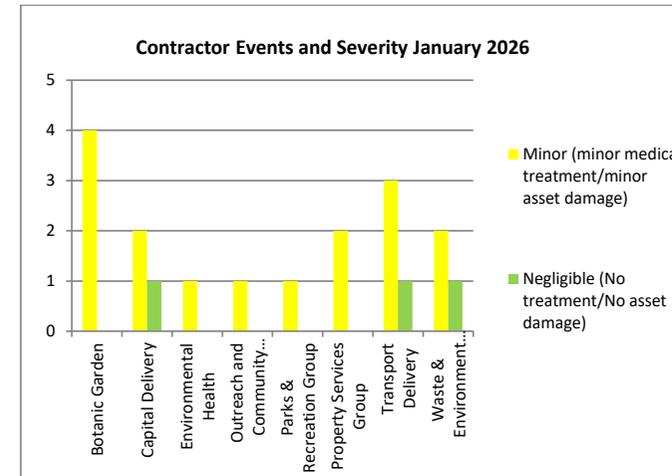
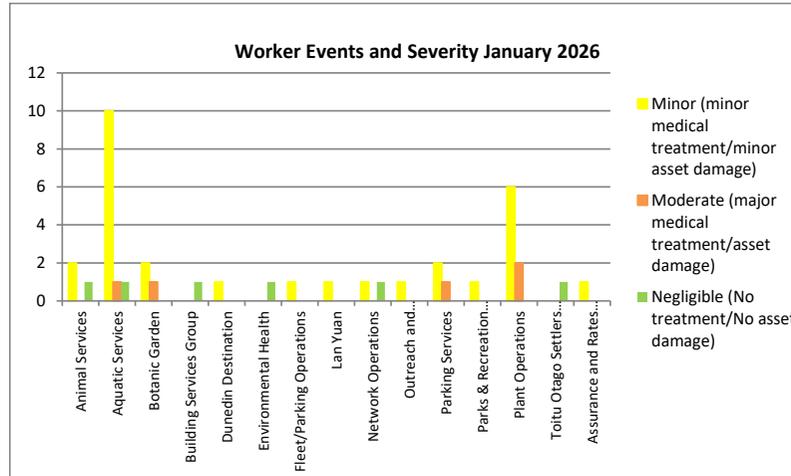
Key:  = Lead Indicator
 = Lag Indicator

	Incident Type	Team	Description	Actual Risk	Potential Risk	Related to Critical/ Common Risk	Underlying Cause	Corrective Action	Status
	Incident (#16342)	Parking Services	Threatening and abusive behaviour to parking officer	M6	H12	Third Party Behaviours	External / Abusive behaviour	Incident reported to Police	Underway
	Incident (#16292)	Enviro Health	Off duty noise control officer assaulted by campus watch worker	M9	H12	Third Party Behaviours	External / Abusive behaviour	Reported to the Police and the University.	Completed

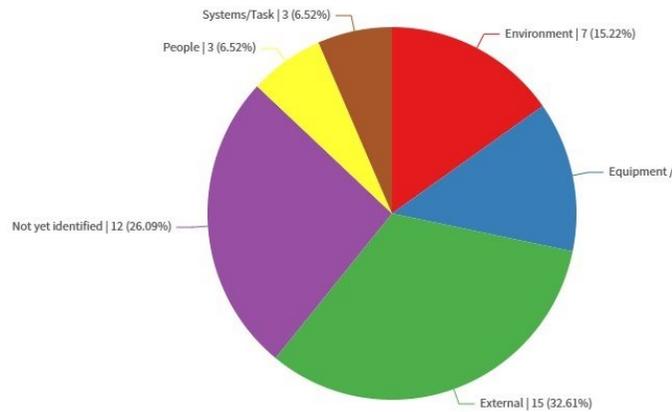
Worker Lost Time Injury
 Worker Events
 Third Party Events
 Contractor Events
 Volunteer Events

*** 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.*

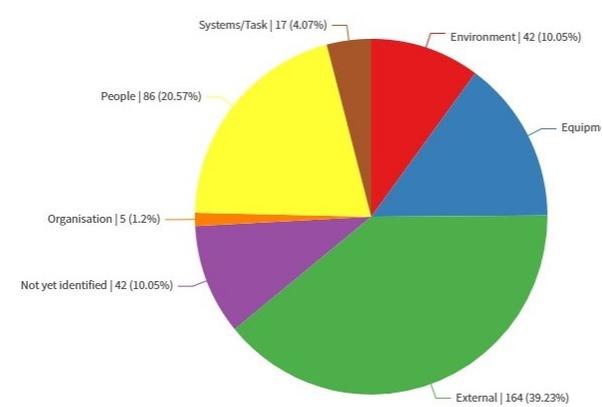
Key:  = Lead Indicator
 = Lag Indicator



Worker Event Causation January

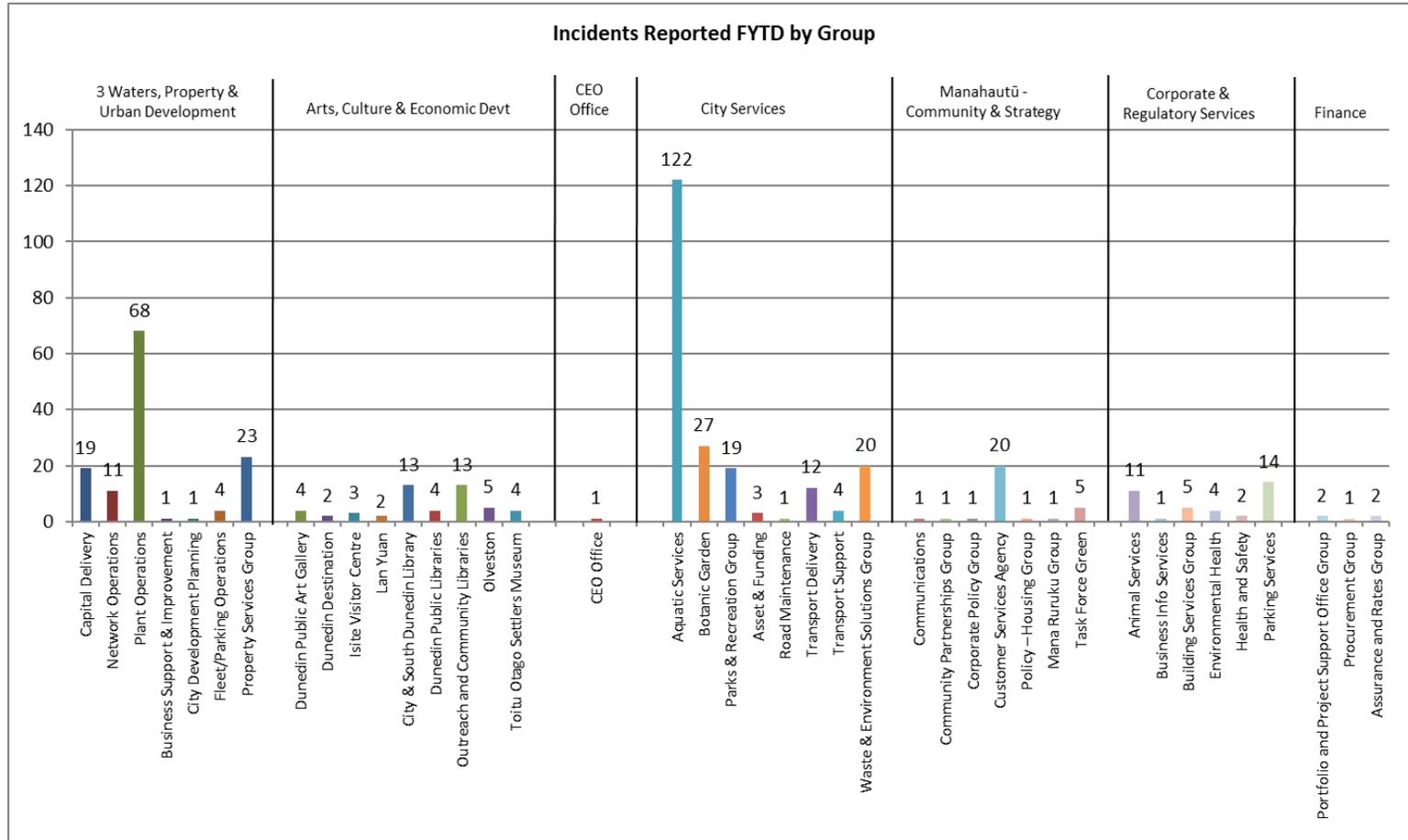


Worker Event Causation FYTD



Key: = Lead Indicator
 = Lag Indicator

6. Total events recorded for employees and contractors YTD: 458 



Key:  = Lead Indicator
 = Lag Indicator

7. Overdue work event investigations for employees and contractors 

Department	Event ID	Potential Risk	Critical Risk	Event Date	Status	Investigation due date	Days' overdue	Description
Botanic Gardens	16207		Aggression/Violence	14/12/2025	Underway	31/12/2025	40	Member of public confrontational to aviary staff
	16267			6/1/2026	Not started	14/1/2026	26	Member of public slipped on loose gravel
Fleet Services	15908	M6	Mobile Plant Vehicles	29/9/2024	Underway	15/10/2025	109	Rusted floor pan in van, failed WOF
PPSO	16264			24/12/2025	Not started	14/1/2026	26	Concerns raised re parking near tunnel trail
3 Waters	15821	M9		9/9/2025	Underway	18/9/2025	136	Vegetation obscuring carpark exit
	16143		Biological Hazard	31/10/2025	Not started	5/12/2025	66	Gasket blew, soaked with recycled sewage
	16144			5/11/2025	Not started	5/12/2025	34	Hacksaw slipped, cut wrist
	16210			3/12/2025	Not started	29/12/2025	42	Not able to isolate/drain medium and high pressure manifolds independently
	16213			11/12/2025	Not started	22/12/2025	49	Seal broken and internal components remove for backflow restrictor
	16218			16/12/2025	Not started	30/12/2025	41	Mower damaged multiple drip lines

Key:  = 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
4	9	13

9. Ongoing event outcomes for employees and contractors 

Aquatic Services:

Failing air system in bulkhead (#15897 – 29/9/2025):

When the bulkhead is not balanced it is likely to cause injury to staff when moving it.

- Corrective works to repair leaks in bulkhead to be carried out. **February 2026**

Library:

Teenagers causing disruption and threatening people (#16088 – 11/11/2025)

Consideration to move the teenage space into a more visible space within the complex. **July 2026**

Property:

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

Property engaged a H&S expert who has helped develop and implement improvements, final actions are:

- Create SOPs for the tasks (under review). **March 2026**
- Identify training/competencies required. **April 2026**

3 Waters:

Steel Door Failed (#15981 – 20/10/2025): Notifiable

WorkSafe notified and they have responded that they are happy with proposed outcomes. New smaller replacement doors to be installed late January/early February 2026. **March 2026**

Gas Flare Height Safety Issue (#15917 – 3/10/25)

When the flare fails staff need to manually ignite by climbing an unsecure ladder, options for improvements are being assessed – **March 2026**.

No certified anchor points on the four clarifiers, falls from height (#15695 – 6/8/2025):

A risk assessment identified that there was a possibility a worker could fall into the clarifiers they could get impaled by the booms as they spin. Temporary controls are in place to manage entry requirements but not reducing the risks to workers. Design concepts for working platforms around the clarifiers, prioritising safety in design, are currently under development by the Operations Technical Support Team. **June 2026**

Failing Drains Cause High Hydrogen sulphide (#15589 – 4/7/2025):

Drains have been cleaned and the pipe has been capped (isolated). The contractor has been scheduled to undertake the replacement/repair of damaged pipework in **February 2026**.

Key:  = Lead Indicator
 = Lag Indicator

Page 10 of 19

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

The hazard review confirmed maintenance needs for the platforms, with several actions already completed. Some risks remain but given the high cost and limited access to the area, these will be managed by installing clear signage at all entry points. **September 2025.**

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

The replacement of the existing Hiab and truck unit due to identified safety concerns was put out for tender. The Network Team undertook a detailed risk assessment and task analysis to clearly define operational requirements. Procurement is now nearing completion, with the preferred vehicle and hiab unit selected. There is a three month wait for delivery of the replacement truck and hiab unit. **April 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. **March 2026.**

HEALTH AND SAFETY COLLABORATIVE PROJECTS 

11. Lock Out Tag Out Procedure (LOTO)

The LOTO procedure is currently being developed with the support HSE Global. Several workshops have been held with staff to discuss and agree on the most effective approach to managing LOTO processes on site. These sessions have supported staff engagement and will assist in building understanding and capability ahead of the procedure going live. In addition, HSE have been working closely with the Southern WTP on the development of LOTO isolation mapping a best practice approach.

12. Leadership Observations 

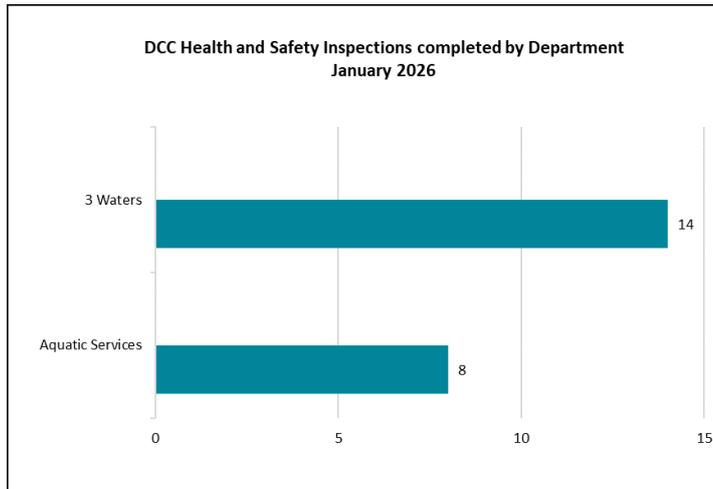
Date	Position	Comment
23/1/2026	GM Corporate & Regulatory	Observation of new LPR system and H&S implications. Noted the monthly vehicle check and daily visual check. LPR system is demountable. Looking at radios for better communication and emergency notification. Clear safety benefits, more efficient.

13. Positive Observations 

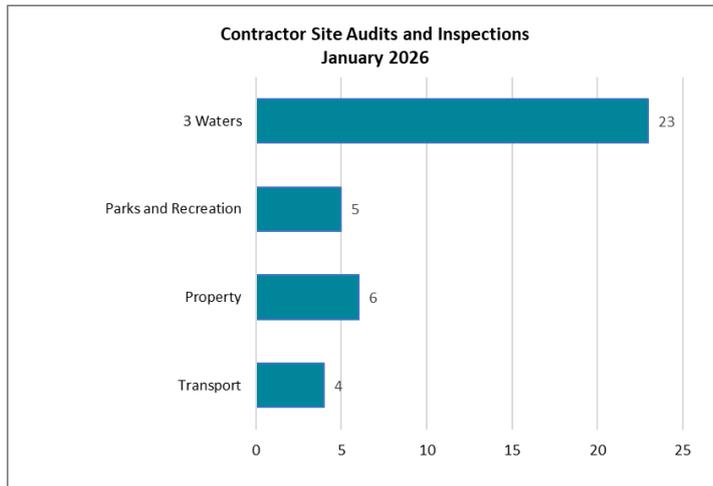
There were no positive observations during January 2026.

