DUNEDIN CITY COUNCIL | kaunihera a-rohe o Ōtepoti

Notice of Meeting:

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

Date:	**Thursday 26 November 2026**
Time:	**8:30 a.m.**
Venue:	**Council Chamber, Level 2, Dunedin Public Art Gallery, The Octagon, Dunedin**
YouTube Link:	**https://youtube.com/live/aevtKYnKUAE**

Richard Briggs
Chief Executive Officer

Finance and Performance Committee

PUBLIC AGENDA

MEMBERSHIP

Chairperson	Cr Cherry Lucas	Cr Lee Vandervis
Members	Mayor Sophie Barker	Mr Jeffrey Broughton
	Cr John Chambers	Cr Jo Galer
	Cr Christine Garey	Cr Doug Hall
	Mr Hoani Langsbury	Cr Marie Laufiso
	Cr Russell Lund	Cr Mandy Mayhem
	Cr Andrew Simms	Cr Mickey Treadwell
	Cr Steve Walker	Cr Brent Weatherall
Senior Officer	Carolyn Allan, Chief Financial Officer	
Governance Support Officer	Lauren Riddle	

Lauren Riddle
Governance Support Officer

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

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

ITEM TABLE OF CONTENTS **PAGE**

1	Public Forum	4
2	Apologies	4
3	Confirmation of Agenda	4
4	Declaration of Interest	5
PART A REPORTS (Committee has power to decide these matters)		
5	DCC Rates Relief Grants	14
6	DCHL Letter of Expectation for the year ended 30 June 2028	33
7	Significant Forecasting Assumptions update - Long Term Plan and Water Services Strategy 2027-37	47
8	Items for Consideration by the Chair	137

1 PUBLIC FORUM

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

2 APOLOGIES

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

3 CONFIRMATION OF AGENDA

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

DECLARATION OF INTEREST

EXECUTIVE SUMMARY

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

2. Elected or 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	Finance and Performance Committee Interest Register	6

Finance and Performance Committee Interest Register 19 November 2026					
Name	**Date of Entry**	**Responsibility (i.e. Chairperson etc)**	**Declaration of Interests**	**Nature of Potential Interest**	**Member's Proposed Management Plan**
Cr Cherry Lucas Co-Chairperson		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.
		Deputy Lead	Infrastructure Portfolio (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 Lee Vandervis Co-Chairperson		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.
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.

Mayor Sophie Barker (cont)		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.
		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	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 Avisory 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.
		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	Dunedin Chinese Garden Advisory 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	Ōtākou 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	Otago Settlers Association (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Toitū Otago Settlers Museum Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Hereweka Harbour Cone Trust (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.
		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 Jo Galer		Owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Trustee	Southern Heritage Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Shareholder	Various International Managed Funds	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Shareholder	Various individual shares	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Co-Lead	Heritage Portfolio (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Dunedin Public Art Gallery Society (Council Appointment)	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.

Cr Jo Galer (cont)		Member	Theomin Gallery Management Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Christine Garey		Trustee	Garey Family Trust - Property Ownership - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Daughter employee	Halo Project	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Trustee	Ashburn Hall Charitable Trust Board	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Performing Arts Advisory Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
			Sophia Charter (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	St Paul's Cathedral Foundation (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Theomin Gallery Management Committee (Olveston) (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Doug Hall		Trustee	Cronus Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Owner	Clickfix Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	District Licensing Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Shareholder	Various NZ, US shares and Crypto	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Dunedin Public Art Gallery Society (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Toitū Otago Settlers Museum Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	West Harbour Community Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Marie Laufiso		Property Owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Trustee	Moray Place Community Building Trust - which owns property 111 Moray Place	Duty to Trust may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Women of Ōtepoti Recognition Initiative	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Trustee	Corso Ōtepoti Dunedin Trust	Potential grants recipient	Withdraw from discussion and leave the table. If in public excluded leave the room. Seek advice prior to the meeting.
		Dunedin Branch Treasurer	P.A.C.I.F.I.C.A Inc	Potential grants recipient	Withdraw from discussion and leave the table. If in public excluded leave the room. Seek advice prior to the meeting.
		Expert Panel Member	Health Coalition Aotearoa Public Health Infrastructure Committee	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Trustee	The Ōtepoti Community Builders Charitable Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Trustee/Secretary	Refugee Support Group	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Dunedin Abrahamic Interfaith Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Saddle Hill Community Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Dunedin Former Refugee Steering Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Puketai Residential Centre Liaison Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Social Wellbeing Advisory Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Cr Russell Lund		Shareholder	Loan & Mercantile Trust includes:	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Director	Produce Place Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Director	Dunedin Grain Store Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Director/Shareholder	Loan & Mercantile 2000 Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Shareholder	Lund South Trust includes:	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Director/Shareholder	Lund South Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Director/Shareholder	Lund Dunedin Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Director/Shareholder	Resource Values Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Director	Sherwood Manor Properties Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Director/Shareholder	Lund Central Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Director/Shareholder	Lund South Administration Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Director	Construction Operatives Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Director	Lund South Properties Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Trustee	RV Lund Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Trustee	BDCRS Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Director	Lund Frankton Ltd	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.
		President	Ariki Amateur Athletic & Harrier Club	Ariki is a member of Athletics Otago which receives grant funding from DCC.	Withdraw from discussion and leave the table. If in public excluded leave the room. Seek advice prior to the meeting.
		Co-Lead	Heritage Portfolio (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	Otago Theatre Trust (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Mandy Mayhem		Chairperson	Waitati Hall Society Inc	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Chairperson	Keep Ōtepoti Dunedin Beautiful	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Co-ordinator	Emergency Response Group, Blueskin area	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Blueskin Bay Amenities Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Blueskin A & P Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Zone Representative and Board Member	Keep New Zealand Beautiful	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Coastal Community Cycleway Network	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Cr Mandy Mayhem (cont)		Member	Waitati Music Festival Committee	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Property Owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Disability Issues Advisory Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Dunedin Gasworks Museum Trust (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Keep Dunedin Beautiful (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Creative New Zealand Grants Advisory Panel (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Performing Arts Advisory Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Blueskin Bay Watch	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Social Wellbeing Advisory Group (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.
		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.

Cr Andrew Simms (cont)		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.
		Honorary Board Member	**Central Otago Clutha Trails Limited**	**No conflict identified**	**Seek advice prior to the meeting if actual or perceived conflict of interest arises.**
		Honorary Trustee	**Clutha Gold Trail Charitable Trust**	**No conflict identified**	**Seek advice prior to the meeting if actual or perceived conflict of interest arises.**
Cr Mickey Treadwell		Director	Atawhai Interactive Tapui Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Co-owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Green Party of Aotearoa	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Dunedin Otaru Sister City Society (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Ice Sports Dunedin Incorporated (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Ōtepoti Dunedin Live Music Advisory Panel (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Te Ao Tūroa Partnership (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Otago Peninsula Community Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Steve Walker		Trustee	Dunedin Wildlife Hospital Trust	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in public excluded leave the room. Seek advice prior to the meeting.
		Member	Orokonui Ecosanctuary	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in public excluded leave the room. Seek advice prior to the meeting.
		Member	New Zealand Labour Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Owner	Residential Property - Dunedin	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.
		Member	NZ Sea Lion Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Justice of the Peace		No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Trustee	Predator Free Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Dunedin Edinburgh Sister City Society (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	Dunedin Art Gallery Acquisitions Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	NZ Masters Games Trust Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Predator Free Dunedin (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Otago Regional Transport Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Ōtepoti Dunedin Live Music Advisory Panel	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Brent Weatherall		Owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Cr Brent Weatherall (cont)		Owner	Business George Street, Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Trustee	Brent Weatherall Jeweller Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Trustee	Weatherall Trustee Company	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Trustee	Residential Rental Properties	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Dunedin Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Lead	Infrastructure Portfolio (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Dunedin Public Art Gallery Acquisitions Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Dunedin Public Art Society (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Keep Dunedin Beautiful (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Toitū Otago Settlers Museum Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Strath Taieri Communtiy Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Jeffrey Broughton		Director and Shareholder	Hāpai Advisory	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Manawhenua representative		Director and Shareholder	Ka Mua Ka Muri	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
(Pūketeraki)		Director	Ka Taki te Umere	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Board Member	Kati Huirapa Rūnaka ke Pūketeraki	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Branch Committee Member	Otago Southland Branch Institute of Directors	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Advisory Board member	Otago University Student Association	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Director Investment Manager (contract)	Pūketeraki Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	16/06/2026	Director	Taramea Fragrance Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Director/Shareholder	Nind Electrical Services (Dunedin) Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Shareholder	Nind Electrical Services (Queenstown) Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	06/10/2026	Trustee	Central Lakes Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Shareholder	Nind Dairy Services Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Hoani Langsbury	15/06/2026	Manager (Employee)	Otago Peninsula Trust	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Manawhenua representative		Trustee	Yellow-eyed Penguin Trust	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
(Ōtākou)		Trustee (Chairperson)	Otago Peninsula Biodiversity Group	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Gazetted Takata Tiaki	TRO - Tangata Tiaki	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Te Runanga o Ngai Tahu - Climate Tautoko Komiti	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	DoC Te Roopu Kaitiaki	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Port Otago Technical Committee	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Commissioner	Waitaki District Council	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		RMA Commissioner	Environment Canterbury	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		RMA Commissioner	Christchurch City Council	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Independent Commissioner	Dunedin City Council	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Trustee (Chairperson)	Te Rauone Incorporation	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Research Director	TRO - Ko Takaroa Rau - Enabling Ōtākou Kaitiaki Practices	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Environmental Protection Authority (EPA) - Te Herenga	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Expert Panelist	EPA - Fast Track	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Trustee(Co-Chairperson)	Wild Dunedin Trust	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Ōtepoti Dunedin Cruise Action Group	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	DCC - Ōtepoti Dunedin Destination Management Advisory Panel	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Committee Member (Co-Chairperson)	ORC - Regional Pest Management Advisory Panel	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Otago Regional Council - Site Led Committee	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	ORC - Dunedin & Coast Integrated Catchment Group	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member (Chairperson)	TRO - Marine Kaupapa	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Otago Peninsula Community Board	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Trustee	Ōtākou Marae Reserve	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

PART A REPORTS

DCC RATES RELIEF GRANTS

Department: Community and Planning

EXECUTIVE SUMMARY

1 This report summarises grant applications to the Dunedin City Council's (DCC) Rates Relief fund for the 2026/27 round. The report also includes applicant data and funding recommendations.

2 The Finance and Performance Committee (Committee) is responsible for allocating Rates Relief grant funding in line with the DCC's Committee Structure and Delegations Policy and the DCC's grants budget.