Key:  = Lead Indicator
 = Lag Indicator

14. **DCC Health & Safety Inspections completed for January 2026** 



15. **Contractor Site Audits Completed for January 2026** 

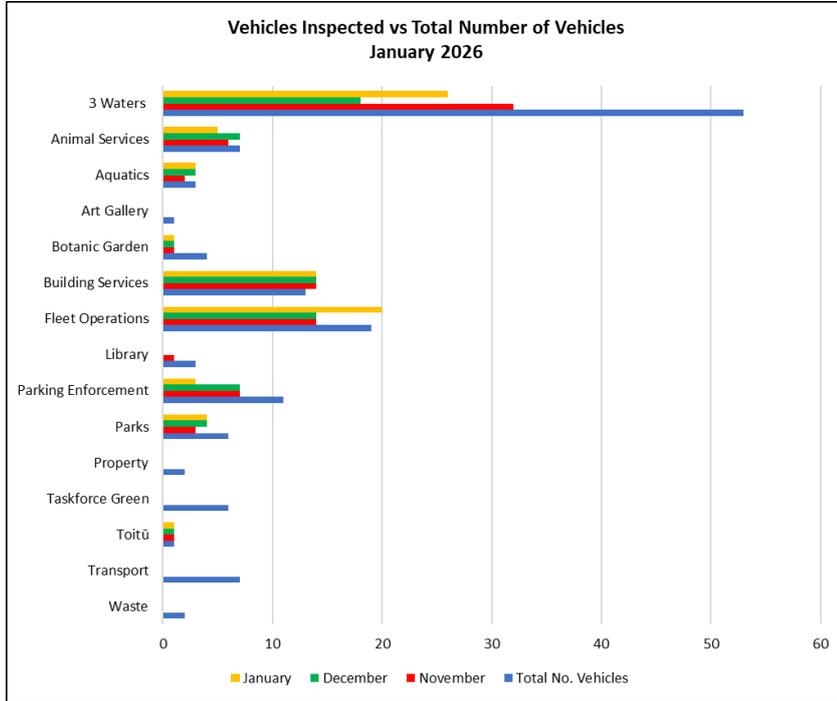


Compliance ID (Metric)	Dept	Date	Contractor	Potential Risk	Activity	Findings	Status
10106	3 Waters	30/1/26	McConnell Dowell	H12	Chapman Stage 3	Overhead close approach permit from Aurora was not sighted during audit.	Completed

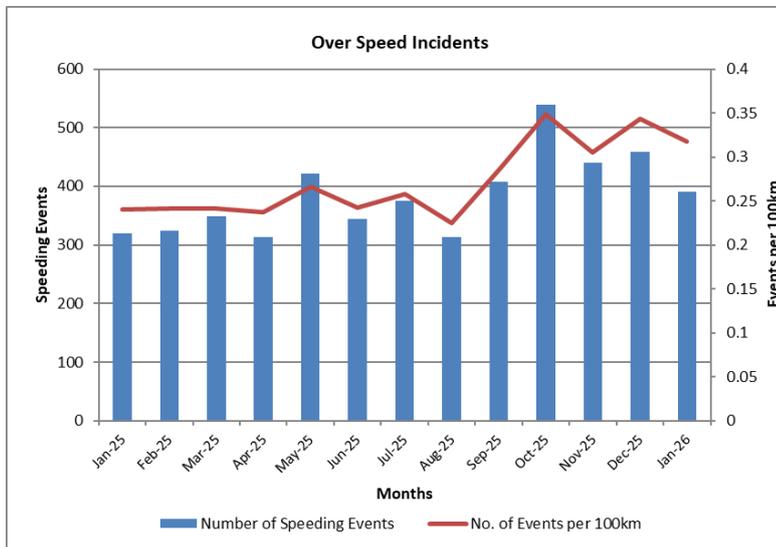
Key:  = Lead Indicator
 = Lag Indicator

TRENDS AND OBSERVATIONS

16. Vehicles Inspected in January 2026 



17. Over Speed Incidents 

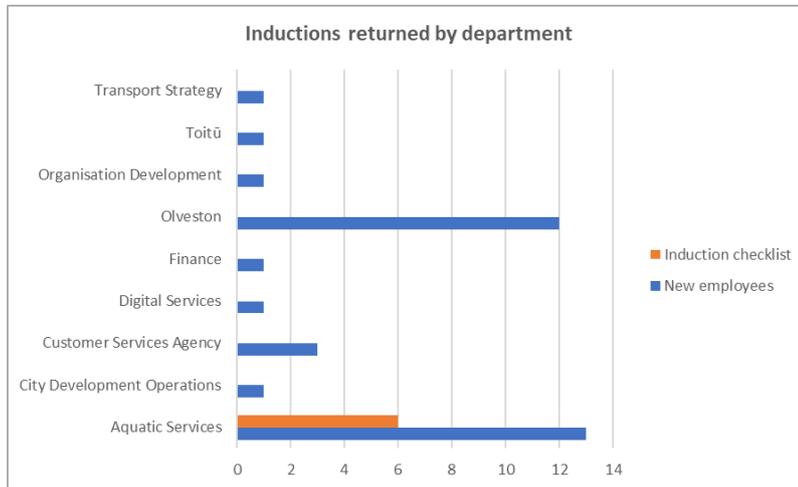


For the month of January 2026, there was an **increase of 23%** when compared to January 2025 and a decrease of **14.63%** compared to December 2025.

Key:  = Lead Indicator
 = Lag Indicator

EMPLOYEE INFORMATION AND PROCESSES

18.	New Employee Inductions - January	Workstation Assessments FYTD
	34 new starts 6 inductions received	34



19. Training Courses completed FYTD 

Course Name	# of workers
Accident Investigation and Prevention	1
Driver Training	38
Aquatics AED & Oxygen Training	200
Confined Space & Gas Detection	10
Damstra Safety Vault Internal training	15
De-escalation Training	8
ELT – New Staff Induction	27
Fire & Emergency Warden Training	13
First Aid Training	183
First Responder	1
Forklift Operator	5
Hazard and Risk Management	7
Hazard and Risk Management Introduction – in-house	4
Hazardous Substances	2
Health & Safety Rep	9
Height Safety	28
Leadership Capability Workshop	168
Lifeguard Oxygen & Defib training	1
Mental Health First Aid Course	1
Mobile Elevated Work Platform	7
Permit Receiver/Issuer	11
Pool Lifeguard Training	61

Key:  = Lead Indicator
 = Lag Indicator

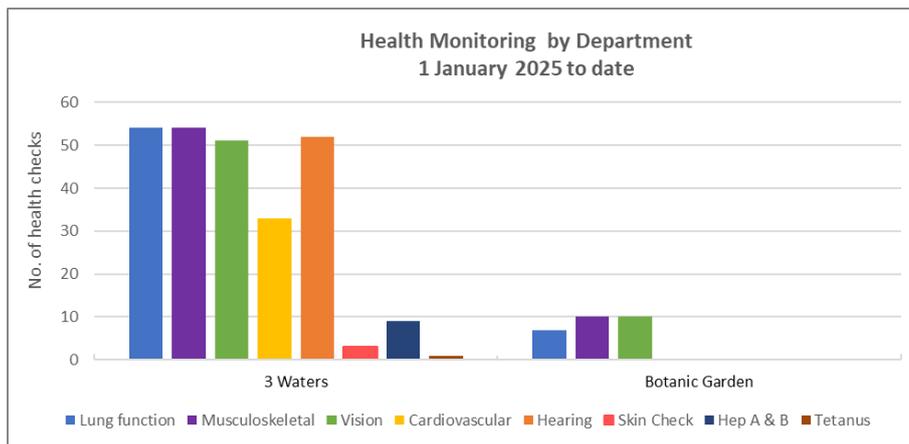
Course Name	# of workers
Pre-Hospital Emergency Care	10
Risk Workshop	10
Safeguarding Children	77
Site Traffic Management	1

20. **Health Monitoring (NEW)** 

We have been working with 3 Waters to collect historical health monitoring records to be uploaded into Vault. Information relating to Hep A & B immunity has been difficult to obtain, but it remains essential that we hold this data to ensure risks are effectively managed for staff working in this high-risk area.

Of 50 staff within the 3 Waters area the following information is held.

Immunisation type	# of workers
Hepatitis A	6
Hepatitis B	12
Combined Hepatitis A and B	10
Tetanus	1



21. **Wellbeing** 

The Lighthouse financial webinar on Insuring yourself, your family and your income was held on February 18th and 53 staff watched the webinar.

Upcoming webinars are:

- Women's health webinars, 11 March on Menopause, followed by 31 March for HRT plus supplement use.

22. **Health and Safety Framework and Reviews** 

Trespass Process:

The Trespass Procedures and Guidelines are now live in the HSW Toolbox. Training for staff authorised to issue trespass notices is scheduled for 17, 19 and 23 February. These sessions will be run by the Legal team with support from the H&S team.

Key:  = Lead Indicator
 = Lag Indicator

The trespass records and register are held in Damstra Vault, automated reminders will be sent to the trespass owners as the records are due to expire. A register is reviewed and overseen by the HSW team, currently there are 37 trespass records held on the register.

Fit For Work Policy/Safety Sensitive Positions:

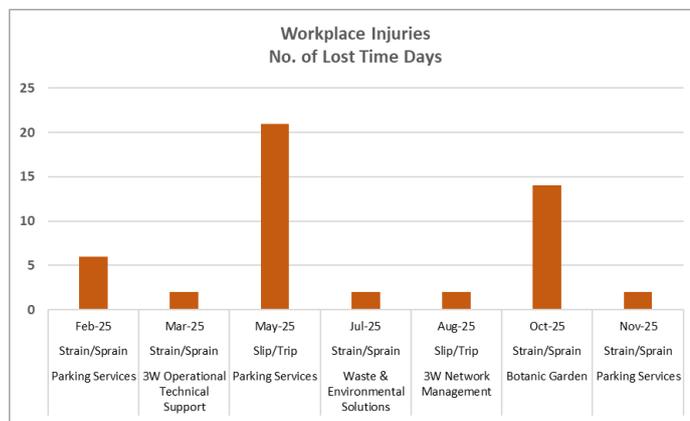
Safety Sensitive Positions: Workshops with several departments have been completed with great feedback and agreement on the matrix for identifying safety sensitive roles. A session with 3 Waters H&S Strategic leaders is scheduled for **24 February 2026**.

Alcohol and Other Drugs Policy: We have developed a comprehensive Draft Alcohol and Other Drug Policy and are now seeking expert guidance to review its content and implementation processes. **March 2026**

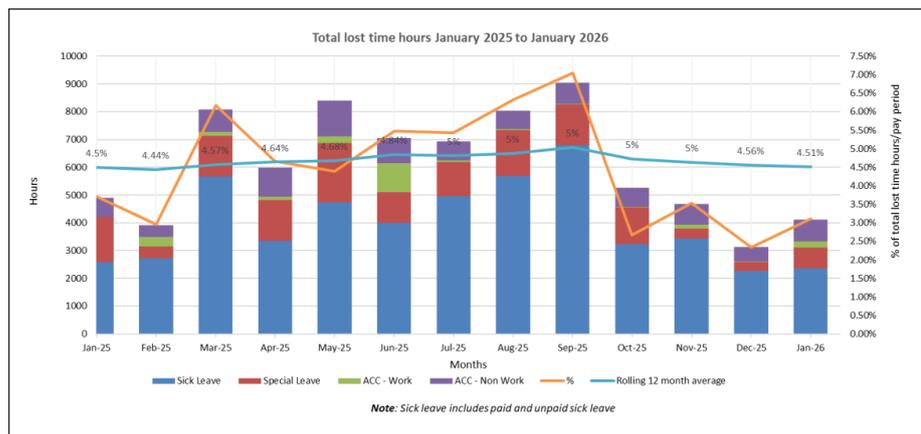
23. Annual Department Health and Safety Improvement Plans 

All departments apart from Finance have created their 2025/26 Improvement Plan. Finance has started to develop their plan.

24. Lost Time Workplace Injuries 

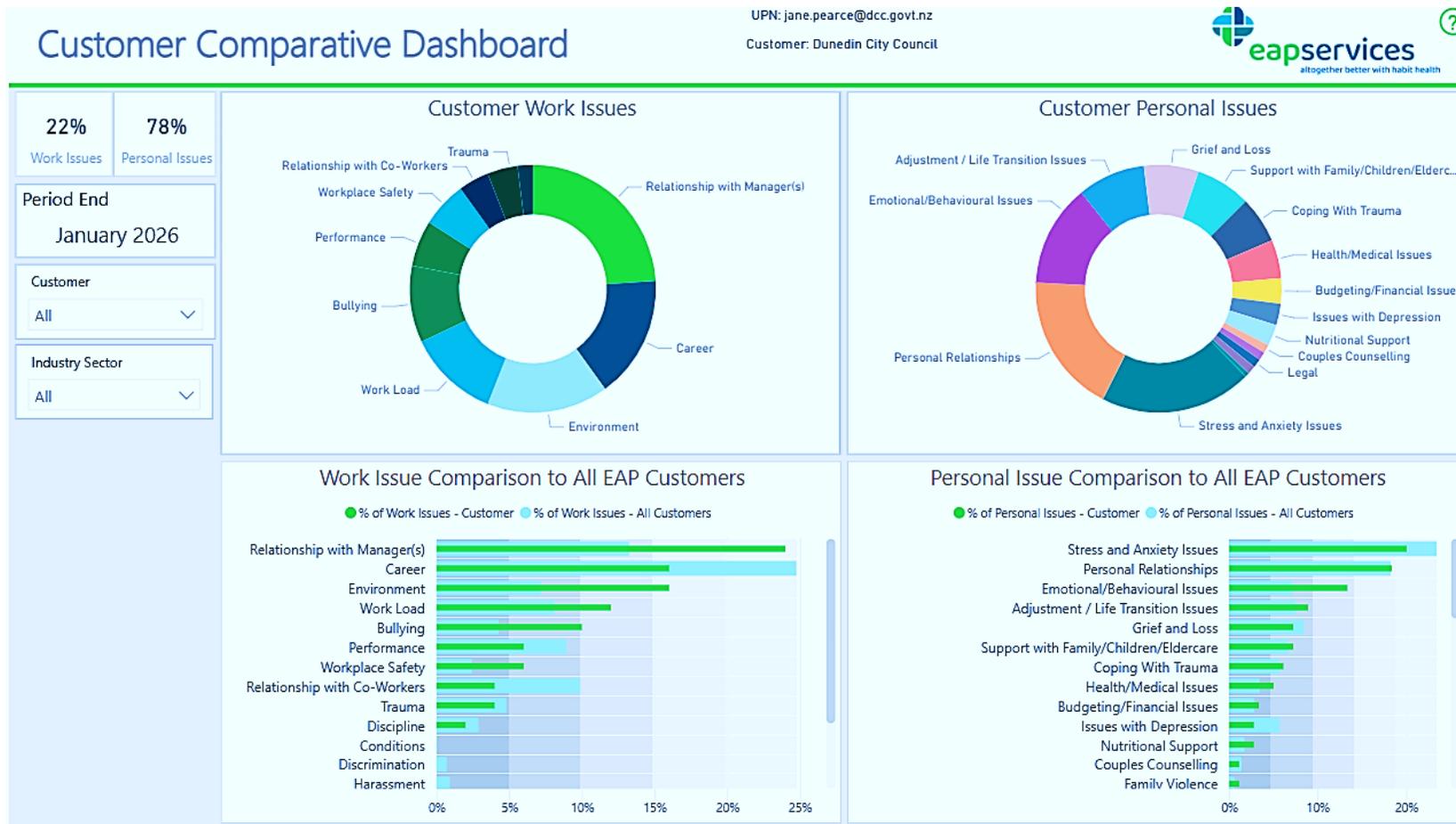


25. Lost Time January 2025 to January 2026 

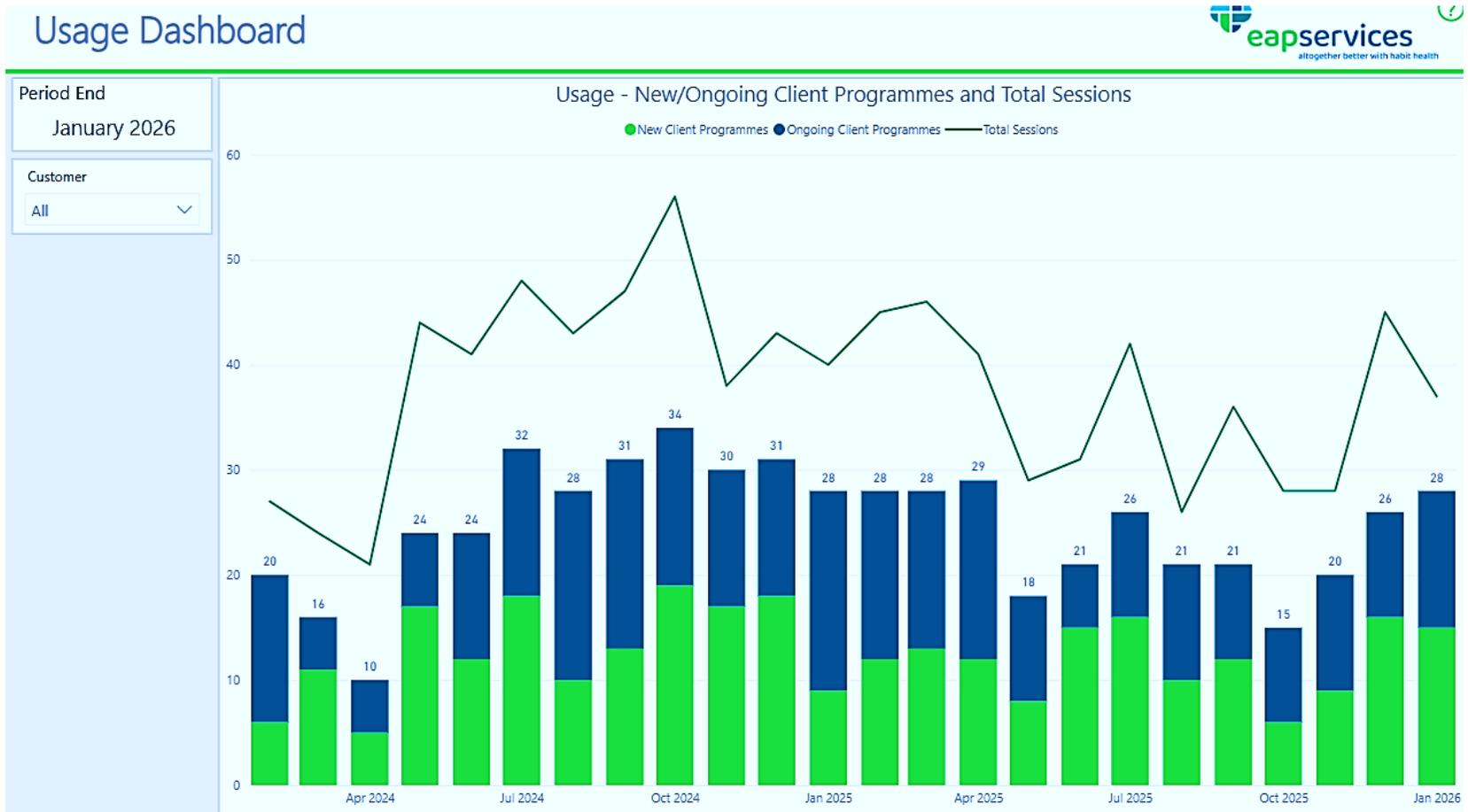


Key:  = Lead Indicator
 = Lag Indicator

EAP Services – Reporting January 2026

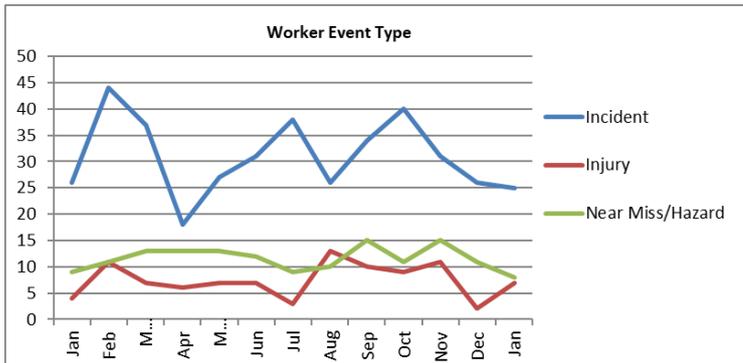


Key: ■ = Lead Indicator
■ = Lag Indicator



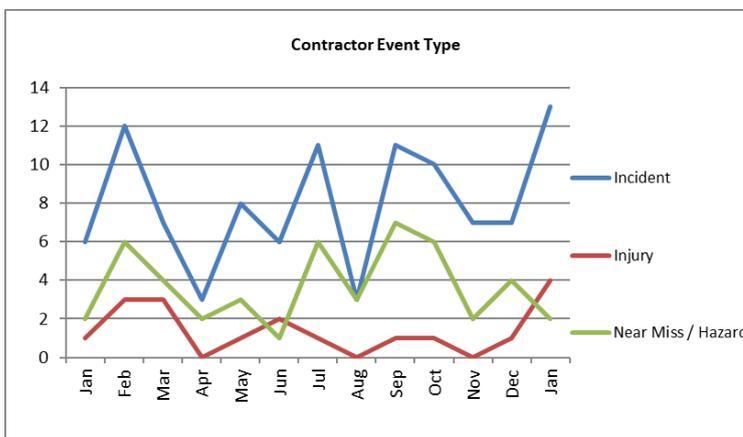
Key: = Lead Indicator
 = Lag Indicator

26. Worker Event Reporting by type



Total Worker Workplace Events January 2026
40

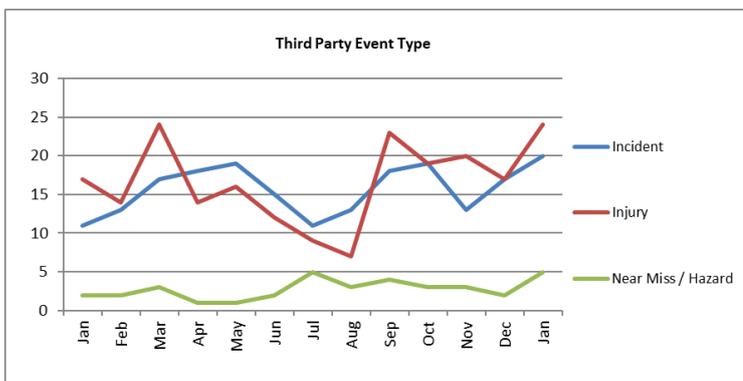
27. Contractor Event Reporting by type



Contractors pre-approved to date
577

Total Contractor Events January 2026
19

28. Third Party Event Reporting by type



Total Third Party Events January 2026
49

29. Volunteer Event Reporting by type

There were no volunteer events for January 2026.

Key: = Lead Indicator
 = Lag Indicator

FINANCIAL REPORT - PERIOD ENDED 31 JANUARY 2026

Department: Finance

EXECUTIVE SUMMARY

- 1 This report provides the financial results for the period ended 31 January 2026 and the financial position as at that date. This report was presented to the Finance and Performance Committee on 19 March 2026.
- 2 As this is an administrative report only, there are no options or Summary of Considerations.

RECOMMENDATIONS

That the Committee:

- a) **Notes** the Financial Performance for the period ended 31 January 2026 and the Financial Position as at that date.

BACKGROUND

- 3 This report attaches a financial update and financial statements for the period ended 31 January 2026.

DISCUSSION

- 4 The net deficit (including Waipori) for the period ended 31 January 2026 was \$5.301 million, an \$9.356 million favourable variance to budget. A detailed commentary is provided in Attachment A (Financial Update). In summary, the following variances were recorded:
 - a) Revenue was \$254.301 million for the period, or \$4.419 million unfavourable to budget.
 - b) Expenditure was \$263.920 million for the period, or \$12.393 million favourable to budget.
 - c) The Waipori Fund has reported a net operating surplus for the period of \$4.318 million, \$1.382 million favourable to budget.
- 5 Capital expenditure was \$81.074 million for the period ended 31 January 2026 or 70.4% of the year-to-date budget.
- 6 The total loan balance at 31 January 2026 was \$687.272 million which was \$66.901 million less than budget.

NEXT STEPS

- 7 Month end financial reports will continue to be presented to future Council or Finance and Performance Committee meetings.

Signatories

Author:	Lawrie Warwood - Management Accountant
Authoriser:	Carolyn Allan - Chief Financial Officer

Attachments

	Title	Page
↵A	Financial Update	52
↵B	Statement of Financial Performance	66
↵C	Statement of Financial Position	67
↵D	Statement of Cashflows	68
↵E	Capital Expenditure Summary	69
↵F	Capital Expenditure Detailed	71
↵G	Operating Variances	77
↵H	Debt Graph	78

FINANCIAL UPDATE

For the period ended 31 January 2026

This report provides a detailed commentary on the Council’s financial result for the period ended 31 January 2026 and the financial position at that date.

SUMMARY FINANCIAL INFORMATION

\$ Million	Actual YTD	Budget YTD	Variance YTD		Last Year YTD
Revenue	254.301	258.720	(4.419)	U	228.350
Expenditure	263.920	276.313	12.393	F	255.655
Net Surplus/(Deficit) excluding Waipori	(9.619)	(17.593)	7.974	F	(27.305)
Waipori Fund Net	4.318	2.936	1.382	F	8.777
Net Surplus/(Deficit) including Waipori	(5.301)	(14.657)	9.356	F	(18.528)
Capital Expenditure	81.074	115.095	34.021		80.249
Debt					
Current Year Loan	36.300	92.000	55.700	F	59.350
Prior Year Loan	650.972	662.173	11.201	F	592.622
Accrued Interest	2.050	2.739	0.689	F	1.923
Total Debt	689.322	756.912	67.590	F	653.895

STATEMENT OF FINANCIAL PERFORMANCE

The statement of financial performance is provided in Attachment B.

The net deficit (including Waipori) for the period ended 31 January 2026 was \$5.301 million, a \$9.356 million favourable variance to budget.

REVENUE

The total revenue for the period was \$254.301 million or \$4.419 million less than budget.

The major variances were as follows:

External Revenue

Actual \$53.100 million, Budget \$54.227 million, Unfavourable variance to budget \$1.127 million

Compliance Solutions revenue was unfavourable to budget \$478k. Parking Enforcement revenue of \$1.391 million was unfavourable to budget \$449k largely because of lower staffing levels within the Parking Enforcement team (due to leave and vacancies). Other contributing factors include the free parking over the Christmas holiday period, timing of the introduction of Licence Plate Recognition (LPR), expected to be launched in the second quarter of 2026, and timing of recruitment.

Transport revenue was unfavourable to budget \$411k. NZTA recoveries were \$224k less than budgeted mainly because of subsidised state highway maintenance expenditure being under budget for the period, which are costs that are 100% on-charged to NZTA. Corridor accessway revenue was unfavourable to budget \$141k due to fewer applications than budgeted being received.

Parking Operations revenue was unfavourable to budget \$296k, partly due to on-street meter revenue and the timing of parking revenue from the new Mataukareau carpark, which opened towards the end of November. The unfavourable variance includes a one-off recovery relating to the new Mataukareau carpark building.

Building Services revenue was unfavourable to budget \$257k due to fewer consent applications and inspections than expected. This variance is offset by favourable year to date expenditure.

DPAG, Toitu and Lan Yuan revenue was unfavourable \$203k due mainly to the budgeted timing of Lan Yuan and retail revenue.

Waste Minimisation revenue was unfavourable to budget \$179k. Green Island landfill revenue was unfavourable \$551k due to less waste being received at the landfill than budgeted. Commercial waste volumes are currently trending approximately 15% lower than budget (noting that variable costs were favourable). Green Island landfill revenue for 2025/26 was over-estimated due to incorrect reporting of previous waste volumes. Partially offsetting this variance Waste strategy revenue was favourable to budget \$295k, reflecting a higher level of waste levy revenue from the Ministry for the Environment than expected. Revenue from the materials recover store was also favourable \$47k.

Offsetting these unfavourable variances:

Property Services revenue was favourable \$388k. Holding property revenue was favourable to budget due to unbudgeted recoveries from the Milners Rd property, and favourable rental revenue from the Forbury Park property. Community Property revenue was favourable to budget due to unbudgeted electricity recoveries from the Dunedin Ice Stadium. This variance was offset by a corresponding unfavourable variance in expenditure.

3 Waters revenue was favourable to budget \$326k, with water sales, meter rental and trade waste revenue ahead of budget.

Operating Grants Revenue

Actual \$7.142 million, Budget \$7.946 million, Unfavourable variance to budget \$804k

Transport grants revenue was unfavourable to budget \$1.075 million mainly reflecting less NZTA operating subsidy due to less expenditure in maintenance than budgeted for the period.

Investment Account revenue was unfavourable to budget \$213k with Better Off Funding revenue being less than budgeted.

Offsetting these unfavourable variances to budget, 3 Waters revenue was favourable to budget \$348k due to \$331k of unbudgeted revenue for Local Water Done Well Transition costs.

Events revenue was favourable to budget \$107k due to an unbudgeted MBIE Promotional Fund grant providing funding for a range of planned events.

Capital Grants Revenue

Actual \$8.810 million, Budget \$12.687 million, Unfavourable variance to budget \$3.877 million

Transport NZTA capital subsidy was unfavourable \$4.008 million, reflecting less subsidised capital expenditure to date.

Offsetting this unfavourable variance to budget, 3 Waters revenue for Local Water Done Well costs was unfavourable to budget \$133k.

Contributions Revenue

Actual \$3.451 million, Budget \$2.249 million, Favourable variance to budget \$1.202 million

Contributions revenue was favourable to budget \$1.202 million reflecting a higher level of development contributions received than budgeted. Development contributions revenue for 3 Waters was favourable to budget \$378k, and Transport revenue was favourable to budget \$793k.

Internal Revenue

Actual \$26.054 million, Budget \$26.619 million, Unfavourable variance to budget \$565k

Waste Minimisation landfill revenue was unfavourable to budget \$347k. Kerbside collection disposal fees were unfavourable \$63k, due to the volume of waste from the red bin collections being lower than forecast. This variance is offset by a favourable variance against budget for internal landfill disposal costs. Internal landfill revenue from wastewater treatment plant sludge disposal was unfavourable to budget \$284k due to less sludge being disposed of at the landfill than anticipated.

3 Waters internal revenue was unfavourable to budget \$224k, reflecting a lower level of Better Off Funding revenue than budgeted.

EXPENDITURE

The total expenditure for the period was \$263.920 million or \$12.393 million less than budget.

The major variances were as follows:

Personnel Costs

Actual \$49.130 million, Budget \$51.513 million, Favourable variance to budget \$2.383 million

This favourable variance to budget mainly reflects the number of vacancies during the seven months, including new positions included in the 2025/26 budget, some of which have now been filled.

Operations and Maintenance Costs

Actual \$51.498 million, Budget \$56.746 million, Favourable variance to budget \$5.248 million

Waste Minimisation expenditure was favourable to budget \$1.755 million. ETS costs and variable landfill contract costs were favourable to budget \$1.318 million, reflecting the lower volumes of material entering the landfill and a lower carbon price than budgeted. Landfill monitoring expenditure was favourable to budget \$279k, due to a rationalisation of baseline environmental monitoring requirements for the Smooth Hill landfill and a temporary reduction in the frequency of bird monitoring surveys around Smooth Hill and Dunedin environs. The Kerbside Collections contract cost was favourable \$175k, mainly due to a combination of the volume of mixed recycling and glass collected and processed being lower than forecast, plus occasional positive returns on the sale of recyclable material.

3 Waters maintenance expenditure was favourable to budget \$1.534 million largely driven by lower than budgeted reactive plant and network maintenance requirements. This is due to management of planned maintenance, as staff seek preventative maintenance opportunities. Lead time for the start-up of a new inflow and infiltration programme also contributes to the favourable result. There is some significant planned maintenance expenditure anticipated before year-end.

Transport expenditure was favourable to budget \$464k. The environmental maintenance budget was \$287k unfavourable, and the routine maintenance budget was \$181k unfavourable. These variances were driven primarily by essential operational activities, including mud-tank cleaning and general street tidy-ups, which have required higher levels of resourcing than anticipated. To offset this over expenditure, reductions are required in other areas of the programme, mainly in the sealed-pavement maintenance budget. As a result, expenditure on patch sealing and reactive pothole repairs has been temporarily reduced. The strength of the renewals programme over the past three years has provided sufficient network resilience to enable these short-term adjustments without materially compromising overall road condition. Overall expenditure is expected to be on budget for Transport maintenance at year end.

BIS expenditure was favourable \$484k with little expenditure to date on specialist ITMS support and non-capital project management costs. The variable component of the ITMS managed services contract was also favourable.

Community recreation expenditure was favourable \$432k due to Aquatics plant maintenance (St Clair, Moana and Te Puna o Whakaehu), Parks and Reserves reactive maintenance requirements being less than anticipated to date, and the timing of building maintenance budgets. Cemeteries interment and building maintenance costs were also favourable.

DPAG, Toitu and Lan Yuan expenditure was favourable \$183k due mainly due to the timing of exhibition and collection management expenditure.

Fleet Operations expenditure was favourable \$178k due mainly to fuel and tyre costs being less than budgeted. Planned vehicle lease costs have yet to occur, resulting in a \$41k favourable expenditure variance.

These favourable variances were partially offset by:

Governance expenditure was unfavourable to budget \$259k, partly due to the incorrect spreading of the election costs budget.

Property expenditure was unfavourable to budget \$69k due mainly to higher than budgeted reactive maintenance costs for several Investment properties resulting from the October wind event, and Community Housing grounds maintenance costs.

Occupancy Costs

Actual \$24.437 million, Budget \$24.959 million, Favourable variance to budget \$522k

3 Waters expenditure was favourable to budget \$366k due mainly to insurance costs being favourable \$474k and \$92k favourable fuel costs to budget due to optimisation of plant. Offsetting this, electricity costs were unfavourable \$87k and water charges \$192k.

Transport expenditure was favourable to budget \$146k due to electricity costs being less than budget, particularly for street lighting. This was partly due to a refund of state highway lighting costs relating to the previous year, as well as the new LED street lights performing more efficiently than anticipated.

Insurance costs across all activities were favourable to budget \$828k, reflecting a lower than budget premium for materials damage insurance plus a partial refund of prior years' Earthquake Levy.

Consumable and General Costs

Actual \$16.337 million, Budget \$17.002 million, Favourable variance to budget \$665k

3 Waters expenditure was favourable to budget \$768k due mainly to consultants costs being \$512k below budget partly due to engineering consultant services being less than expected, and partly due to an underspend in Better Off Funding projects.

Compliance Solutions expenditure was favourable to budget \$221k with Parking Services court lodgement fees, postage and refunds all being below budget to date.

Transport expenditure was favourable to budget \$173k, mainly due to the timing of consultants costs.

Community recreation expenditure was favourable to budget \$156k partly due to the timing of consultants and legal costs.

Partly offsetting these favourable variances:

Resource Consents expenditure was unfavourable to budget \$322k, with consultant's fees being over budget due to outsourced planning consultants required to assist in dealing with the high number of resource consent applications.

Finance expenditure was unfavourable to budget \$201k mainly due to outsourced professional services relating to Local Water Done Well and cover for vacancies.

BIS expenditure was unfavourable to budget \$139k due mainly to the timing of software licence fee expenditure.