RECOMMENDATIONS

That the Committee:

a) **Decides** the grants to be allocated from the DCC's Rates Relief fund.

BACKGROUND

3 The Dunedin City Council's (DCC) Rates Relief fund is a non-contestable grant that supports non-government and not-for-profit organisations that make their facilities available for activities that benefit the community. This includes social, educational, recreational, cultural, and environmental activities.

4 Information on applications received and staff grant recommendations against the Rates Relief grant criteria is provided in Attachments A and B. Attachment A contains recommendations for building owners, while Attachment B contains recommendations for tenants and DCC renters. Attachment C outlines an option for the Committee's consideration to adjust the recommended grants in Attachment A to align with the 2026/27 budget.

5 The budget amount approved by Council for distribution through the Rates Relief Fund for 2026/27 is $542,481.

6 On 26 May 2025, Council reviewed and approved the DCC's Rates Relief grant eligibility and assessment criteria. Responsibility for approving Rates Relief grant applications also shifted from delegated staff authority to the Council, through its delegation to the Committee.

7 The DCC is one of the few local authorities that offer Rates Relief grants to community groups and organisations. In contrast, most councils offer rates remissions, rebates, or targeted rates relief programmes for specific sectors, such as sport, recreation, or the arts.

8 Receipt of other DCC funding does not affect an organisation's eligibility to apply for Rates Relief grants.

9 The Local Government (Rating) Act 2002 identifies categories of land that are either fully non-rateable or 50% non-rateable. Some applicants to the current Rates Relief fund are also entitled to a 50% rates remission under the Act. This has been noted in the application and assessment information provided in Attachment A regarding building owners.

DISCUSSION

Application Process

10 The DCC's Rates Relief fund opened for applications on 1 October 2026 and closed on 31 October 2026.

11 In total, 107 applications were received. Two organisations also sought approval to submit late applications however, both were declined to ensure fairness and consistency in the assessment process.

12 Each applicant was thoroughly assessed by staff against the Rates Relief grants criteria. This process included verifying their non-profit status, reviewing their purpose against the DCC's Rates Relief grant criteria and Grants Management Policy, examining financial accounts to assess if they are a 'going concern', and checking that their DCC rates account was not in arrears.

13 For sport and arts organisations that own their facilities, staff also checked if their property was entitled to a rates remission under the Local Government (Rating) Act 2002 before determining a recommended grant amount for Council's consideration. Applicants who are building owners and to whom the Act applies. are identified in Attachment A.

Applicants' data

14 Applications to the DCC's Rates Relief Grant are available to Councillors via the Fund Consult portal. In the portal are each applicant's application form, their financial accounts and any other relevant documents they submitted to support their application.

15 To assist the Committee in making funding decisions, staff have summarised key information for each applicant, including how their application aligns with the priorities and assessment criteria for the Rates Relief fund.

16 In total, 107 applications were received to the Rates Relief Fund. Together, they account for approximately $1.49 million in annual rates. These comprised of 80 applications from building owners (Attachment A), 25 from tenants and two from DCC renters (Attachment B). Following assessment, two applications have been recommended for decline as they do not meet the Rates Relief Grant criteria. This leaves 105 eligible applications for the Committee's consideration.

17 It is worth noting that one applicant, namely Presbyterian Support Otago, submitted eight applications: five as building owners and three as tenants.

18 Among organisations that own their facilities (building owners), their annual rates charges range from $624 (Portobello Library) to $97.8k (Otago Golf Club).

19 For organisations that are tenants, their rate charges are verified from their landlord confirming the portion payable under the tenant's lease agreement. These amounts range from $1.5k (BIAS Charitable Trust) to $62.7k (Presbyterian Support Otago).

20 For organisations leasing DCC-owned facilities, rates obligations were confirmed directly with the relevant DCC staff member responsible for managing the property.

Assessment Process to Identify Recommended Grant Amounts

21 To assist Committee in its decision, staff assessed each application against the Rates Relief grant criteria and categorised the results into four broad ratings, as shown below.

Outcome after assessment	Interpretation	% applied to rate account to identify grant amount
Decline	Did not meet the Rates Relief Grant Criteria in demonstrating their facility supports the wider community or priority groups	0%
Approve - Low	Meets the Rates Relief Grant Criteria in demonstrating they support the community or priority groups but in a limited way. Their focus is primarily on servicing their own members.	1-25%
Approve - Medium	Meets the Rates Relief Grant Criteria in demonstrating they support the community and/or priority groups.	26-50%
Approve - High	Meets the Rates Relief Grant Criteria in demonstrating they support the community and/or priority groups demonstrating high community benefit.	51-75%

Table 1: Rates Relief Grants criteria

22 After the assessment was completed, the results were checked and moderated by senior staff before being submitted to Committee for consideration, as summarised in Attachments A and B. As with all DCC grants, the overall budget remained the primary constraint in determining the final amounts.

23 A summary of the recommended grants across the building owners and tenant categories is presented in Figures 1 and 2 below. We did not produce a summary for tenants are there are only three of them and all rated ‘high’.

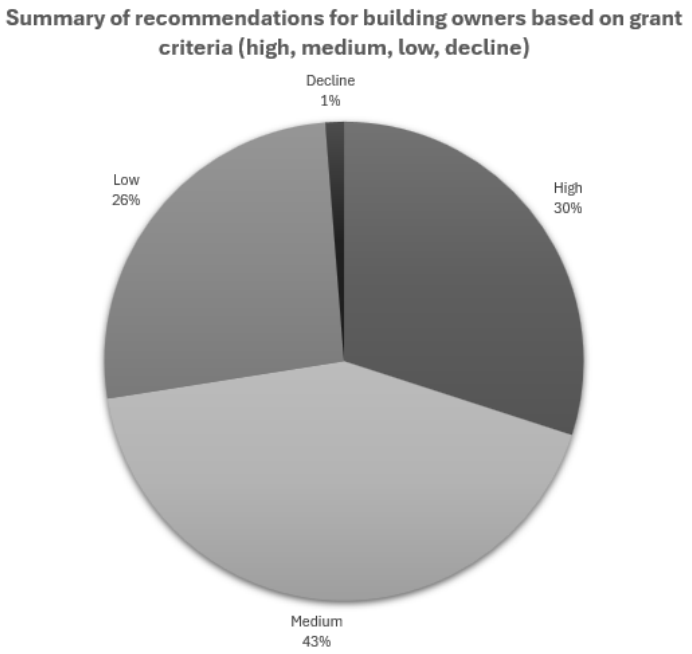


Figure 1: Summary of recommendations for Building Owners

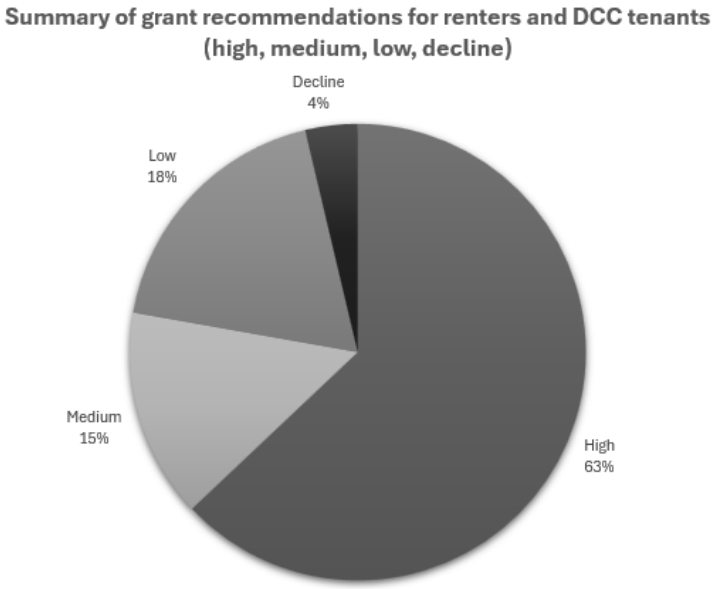


Figure 2: Summary of recommendations for Tenants and DCC Renters

Recommended amounts for Building Owners

24 Attachment A shows the recommended grant amounts for building owners, grouped according to their alignment with the Rates Relief grant criteria (high, medium, and low).

25 One applicant, Ōtepoti Futures Trust, has been recommended for decline as there is insufficient evidence that its facility provides a level of community benefit that aligns with the Rates Relief Grant criteria.

Recommended amounts for Tenants and DCC Renters

26 Attachment B shows the recommended grant amounts for tenants and DCC renters, grouped according to their alignment with the Rates Relief grant criteria (high, medium, and low).

27 One tenant, Greater Green Island Community Network Charitable Trust has been recommended for decline as they did not provide evidence for paying rates in their lease agreement.

28 The majority of tenants have been recommended for approval at the high level, with four tenants recommended for a grant at the medium level, and five applicants recommended at the low level.

29 The two DCC renters have both been recommended for approval, with one categorised as High and the other categorised as Medium against the Rates Relief Grant assessment criteria.

Financial Analysis

30 Financial information provided by applicants shows that several organisations reported operating deficits, with 10 applicants recording deficits greater than $50k. Staff sought advice from their Financial Advisor, who advised that operating results provide only one measure of financial performance and do not necessarily reflect an organisation's overall financial position or long-term financial sustainability.

31 The assessment also considered other available financial information, including cash balances, reserves, and broader indicators of financial capacity. Reported operating deficits were considered in the context of each organisation's overall financial circumstances when determining the recommended Rates Relief Grant allocations.

Recommended Grant Amounts

32 The total amount to be allocated from the DCC's Rates Relief fund for 2026/2027 is $542,481.

33 Applicant data for the 2026/27 Rates Relief fund is in Attachments A (building owners) and B (tenants and DCC renters).

34 In applying the grants criteria (high, medium and low) across all eligible applications, the total recommended grant amounts *exceeded* the approved budget by $57k (see column A in Table 2 below).

35 Given this context, staff adjusted the recommended grant allocations for 'Building Owners' in the 'low' category (see column B in Table 2 below). The rationale for this is because these applications demonstrated the lowest level of alignment with the Rates Relief grant criteria and were considered the most appropriate category from which to achieve the required budget savings.