Grants and Subsidies Costs

Actual \$10.192 million, Budget \$10.585 million, Favourable variance to budget \$393k

Grants expenditure was favourable to budget \$393k, mainly due to the timing of rates relief grants of \$542k, offset by the timing of grants for major and premier events, as well as various other grants across a number of activities.

Internal Costs

Actual \$26.054 million, Budget \$26.619 million, Favourable variance to budget \$565k

3 Waters expenditure was favourable to budget \$264k resulting from improved treatment and incineration of the sludge at waste treatment plants and the transfer of some sludge to an external provider. This partly offsets the unfavourable internal landfill revenue reported above.

Investment Account expenditure was favourable \$230k with internal Better Off Funding grants being less than budgeted.

Waste Minimisation expenditure was favourable to budget \$70k with kerbside collection disposal fees \$63k less than budgeted for the period. This also partly offsets the unfavourable internal landfill revenue reported above.

Depreciation Costs

Actual \$70.602 million, Budget \$71.897 million, Favourable variance to budget \$1.295 million

Depreciation costs overall were favourable to budget \$1.295 million across most activities.

The main reason for the favourable variance relates to under expenditure of the capital programme in 2024/25 and the timing of the completion of some projects. The main favourable variances were in BIS (\$345k), Property (\$472k) and Community Recreation (\$417k).

Amortisation for 3 Waters intangible assets was unfavourable to budget \$394k. Depreciation on all other assets was at budget level while final asset valuations are confirmed.

Interest Costs

Actual \$15.670 million, Budget \$16.992 million, Favourable variance to budget \$1.322 million

This favourable variance to budget reflected a lower interest rate for the first two quarters than the 4% rate budgeted, a lower opening debt balance than forecast at 30 June 2025 and less debt raised than budgeted in this financial year. Interest rates are reviewed quarterly by Dunedin City Treasury Limited. The actual quarterly interest rates are:

Actual Quarterly Interest Rates		
Q1	Jul-Sep	3.95%
Q2	Oct-Dec	3.75%
Q3	Jan-Mar	4.25%

WAIPORI FUND NET OPERATING RESULT

Actual \$4.318 million surplus, Budget \$2.936 million surplus, Favourable variance to budget \$1.382 million.

The Waipori Fund has reported a net operating surplus for the period of \$4.318 million, \$1.382 million more than budget. The value of the fund decreased \$944k for the month of January.

Equities saw an decrease in value of \$860k during January, while term investments increased in value \$49k and property investments decreased \$103k.

Year to date the fund remains ahead of budget.

STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position is provided as Attachment C.

- Other current financial assets of \$8.915 million relate to the Waipori Fund.
- The loans balance at 31 January 2026 is \$689.322 million. This balance is made up as follows:

	Actual \$million	Budget \$million	Variance \$million	
Loan Balance	687.272	754.173	66.901	F
Accrued Interest on Loans	2.050	2.739	0.689	F
Total Loans	689.322	756.912	67.590	F

The loans balance at 31 January was \$687.272 million which was \$66.901 million less than budget. This is due mainly to the June loans balance being \$11.200 million less than forecast and the draw-down required for the capital programme being less than budget. Additional to the January loans balance there was accrued interest of \$2.050 million.

CAPITAL EXPENDITURE

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

Total capital expenditure for the period was \$81.074 million or 35.1% of the \$231 million full year budget.

Capital expenditure for 2025/26 is forecast to be \$190 million against a budget of \$231 million at 30 June 2026, mainly due to timing of some projects but also reflecting some savings. This forecast has decreased by \$14 million from the \$204 million forecast in December. In summary, the main reasons for the forecast underspend are:

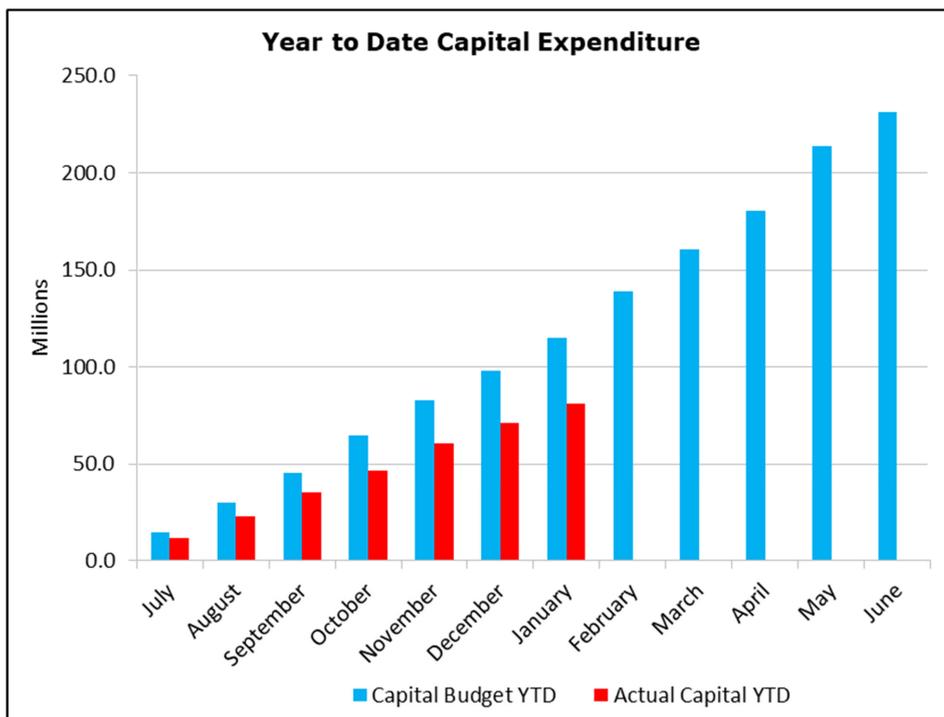
Project Timing:

- Waste Minimisation \$28.3million - timing delays due to consents and ‘pre-loading’ the ground for a minimum of four months prior to construction commencing.
- Property \$4.0 million – largely a timing delay in the Dunedin City Library refurbishment.
- Transport \$2.3 million –timing of the Albany St and Mosgiel Park and Ride projects.

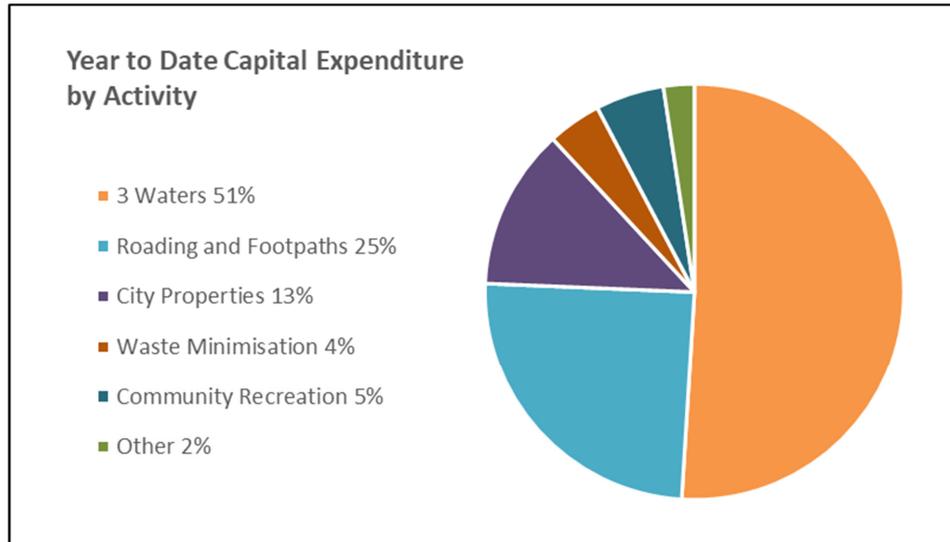
Project Cost Savings:

- Waste Minimisation \$1.4 million - savings in Glass Facility project.
- Property \$400k - savings in Fitzroy St housing renewal.
- Parks and Recreation \$3.5 million - savings in the Moana Pool redevelopment project due to scope changes.
- Transport \$1.6 million – savings in coastal protection and Central City Parking Management projects.

Forecasts are reviewed monthly and are based on best known information at the time. Further information on activity forecasts are provided within each activity section below.



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



City Properties capital expenditure was \$6.774 million favourable to budget.

Investment property renewals was under budget \$1.091 million, with little expenditure to date on the 130 Gt King St, Rosebank Road and Heriot Drive properties due to protracted planning and lease negotiations.

The Dunedin City Library refurbishment renewal project was favourable \$1.767 million. The project is still in the planning and design phase. The project timing will now be considered as part of the next LTP, resulting in \$2.481 million forecast underspend in the current financial year.

The South Dunedin Library and Community Complex project was favourable \$536k due to the timing of the project, which is in its final stages.

The Fitzroy St housing renewal was favourable \$818k, with physical works having begun in August. Expenditure on this project is forecast to be \$406k underspent reflecting savings arising during procurement. The project is forecast to finish on time and under budget.

Expenditure on the Town Hall/Municipal Chambers project was favourable \$410k due to the timing of the project expenditure.

The Civic Centre upgrade project was favourable \$737k to January due to timing of expenditure. The project is forecasted to be completed within budget.

The Edgar Centre refurbishment project was favourable \$635k due to timing of the project expenditure.

Spend on the High-Performance Sports building was under budget by \$220k, with the expenditure having been completed in the previous financial year.

Sargood Centre expenditure was favourable \$609k, with physical works expected to commence in May.

Community Recreation capital expenditure was \$2.014 million favourable to budget

Moana Pool redevelopment renewals was favourable \$1.646 million due to timing of programme works, including condition assessment and development of options for air handling units. After assessing the condition of the units, a solution was proposed that could cost \$3 million less. This is being developed further and checked from a design point of view. The planned work continues an ongoing programme of improvements at Moana Pool, including recently revamping the water slides, new wall tiles, upgraded family change facilities, as well as changes to plant/equipment areas.

Parks recreational facilities renewals were favourable \$233k due to the timing of the Hancock Park resurfacing project and other facilities renewals.

Cemeteries new capital was favourable \$207k due to the construction timing of the new Cemetery Development civil works contract. Physical works commenced at the end of January.

Botanic Garden renewals was favourable \$81k due to the timing of the completion of the café upgrade. The café is due to reopen in April 2026.

Parks new recreational facilities capital was unfavourable \$80k due to the timing of the completion of the Tahuna Park storage bays and Aramoana carpark projects.

Creative and Cultural Vibrancy capital expenditure was \$202k favourable to budget.

Library collection purchases were favourable \$148k, including purchases for the new library in South Dunedin.

Governance and Support Services capital expenditure was \$1.403 million favourable to budget

Fleet Operations renewals expenditure was favourable \$204k as there has been little expenditure yet on the vehicle replacement programme.

BIS expenditure was favourable \$1.198 million with no expenditure to date on the Customer Self Service Portal and ITMS cloud migration projects; however, this was partly offset by unbudgeted expenditure on the new ITMS Software/Tools implementation project.

Resilient City capital expenditure was \$71k favourable to budget

There has been no expenditure to date on street trees and furniture, minor streetscape upgrades, or on Civil Defence plant upgrades.

Roading and Footpaths capital expenditure was \$12.004 million favourable to budget

Expenditure is forecast to be underspent for the year by \$4.500 million. Coastal protection expenditure was favourable \$702k, reflecting the better-than-expected performance of the geobag structure. Whether the remaining budget is required is contingent upon the impact of any future significant storm events on coastal assets.

Resurfacing and rehabilitation activity has increased. Funding has been redirected from footpaths and kerbs until the new contract is awarded in the coming financial year.

Shaping Future Dunedin projects were favourable \$5.325 million due to the phasing of costs. The Albany St project is forecast to be underspent by \$1.000 million due to the timing of expenditure because the contract has only recently been awarded. The Mosgiel Park and Ride is forecast to be underspent by \$2.300 million due to the timing of the expenditure. The Central City Parking Management project is forecast to be \$500k less than budget due to overall project savings.

Renewals expenditure is expected to be underspent by \$900k. This underspend is largely associated with the kerb/channel and footpath contract.

The Tunnels Trail project (Dunedin Urban Cycleways) was unfavourable \$329k and is forecast to be \$400k above budget at year-end.

3 Waters capital expenditure was \$4.358 million favourable to budget

3 Waters is continually monitoring and re-prioritising the capital programme, and some projects have been accelerated whilst others have been deferred as solutions are further assessed. A number of project components have been re-assessed from new capital to renewals budget lines. The programme of work is forecast to be on budget at year-end.

Combined expenditure on Mosgiel Stormwater Upgrades and Mosgiel Stormwater Pumpstation (New Capital and Renewals) was \$376k favourable. This is under construction but has been re-phased due to a review and adoption of an alternative solution which presents better value and outcomes.

Port Chalmers Water Supply construction is underway; however, expenditure was favourable by \$189k due to a design review resulting in re-routing the pipeline and re-phasing of the project to deliver a more effective solution, following the October 2024 rain event.

Other Water and Wastewater Renewals are a combined \$5.692 million unfavourable as delivery had been accelerated in these areas to manage the overall renewals programme.

The scope of the Musselburgh to Tahuna Link has been reduced at this stage resulting in forecast expenditure of \$3.229 million against a budget of \$8.000 million. This is due to ongoing investigation work indicating the extent of renewals required may be reduced from those originally anticipated. Staff are assessing the most efficient solution currently.

The extent of stormwater renewals required (in areas currently being renewed) is currently forecast to be less than anticipated in the budget by approximately \$2.430 million. The extent of work required will become clearer as the projects progress. This is offset by other water and wastewater renewals which are forecast at approximately \$10.000 million over budget due to the acceleration of network water and wastewater renewals such as Kaikorai Valley Hills and North East Valley.

Vibrant Economy capital expenditure was \$97k unfavourable to budget

Events new capital was unfavourable \$95k, relating to the purchase of new Dunedin and Ōtepoti branded light up letters as well as new Chinese festival lanterns and containers to store them.

Waste Minimisation capital expenditure was \$7.287 million favourable to budget

Resource recovery park expenditure was favourable \$4.781 million. Otago Regional Council consent for civil works was received on 29 September 2025, and construction began in October; however, significant works were delayed until early December. This delay is expected to result in an underspend this financial year of approximately \$4.300 million, which will need to be factored into next financial year.

Material recovery facility (MRF) expenditure was unfavourable \$102k. The building will be delayed by at least four months due to a requirement to 'pre-load' the ground and prevent differential settlement. Pre-loading of the MRF is expected to be completed mid-March, weather permitting, which will be followed by a pause in significant construction activity until mid-2026. Completion will now be in the second half of next year or early 2027; therefore, this delay is expected to result in an underspend this financial year of approximately \$17.000 million, which will need to be factored into next financial year. This also applies to the final payment for the MRF equipment supply, which had been budgeted to occur in May 2026.

Organics Processing Facility (OPF) was favourable \$770k. The first major progress payment on the equipment supply for the organics facility was expected in January 2026. The pre-loading requirement affecting the MRF is also affecting the OPF, therefore this delay is forecast to result in an underspend this financial year of approximately \$7.000 million, which will need to be factored into next financial year. Pre-loading of the OPF is expected to be complete by the end of March, weather permitting, which will be followed by a pause in significant construction activity until mid-2026.

Glass facility expenditure was favourable \$1.371 million. The site pre-loading work has required a temporary glass facility to be established. This temporary facility may prove suitable for long-term use which, if successful, will result in a project saving of approximately \$1.400 million. This saving is contingent upon the temporary facility becoming the long-term processing option.

Green Island landfill aftercare expenditure was favourable \$168k due to the timing of expenditure for a new leachate interceptor system along the southern edge of the landfill. Tenders for this work closed in November and work is currently underway.

Green Island landfill gas collection expenditure was favourable \$232k due to the timing of expenditure on the gas collection system.

SUPPLEMENTARY INFORMATION

October 2024 Rain Event - \$3.854 million Unfavourable

As at 31 January 2026 total operational costs relating to the October 2024 rain event totalled \$2.763 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 \$5.289 million as at 31 January.

NZTA subsidy revenue received to date totals \$4.148 million, along with a welfare subsidy claim totalling \$50k received from NEMA. The remaining \$3.854 million is funded by the council.

October 2024 Rain Event Financial Summary	
As at 31 January 2026	
	\$
<u>Expenditure</u>	
Operating costs	2,696,595
Estimated personnel costs	66,162
Capital Expenditure	5,289,303
Total Expenditure	8,052,059
<u>Funded by:</u>	
NZTA Subsidy revenue received	4,147,808
NEMA Welfare costs reimbursement	50,485
DCC	3,853,766
Total Revenue	8,052,059
<u>Subsidy Summary</u>	
NZTA approved subsidy	4,687,000
Subsidy received to date	4,147,808
Subsidy yet to be received	539,192

October 2025 Wind Event - \$732k Unfavourable

As at 31 January 2026 total operational costs relating to the October 2025 wind event totalled \$837k, mainly being emergency maintenance through the Transport roading maintenance contract, as well as storm damage to reserves, damage to 3 Waters infrastructure and repairs to property (mainly Dunedin Ice Stadium and 20 Parry St).