Applicants	A: Recommended grant amounts based on RR grant criteria – no adjustment for 2026/27 budget	B: Recommended grant amounts based on RR grant criteria **and** adjusted to align with 2026/27 budget - for 'low' building owners only.
Building Owners	$434,660.04	$376,786.07
Tenants and DCC Renters	$165,691.85	$165,691.85
Total	$600,351.89	$542,477.92

DCC Budget for Rates Relief fund 2026/2027	$542,481.00	$542,481.00
Balance	- $57,870.89	$3.08

Table 2: Recommended grant amounts

Grant Decisions

36 That the Committee **approves** the grant amounts recommended by staff and set out in;

a) Attachment B (Tenants and DCC Renters)

b) Attachment C (Building Owners) which includes adjusted grant amounts for applicants in the low category only, to align with the 2026/27 budget.

37 That the Committee approves the staff recommendation to **decline** the applications from Ōtepoti Futures Trust and Greater Green Island Community Network Charitable Trust on the basis that they do not sufficiently meet the Rates Relief Grant criteria.

38 Alternatively, the Committee may choose to approve alternative grant amounts for applicants listed in Attachments A and B. These attachments set out the staff-recommended grant amounts based on the Rates Relief Grant criteria and do not include the budget adjustments applied in Attachment C, to align with the available 2026/27 budget. Should the Committee determine alternative allocations, staff will implement those decisions accordingly.

OPTIONS

39 There are no options, as the Finance and Performance Committee is delegated by Council to decide on the allocation of grant from the Rates Relief Fund for 2026/27.

NEXT STEPS

40 Staff will advise applicants to the Rates Relief fund of the Committee's grant decisions and will administer the payment of grants accordingly.

Signatories

Author:	Mai Tamimi - Team Leader Community Development
Authoriser:	Gina Hu'akau - Community Partnerships Manager

Attachments

	Title	Page
⇩A	Rates Relief - Building Owners	23
⇩B	Rates Relief - Tenants and DCC Renters	27
⇩C	Rates Relief - Recommendations for Building Owners with Low Category	29

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This decision promotes the social, economic, environmental and cultural wellbeing of communities in the present and for the future.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	✓	☐	☐
Economic Development Strategy	✓	☐	☐
Environment Strategy	✓	☐	☐
Arts and Culture Strategy	✓	☐	☐
3 Waters Strategy	☐	☐	✓
Future Development Strategy	☐	☐	✓
Integrated Transport Strategy	☐	☐	✓
Parks and Recreation Strategy	✓	☐	☐
Other strategic projects/policies/plans	✓	☐	☐

Grants funding including Rates Relief grants contributes to many of the objectives and priorities identified in the DCC's strategies.

Māori Impact Statement

The distribution of DCC grants, including Rates Relief grants has been used to support and give effect to the Council's commitment to Māori and to its obligations under the Treaty of Waitangi. The adoption of Te Taki Haruru outlines the DCC's commitment to mana whenua.

Sustainability

The DCC grants have been used to support and give effect to the Council's commitment to sustainability.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

Rates Relief grants are provided for in the broader grants budget in the current 9 year plan 2025-34.

Financial considerations

The budget of $542k for Rates Relief grants has been approved by Council.

Significance

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

Engagement – external

There has been no external consultation in regard to this report.

Engagement - internal

Other staff have been consulted in contributing to this report who have rates and financial expertise.

Risks: Legal / Health and Safety etc.

There are no identifiable risks in regard to this report.

SUMMARY OF CONSIDERATIONS
Conflict of Interest There are no known conflicts of interest.
Community Boards There are no identified implications for Community Boards.

Summary sheet showing all 'Building Owner' applicants and recommended grants . (Sorted by Rates Relief Grant Criteria high to low)									
#	Applicant Name	CC Number	Local Government Rating Act applied	Rates Relief Criteria (High, Medium, Low, Decline)	DCC Rates Charge	Rates Relief Grant Amount (Gross)	GST	Rates Relief Grant 26/27 (GST excl)	Recommendation by CAs: Indicate if Grant should be High, Medium, Low.
1	Outram Public Library	CC40571		75%	$ 624.53	$ 468.40	$ 61.10	$ 407.30	Approve - High
2	Blueskin A&P Society	CC41352	Yes	75%	$ 2,568.53	$ 1,926.40	$ 251.27	$ 1,675.13	Approve - High
3	Otago Mountaineering & Tramping Club	CC41038	Yes	75%	$ 2,664.42	$ 1,998.32	$ 260.65	$ 1,737.67	Approve - High
4	The Work Opportunities	CC20555		75%	$ 2,882.09	$ 2,161.57	$ 281.94	$ 1,879.62	Approve - High
5	Pukehiki Hall Society	Incorp - 227047		75%	$ 3,153.55	$ 2,365.16	$ 308.50	$ 2,056.66	Approve - High
6	Henley Community Centre	CC35181		75%	$ 3,557.45	$ 2,668.09	$ 348.01	$ 2,320.08	Approve - High
7	Mornington Methodist Church	CC26692		75%	$ 4,117.58	$ 3,088.19	$ 402.81	$ 2,685.38	Approve - High
8	Te Hou Ora Whanau Services Charitable Trust -	CC61184		75%	$ 4,154.40	$ 3,115.80	$ 406.41	$ 2,709.39	Approve - High
9	Dunedin Hare Krishna Charitable Trust	CC62216		75%	$ 4,576.31	$ 3,432.23	$ 447.68	$ 2,984.55	Approve - High
10	Otago Deaf Society	CC35187		75%	$ 4,865.90	$ 3,649.43	$ 476.01	$ 3,173.41	Approve - High
11	Araiteuru Marae Council Inc	CC44685		75%	$ 4,881.60	$ 3,661.20	$ 477.55	$ 3,183.65	Approve - High
12	Arai te uru Kokiri Centre Charitable Trust	CC46218		75%	$ 4,908.22	$ 3,681.17	$ 480.15	$ 3,201.01	Approve - High
13	Waikouaiti Returned and Services Assn Inc	CC52412		75%	$ 5,565.05	$ 4,173.79	$ 544.41	$ 3,629.38	Approve - High
14	Dunedin Orphan's Club Inc	CC36899	Yes	75%	$ 5,615.97	$ 4,211.98	$ 549.39	$ 3,662.59	Approve - High
15	Otago Equestrian Centre Incorporated	CC24943	Yes	75%	$ 5,868.96	$ 4,401.72	$ 574.14	$ 3,827.58	Approve - High
16	Otago Branch of the NZ Amateur Radio	CC40410		75%	$ 7,817.67	$ 5,863.25	$ 764.77	$ 5,098.48	Approve - High
17	Able Charitable Trust T/A Able Minds	CC52530		75%	$ 8,295.71	$ 6,221.78	$ 811.54	$ 5,410.25	Approve - High
18	Connections Education and Development Trust	CC25724		75%	$ 8,919.31	$ 6,689.48	$ 872.54	$ 5,816.94	Approve - High
19	Wingatui Community Hall Society Inc	Incorp-226654		75%	$ 12,785.63	$ 9,589.22	$ 1,250.77	$ 8,338.45	Approve - High
20	Tirohanga Camp - 214 Tirohanga Road	CC60119		75%	$ 13,235.54	$ 9,926.66	$ 1,294.78	$ 8,631.87	Approve - High
21	Otago Community Hospice	CC20590		75%	$ 20,107.30	$ 15,080.48	$ 1,967.02	$ 13,113.46	Approve - High
22	Kaikorai Rugby Football Club Inc	Incorp-226685	Yes	75%	$ 24,591.15	$ 18,443.36	$ 2,405.66	$ 16,037.71	Approve - High
23	Age Concern Otago	CC21566		75%	$ 26,691.90	$ 20,018.93	$ 2,611.16	$ 17,407.76	Approve - High
24	New Zealand Red Cross	CC21860		75%	$ 32,028.70	$ 24,021.53	$ 3,133.24	$ 20,888.28	Approve - High
25	Middlemarch Bowling Club	CC41266	Yes	50%	$ 698.75	$ 349.38	$ 45.57	$ 303.80	Approve - Medium
26	Karitane Bowling Club	Incorp- 226852	Yes	50%	$ 1,770.54	$ 885.27	$ 115.47	$ 769.80	Approve - Medium
27	Port Chalmers Golf Club Inc	Incorp-226947	Yes	50%	$ 2,534.48	$ 1,267.24	$ 165.29	$ 1,101.95	Approve - Medium
28	Knox Church Dunedin (The Deacons' Court of)	CC52318		50%	$ 2,579.41	$ 1,289.71	$ 168.22	$ 1,121.48	Approve - Medium
29	Otago Chess Club Inc		Yes	50%	$ 3,122.36	$ 1,561.18	$ 203.63	$ 1,357.55	Approve - Medium
30	Longbeach Amenities Society	Incorp 226661		50%	$ 3,234.33	$ 1,617.17	$ 210.93	$ 1,406.23	Approve - Medium
31	Taieri Dramatic Society	CC49934		50%	$ 3,391.92	$ 1,695.96	$ 221.21	$ 1,474.75	Approve - Medium
32	Otago Country Music Club	CC54010		50%	$ 3,534.93	$ 1,767.47	$ 230.54	$ 1,536.93	Approve - Medium
33	Anna and John Casselberg Charitable Trust	CC35330		50%	$ 3,897.80	$ 1,948.90	$ 254.20	$ 1,694.70	Approve - Medium
34	NZ Deerstalkers Assn (Otago Branch) Inc	Incorp-226714	Yes	50%	$ 4,519.68	$ 2,259.84	$ 294.76	$ 1,965.08	Approve - Medium
35	Prisoners Aid and Rehabilitation Society	CC31939		50%	$ 5,093.27	$ 2,546.64	$ 332.17	$ 2,214.47	Approve - Medium