Capital expenditure relating to the wind event totalled \$107k as at 31 January.

NZTA have approved subsidy at a FAR rate of 51%, totalling \$212k. This subsidy has been claimed in full as at 31 January. A request to NZTA to consider approving further funding has been made.

An insurance claim has been lodged relating to the ongoing costs of repairs to council properties. No insurance recoveries have been received to date.

October 2025 Wind Event Financial Summary	
As at 31 January 2026	
	\$
<u>Expenditure</u>	
Operating costs	836,764
Capital Expenditure	107,328
Total Expenditure	944,092
<u>Funded by:</u>	
NZTA Subsidy revenue received	211,782
Insurance Claim Recovery	0
DCC	732,310
Total Revenue	944,092
<u>Subsidy Summary</u>	
NZTA approved subsidy	211,782
Subsidy received to date	211,782
Subsidy yet to be received	0

Better Off Funding (BOF)

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, the remaining balance across the five programmes was \$3.266 million as at 31 January 2026

Programme	Allocation	Balance as at 30-Jun-25	Total Spent Jul 25 - Jan 26	Total Spend to date	Balance as at 31-Jan 26
P1. Future Development and Planning	8,312,582	3,770,447	1,107,160	5,649,295	2,663,287
P2. Treaty Partnerships	408,048	49,509	8,425	366,964	41,084
P3. Climate Action	1,873,378	0	0	1,873,378	0
P4. Local Water Done Well	500,000	356,090	36,343	180,253	319,747
P5. Infrastructure Project	445,722	378,477	136,359	203,604	242,118
Total	11,539,730	4,554,523	1,288,287	8,273,494	3,266,236

A summary of the work completed in the seven months from 1 July 2025 to 31 January 2026 is provided for each programme below.

Programme 1 - work continues on the 3 Water hydraulic models, accelerated condition assessment of lifelines and trunk infrastructure, accelerated and enhanced growth, and city growth team projects. Work has recommenced on the new carbon assessments of the 3 Waters infrastructure project.

Programme 2 - work continued on the cultural capability programme during the period and funding is being accessed for the strategic treaty project.

Programme 3 - there are no longer any active projects in this programme with South Dunedin Future expenditure via BOF being completed in 2024/25.

Programme 4 - work continued on implementing the Water Services Delivery Plan along with support to implement financial ringfencing.

Programme 5 - repairs to the Mt Grand raw water dam are complete while repairs to the Rossville raw water dam continue. The health safety and wellbeing project is progressing, with a supplier now procured. Scoping for the systems improvement project is complete and now moving into the procurement stage. Scoping of the stormwater network optimisation project is in progress and the trial inflow and infiltration programme is underway.

Group Debt Chart

Attachment H 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 2026-2034 based on the current Statements of Intent (SOI), and the approved 9-year plan.

DUNEDIN CITY COUNCIL

Statement of Financial Performance
For the Seven Months Ending 31 January 2026
Amount : \$'000

Month Actual	Month Budget	Month Variance		Year to Date Actual	Year to Date Budget	Year to Date Variance	LY YTD Actual	LY Full Year Actual	Full Year Budget
REVENUE									
22,070	22,050	20	F	154,492	154,348	144	F	139,925	264,596
(2)	(8)	6	F	1,252	644	608	F	1,095	1,300
7,119	7,531	412	U	53,100	54,227	1,127	U	46,275	102,069
872	976	104	U	7,142	7,946	804	U	7,360	13,166
1,202	2,512	1,310	U	8,810	12,687	3,877	U	6,601	22,731
272	321	49	U	3,451	2,249	1,202	F	2,166	6,856
3,630	3,791	161	U	26,054	26,619	565	U	24,928	45,586
35,163	37,173	2,010	U	254,301	258,720	4,419	U	228,350	456,304
EXPENDITURE									
6,782	7,093	311	F	49,130	51,513	2,383	F	50,087	88,076
7,264	7,995	731	F	51,498	56,746	5,248	F	50,552	95,573
2,555	2,665	110	F	24,437	24,959	522	F	25,692	37,762
2,126	2,253	127	F	16,337	17,002	665	F	14,706	28,998
265	200	65	U	10,192	10,585	393	F	9,889	12,512
3,630	3,791	161	F	26,054	26,619	565	F	24,928	45,586
10,076	10,271	195	F	70,602	71,897	1,295	F	63,096	123,713
2,465	2,429	36	U	15,670	16,992	1,322	F	16,705	29,114
35,163	36,697	1,534	F	263,920	276,313	12,393	F	255,655	461,334
-	476	476	U	(9,619)	(17,593)	7,974	F	(27,305)	(5,030)
Add									
(944)	419	1,363	U	4,318	2,936	1,382	F	8,777	5,030
(944)	895	1,839	U	(5,301)	(14,657)	9,356	F	(18,528)	(733)

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

DUNEDIN CITY COUNCIL

Statement of Financial Position
As at 31 January 2026
Amount : \$'000

30-Jun-25 LY Full Year Actual		31-Jan-26 This Month Actual	31-Jan-26 This Month Budget	30-Jun-26 Full Year Budget	31-Jan-25 LY Month Actual
	Current Assets				
15,837	Cash and cash equivalents	8,114	26,761	13,358	4,988
8,011	Other current financial assets	8,915	14,426	14,426	9,648
21,484	Trade and other receivables	40,511	53,368	33,245	34,517
489	Current Tax Asset	49	351	250	511
1,039	Inventories	1,100	675	675	657
2,221	Prepayments	1,973	2,109	2,109	1,391
49,081	Total Current Assets	60,662	97,690	64,063	51,712
	Non Current Assets				
211,438	Other non-current financial assets	217,585	206,005	206,560	211,959
138,889	Shares in subsidiary companies	138,889	138,889	141,794	136,339
4,571	Intangible assets	3,713	4,576	5,382	3,903
113,710	Investment property	113,710	113,272	119,563	110,440
4,906,980	Property, plant and equipment	4,918,269	4,821,104	4,999,121	4,539,703
5,375,588	Total Non Current Assets	5,392,166	5,283,846	5,472,420	5,002,344
5,424,669	TOTAL ASSETS	5,452,828	5,381,536	5,536,483	5,054,056
	Current Liabilities				
39,760	Trade and other payables	43,481	48,088	40,639	31,445
5,967	Short Term Borrowings	2,050	2,739	6,230	1,923
7,863	Revenue received in advance	4,767	5,308	5,663	5,121
9,001	Employee entitlements	9,454	8,231	11,025	9,507
62,591	Total Current Liabilities	59,752	64,366	63,557	47,996
	Non Current Liabilities				
650,973	Term Loans	687,272	754,173	783,173	651,972
1,482	Employee entitlements	1,482	1,246	1,216	1,320
20,573	Provisions	20,573	22,206	22,206	22,206
320	Other Non-Current Liabilities	320	320	320	320
673,348	Total Non Current Liabilities	709,647	777,945	806,915	675,818
735,939	TOTAL LIABILITIES	769,399	842,311	870,472	723,814
	Equity				
1,648,778	Accumulated funds	1,643,293	1,624,442	1,639,017	1,632,586
3,027,570	Revaluation reserves	3,027,570	2,904,062	3,016,192	2,686,879
12,382	Restricted reserves	12,566	10,721	10,804	10,777
4,688,730	TOTAL EQUITY	4,683,429	4,539,225	4,666,011	4,330,242
5,424,669		5,452,828	5,381,536	5,536,483	5,054,056

Statement of Change in Equity
As at 31 January 2026
Amount : \$'000

30-Jun-25 LY Full Year Actual		31-Jan-26 This Month Actual	31-Jan-26 This Month Budget	30-Jun-26 Full Year Budget	31-Jan-25 LY Month Actual
4,348,770	Opening Balance	4,688,730	4,553,882	4,553,882	4,348,770
(733)	Operating Surplus (Deficit)	(5,301)	(14,657)	-	(18,528)
340,693	Movements in Reserves			112,129	-
4,688,730		4,683,429	4,539,225	4,666,011	4,330,242

DUNEDIN CITY COUNCIL
Statement of Cashflows
For the Seven Months Ending 31 January 2026
 Amount : \$'000

	Year to Date Actual	Year to Date Budget	Full Year Budget	LY YTD Actual
Cash Flow from Operating Activities				
<i>Cash was provided from operating activities</i>				
Rates Received	148,480	136,712	264,381	132,174
Other Revenue	80,603	68,015	121,288	63,602
Interest Received	4,147	4,359	8,313	4,202
Dividend Received	4,049	4,094	10,815	908
Income Tax Refund	440	-	351	-
<i>Cash was applied to</i>				
Suppliers and Employees	(170,773)	(153,328)	(263,344)	(157,902)
Interest Paid	(19,402)	(20,900)	(29,447)	(19,136)
Net Cash Inflow (Outflow) from Operations	47,544	38,952	112,357	23,848
Cash Flow from Investing Activities				
<i>Cash was provided from investing activities:</i>				
Sale of Assets	31	-	120	25
Reduction in Loans & Advances	-	-	-	-
Reduction in Investments Other	8,973	10,500	18,000	11,072
<i>Cash was applied to:</i>				
Increases in Loans & Advances	-	-	-	-
Increase in Investments DCHL	-	-	-	-
Increase in Investments Other	(13,664)	(11,500)	(21,905)	(14,695)
Capital Expenditure	(86,907)	(114,546)	(227,569)	(85,317)
Net Cash Inflow (Outflow) from Investing Activity	(91,567)	(115,546)	(231,354)	(88,915)
Cash Flow from Financing Activities				
<i>Cash was provided from financing activities:</i>				
Loans Raised	59,800	92,000	121,000	81,000
Increase in Short Term Borrowings	-	-	-	-
<i>Cash was applied to:</i>				
Loans Repaid	(23,500)	-	-	-
Decrease in Short Term Borrowings	-	-	-	(19,500)
Net Cash Inflow (Outflow) from Financing Activity	36,300	92,000	121,000	61,500
Total Increase/(Decrease) in Cash	(7,723)	15,406	2,003	(3,567)
Opening Cash and Deposits	15,837	11,355	11,355	8,555
Closing Cash and Deposits	8,114	26,761	13,358	4,988

DUNEDIN CITY COUNCIL

Capital Expenditure Summary by Activity
For the Seven Months Ending 31 January 2026
Amount : \$'000

Group	Year to Date	Year to Date	Year to Date	Year to Date	LY YTD	Full Year	YTD Actual vs
	Actual	Budget	Variance	Variance %		Actual	Budget
City Properties	10,140	16,914	6,774	60.0% F	17,279	22,388	45.3%
Community Recreation	4,298	6,312	2,014	68.1% F	3,863	14,948	28.8%
Creative and Cultural Vibrancy	1,215	1,417	202	85.7% F	904	2,220	54.7%
Governance and Support Service	615	2,018	1,403	30.5% F	432	4,306	14.3%
Regulatory Services	-	5	5	0.0% F	255	5	0.0%
Resilient City	-	71	71	0.0% F	-	385	0.0%
Roading and Footpaths	20,015	32,019	12,004	62.5% F	19,182	54,760	36.6%
3 Waters	41,331	45,689	4,358	90.5% F	33,756	87,123	47.4%
Vibrant Economy	97	-	97	0.0% U	-	-	0.0%
Waste Minimisation	3,363	10,650	7,287	31.6% F	4,378	45,082	7.5%
	81,074	115,095	34,021	70.4% F	80,049	231,217	35.1%

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

**Capital Expenditure Detail by Activity
For the Month Ending 31 January 2026**

Group Activity	Activity Name	Expenditure Type	Project Name	YTD Actual	YTD Budget	YTD Var	FY Budget	
City Properties	Property-Housing	Renewals Capital	Asset Renewals	231,917	287,000	(55,083)	500,000	
			Housing Renewal	757,441	1,575,000	(817,559)	2,010,000	
		Total Renewals Capital	989,358	1,862,000	(872,642)	2,510,000		
	Total Property-Housing			989,358	1,862,000	(872,642)	2,510,000	
	Property-Operational	New Capital		Energy Efficiency Initiatives	37,400	-	37,400	-
				Public Toilets Growth	480,396	360,000	120,396	375,000
				South Dunedin Library and Community Complex	1,834,220	2,370,000	(535,780)	2,370,000
		Total New Capital	2,352,016	2,730,000	(377,984)	2,745,000		
		Renewals Capital		Asset Renewals	1,274,736	885,000	389,736	1,285,000
				Asset Renewals - Public Toilet Renewals	104,060	410,000	(305,940)	475,000
				Civic Centre	3,263,459	4,000,000	(736,541)	4,000,000
				Dunedin Library Refurbishment	33,212	1,800,000	(1,766,788)	2,750,000
				Dunedin Public Art Gallery	195,249	215,000	(19,751)	215,000
				Furniture	75,710	28,700	47,010	50,000
				Olveston House Renewal	50,302	85,000	(34,698)	290,000
				Toitū Otago Settlers Museum	14,281	125,000	(110,719)	125,000
				Town Hall and Municipal Chambers	1,053,212	1,463,000	(409,788)	2,688,000
		Total Renewals Capital	6,064,222	9,011,700	(2,947,478)	11,878,000		
		Total Property-Operational			8,416,238	11,741,700	(3,325,462)	14,623,000
	Property-Community	New Capital		CCTV George St	97,090	-	97,090	-
				Total New Capital	97,090	-	97,090	-
		Renewals Capital		Asset Renewals	322,488	59,000	263,488	100,000
				Community Hall Renewals	82,300	90,000	(7,700)	150,000
				Dunedin Railway Station	(35,863)	20,000	(55,863)	450,000
				Edgar Centre Refurbishment	29,235	664,100	(634,865)	860,000
				High Performance Sports	-	220,000	(220,000)	220,000
				Roof Renewal Programme	-	150,000	(150,000)	250,000
Sargood Centre				600	610,000	(609,400)	850,000	
Tarpits				(206)	-	(206)	-	
Total Renewals Capital	398,554	1,813,100	(1,414,546)	2,880,000				
Total Property-Community			495,644	1,813,100	(1,317,456)	2,880,000		
Property-Investment	Renewals Capital		Asset Renewals	188,116	1,279,000	(1,090,884)	1,770,000	
			Total Renewals Capital	188,116	1,279,000	(1,090,884)	1,770,000	
Total Property-Investment			188,116	1,279,000	(1,090,884)	1,770,000		
Property-Holding	Renewals Capital		Asset Renewals	5,418	200,000	(194,582)	575,000	
			Total Renewals Capital	5,418	200,000	(194,582)	575,000	
Total Property-Holding			5,418	200,000	(194,582)	575,000		
Parking Operations	Renewals Capital		Car Park Buildings Equipment	44,933	-	44,933	-	
			Parking Meter Renewals	-	18,000	(18,000)	30,000	
			Total Renewals Capital	44,933	18,000	26,933	30,000	
Total Parking Operations			44,933	18,000	26,933	30,000		
City Properties Total			10,139,707	16,913,800	(6,774,093)	22,388,000		

**Capital Expenditure Detail by Activity
For the Month Ending 31 January 2026**

Group Activity	Activity Name	Expenditure Type	Project Name	YTD Actual	YTD Budget	YTD Var	FY Budget	
Community Recreation	Aquatic Services	New Capital	Moana Pool Improvements	(5,839)	10,000	(15,839)	20,000	
			Mosgiel Pool	16,292	-	16,292	-	
		Total New Capital			10,452	10,000	452	20,000
		Renewals Capital	Moana Pool Renewals	2,076,988	3,723,000	(1,646,012)	8,634,000	
			Port Chalmers Pool Renewals	8,822	20,000	(11,178)	20,000	
			St Clair Pool Renewals	4,822	40,000	(35,178)	40,000	
	Total Renewals Capital			2,090,633	3,783,000	(1,692,367)	8,694,000	
	Total Aquatic Services				2,101,085	3,793,000	(1,691,915)	8,714,000
	Botanic Gardens	New Capital	Botanic Garden Improvements		17,698	15,000	2,698	30,000
			Total New Capital		17,698	15,000	2,698	30,000
		Renewals Capital	Botanic Garden Renewals		145,698	227,000	(81,302)	552,000
			Total Renewals Capital		145,698	227,000	(81,302)	552,000
	Total Botanic Gardens				163,396	242,000	(78,604)	582,000
	Cemeteries & Crematorium	New Capital	Cemetery Strategic Development		62,531	195,000	(132,469)	795,000
			City Wide Beam Expansion		56,560	131,428	(74,868)	230,000
		Total New Capital			119,091	326,428	(207,337)	1,025,000
		Renewals Capital	Structures Renewals		24,080	40,000	(15,920)	130,000
			Total Renewals Capital		24,080	40,000	(15,920)	130,000
	Total Cemeteries & Crematorium				143,171	366,428	(223,257)	1,155,000
	Parks & Recreation	New Capital	Destination Playgrounds		-	-	-	200,000
			Playground Improvements		99,352	111,000	(11,648)	297,000
			Recreation Facilities Improvem		309,953	230,000	79,953	420,000
			Track Network Development		9,377	-	9,377	30,000
Total New Capital			418,682	341,000	77,682	947,000		
Renewals Capital		Greenspace Renewals		333,715	280,000	53,715	460,000	
		Playground Renewals		706,868	625,000	81,868	1,425,000	
	Recreation Facilities Renewals		432,024	665,000	(232,976)	1,665,000		
Total Renewals Capital			1,472,607	1,570,000	(97,393)	3,550,000		
Total Parks & Recreation				1,891,289	1,911,000	(19,711)	4,497,000	
Community Recreation Total				4,298,940	6,312,428	(2,013,488)	14,948,000	