36	Broad Bay Community Centre Inc	CC44750		50%	$ 7,983.90	$ 3,991.95	$ 520.69	$ 3,471.26	Approve - Medium
37	Fairfield Bowling Club	Incorp		50%	$ 8,770.32	$ 4,385.16	$ 571.98	$ 3,813.18	Approve - Medium
38	Macandrew Bay Bowling Club	Incorp-226865	Yes	50%	$ 9,500.32	$ 4,750.16	$ 619.59	$ 4,130.57	Approve - Medium
39	Prisoners Aid and Rehabilitation Society (Otago) T/A PARS (Otago) - 5 Percy Street	CC31939		50%	$ 9,854.70	$ 4,927.35	$ 642.70	$ 4,284.65	Approve - Medium
40	The Maori Hill Community Centre Society Inc	CC21202		50%	$ 9,984.06	$ 4,992.03	$ 651.13	$ 4,340.90	Approve - Medium
41	Wakari Scout Group (The Scouts Association of New Zealand)	CC10556		50%	$ 10,202.70	$ 5,101.35	$ 665.39	$ 4,435.96	Approve - Medium
42	Brighton Bowling Club Inc	Incorp-226725		50%	$ 10,753.02	$ 5,376.51	$ 701.28	$ 4,675.23	Approve - Medium
43	Green Island Bowling Club	Incorp-227041	Yes	50%	$ 13,501.98	$ 6,750.99	$ 880.56	$ 5,870.43	Approve - Medium
44	Friends of the Globe Theatre	CC49363		50%	$ 13,722.33	$ 6,861.17	$ 894.93	$ 5,966.23	Approve - Medium
45	Vintage Car Club of NZ Otago Branch	Incorp- 226572		50%	$ 14,095.18	$ 7,047.59	$ 919.25	$ 6,128.34	Approve - Medium
46	Dunedin Masonic Hall Company	Company - 143545		50%	$ 14,219.90	$ 7,109.95	$ 927.38	$ 6,182.57	Approve - Medium
47	Mornington Bowling Club	Incorp-226825	Yes	50%	$ 14,396.32	$ 7,198.16	$ 938.89	$ 6,259.27	Approve - Medium
48	North East Valley Bowling Club Incorporated	Incorp-227053	Yes	50%	$ 15,123.34	$ 7,561.67	$ 986.30	$ 6,575.37	Approve - Medium
49	Mosgiel Abilities Resource Centre (MARC)	CC39520		50%	$ 15,591.82	$ 7,795.91	$ 1,016.86	$ 6,779.05	Approve - Medium
50	The Otago Bridge Club	CC43655		50%	$ 22,841.99	$ 11,421.00	$ 1,489.70	$ 9,931.30	Approve - Medium
51	St Clair Bowling Club	CC48150	Yes	50%	$ 24,530.69	$ 12,265.35	$ 1,599.83	$ 10,665.52	Approve - Medium
52	Otago University Student's Assn (OUSA)	CC40731		50%	$ 26,278.08	$ 13,139.04	$ 1,970.86	$ 11,168.18	Approve - Medium
53	Taieri Bowling Club	Incorp - 226989	Yes	50%	$ 27,020.97	$ 13,510.49	$ 1,762.24	$ 11,748.25	Approve - Medium
54	Southern Cancer Society	CC62920		50%	$ 27,064.94	$ 6,766.24	$ 882.55	$ 5,883.68	Approve - Medium
55	Royal New Zealand Plunket Trust	CC54853		50%	$ 28,562.70	$ 7,140.68	$ 931.39	$ 6,209.28	Approve - Medium
56	The Royal New Zealand Society for the Prevention of Cruelty to Animals	CC64075		50%	$ 35,951.85	$ 17,975.93	$ 2,344.69	$ 15,631.24	Approve - Medium
57	Disabled Citizens Society (Otago) Inc	CC40085		50%	$ 50,014.54	$ 25,007.27	$ 3,261.82	$ 21,745.45	Approve - Medium
58	St Clair Golf Club	Incorp-227048		50%	$ 54,477.18	$ 27,238.59	$ 3,552.86	$ 23,685.73	Approve - Medium
59	Portobello Road Public Library (Pukehiki)	Set up under Act of Parliament.		25%	$ 641.29	$ 160.32	$ 20.91	$ 139.41	Approve - Low
60	The Balmacewen Bowling Club	Incorp- 227050	Yes	25%	$ 1,997.34	$ 499.34	$ 65.13	$ 434.20	Approve - Low
61	Island Park Golf Club Inc	Incorp-226459	Yes	25%	$ 2,932.75	$ 733.19	$ 95.63	$ 637.55	Approve - Low
62	Otago Potters Group	Incorp - 226533	Yes	25%	$ 3,265.41	$ 816.35	$ 106.48	$ 709.87	Approve - Low
63	Otago Peninsula Museum & Historical Society Inc	CC28686		25%	$ 3,412.16	$ 853.04	$ 111.27	$ 741.77	Approve - Low
64	Gladfield Country Golf Club	Incorp 218063	Yes	25%	$ 4,523.68	$ 1,130.92	$ 147.51	$ 983.41	Approve - Low
65	Dunedin Musicians Club	Incorp-226308	Yes	25%	$ 5,130.81	$ 1,282.70	$ 167.31	$ 1,115.39	Approve - Low
66	Portobello Bowling Club	Incorp- 226926		25%	$ 5,312.79	$ 1,328.20	$ 173.24	$ 1,154.95	Approve - Low
67	Presbyterian Support Otago - 171 Gordon Road	CC20878		25%	$ 5,351.75	$ 1,337.94	$ 174.51	$ 1,163.42	Approve - Low
68	The Otago Woodturners Guild Inc	Incorp	Yes	25%	$ 6,206.28	$ 1,551.57	$ 202.38	$ 1,349.19	Approve - Low
69	Roslyn Bowling Club	CC63239	Yes	25%	$ 8,441.44	$ 2,110.36	$ 275.26	$ 1,835.10	Approve - Low
70	Tautuku Fishing Club Dunedin and Haast Inc	Incorp - 226401		25%	$ 9,212.05	$ 2,303.01	$ 300.39	$ 2,002.62	Approve - Low

71	Taieri Golf Club	Incorp-226923	Yes	25%	$ 12,632.47	$ 3,158.12	$ 411.93	$ 2,746.19	Approve - Low
72	Presbyterian Support Otago - 1 Hartstonge Avenue	CC20878		25%	$ 13,047.70	$ 3,261.93	$ 425.47	$ 2,836.46	Approve - Low
73	Otago Badminton Assn	Incorp-226934	Yes	25%	$ 14,217.63	$ 3,554.41	$ 463.62	$ 3,090.79	Approve - Low
74	Presbyterian Support Otago - 360 North Road (Cottages)	CC20878		25%	$ 18,519.50	$ 4,629.88	$ 603.90	$ 4,025.98	Approve - Low
75	Presbyterian Support Otago - 8 Esther Crescent	CC20878		25%	$ 36,224.50	$ 9,056.13	$ 1,181.23	$ 7,874.89	Approve - Low
76	The Dunedin Club	Unincorp		25%	$ 38,789.74	$ 9,697.44	$ 1,264.88	$ 8,432.55	Approve - Low
77	Presbyterian Support Otago - 360 North Road	CC20878		25%	$ 44,731.00	$ 11,182.75	$ 1,458.62	$ 9,724.13	Approve - Low
78	Otago Aero Club	Incorp-226962	Yes	25%	$ 82,702.03	$ 20,675.51	$ 2,696.81	$ 17,978.70	Approve - Low
79	Otago Golf Club	Incorp-227067	Yes	25%	$ 97,881.02	$ 24,470.26	$ 3,191.77	$ 21,278.48	Approve - Low
80	Otepoti Futures Trust	CC61436		0%	$ 7,248.06	$ -	$ -	$ -	**Decline**
							Owners Total	**$ 434,660.04**	

Summary sheet showing all 'Tenants' and 'DCC Renters' applicants and recommended grants . (Sorted by Rates Relief Grant Criteria high to low)								
No	**Organisation**	**Rates Relief Grant Criteria (high, med, low)**	**Charity Commission Number**	**Rate amount confirmed by landlord**	Grant Amount after RR criteria has been applied (Gross)	**GST**	**Recommended Grant 26/27 (GST excl)**	**Recommendation against DCC's Rates Relief Grant Criteria**
1	BIAS Charitable Trust - 275 Brockville Road	75%	CC61340	$ 1,578.57	$ 1,183.93	$ 154.43	$ 1,029.50	Approve - High
2	Citizens Advice Bureau Dunedin Inc	75%	CC20935	$ 2,002.40	$ 1,501.80	$ 195.89	$ 1,305.91	Approve - High
3	BIAS Charitable Trust - 271 Brockville Road	75%	CC61340	$ 3,057.47	$ 2,293.10	$ 299.10	$ 1,994.00	Approve - High
4	ADL (Formally Adventure Development Ltd) - 265 Princes Street	75%	CC52512	$ 3,204.23	$ 2,403.17	$ 313.46	$ 2,089.72	Approve - High
5	Pregnancy Help	75%	CC51116	$ 3,335.56	$ 2,501.67	$ 326.30	$ 2,175.37	Approve - High
6	KiwiHarvest	75%	CC51036	$ 3,742.43	$ 2,806.82	$ 366.11	$ 2,440.72	Approve - High
7	Studio2	75%	CC25724	$ 4,750.80	$ 3,563.10	$ 464.75	$ 3,098.35	Approve - High
8	Dunedin Collaborative House	75%	CC55590	$ 5,427.68	$ 4,070.76	$ 530.97	$ 3,539.79	Approve - High
9	Disability Information Services T/A Livingwell Disability Resource Centre	75%	CC20223	$ 8,271.92	$ 6,203.94	$ 809.21	$ 5,394.73	Approve - High
10	Life Matters Suicide Prevention Trust	75%	CC51541	$ 10,789.19	$ 8,091.89	$ 1,055.46	$ 7,036.43	Approve - High
11	Habitat for Humanity	75%	CC24459	$ 11,874.32	$ 8,905.74	$ 1,161.62	$ 7,744.12	Approve - High
12	Sport Otago **(DCC Tenant)**	75%	CC23149	$ 13,613.99	$ 10,210.49	$ 1,331.80	$ 8,878.69	Approve - High
13	Stopping Violence Dunedin	75%	CC62690	$ 14,387.00	$ 10,790.25	$ 1,407.42	$ 9,382.83	Approve - High
14	Methodist Mission Southern	75%	CC20883	$ 16,704.83	$ 12,528.62	$ 1,634.17	$ 10,894.45	Approve - High
15	CCS Disability Action Services Ltd Otago Branch	75%	CC63288	$ 18,943.84	$ 14,207.88	$ 1,853.20	$ 12,354.68	Approve - High

16	Te Hou Ora Whanau Services Ltd - 6 Wharf Street	75%	CC61184	$ 23,573.90	$ 17,680.43	$ 2,306.14	$ 15,374.28	Approve - High
17	Dunedin Community House	75%	CC27888	$ 24,781.24	$ 18,585.93	$ 2,424.25	$ 16,161.68	Approve - High
18	Mirror Services	75%	CC23743	$ 29,229.16	$ 21,921.87	$ 2,859.37	$ 19,062.50	Approve - High
19	Dunedin Curtain Bank	50%	CC49065	$ 2,463.53	$ 1,231.77	$ 160.67	$ 1,071.10	Approve - Medium
20	Otago Art Society **(DCC Tenant)**	25%	CC39908	$ 4,332.04	$ 1,083.01	$ 141.26	$ 941.75	Approve - Low
21	Presbyterian Support Otago - 158 Oxford Street	25%	CC20878	$ 7,904.02	$ 1,976.01	$ 257.74	$ 1,718.27	Approve - Low
22	Anglican Family Care Centre Inc	25%	CC24152	$ 8,455.00	$ 2,113.75	$ 275.71	$ 1,838.04	Approve - Low
23	Community Law Otago	25%	CC21802	$ 9,990.62	$ 2,497.66	$ 325.78	$ 2,171.87	Approve - Low
24	Otago Community Hospice (Charity Shop)	25%	CC20590	$ 32,678.46	$ 8,169.62	$ 1,065.60	$ 7,104.01	Approve - High
25	Presbyterian Support Otago - 169 Princes Street	25%	CC20878	$ 33,302.06	$ 8,325.52	$ 1,085.94	$ 7,239.58	Approve - Low
26	Presbyterian Support Otago - 407 Moray Place	25%	CC20878	$ 62,787.66	$ 15,696.92	$ 2,047.42	$ 13,649.49	Approve - Low
27	Greater Green Island Community Network Charitable Trust	0%	CC53613		$ -	$ -	$ -	**Decline**
				$ 361,181.92		$ -	**$ 165,691.85**	

Summary sheet showing all 'Building Owner' applicants and recommended grants . (Sorted by Rates Relief Grant Criteria high to low)									
#	Applicant Name	CC Number	Local Government Rating Act applied	Percentage	Rates Amount	Total	GST	Grant 26/27	Recommendation by CAs: Indicate if Grant should be High, Medium, Low in accordance with Rates Relief grant criteria.
1	Able Charitable Trust T/A Able Minds	CC52530		75%	$ 8,295.71	$ 6,221.78	$ 811.54	$ 5,410.25	Approve - High
2	Age Concern Otago	CC21566		75%	$ 26,691.90	$ 20,018.93	$ 2,611.16	$ 17,407.76	Approve - High
3	Arai te uru Kokiri Centre Charitable Trust	CC46218		75%	$ 4,908.22	$ 3,681.17	$ 480.15	$ 3,201.01	Approve - High
4	Araiteuru Marae Council Inc	CC44685		75%	$ 4,881.60	$ 3,661.20	$ 477.55	$ 3,183.65	Approve - High
5	Blueskin A&P Society	CC41352	Yes	75%	$ 2,568.53	$ 1,926.40	$ 251.27	$ 1,675.13	Approve - High
6	Connections Education and Development Trust	CC25724		75%	$ 8,919.31	$ 6,689.48	$ 872.54	$ 5,816.94	Approve - High
7	Dunedin Hare Krishna Charitable Trust	CC62216		75%	$ 4,576.31	$ 3,432.23	$ 447.68	$ 2,984.55	Approve - High
8	Dunedin Orphan's Club Inc	CC36899	Yes	75%	$ 5,615.97	$ 4,211.98	$ 549.39	$ 3,662.59	Approve - High
9	Henley Community Centre	CC35181		75%	$ 3,557.45	$ 2,668.09	$ 348.01	$ 2,320.08	Approve - High
10	Kaikorai Rugby Football Club Inc	Incorp-226685	Yes	75%	$ 24,591.15	$ 18,443.36	$ 2,405.66	$ 16,037.71	Approve - High
11	Mornington Methodist Church	CC26692		75%	$ 4,117.58	$ 3,088.19	$ 402.81	$ 2,685.38	Approve - High
12	New Zealand Red Cross	CC21860		75%	$ 32,028.70	$ 24,021.53	$ 3,133.24	$ 20,888.28	Approve - High
13	Otago Branch of the NZ Amateur Radio Transmitters Inc	CC40410		75%	$ 7,817.67	$ 5,863.25	$ 764.77	$ 5,098.48	Approve - High
14	Otago Community Hospice	CC20590		75%	$ 20,107.30	$ 15,080.48	$ 1,967.02	$ 13,113.46	Approve - High
15	Otago Deaf Society	CC35187		75%	$ 4,865.90	$ 3,649.43	$ 476.01	$ 3,173.41	Approve - High
16	Otago Equestrian Centre Incorporated	CC24943	Yes	75%	$ 5,868.96	$ 4,401.72	$ 574.14	$ 3,827.58	Approve - High
17	Otago Mountaineering & Tramping Club	CC41038	Yes	75%	$ 2,664.42	$ 1,998.32	$ 260.65	$ 1,737.67	Approve - High
18	Outram Public Library	CC40571		75%	$ 624.53	$ 468.40	$ 61.10	$ 407.30	Approve - High
19	Pukehiki Hall Society	Incorp - 227047		75%	$ 3,153.55	$ 2,365.16	$ 308.50	$ 2,056.66	Approve - High
20	Te Hou Ora Whanau Services Charitable Trust - 78 Carroll Street	CC61184		75%	$ 4,154.40	$ 3,115.80	$ 406.41	$ 2,709.39	Approve - High
21	The Work Opportunities	CC20555		75%	$ 2,882.09	$ 2,161.57	$ 281.94	$ 1,879.62	Approve - High
22	Tirohanga Camp - 214 Tirohanga Road	CC60119		75%	$ 13,235.54	$ 9,926.66	$ 1,294.78	$ 8,631.87	Approve - High
23	Waikouaiti Returned and Services Assn Inc	CC52412		75%	$ 5,565.05	$ 4,173.79	$ 544.41	$ 3,629.38	Approve - High
24	Wingatui Community Hall Society Inc	Incorp-226654		75%	$ 12,785.63	$ 9,589.22	$ 1,250.77	$ 8,338.45	Approve - High
25	Anna and John Casselberg Charitable Trust	CC35330		50%	$ 3,897.80	$ 1,948.90	$ 254.20	$ 1,694.70	Approve - Medium
26	Broad Bay Community Centre Inc	CC44750		50%	$ 7,983.90	$ 3,991.95	$ 520.69	$ 3,471.26	Approve - Medium
27	Brighton Bowling Club Inc	Incorp-226725		50%	$ 10,753.02	$ 5,376.51	$ 701.28	$ 4,675.23	Approve - Medium
28	Disabled Citizens Society (Otago) Inc	CC40085		50%	$ 50,014.54	$ 25,007.27	$ 3,261.82	$ 21,745.45	Approve - Medium
29	Dunedin Masonic Hall Company	Company-143545		50%	$ 14,219.90	$ 7,109.95	$ 927.38	$ 6,182.57	Approve - Medium
30	Fairfield Bowling Club	Incorp		50%	$ 8,770.32	$ 4,385.16	$ 571.98	$ 3,813.18	Approve - Medium
31	Friends of the Globe Theatre	CC49363		50%	$ 13,722.33	$ 6,861.17	$ 894.93	$ 5,966.23	Approve - Medium
32	Green Island Bowling Club	Incorp-227041	Yes	50%	$ 13,501.98	$ 6,750.99	$ 880.56	$ 5,870.43	Approve - Medium
33	Karitane Bowling Club	Incorp- 226852	Yes	50%	$ 1,770.54	$ 885.27	$ 115.47	$ 769.80	Approve - Medium
34	Knox Church Dunedin (The Deacons' Court of)	CC52318		50%	$ 2,579.41	$ 1,289.71	$ 168.22	$ 1,121.48	Approve - Medium
35	Longbeach Amenities Society	Incorp 226661		50%	$ 3,234.33	$ 1,617.17	$ 210.93	$ 1,406.23	Approve - Medium
36	Macandrew Bay Bowling Club	Incorp-226865	Yes	50%	$ 9,500.32	$ 4,750.16	$ 619.59	$ 4,130.57	Approve - Medium