**Capital Expenditure Detail by Activity
For the Month Ending 31 January 2026**

Group Activity	Activity Name	Expenditure Type	Project Name	YTD Actual	YTD Budget	YTD Var	FY Budget		
Creative and Cultural Vib	Dunedin Public Art Gallery	New Capital	Acquisitions - DPAG Society Funded	7,735	10,000	(2,265)	30,000		
			Acquisitions - Rates Funded	73,000	50,000	23,000	130,000		
			Acquisitions Donation Funded	36,000	-	36,000	35,000		
			Minor Capital Works/Equipment	9,982	25,000	(15,018)	100,000		
			Total New Capital		126,717	85,000	41,717	295,000	
			Renewals Capital	Heating and Ventilation System	-	10,000	(10,000)	30,000	
			Total Renewals Capital		-	10,000	(10,000)	30,000	
			Total Dunedin Public Art Gallery		126,717	95,000	31,717	325,000	
		Dunedin Public Libraries		New Capital	Heritage Collection Purchases-Rates Funded	26,031	35,000	(8,969)	60,000
					Heritage Collection Purchases-Trust Funded	1,133	9,250	(8,117)	10,000
South Dunedin Library Opening Collection	38,681				60,000	(21,319)	60,000		
	Total New Capital				65,845	104,250	(38,405)	130,000	
	Renewals Capital			Acquisitions - Operational Collection	511,873	621,000	(109,127)	996,000	
				Minor Capital Equipment	18,665	28,000	(9,335)	55,000	
	Total Renewals Capital		530,538	649,000	(118,462)	1,051,000			
	Total Dunedin Public Libraries		596,383	753,250	(156,867)	1,181,000			
Toitu Otago Settlers Museum		New Capital	Acquisitions - Rates Funded	37,652	5,000	32,652	50,000		
			Minor Capital Works	29,112	10,000	19,112	40,000		
			New Gallery Space - Theatre	398,714	464,000	(65,286)	464,000		
			Total New Capital		465,478	479,000	(13,522)	554,000	
			Renewals Capital	Minor Equipment Renewals	1,662	50,000	(48,338)	100,000	
				Plant Renewal	24,589	40,000	(15,411)	60,000	
	Total Renewals Capital		26,251	90,000	(63,749)	160,000			
	Total Toitu Otago Settlers Museum		491,729	569,000	(77,271)	714,000			
Creative and Cultural Vibrancy Total				1,214,829	1,417,250	(202,421)	2,220,000		
Governance and Support	Fleet Operations	New Capital	EV Charging Infrastructure	-	-	-	250,000		
				Total New Capital		-	-	250,000	
			Renewals Capital	Fleet Replacement	81,169	285,000	(203,831)	590,000	
		Total Renewals Capital		81,169	285,000	(203,831)	590,000		
		Total Fleet Operations		81,169	285,000	(203,831)	840,000		
	Business Information Services	New Capital	eServices & Online Services	New & Refreshed Internal IT Systems	80,170	500,001	(419,831)	1,000,000	
				Replacement & Upgrade Internal	93,150	366,000	(272,850)	466,000	
					-	58,331	(58,331)	100,000	
				Total New Capital		173,320	924,332	(751,012)	1,566,000
			Renewals Capital	New & Refreshed Internal IT Systems	-	250,000	(250,000)	800,000	
		Replacement & Upgrade Internal	360,541	558,332	(197,791)	1,100,000			
	Total Renewals Capital		360,541	808,332	(447,791)	1,900,000			
	Total Business Information Services		533,861	1,732,664	(1,198,803)	3,466,000			
Governance and Support Service Total				615,030	2,017,664	(1,402,634)	4,306,000		

**Capital Expenditure Detail by Activity
For the Month Ending 31 January 2026**

Group Activity	Activity Name	Expenditure Type	Project Name	YTD Actual	YTD Budget	YTD Var	FY Budget	
Regulatory Services	Compliance Solutions	Renewals Capital	Dog Park & Stock Pound Maintenance	-	5,000	(5,000)	5,000	
		Total Renewals Capital		-	5,000	(5,000)	5,000	
	Total Compliance Solutions				-	5,000	(5,000)	5,000
Regulatory Services Total				-	5,000	(5,000)	5,000	
Resilient City	City Development	New Capital	Street Trees and Furniture	-	25,000	(25,000)	325,000	
		Total New Capital		-	25,000	(25,000)	325,000	
	Total City Development				-	25,000	(25,000)	325,000
	Civil Defence	New Capital	Plant Equipment	-	41,250	(41,250)	55,000	
		Total New Capital		-	41,250	(41,250)	55,000	
	Total Civil Defence				-	41,250	(41,250)	55,000
	Task Force Green	Renewals Capital	Minor Equipment Renewals	-	5,000	(5,000)	5,000	
Total Renewals Capital		-	5,000	(5,000)	5,000			
Total Task Force Green				-	5,000	(5,000)	5,000	
Resilient City Total				-	71,250	(71,250)	385,000	
Roading and Footpaths	Shaping Future Dunedin	New Capital	Central City Cycle & Pedestrian Improvements	89,043	2,100,000	(2,010,957)	3,000,000	
			Central City Parking Management	29,270	833,334	(804,064)	1,200,000	
			Harbour Arterial Efficiency Improvements	66,972	550,000	(483,028)	2,800,000	
			Mosgiel Park and Ride	173,342	2,200,000	(2,026,658)	5,000,000	
			Total New Capital		358,627	5,683,334	(5,324,707)	12,000,000
	Total Shaping Future Dunedin				358,627	5,683,334	(5,324,707)	12,000,000
	Transport	New Capital	Coastal Plan	-	593,000	(593,000)	1,184,000	
			Crown Resilience Programme 2024-2027	-	-	-	750,000	
			Dunedin Urban Cycleways	1,760,343	1,431,000	329,343	1,431,000	
			Low Cost, Low Risk Improvement	248,609	550,000	(301,391)	1,000,000	
			Peninsula Connection Boardwalk	103,734	150,000	(46,266)	1,500,000	
			Total New Capital		2,112,686	2,724,000	(611,314)	5,865,000
			Renewals Capital	Emergency Works	2,669,680	3,450,000	(780,320)	3,940,000
				Footpath Renewals	35,745	3,334,000	(3,298,255)	5,904,000
				Gravel Road Re metaling	720,614	591,900	128,714	1,219,000
				Major drainage control	976,681	2,998,000	(2,021,319)	6,266,000
				Pavement Rehabilitation	1,798,310	2,001,000	(202,690)	3,335,000
				Pavement Renewals	8,381,111	7,755,000	626,111	11,135,000
				Structure Component Replacement	201,335	1,101,600	(900,265)	1,908,000
				Structure Component Replacement Seawalls	11,786	121,000	(109,214)	196,000
				Structure Component Replacement Seawalls Railings	-	250,000	(250,000)	400,000
	Traffic Services Renewal	808,351		1,030,000	(221,649)	1,613,000		
	Total Renewals Capital		15,603,614	22,632,500	(7,028,886)	35,916,000		
	Total Transport				17,716,299	25,356,500	(7,640,201)	41,781,000
	Central City Upgrade	New Capital	Central City Upgrade Bath St	1,701,244	939,000	762,244	939,000	
			Central City Upgrade Retail Quarter	239,120	40,000	199,120	40,000	
			Total New Capital		1,940,365	979,000	961,365	979,000
Total Central City Upgrade				1,940,365	979,000	961,365	979,000	
Roading and Footpaths Total				20,015,291	32,018,834	(12,003,543)	54,760,000	

**Capital Expenditure Detail by Activity
For the Month Ending 31 January 2026**

Group Activity	Activity Name	Expenditure Type	Project Name	YTD Actual	YTD Budget	YTD Var	FY Budget
Three Waters	Stormwater	New Capital	Mosgiel Stormwater Pumpstation and Networks	1,616,390	1,616,000	390	1,616,000
			Mosgiel Stormwater Upgrades	561,523	625,000	(63,477)	625,000
			Network Resilience & Efficiency	-	26,335	(26,335)	50,000
			New Capital Supporting Growth	68,095	230,155	(162,060)	437,000
			New Resource Consents	-	11,585	(11,585)	22,000
			South Dunedin Flood Alleviation	220,392	131,665	88,727	250,000
			South Dunedin Short Term Option	30,135	333,332	(303,197)	750,000
			Stormwater New Capital Other	18,537	-	18,537	-
		Total New Capital	2,515,074	2,974,072	(458,999)	3,750,000	
		Renewals Capital	Central City Renewals	74,818	-	74,818	-
			Mosgiel Stormwater Pumpstation and Networks	16,160	329,165	(313,005)	625,000
	Other Stormwater Renewals		1,430,420	2,979,355	(1,548,935)	5,657,000	
	Renewals Supporting Growth		20,750	1,000,665	(979,915)	1,900,000	
	Total Renewals Capital	1,542,147	4,309,185	(2,767,038)	8,182,000		
	Total Stormwater	4,057,220	7,283,257	(3,226,037)	11,932,000		
	Wastewater	New Capital	Bioresources Facility	55,134	158,000	(102,866)	300,000
			Metro Wastewater Treatment Plant Resilience	-	2,258,345	(2,258,345)	4,288,000
			Network Resilience & Efficiency	-	79,000	(79,000)	150,000
			New Capital Supporting Growth	78,368	390,260	(311,892)	741,000
			Rural Wastewater Schemes	-	737,335	(737,335)	1,400,000
			Wastewater New Capital Other	1,068,262	243,847	824,415	463,000
		Total New Capital	1,201,763	3,866,787	(2,665,023)	7,342,000	
		Renewals Capital	Central City Renewals	20,182	-	20,182	-
			Metro Wastewater Treatment Plant Resilience	1,963,194	2,081,915	(118,722)	3,953,000
			Musselburgh to Tahuna Link	49,647	1,333,333	(1,283,686)	8,000,000
			Other Wastewater Renewals	8,822,518	4,633,610	4,188,908	8,798,000
			Renewals Supporting Growth	43,750	166,955	(123,205)	317,000
Rural Wastewater Schemes			273,622	-	273,622	-	
Wastewater Pumpstation Renewal			2,248,876	2,370,000	(121,124)	4,500,000	
Total Renewals Capital		13,421,788	10,585,813	2,835,975	25,568,000		
Total Wastewater		14,623,552	14,452,600	170,952	32,910,000		
Water Supply	New Capital	New Capital Supporting Growth	184,937	671,500	(486,563)	1,275,000	
		Port Chalmers Water Supply	7,122	-	7,122	-	
		Water Efficiency	20,998	732,065	(711,067)	1,390,000	
		Water New Capital Other	1,932,264	2,949,863	(1,017,600)	5,601,000	
		Water Supply Resilience	2,491,121	1,778,555	712,566	3,377,000	
	Total New Capital	4,636,442	6,131,983	(1,495,541)	11,643,000		
	Renewals Capital	Central City Renewals	4,316	-	4,316	-	
		Dam Safety Action Plan	1,434	-	1,434	-	
		Other Water Renewals	10,061,097	8,558,401	1,502,696	13,765,000	
		Port Chalmers Water Supply	4,531,557	4,727,360	(195,803)	8,976,000	
Renewals Supporting Growth		47,060	288,085	(241,025)	547,000		
Water Supply Resilience	3,368,259	4,247,834	(879,575)	7,350,000			
Total Renewals Capital	18,013,722	17,821,680	192,042	30,638,000			
Total Water Supply	22,650,164	23,953,663	(1,303,499)	42,281,000			
Three Waters Total	41,330,936	45,689,520	(4,358,583)	87,123,000			

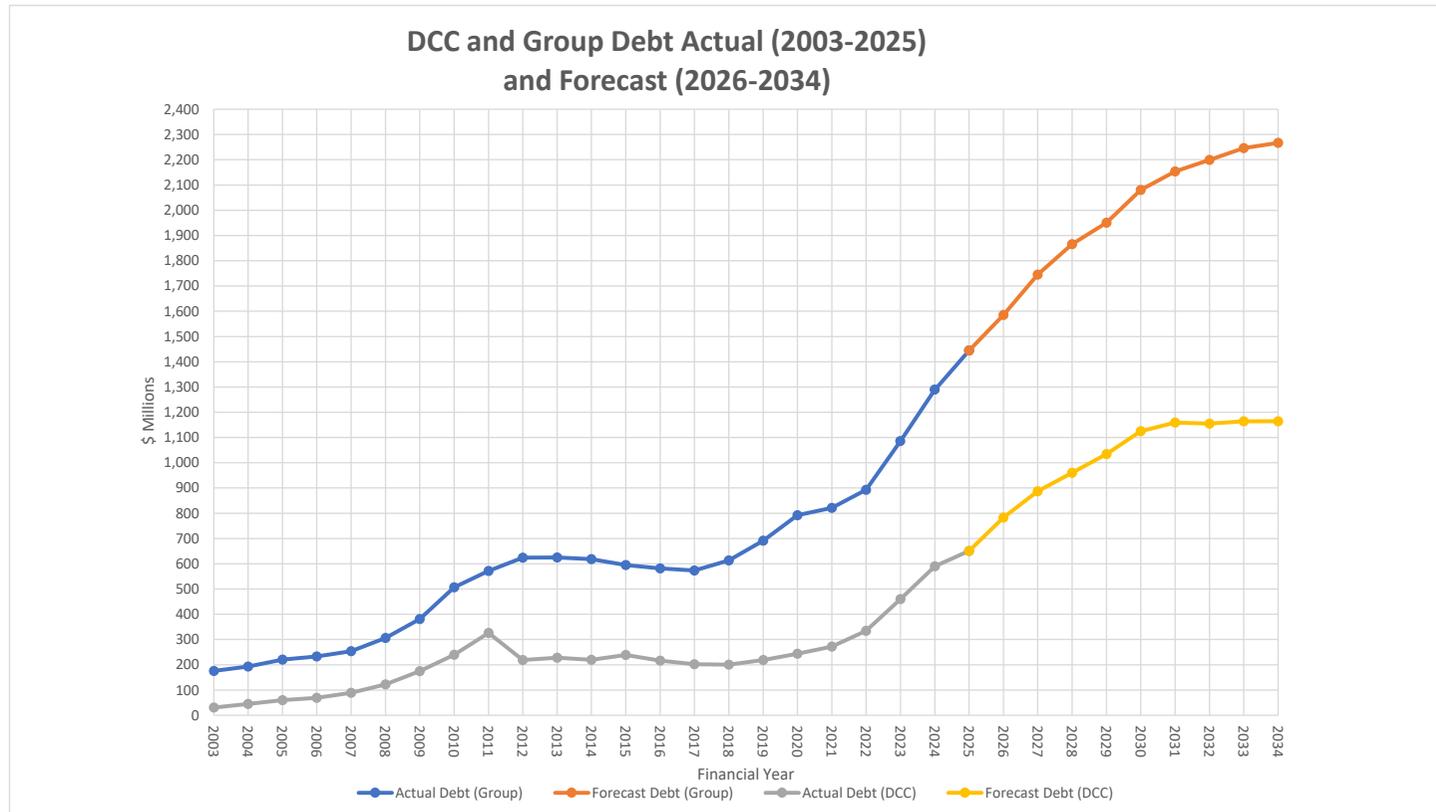
**Capital Expenditure Detail by Activity
For the Month Ending 31 January 2026**