37	Middlemarch Bowling Club	CC41266	Yes	50%	$ 698.75	$ 349.38	$ 45.57	$ 303.80	Approve - Medium
38	Mornington Bowling Club	Incorp-226825	Yes	50%	$ 14,396.32	$ 7,198.16	$ 938.89	$ 6,259.27	Approve - Medium
39	Mosgiel Abilities Resource Centre (MARC)	CC39520		50%	$ 15,591.82	$ 7,795.91	$ 1,016.86	$ 6,779.05	Approve - Medium
40	North East Valley Bowling Club Incorporated	Incorp-227053	Yes	50%	$ 15,123.34	$ 7,561.67	$ 986.30	$ 6,575.37	Approve - Medium
41	NZ Deerstalkers Assn (Otago Branch) Inc	Incorp-226714	Yes	50%	$ 4,519.68	$ 2,259.84	$ 294.76	$ 1,965.08	Approve - Medium
42	Otago Chess Club Inc		Yes	50%	$ 3,122.36	$ 1,561.18	$ 203.63	$ 1,357.55	Approve - Medium
43	Otago Country Music Club	CC54010		50%	$ 3,534.93	$ 1,767.47	$ 230.54	$ 1,536.93	Approve - Medium
44	Otago University Student's Assn (OUSA)	CC40731		50%	$ 26,278.08	$ 13,139.04	$ 1,970.86	$ 11,168.18	Approve - Medium
45	Port Chalmers Golf Club Inc	Incorp- 226947	Yes	50%	$ 2,534.48	$ 1,267.24	$ 165.29	$ 1,101.95	Approve - Medium
46	Prisoners Aid and Rehabilitation Society (Otago) T/A PARS (Otago) - 5 Percy Street	CC31939		50%	$ 9,854.70	$ 4,927.35	$ 642.70	$ 4,284.65	Approve - Medium
47	Prisoners Aid and Rehabilitation Society (Otago) T/A PARS (Otago) - 257 High Street	CC31939		50%	$ 5,093.27	$ 2,546.64	$ 332.17	$ 2,214.47	Approve - Medium
48	Royal New Zealand Plunket Trust	CC54853		50%	$ 28,562.70	$ 7,140.68	$ 931.39	$ 6,209.28	Approve - Medium
49	Southern Cancer Society	CC62920		50%	$ 27,064.94	$ 6,766.24	$ 882.55	$ 5,883.68	Approve - Medium
50	St Clair Bowling Club	CC48150	Yes	50%	$ 24,530.69	$ 12,265.35	$ 1,599.83	$ 10,665.52	Approve - Medium
51	St Clair Golf Club	Incorp- 227048		50%	$ 54,477.18	$ 27,238.59	$ 3,552.86	$ 23,685.73	Approve - Medium
52	Taieri Bowling Club	Incorp - 226989	Yes	50%	$ 27,020.97	$ 13,510.49	$ 1,762.24	$ 11,748.25	Approve - Medium
53	Taieri Dramatic Society	CC49934		50%	$ 3,391.92	$ 1,695.96	$ 221.21	$ 1,474.75	Approve - Medium
54	The Maori Hill Community Centre Society Inc	CC21202		50%	$ 9,984.06	$ 4,992.03	$ 651.13	$ 4,340.90	Approve - Medium
55	The Otago Bridge Club	CC43655		50%	$ 22,841.99	$ 11,421.00	$ 1,489.70	$ 9,931.30	Approve - Medium
56	The Royal New Zealand Society for the Prevention of Cruelty to Animals	CC64075		50%	$ 35,951.85	$ 17,975.93	$ 2,344.69	$ 15,631.24	Approve - Medium
57	Vintage Car Club of NZ Otago Branch	Incorp- 226572		50%	$ 14,095.18	$ 7,047.59	$ 919.25	$ 6,128.34	Approve - Medium
58	Wakari Scout Group (The Scouts Association of New Zealand)	CC10556		50%	$ 10,202.70	$ 5,101.35	$ 665.39	$ 4,435.96	Approve - Medium
	Suggested Percentages for Applications with 'Low rating' in relation to Rates Relief grant criteria								
59	Presbyterian Support Otago - 1 Hartstonge Avenue	CC20878		8%	$ 13,047.70	$ 1,043.82	$ 136.15	$ 907.67	Approve - Low
60	Presbyterian Support Otago - 8 Esther Crescent	CC20878		8%	$ 36,224.50	$ 2,897.96	$ 377.99	$ 2,519.97	Approve - Low
61	Presbyterian Support Otago - 360 North Road	CC20878		8%	$ 44,731.00	$ 3,578.48	$ 466.76	$ 3,111.72	Approve - Low
62	Presbyterian Support Otago - 360 North Road (Cottages)	CC20878		8%	$ 18,519.50	$ 1,481.56	$ 193.25	$ 1,288.31	Approve - Low
63	Presbyterian Support Otago - 171 Gordon Road	CC20878		8%	$ 5,351.75	$ 428.14	$ 55.84	$ 372.30	Approve - Low
64	Dunedin Musicians Club	Incorp-226308	Yes	8%	$ 5,130.81	$ 410.46	$ 53.54	$ 356.93	Approve - Low
65	Gladfield Country Golf Club	Incorp 218063	Yes	9%	$ 4,523.68	$ 407.13	$ 53.10	$ 354.03	Approve - Low
66	Island Park Golf Club Inc	Incorp-226459	Yes	10%	$ 2,932.75	$ 293.28	$ 38.25	$ 255.02	Approve - Low
67	Otago Aero Club	Incorp-226962	Yes	10%	$ 82,702.03	$ 8,270.20	$ 1,078.72	$ 7,191.48	Approve - Low
68	Otago Badminton Assn	Incorp-226934	Yes	8%	$ 14,217.63	$ 1,137.41	$ 148.36	$ 989.05	Approve - Low
69	Otago Golf Club	Incorp-227067	Yes	4%	$ 97,881.02	$ 3,915.24	$ 510.68	$ 3,404.56	Approve - Low
70	Otago Peninsula Museum & Historical Society Inc	CC28686		25%	$ 3,412.16	$ 853.04	$ 111.27	$ 741.77	Approve - Low

71	Otago Potters Group	Incorp - 226533	Yes	25%	$ 3,265.41	$ 816.35	$ 106.48	$ 709.87	Approve - Low
72	Portobello Bowling Club	Incorp- 226926		18%	$ 5,312.79	$ 956.30	$ 124.74	$ 831.57	Approve - Low
73	Portobello Road Public Library (Pukehiki)	Set up under Act of Parliament		25%	$ 641.29	$ 160.32	$ 20.91	$ 139.41	Approve - Low
74	Roslyn Bowling Club	CC63239	Yes	20%	$ 8,441.44	$ 1,688.29	$ 220.21	$ 1,468.08	Approve - Low
75	Taieri Golf Club	Incorp-226923	Yes	12%	$ 12,632.47	$ 1,515.90	$ 197.73	$ 1,318.17	Approve - Low
76	Tautuku Fishing Club Dunedin and Haast Inc	Incorp-226401		20%	$ 9,212.05	$ 1,842.41	$ 240.31	$ 1,602.10	Approve - Low
77	The Balmacewen Bowling Club	Incorp- 227050	Yes	25%	$ 1,997.34	$ 499.34	$ 65.13	$ 434.20	Approve - Low
78	The Dunedin Club	Unincorp		9%	$ 38,789.74	$ 3,491.08	$ 455.36	$ 3,035.72	Approve - Low
79	The Otago Woodturners Guild Inc	Incorp	Yes	25%	$ 6,206.28	$ 1,551.57	$ 202.38	$ 1,349.19	Approve - Low
80	Otepoti Futures Trust	CC61436		0%	$ 7,248.06	$ -	$ -	$ -	**Decline**
							Owners Total	**$ 376,786.07**	

DCHL LETTER OF EXPECTATION FOR THE YEAR ENDED 30 JUNE 2028

Department: Civic

EXECUTIVE SUMMARY

1 The purpose of this report is to consider a draft Letter of Expectation (the Letter) for the Dunedin City Holdings Limited (DCHL) Board. The draft Letter is at Attachment A.

2 The Letter provides Council's direction to DCHL, roles and responsibilities, and the future plans of the Shareholder. The Letter will assist DCHL and the wider group in developing their Statements of Intent (SOI) documents for 2027/28.

RECOMMENDATIONS

That the Committee:

a) **Considers** the draft Letter of Expectation to the Board of Dunedin City Holdings Ltd from the Council, as Shareholder.

b) **Authorises** the CEO to make any changes to the Letter of Expectation following Council's feedback.

c) **Authorises** the Mayor to sign the Letter of Expectation on behalf of the Council as Shareholder.

BACKGROUND

3 The Council and DCHL are aware of the importance of the Letter of Expectation. The Letter is a governance and accountability tool that communicates what outcomes the Council, as Shareholder, wants from its Council-controlled Organisations (CCOs).

4 Council sends an annual Letter of Expectation to DCHL with the intention that this information will be discussed and implemented within the wider Council Group.

5 The expectations are, where appropriate, included in the Group's draft Statements of Intent (SoI), which are due to Shareholders by 1 March 2027.

6 The most recent Letter of Expectation was issued to DCHL on 15 December 2025, and a copy is at Attachment B.

7 Content on a draft Letter was informally discussed at a Council workshop on 2 November 2026.

DISCUSSION

8 The attached draft Letter for the 2027/28 financial year details the expectations of Council under the following headings:

- Focus for the 2027/28 financial year
- Climate change
- General expectations of DCHL
- Dividends and interest
- Reporting
- Working with DCC
- Next steps.

9 The draft Letter is seeking to have strategic alignment between DCC and DCHL, through enhanced communications and engagement.

10 The draft Letter acknowledges the commitment of DCHL to address climate change, and invites the group to continue working with the DCC in this area.

11 The letter requests a dividend from the DCHL Trading companies of $14.0 million for the 2027/28 financial year. This dividend, along with the $5.9 million interest payment, will make a total annual distribution of $19.9 million. It asks that the dividend be paid in three equal instalments throughout the year.

OPTIONS

12 This report is seeking feedback on the content of the Letter of Expectation prior to finalisation and issuing to DCHL.

NEXT STEPS

13 Once agreed, the Letter of Expectation will be signed by the Mayor on behalf of the Shareholder and sent to the Board of DCHL for action.

Signatories

Author:	Janet Fraser - Corporate Planner
Authoriser:	Carolyn Allan - Chief Financial Officer

Attachments

	Title	Page
⇩A	Draft DCHL Letter of Expectation for the year ended 30 June 2028	37
⇩B	DCHL Letter of Expectation for the year ended 30 June 2027	42

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This decision enables democratic local decision making, meets the current and future needs of communities for good-quality, cost-effective and local infrastructure and public services, and supports local economic growth and development by fulfilling those.

Fit with core services of Local Government
This decision relates to:

- ☐ Network infrastructure
- ☐ Public transport services
- ☐ Solid waste collection and disposal
- ☐ Waste minimisation
- ☐ Emergency management
- ☐ Libraries, museums and cultural facilities
- ☐ Parks, reserves and recreational facilities
- ☐ None of the above

<Enter text>

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	☐	☐	✓
Economic Development Strategy	☐	☐	✓
Environment Strategy	☐	☐	✓
Arts and Culture Strategy	☐	☐	✓
3 Waters Strategy	☐	☐	✓
Future Development Strategy	☐	☐	✓
Integrated Transport Strategy	☐	☐	✓
Parks and Recreation Strategy	☐	☐	✓
Other strategic projects/policies/plans	☐	☐	✓

The performance of the companies helps Council deliver across the strategic framework, but this report has no direct contribution.

Māori Impact Statement

<Enter text>

Sustainability

Sustainability expectations of the DCHL Group are outlined in the draft Letter of Expectation, and specifically in relation to climate change.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

Dividend expectations are provided for in the Letter of Expectation.

Financial considerations

Dividend expectations are provided for in the Letter of Expectation.

Significance

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

SUMMARY OF CONSIDERATIONS
Engagement – external There has been informal engagement with the DCHL Board.
Engagement - internal The final letter will incorporate feedback from Elected Members.
Risks: Legal / Health and Safety etc. There are no identified risks.
Conflict of Interest There are no known conflicts of interest.
Community Boards There are no implications for Community Boards.

DUNEDIN CITY COUNCIL | kaunihera a-rohe o Ōtepoti

19 November 2026

The Board of Directors
Dunedin City Holdings Ltd
PO Box 5045
Dunedin 9054

Dear Directors,

LETTER OF EXPECTATION FOR THE YEAR ENDING 30 JUNE 2028

1. This Letter of Expectation (the Letter) sets out the Dunedin City Council's (DCC) expectations of the Dunedin City Holdings Ltd (DCHL) Board for the 2027/28 financial year.

2. The Letter is intended to create an opportunity for DCHL and DCC to further enhance their strategic alignment and inform the development of draft statements of intent for the Board and its subsidiary companies.