Group Activity	Activity Name	Expenditure Type	Project Name	YTD Actual	YTD Budget	YTD Var	FY Budget	
Vibrant Economy	Destination Marketing	New Capital	Digital Content - Camera and Video Gear	(573)	-	(573)	-	
		Total New Capital		(573)	-	(573)	-	
	Total Destination Marketing			(573)	-	(573)	-	
	Events	New Capital	Plant Equipment	97,546	-	97,546	-	
		Total New Capital		97,546	-	97,546	-	
	Total Events			97,546	-	97,546	-	
Vibrant Economy Total			96,973	-	96,973	-		
Waste Minimisation	Waste Futures	New Capital	Bulk Waste System	189,945	100,000	89,945	500,000	
			Community Recycling Centres	-	-	-	200,000	
			Construction and Demolition Facility	80,521	100,000	(19,479)	400,000	
			Glass Facility	3,538	1,375,000	(1,371,462)	2,525,000	
			Material Recovery Facility	1,851,914	1,750,000	101,914	21,550,000	
			Organics Facility	130,054	900,000	(769,946)	8,900,000	
			Resource Recov Park Precinct	192,294	4,974,000	(4,781,706)	7,404,000	
	Total New Capital		2,448,266	9,199,000	(6,750,734)	41,479,000		
	Total Waste Futures			2,448,266	9,199,000	(6,750,734)	41,479,000	
	Waste & Environmental Solutic	New Capital	Community Recycling Hubs	20,431	10,000	10,431	25,000	
			Green Island Landfill Aftercare	407,199	575,000	(167,801)	1,577,000	
			Green Island Landfill Gas Collection System	117,902	350,000	(232,098)	650,000	
			Green Island Landfill Leachate System	28,040	-	28,040	-	
			Green Island Landfill Southern Valley Leachate Drain	151,133	225,000	(73,867)	800,000	
			Sawyers Bay Closed Landfill	607	-	607	-	
			Total New Capital		725,312	1,160,000	(434,688)	3,052,000
			Renewals Capital	Forester Park Landfill Culvert	1,465	-	1,465	-
				Green Island Landfill and Transfer Station	12,155	85,000	(72,845)	155,000
				Green Island Leachate System Pump/Pumpstation	9,539	7,000	2,539	15,000
				Kerbside Bin Replacements	63,806	102,500	(38,694)	205,000
Middlemarch Closed Landfill				-	-	-	11,000	
Public Place Recycling and Rubbish Bins				102,042	96,250	5,792	165,000	
Total Renewals Capital		189,006	290,750	(101,744)	551,000			
Total Waste & Environmental Solution			914,318	1,450,750	(536,432)	3,603,000		
Waste Minimisation Total			3,362,585	10,649,750	(7,287,165)	45,082,000		
Grand Total			81,074,292	115,095,496	(34,021,204)	231,217,000		

DUNEDIN CITY COUNCIL

Summary of Operating Variances
For the Seven Months Ending 31 January 2026
Amount : \$'000

Group	Year to Date Surplus(Deficit)			Year to Date Variance Favourable (Unfavourable)							
	Actual	Budget	Variance	Rates Revenue	Operating Revenue	Internal Revenue	Staff	Ops & Other Exps	Internal Costs	Interest	Depr'n
City Properties	(1,997)	(2,425)	428	-	353	(15)	(146)	(510)	-	229	517
Community Recreation	935	(283)	1,218	-	(10)	-	153	569	6	82	418
Creative and Cultural Vibrancy	(2,054)	(2,424)	370	-	(743)	(1)	232	677	2	31	172
Governance and Support Service	(2,992)	(4,049)	1,057	(52)	665	28	(21)	(106)	220	(62)	385
Regulatory Services	394	355	39	-	(687)	(11)	867	(154)	17	-	7
Resilient City	340	(757)	1,097	-	(33)	2	351	780	(3)	-	-
Roading and Footpaths	(198)	2,645	(2,843)	(2)	(4,700)	-	606	782	(9)	324	156
Treaty Partnership	219	65	154	-	-	8	(11)	157	-	-	-
3 Waters	(5,896)	(10,434)	4,538	168	1,186	(224)	291	2,670	264	578	(395)
Vibrant Economy	70	(391)	461	-	150	(4)	73	244	(2)	-	-
Waste Minimisation	1,560	105	1,455	30	(179)	(348)	(12)	1,719	70	140	35
Total Council (excluding Waipori)	(9,619)	(17,593)	7,974	144	(3,998)	(565)	2,383	6,828	565	1,322	1,295
Waipori Fund	4,318	2,936	1,382	-	1,394	-	-	(12)	-	-	-
Total Council	(5,301)	(14,657)	9,356	144	(2,604)	(565)	2,383	6,816	565	1,322	1,295



Sources:

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.

Signatories

Authoriser:	Carolyn Allan - Chief Financial Officer
-------------	---

Attachments

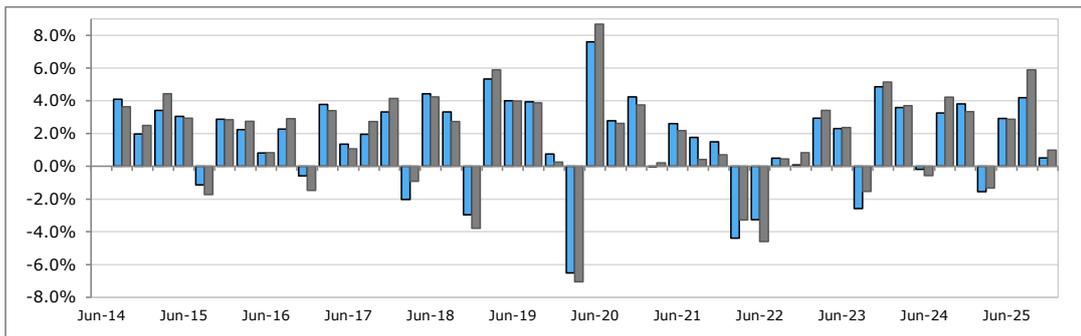
	Title	Page
⬇️A	Waipori Fund Report - December 2025 quarter	81

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: 15 January 2026
SUBJECT: **WAIPORI FUND - December 2025 Quarter**

Quarterly Returns vs Benchmark



December 2025 Quarter

The Fund made a gain of 0.5% over the quarter, relative to the Benchmark return of 1.0%. The Equities component has returned 6.20% (12 months to 22 January 2026) and has returned 10.30% since inception. The lower return compared to the Benchmark was largely driven by Australian Equities and Property. The Council approved SIPO precludes direct investment in stocks involved in fossil fuel extraction. Of the top 15 stocks in the ASX 200 that made the largest contribution to its positive quarterly return, the Fund is precluded from investing in 9 of them. These include entities such as BHP, Wesfarmers, Rio Tinto, Fortescue, Woodside among others. BHP was the largest contributor to the positive returns of the ASX 200 for the quarter – of which the Fund has zero exposure due to the SIPO. The Fund has a higher exposure to Banking, Healthcare, Communications, and Infrastructure. The exposure to these sectors is in line with the SIPO which states, “the Council has a preference for a lower risk/return profile”, “the Council prefers to forego some return in favour of reduced risk”. The holdings in CSL, Resmed, and Xero amongst others also detracted returns from Benchmark.

The Fund owns five New Zealand property stocks of which four had negative returns over the quarter. The forecast dividend yield of these stocks over the next year is between 5-8% all of which are higher than the average for the NZX50.

Fund Returns

Period ended 31 December 2025	Waipori		Benchmark	
	Quarter %	FY %	Quarter %	FY %
NZ Equities (NZ50 Gross)	2.6	6.3	1.9	7.5
Australian Equities (Australian All Acc)	-1.6	3.6	0.9	12.3
Int'l Equities (MSCI World Gross)	2.4	9.9	3.6	17.2
Property Equities (NZ Real Estate)	-6.6	5.3	-4.0	10.1
Short Term Interest (NZ 90 day bb)	0.7	2.2	0.7	1.6
Fixed Interest (NZ Corp Bond index)	-0.3	2.9	0.2	3.1
TOTAL	0.5	4.7	1.0	6.9

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

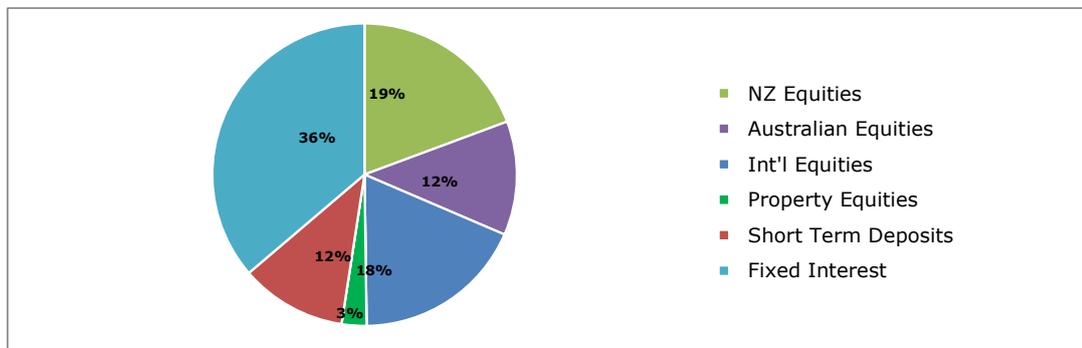
Waipori is diversified across asset classes with 52.4% invested in growth assets (equities and property) and 47.6% invested in income assets (fixed interest investments and short term deposits /cash).

The market value of the investment portfolio (i.e. the total value of all financial assets held) as at 31 December 2025 was \$116.7 million.

Summary of Investments

As at 31 December 2025	Market Value	Percentage of Portfolio	Benchmark/ Exposure Range*
NZ Equities	22,491,021.00	19.3	16.0
Australian Equities	14,234,759.10	12.2	11.0
Int'l Equities	21,355,965.03	18.3	15.0
Equities	58,081,745	49.8	20.0 - 60.0
Property Equities	3,067,451.00	2.6	3.0
Property	3,067,451	2.6	0.0 - 10.0
Short Term Deposits (incl. bank account balance)	13,228,974.09	11.3	10.0
Fixed Interest	42,287,792.14	36.2	45.0
Fixed Interest	55,516,766	47.6	40.0 - 70.0
TOTAL	116,665,962.00	100.0	100.0

Asset Allocation



Market Outlook

The OCR has likely reached its cyclical low, with the next move expected to be upward. Following last year’s reduction from 4.25% to 2.25%—down from the 2023–24 peak of 5.50%—monetary policy is now clearly stimulatory, easing borrowing conditions and supporting the recovery. While the Reserve Bank has indicated no urgency to tighten, markets are pricing in rate hikes in the second half of the year. This would be consistent with an improving economic outlook, and discussions around potential increases are expected to intensify. The Bank has shifted its stance multiple times in recent years, so further adjustments remain possible.

As 2026 begins, geopolitical risks remain elevated, but corporate fundamentals are solid and earnings growth continues to support the outlook. Markets may see further gains, though elevated valuations, lingering inflation and the possibility of slower monetary easing (overseas) increasing the potential for volatility. With some areas of the market stretched, maintaining diversification, focusing on quality and rebalancing toward long term allocations will be key to preserving resilience in an uncertain environment.

The Fund continues to take a long-term investment approach, diversifying across regions and sectors with 52.4% in growth assets (equities) and 47.6% 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
CHAIR

Gerhard Riepl
TREASURY ANALYST

Richard Davey
TREASURER

WAIPORI FUND
PERFORMANCE VERSUS INVESTMENT OBJECTIVES

31 December 2025

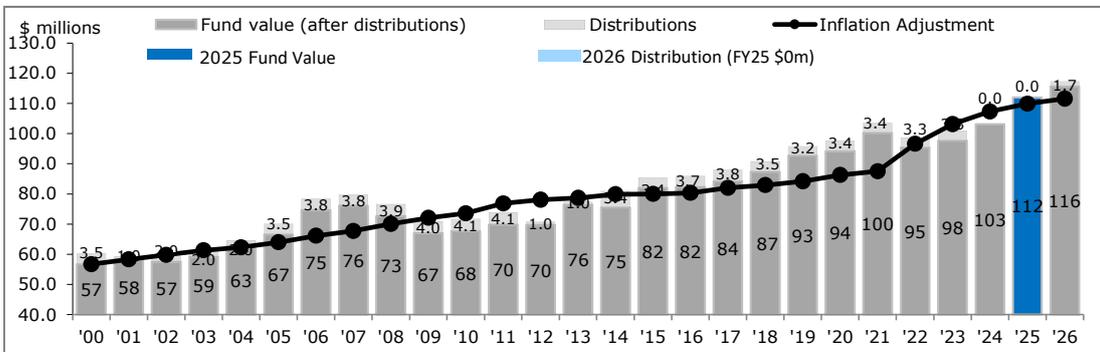
1. INCOME

Objective	2026 Est. Income	2026 Est. Yield	Average Yield	Period Years
The primary objective of the Fund will be to maximise its income, subject always to a proper consideration of investment risk.	\$3,980,197	3.6%	4.4%	26 1/2

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

Objective	Total Fund Value 31 Dec 2025	Revised Capital Base	Achieved
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)	\$115,600,000	\$111,600,000	✓

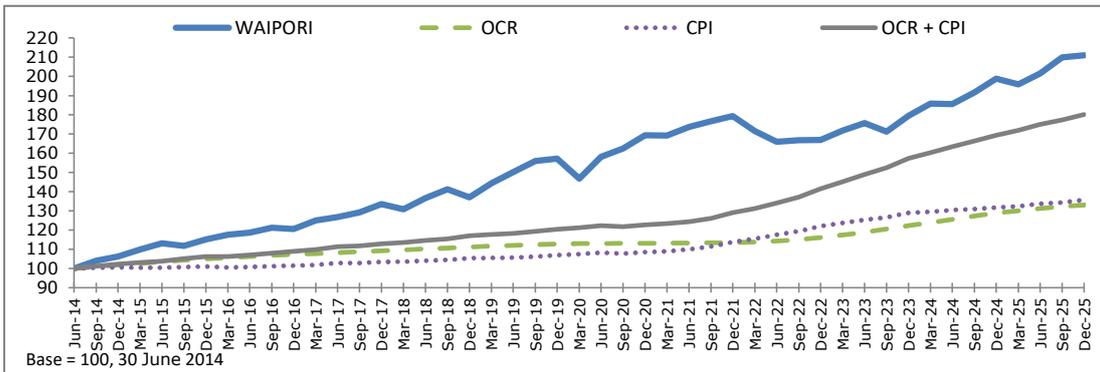
Fund value less accrued distribution (\$1.650.000) No distributions made in 2025
The difference between Total Fund Value (rounded to the nearest 100,000) and Total Summary of Investments (page 2) is other receivables such as dividends, interest and sales proceeds due but not yet received.



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

Objective	Waipori Return*	OCR*	CPI*	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 Official Cash Rate (OCR) plus the movement in the "all groups" Consumer Price Index (CPI).	6.7%	2.5%	2.7%	5.3%	✓	11.50

*Returns annualised



WAIPORI FUND
Statement of Financial Performance for month ended 31 December 2025

Quarter 31/12/2024	Actual YTD 31/12/2024		Quarter			Year to Date			Target Full Year
			Actual	Target	Variance	Actual	Target	Variance	
		Income							
365,670	811,165	Dividends	399,530	434,400	(34,870)	887,806	868,800	19,006	1,734,707
492,106	1,001,332	Interest	502,206	561,600	(59,394)	1,049,240	1,123,200	(73,960)	2,245,490
14,778	(73,527)	Surplus on sale of Equities	131,285	-	131,285	254,497	-	254,497	-
		Unrealised Gains/ (Losses)							
831,670	2,795,490	Equities	(141,939)	n.a.	n.a.	861,954	n.a.	n.a.	n.a.
2,191,878	1,650,990	Exchange Movements	296,563	n.a.	n.a.	1,934,636	n.a.	n.a.	n.a.
3,023,548	4,446,480	Revaluation of Equities	154,624	333,300	(178,676)	2,796,590	666,600	2,129,990	1,332,797
231,115	1,364,292	Revaluation of Bonds	(528,822)	-	(528,822)	422,150	-	422,150	-
412	238	Revaluation of \$AUD Bank A/C	516	-	516	2,158	-	2,158	-
4,127,629	7,549,980	Total Income	659,339	1,329,300	(669,961)	5,412,441	2,658,600	2,753,841	5,312,994
		less Expenses							
49,665	99,330	Management Fees	53,001	53,000	1	106,002	106,000	2	212,000
19,607	38,293	Equity Management Advice	22,354	17,799	4,555	44,623	35,598	9,025	70,097
37	70	Bank Fees	35	33	2	68	66	2	180
69,309	137,693	Total Expenses	75,390	70,832	4,558	150,693	141,664	9,029	282,277
4,058,320	7,412,287	Net Surplus/(Deficit)	583,949	1,258,468	(674,519)	5,261,748	2,516,936	2,744,812	5,030,717

WAIPORI FUND
**Statement of Movement in Principal of Fund
For Period to 31 December 2025**

30-Jun-25		31-Dec-25
59,050,000	Principal Opening	59,050,000
-	Additional Capital	-
59,050,000	Closing Balance	59,050,000
	Inflation Adjustment Reserve	
48,894,667	Opening Balance	51,470,824
2,576,157	Transfer from Retained Earnings	1,648,741
51,470,824	Closing Balance	53,119,565
	Retained Earnings	
(4,808,254)	Opening Balance	1,467,834
8,852,245	Net Surplus/(Deficit)	5,261,748
(2,576,157)	Transfer to Inflation Adjustment Reserve	(1,648,741)
-	Distribution to Council	-
1,467,834	Closing Balance	5,080,841
111,988,658	Total Fund at End of the Period	117,250,406

**Statement of Financial Position
As at 31 December 2025**

30-Jun-25		31-Dec-25
63,583	Current Assets	142,884
433,466	Bank Account	655,248
12,600,860	Debtors/Prepayments	13,086,090
13,097,909	Short Term Investments	13,884,222
	Total Current Assets	
57,935,388	Investments	61,149,196
41,021,931	Equities	42,287,792
98,957,319	Term Financial Instruments	103,436,988
112,055,228	Total Investments	117,321,210
	Total Assets	
	less	
66,570	Current Liabilities	70,804
66,570	Accruals	70,804
	Total Current Liabilities	
111,988,658	Total Value of Fund	117,250,406

FINANCIAL STRATEGY COMPLIANCE

Department: Finance

EXECUTIVE SUMMARY

- 1 The attached reports provides a summary of rate and debt limits, including group debt limits. The purpose of the report is to monitor compliance against these limits.
- 2 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

- 3 The report provided in Attachment A shows compliance with Financial Strategy limits and group debt limits. It summarises rates and debt limits as well as forecast rates and debt levels for the period of the 9 year plan. Actual financial information for the year ended 30 June 2025 is provided.
- 4 The report uses financial forecasts from the 9 year plan, the Dunedin City Treasury Limited Statement of Intent for the year ending 30 June 2026 and Dunedin City Holdings Limited projections as at 30 June 2025.
- 5 Attachment B provides supplementary comparison of Financial Strategy limits between the 2026/27 draft Annual Plan budget and the 2026/27 budget included in the 9 year plan.

NEXT STEPS

- 6 Financial Strategy Compliance Reports will be provided quarterly to the Audit, Risk and Assurance Committee.
- 7 The June report will forecast Financial Strategy limits for the current year based on DCC & DCHL projections.

Signatories

Author:	Tony Nelmes - Project Accountant
---------	----------------------------------

Authoriser:	Carolyn Allan - Chief Financial Officer
-------------	---

Attachments

	Title	Page
↓A	Financial Strategy Compliance	88
↓B	Financial Strategy Limits – 2026-27 Draft Annual Plan	96

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.

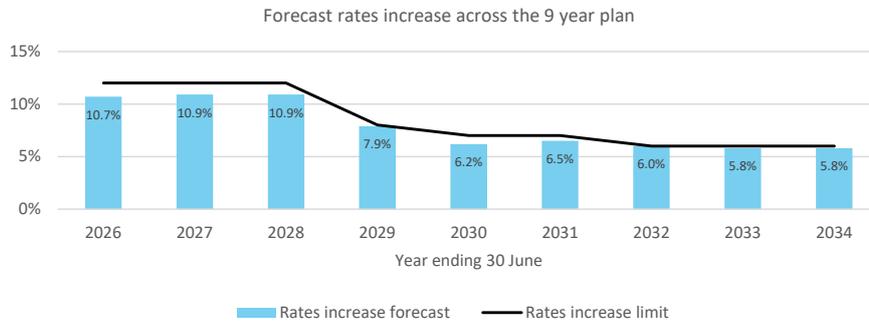
The report shows that forecast rate increases and forecast debt levels are within limits.

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

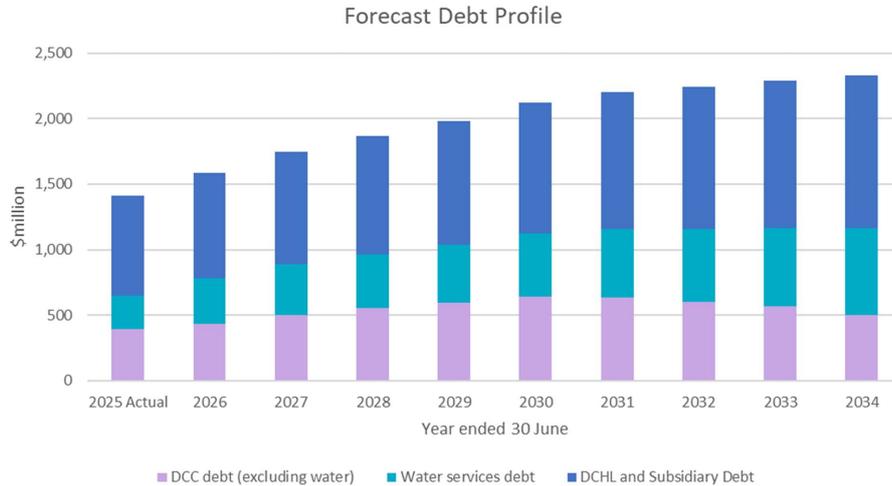
The following chart shows the forecast rate increases against the annual rate increase limits for the 9 year plan:



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 Actual	2026 Forecast	2027 Forecast	2028 Forecast
Core Council							
Net Debt / Total Revenue	<280% ¹	110.4%	141.0%	145.7%	162.2%	178.4%	180.4%
Net Interest / Total Revenue	<20%	0.3%	1.0%	1.8%	2.4%	3.9%	3.9%
Net Interest / Rates Revenue	<30%	0.4%	1.6%	2.6%	3.6%	5.5%	5.4%
Liquidity Ratio	>110%	169.8%	158.8%	155.7%	146.2%	140.8%	137.8%
DCC Group							
Net Debt / Total Revenue	<280% ¹	160.3%	185.4%	191.3%	178.8%	183.3%	183.4%
Net Interest / Total Revenue	<20%	5.6%	7.8%	8.1%	7.2%	7.5%	8.1%
Net Interest / Rates Revenue	<30%	17.4%	23.4%	21.9%	21.5%	21.7%	22.5%
Liquidity Ratio	>110%	130.7%	128.4%	126.6%	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.

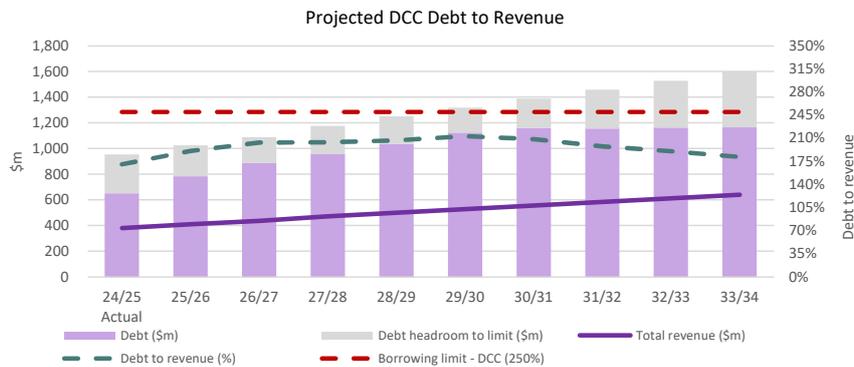
to \$1.9 billion. This is because the current DCC Group borrowing arrangements require the level of DCHL uncalled share capital to be greater than DCC Group debt.

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, Water Services Strategy and 2027/28 Statements of Intent of DCHL and its subsidiary and associate companies. 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.

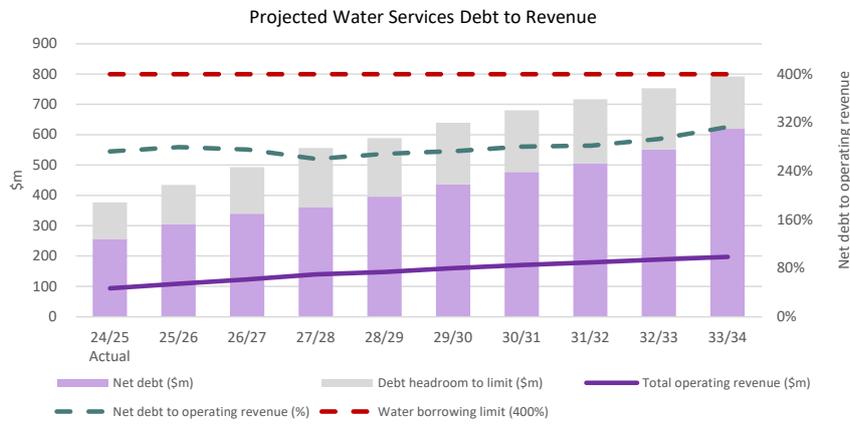
The following chart shows forecast revenue and forecast debt as a % of revenue against the limit.



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 was accepted by the Secretary for Local Government on 10 November 2025. 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).

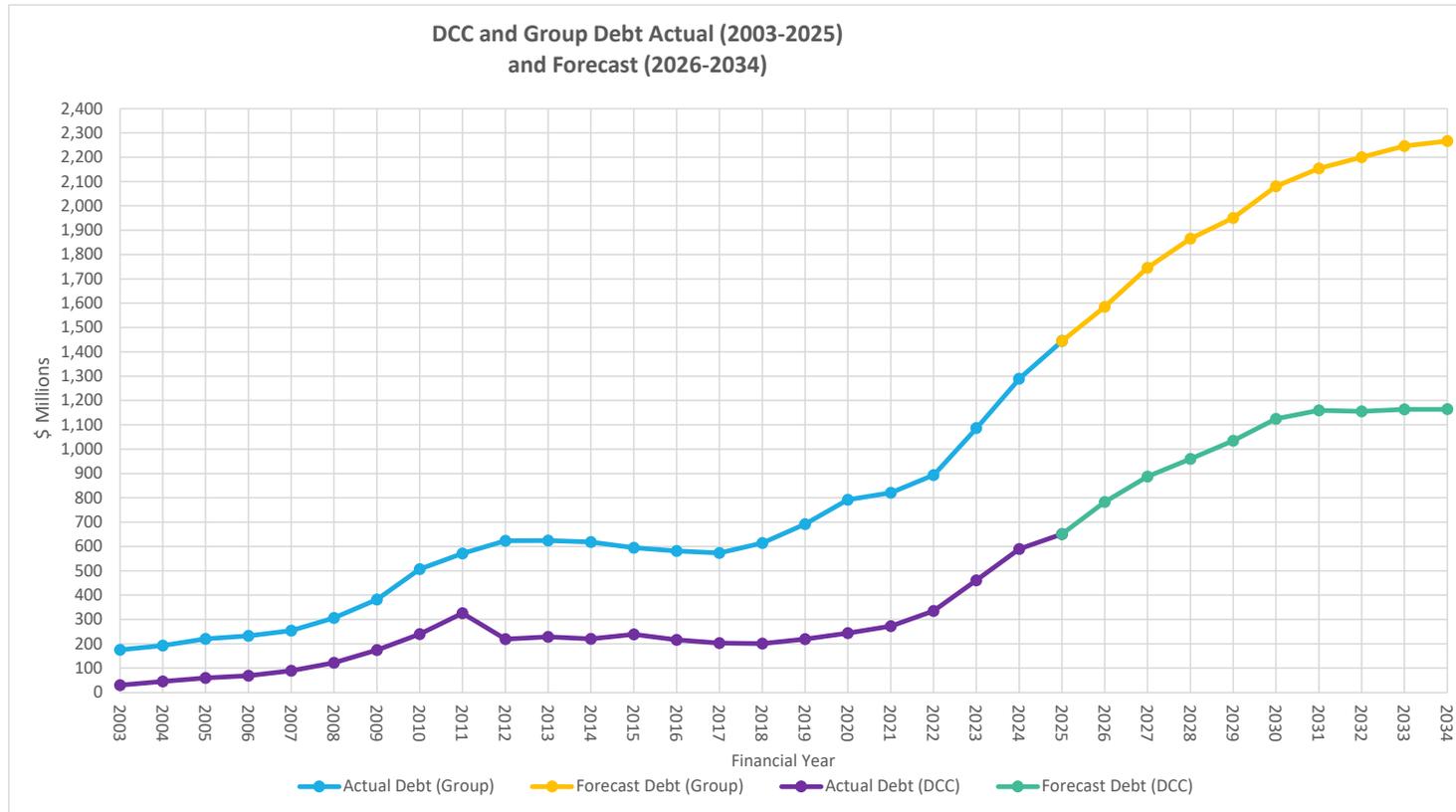
Appendix A

Financial Strategy Limits

(\$'000s)	2024/25 Actual	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget	2031/32 Budget	2032/33 Budget	2033/34 Budget
Debt (Whole of Council)										
Debt	650,973	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)	953,513	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	381,405	410,230	435,411	470,698	500,253	527,248	555,884	583,884	611,266	640,656
Debt Limit (at 250% of revenue)	171%	191%	204%	204%	207%	213%	209%	198%	190%	182%
Debt (Water Services Only)										
Debt (Net Debt)	256,789	304,194	340,293	362,287	396,358	438,428	479,110	508,449	554,911	623,658
Debt Limit (at 400% of revenue)	376,732	434,680	492,640	556,380	588,700	639,600	680,416	717,016	752,932	791,872
Total Revenue	94,183	108,670	123,160	139,095	147,175	159,900	170,104	179,254	188,233	197,968
Debt Limit (at 400% of revenue)	273%	280%	276%	260%	269%	274%	282%	284%	295%	315%
Debt (Group)										
Debt	1,413,975	1,585,010	1,745,010	1,865,010	1,976,659	2,106,705	2,179,690	2,225,722	2,272,007	2,293,023
Rates (Whole of Council)										
Rates Revenue	239,803	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	17.50%	10.70%	10.90%	10.90%	7.90%	6.20%	6.50%	6.00%	5.80%	5.80%
Rates Increase Limit	6.50%	12.00%	12.00%	12.00%	8.00%	7.00%	7.00%	6.00%	6.00%	6.00%
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	15.00%	15.00%	15.00%	15.00%	6.00%	9.00%	6.60%	5.50%	5.20%	5.40%
Operating Surplus (Whole of Council)										
Surplus/ (deficit)	-733	0	2,584	14,640	23,313	20,467	14,942	32,501	46,124	60,899
Operating Surplus (Water Services Only)										
Surplus/ (deficit)	-12,940	-16,040	-6,895	2,559	2,559	2,559	2,559	2,559	2,559	2,559

Appendix B

Actual and Forecast Debt – DCC and Group



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.

Financial Strategy Limits – 2026/27 Draft Annual Plan

(\$'000s)	2024/25 Actual	2025/26 9YP	2026/27 Draft Annual Plan	2026/27 9YP	2026/27 Variance
Debt (Whole of Council)					
Debt	650,973	783,173	829,473	887,239	-57,766
Debt Limit (at 250% of revenue)	953,513	1,025,575	1,091,163	1,088,528	2,635
Total Revenue	381,405	410,230	436,465	435,411	1,054
Debt Limit (at 250% of revenue)	171%	191%	190%	204%	-14%
Debt (Water Services Only)					
Debt (Net Debt)	256,789	304,194	335,990	340,293	-4,303
Debt Limit (at 400% of revenue)	376,732	434,680	497,756	492,640	5,116
Total Revenue	94,183	108,670	124,439	123,160	1,279
Debt Limit (at 400% of revenue)	273%	280%	270%	276%	-6%
Debt (Group)					
Debt	1,413,975	1,585,010	1,686,747	1,745,010	-58,263
Rates (Whole of Council)					
Rates Revenue	239,803	264,596	292,393	293,436	-1,043
Rates Limit	216,576	267,704	299,828	299,828	0
Rates Increase Forecast	17.50%	10.70%	10.51%	10.90%	-0.39%
Rates Increase Limit	6.50%	12.00%	12.00%	12.00%	0.00%
Rates (Water Services Only)					
Rates Revenue	85,129	97,896	114,270	112,606	1,664
Rates Increase Forecast	15.00%	15.00%	16.70%	15.00%	1.70%
Operating Surplus (Whole of Council)					
Surplus/ (deficit)	-733	0	7,168	2,584	4,584
Operating Surplus (Water Services Only)					
Surplus/ (deficit)	-12,940	-16,040	-4,904	-5,470	566

RESOLUTION TO EXCLUDE THE PUBLIC

That the Audit, Risk and Assurance Committee:

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, Risk and Assurance Committee meeting - 4 December 2025 - Public Excluded	<p>S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>S7(2)(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.</p> <p>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</p>	.	

	<p>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.</p> <p>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.</p> <p>S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p>		
C2 Audit Arrangements for the year ending 30 June 2026	<p>S7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>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.</p>	
C3 Treasury Risk Management Compliance Report	<p>S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p>	<p>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.</p>	

<p>C4 Dunedin City Holdings Ltd - Update on Audit and Risk Activity</p>	<p>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.</p>	<p>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.</p>	
<p>C5 Internal Audit: Workplan Update</p>	<p>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.</p> <p>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.</p> <p>S7(2)(h) The withholding of the information is necessary to enable</p>	<p>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.</p>	

	the local authority to carry out, without prejudice or disadvantage, commercial activities.		
C6 Internal Audit Services Contract - Recommendation Report	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.	
C7 Internal Audit: Recommendations and Actions Update	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.	
C8 Risk Assurance: Financial Management	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..

<p>C9 Risk Assurance: Integrity</p>	<p>S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p>	<p>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.</p>	<p>The information in this report is commercially sensitive.</p>
<p>C10 Risk Assurance: Cybersecurity</p>	<p>S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p>	<p>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.</p>	
<p>C11 Risk Management Update</p>	<p>S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p>	<p>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.</p>	
<p>C12 Government Reforms Update - March 2026</p>	<p>S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p>	<p>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.</p>	
<p>C13 Legal Compliance Survey 2024/25 - Corrective Actions Progress</p>	<p>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</p>	<p>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.</p>	

	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.		
C14 Legal Matters	S7(2)(g) The withholding of the information is necessary to maintain legal professional privilege.	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.	
C15 Investigation Register - March 2026	<p>S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>S7(2)(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.</p>	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.