Focus for the 2027/28 financial year

3. In the 2027/28 financial year, we expect DCHL to continue with its purpose of achieving for Dunedin the best from its investments. We specifically expect DCHL to:

   - Work with DCC on delivery of the Investment Framework, ensuring the capabilities, investments and activities of the Group are aligned to Council's strategic direction and contribute to outcomes for Dunedin.
   - Continue to work with the DCC on what the future outlook is for DCHL (including subsidiaries) and provide a high level forecast of the financial returns and dividends to the DCC for the next 1-5 years to assist with informing a DCHL dividend policy.
   - Provide DCC with strategic options to achieve the investment objectives agreed in the Investment Framework adopted in August 2026 Develop and present low, medium and high risk/return scenarios for the DCHL portfolio to the Council, including expected financial returns, dividend implications, risk exposure, capital requirements, and implications for the future composition, direction and value of the portfolio. This would enable Council, as shareholder, to determine its preferred portfolio risk appetite and associated return expectations.
   - The Board is asked to work collaboratively with Council and across the group to deliver the best sustainable financial returns for Council as shareholder, including by strengthening commercial performance and identifying opportunities to increase investment returns beyond the 2027/28 year.

50 The Octagon | PO Box 5045 | Dunedin 9054, New Zealand | **T** 03 477 4000 | **E** dcc@dcc.govt.nz | www.dunedin.govt.nz
DunedinCityCouncil @DnCityCouncil

DRAFT

- Give effect to the Waipori Fund Statement of Investment Policies and Objectives (SIPO) and provide regular reporting to Council on performance, risk, and progress against the SIPO's objectives and benchmarks.
- Continue to set performance measures and targets for inclusion in their Statements of Intent that are relevant, measurable, clear, and outcome focused. In DCHL's Statement of Intent, continue to include performance objectives for the group as required by the Local Government Act 2002.
- Continue the internship programme.
- Direct Aurora Energy Ltd to support the development of the shared path through the Caversham Train Tunnel by undertaking the necessary works to upgrade or safely remove its existing cable within 12 months from the date of this letter. This is required to ensure public access to the tunnel is not compromised by hazards arising from the cable's condition or placement.
- Direct Aurora Energy Ltd to work with DCC to prepare a solar and alternative energy strategy across all council facilities.
- Work with Dunedin Venues Management Ltd (DVML) to increase community access to Dunedin Town Hall, the Glenroy Auditorium, and Forsyth Barr Stadium. This work should extend beyond the existing community grants programme, and should include consideration of alternative turf for Forsyth Barr Stadium to enable a wider range of uses and events.

Climate change

4. At both the city and DCC scale, reducing emissions and preparing for the impacts of climate change is a priority for the DCC. To support emissions reduction efforts, the DCC has adopted a Zero Carbon Policy, the Zero Carbon Plan for Dunedin and a DCC Emissions Management and Reduction Plan.

    - The DCC's organisational emissions reduction target is a 46.2% reduction in emissions by 2029/30 (from a 2018/19 baseline).
    - The DCC has also set the following emissions reduction targets for Dunedin:
        - 30% reduction in emissions by 2030/31 (compared with 2018/19, excluding biogenic methane), and net zero emissions by 2040 (excluding biogenic methane); and
        - a 10% reduction in biogenic methane by 2030, and a 35-47% reduction in biogenic methane by 2050 (compared with 2017 levels).

5. We ask that DCHL continue efforts to reduce emissions informed by DCC's Zero Carbon targets and Zero Carbon Policy 2022, including by progressing and report to Council on the two workstreams provided for in the DCHL Carbon Roadmap:

    - Reducing emissions from each company's own activities and reporting on these; and

- Exploring and reporting on potential contributions to city-wide emissions reduction goals.

6. Council notes DCHL and subsidiaries' work to date to reduce corporate emissions and identify opportunities to contribute to city emissions goals, and expects to see this built on in 2027/28.

General expectations of DCHL

7. We require DCHL and subsidiary and associate companies to:

- Manage operations in accordance with company constitutions, Statements of Intent and relevant legislation
- Be cognisant of the political context in which they operate, and recognise that Council is accountable to the community for DCHL group companies' performance
- Observe the practice of "no surprises"
- Ensure best practice governance for all companies
- Be transparent and accountable, including compliance with Local Government Official Information and Meetings Act 1987 (LGOIMA) and information disclosure policies
- Ensure health and safety is a top priority across the group, and that appropriate policies and structures are in place to support this
- Ensure appropriate risk management structures are in place, and allow DCC, as shareholder, appropriate visibility of material and strategic risks across DCHL and its subsidiaries, including emerging risks, changes in risk exposure and risks or interdependencies that could materially affect DCC or the wider Group.
- Act within investment and divestment approval thresholds defined in Statements of Intent
- Obtain all debt funding from Dunedin City Treasury Ltd (DCTL)
- Use the group insurance broker and tax advisor appointed by Council
- Comply with group-wide considerations in DCC's Procedure for the Appointment and Remuneration of Directors of DCHL
- Take diversity and succession planning into account when appointing directors to DCHL and subsidiary companies
- Seek opportunities for companies to contribute to Council's Strategic Framework. Work with DCC staff to begin integrating Te Taki Haruru - our Māori Strategic Framework into the DCHL group companies.
- Ensure group wide policies are put in place where appropriate and that policies are aligned with those of Council and related guidelines established by the Office of the Auditor-General (OAG).

- Ensure each group company understands and measures the key drivers of its performance and long-term enterprise value against appropriate industry and peer benchmarks, with a focus on maximising sustainable enterprise value over time.
- Foster a high-performance, continuous-improvement culture across the group, where strategy, structure and culture are deliberately aligned, creating the conditions to achieve best-in-class performance against relevant benchmarks for productivity, impact and industry performance.
- Proactively share data and information across the DCC Group where this supports better planning, decision-making, performance management and Group outcomes, subject to appropriate legal, privacy and commercial requirements.

Dividends and interest

8. The DCC requests a dividend from the DCHL trading companies of $14.0 million for the 2027/28 financial year. This dividend along with the $5.9 million interest payment will make a total annual distribution of $19.9 million.

9. The DCC requests that the dividend is paid in three equal instalments during the year, in October 2027, February 2028 and June 2028.

Reporting

10. The Council requests that the DCHL Group continue to standardise financial reporting from each company, including content and presentation of financial information in the Statements of Intent. Quarterly reporting should include sufficiently detailed financial information for each company and include standard financial statements, including income statement, balance sheet and cashflow statement.

11. The Council requests that DCHL provide an annual return-on-investment measure for the DCHL Group, with methodology, benchmarks, and commentary, for inclusion in the Statements of Intent, quarterly reports, and Annual Reports.

12. The Council requests that Dunedin Stadium Property Ltd (DSPL) provide Council with regular updates on its debt repayment plan and asset management plan.

13. The Council requests DCHL to work in consultation with the Audit Office and Council staff in order to continue to incrementally bring forward the timeline of the development of the DCHL and subsidiaries' Annual Reports each year. This will ensure that the 2027/28 DCC Annual Report can be adopted ahead of the next local government election.

Working with DCC

14. We ask that DCHL keep Council informed of the companies' financial performance and progress towards achieving the goals set in the Statements of Intent.

15. Council acknowledges the separation of governance and management, and will not direct DCHL or its subsidiaries on operational matters.

16. We require DCHL to provide:

- Quarterly updates to the Finance and Performance Committee, or the relevant Committee of Council, including explanations for any variances between actual results and Statement of Intent forecasts;
- Half-yearly and Annual Reports in accordance with the Local Government Act 2002;
- An update to the quarterly meetings of the Council's Audit, Risk and Assurance Committee on DCHL/DCTL Audit and Risk Activity;
- Make available to Council, parent company results alongside the group consolidated results, as at 30 June each year;
- Regular informal individual company briefings to Councillors;
- Briefings for Councillors on matters of significance as required;
- An annual report on directors' conflict-of-interest declarations; and
- Additional financial information reasonably requested by DCC's Chief Financial Officer to support Council's financial planning, reporting, risk management, and shareholder oversight.

17. We also require DCHL to invite the Mayor, Deputy Mayor, Chair and Deputy Chair of the Finance and Performance Committee (or relevant Council Committee), DCC Chief Executive and Chief Financial Officer to regular board meetings, to review the achievement of financial targets and other performance measures identified in the Statements of Intent, and to exchange updates on relevant and topical matters.

Next steps

18. The Letter of Expectation forms the basis for the development of the DCHL Statement of Intent for the year ending 30 June 2028.

19. Draft Statements of Intent of DCHL Group companies are due to be delivered to Council on or before 1 March 2027. The Group's Statements of Intent should reflect the Letter of Expectation and comply with the requirements of the Local Government Act (see s64 and Schedule 8).

20. We look forward to working with you in the coming financial year. Please contact me if you have any queries relating to this letter or the Council's expectations of DCHL.

Yours sincerely

Sophie Barker
Mayor of Dunedin

DUNEDIN CITY COUNCIL | kaunihera a-rohe o Ōtepoti

15 December 2025

The Board of Directors
Dunedin City Holdings Ltd
PO Box 5045
Dunedin 9054

Dear Directors

LETTER OF EXPECTATION FOR THE YEAR ENDING 30 JUNE 2027

1. This Letter of Expectation (the Letter) sets out the Dunedin City Council's (DCC) expectations of the Dunedin City Holdings Ltd (DCHL) Board for the 2026/27 financial year.

2. The Letter is intended to create an opportunity for DCHL and DCC to further enhance their strategic alignment and inform the development of draft statements of intent for the Board and its subsidiary companies.

Focus for the 2026/27 financial year

3. In the 2026/27 financial year, we expect DCHL to continue with its purpose of achieving for Dunedin the best from its investments. We specifically expect DCHL to:

   - Continue to work with the DCC on what the future outlook is for DCHL (including subsidiaries) and provide a high level forecast of the financial returns and dividends to the DCC for the next 1-5 years to assist with informing a DCHL dividend policy.
   - Provide the DCC with strategic options (including the future composition and direction of the portfolio) that allows the DCC to consider the implications for the DCC as shareholder, with a particular focus on dividends/return on investment from DCHL. This should also include an assessment of historic performance to relevant benchmarks and what this means for expected future performance.
   - Review the Waipori Fund Statement of Investment Policies and Objectives (SIPO), and present options to Council for consideration, with different risk appetites along with expected returns, with a view to maximising return on investment.
   - Ensure each company continues to set, measure and report on progress made on the implementation of their waste reduction plans. As set out in the Waste Management and Minimisation Plan 2025, Council's waste minimisation goals are to reduce the amount of material entering the waste system by 10% per person by 2030, and reduce the amount of material that needs final disposal by 30% per person by 2030.
   - Continue to set performance measures and targets for inclusion in their Statements of

50 The Octagon | PO Box 5045 | Dunedin 9054, New Zealand | **T** 03 477 4000 | **E** dcc@dcc.govt.nz | www.dunedin.govt.nz
DunedinCityCouncil @DnCityCouncil

Intent that are relevant, measurable, clear, and outcome focused. In DCHL's Statement of Intent, continue to include performance objectives for the group as required by the Local Government Act 2002.

- Continue the internship programme.
- Direct Aurora Energy Ltd to support the development of the shared path through the Caversham Train Tunnel by undertaking the necessary works to upgrade or safely remove its existing cable within 12-16 months from the date of this letter. This is required to ensure public access to the tunnel is not compromised by hazards arising from the cable's condition or placement.
- Direct Dunedin Venues Management Ltd and the venues it controls or manages to strive to be single-use cup free wherever practicable.

Climate change

4. The DCC has set a target for Dunedin of achieving net zero greenhouse gas emissions by 2030, excluding biogenic methane; this target will be updated in early 2026. Its core, science-aligned, organisational emissions reduction target (excluding DCHL) is a 46.2% reduction in emissions by 2030, from the 2018/19 levels. To support achievement of these targets, the DCC has adopted a Zero Carbon Policy, the Zero Carbon Plan for Dunedin and a DCC Emissions Management and Reduction Plan.

5. The DCC requests that DCHL continue efforts to reduce emissions informed by DCC's Zero Carbon targets and Zero Carbon Policy 2022, including by progressing the two workstreams provided for in the DCHL Carbon Roadmap:
   - Reducing emissions from each company's own activities and reporting on these, and
   - Exploring and reporting on potential contributions to city-wide emissions reduction goals.

6. The DCC notes DCHL and subsidiaries' work to date and requests that DCHL continue to provide ongoing reporting on progress being made on the two Carbon Roadmap workstreams.

General expectations of DCHL

7. We require DCHL and subsidiary and associate companies to:
   - Manage operations in accordance with company constitutions, Statements of Intent and relevant legislation
   - Be cognisant of the political context in which they operate, and recognise that Council is accountable to the community for DCHL group companies' performance
   - Observe the practice of "no surprises"
   - Ensure best practice governance for all companies
   - Be transparent and accountable, including compliance with Local Government Official Information and Meetings Act 1987 (LGOIMA) and information disclosure policies

- Ensure health and safety is a top priority across the group, and that appropriate policies and structures are in place to support this
- Ensure appropriate risk management structures are in place
- Act within investment and divestment approval thresholds defined in Statements of Intent
- Obtain all debt funding from Dunedin City Treasury Ltd (DCTL)
- Use the group insurance broker and tax advisor appointed by Council
- Comply with group-wide considerations in DCC's Procedure for the Appointment and Remuneration of Directors of DCHL
- Take diversity and succession planning into account when appointing directors to DCHL and subsidiary companies
- Seek opportunities for companies to contribute to Council's Strategic Framework, including Te Taki Haruru - our Māori Strategic Framework.
- Ensure group wide policies are put in place where appropriate and that policies are aligned with those of Council and related guidelines established by the Office of the Auditor-General (OAG).

Dividends and interest

8. The DCC requests a dividend from the DCHL trading companies of $9.0 million for the 2026/27 financial year. This dividend along with the $5.9 million interest payment will make a total annual distribution of $14.9 million.

9. The DCC requests that the dividend is paid in three equal instalments during the year, in October 2026, February 2027 and June 2027.

10. The DCC also requests that DCHL continue to fund up to $2 million per annum to Dunedin Railways Limited, to fund the renewals of the Taieri Gorge Line rail corridor. Where the amount spent by Dunedin Railways Ltd is less than $2 million, the balance should be returned to the DCC as a dividend, paid as part of the June instalment.

Group Investment Plan

11. Council wishes to acknowledge the work so far on the development of an Investment Framework. The Board is asked to continue to work with Council on options on how its investments, including the DCHL trading companies, the Waipori Fund and the Council's investment property portfolio are managed and reported on.

12. Local Government is in a period of significant reform, including the possible introduction of rates caps; consequently, the Council needs to identify alternate sources of revenue. The DCC is fortunate to have significant assets in DCHL and, as indicated above, the board is asked to continue to look at ways of generating increased dividends/return on investment to Council, reflecting where possible, commercial returns beyond the 2026/27 year.

Reports

13. The Council requests that the DCHL Group continues to standardise financial reporting from each company, including content and presentation of financial information in the Statements of Intent.

14. The Council requests DCHL to work in consultation with Audit NZ and Council staff in order to incrementally bring forward the timeline of the development of the DCHL and subsidiaries' Annual Reports each year (it is expected that this would be at least a week earlier in the first year). This will ensure that the 2027/28 DCC Annual Report can be adopted ahead of the next local government election.

Working with DCC

15. We ask that DCHL keep Council informed of the companies' financial performance and progress towards achieving the goals set in the Statements of Intent.

16. Council acknowledges the separation of governance and management, and will not direct DCHL or its subsidiaries on operational matters.

17. We require DCHL to provide:

- Quarterly updates to the Finance and Performance Committee, or the relevant Committee of Council, including explanations for any variances between actual results and Statement of Intent forecasts
- Half-yearly and Annual Reports in accordance with the Local Government Act 2002
- An update to the quarterly meetings of the Council's Audit, Risk and Assurance Committee on DCHL/DCTL Audit and Risk Activity
- Make available to Council, parent company results alongside the group consolidated results, as at 30 June each year
- Regular informal individual company briefings to Councillors
- Briefings for Councillors on matters of significance as required
- An annual report on directors' conflict-of-interest declarations.

18. We also require DCHL to invite the Mayor, Deputy Mayor, Chair and Deputy Chair of the Finance and Performance Committee (or relevant Council Committee), DCC Chief Executive and Chief Financial Officer to regular board meetings, to review the achievement of financial targets and other performance measures identified in the Statements of Intent, and to exchange updates on relevant and topical matters.

Next steps

19. The Letter of Expectation forms the basis for the development of the DCHL Statement of Intent for the year ending 30 June 2026.

20. Draft Statements of Intent of DCHL Group companies are due to be delivered to Council on or before 1 March 2026. The Group's Statements of Intent should reflect the Letter of Expectation and comply with the requirements of the Local Government Act (see s64

and Schedule 8).

21. We look forward to working with you in the coming financial year. Please contact me if you have any queries relating to this letter or the Council's expectations of DCHL.

Yours sincerely



Sophie Barker
Mayor of Dunedin

SIGNIFICANT FORECASTING ASSUMPTIONS UPDATE - LONG TERM PLAN AND WATER SERVICES STRATEGY 2027-37

Department: Corporate Policy and Civic

EXECUTIVE SUMMARY

1 The purpose of this report is to seek the Finance and Performance Committee's approval on updated Significant Forecasting Assumptions (SFAs) for the development of the Long Term Plan 2027-37 (LTP) and Water Services Strategy 2027-37 (WSS).

2 Attachment A includes the following updated assumptions:

a) Avian Flu (new).

b) Household, dwellings, and rating unit projections.

c) Updated resilience and emergency management assumptions.

d) Updated city and Dunedin City Council (DCC) emissions reduction targets.

e) Legislative and regulatory changes.

f) Financial assumptions.

3 Financial assumptions build on information released in October 2026, while the household, dwellings, and rating unit assumptions and projections were based on the data released by Statistics NZ on 11 November 2026.

RECOMMENDATIONS

That the Committee:

a) **Approves** the updates to the significant forecasting assumptions at Attachment A, to continue development of the Long Term Plan 2027-37 and Water Services Strategy 2027-37.

b) **Notes** that updated assumptions may be presented to Council in January 2027 if new data becomes available and leads to material change in any significant forecasting assumption.

BACKGROUND

4 Schedule 10, Clause 17 of the Local Government Act 2002 (LGA) provides the following:

A long-term plan must clearly identify—

(a) all the significant forecasting assumptions and risks underlying the financial estimates:

(b) without limiting the generality of paragraph (a), the following assumptions on which the financial estimates are based:

(i) the assumptions of the local authority concerning the life cycle of significant assets; and

(ii) the assumptions of the local authority concerning sources of funds for the future replacement of significant assets:

(c) in any case where significant forecasting assumptions involve a high level of uncertainty,

(i) the fact of that uncertainty; and

(ii) an estimate of the potential effects of that uncertainty on the financial estimates provided.

5 Interim SFAs were presented to the Finance and Performance Committee at its meeting on 27 August 2026.

6 The SFAs approved at the Finance and Performance Committee meeting related to:

a) Economic change;

b) Demographic change;

c) Growth and urban development;

d) Resilience and civil defence;

e) Climate change;

f) Resource consents for DCC projects;

g) Water services;

h) Legislative reforms; and

i) Financial assumptions.

7 Since this time, further legislative changes have occurred, and updated financial information, household data, and dwellings data have become available.

DISCUSSION

8 The main updates to the SFA's, as provided in Attachment A, are discussed below.

a) Avian Flu (new)

9 At the meeting on 27 August 2026, the Finance and Performance Committee identified a missing assumption relating to H5N1 avian influenza. This has been added to the assumptions.

b) Household, dwellings, and rating unit projections

10 Statistics New Zealand released 'national and subnational family and household projections: 2023-2048' on 11 November 2026. This data provides long-term projections on the future size

and broad types of families living in New Zealand through to 2048. The breakdown includes Dunedin territorial authority specific data.

11 Staff used the new data for dwelling growth rate and employee counts growth rate to provide projections for Dunedin's rating units. Further details on the methodology, assumptions, and projections are available at Attachment A.

c) Updated resilience and emergency management assumptions

12 The Emergency Management Act 2026 came into force on 4 September 2026, with some provisions taking effect on later dates.

13 The Act responds to the Government Inquiry into the North Island Severe Weather Events and provides a new legislative framework for emergency management in New Zealand, with implications for councils. This change has been added to the assumptions.

d) Updated city and DCC emissions reduction targets

14 In September 2026, Council approved new emission targets for Dunedin city and for the DCC. These have been updated in the assumptions.

e) Legislative and regulatory changes

15 A number of legislative bills impacting Council have been enacted or advanced since August. Updates are presented here because:

- legislative changes are a key source of uncertainty for long term planning. New legislation coming into force means a lower level of uncertainty in our significant forecasting assumptions; and

- changes require planning for when new laws come into force, including transition periods and deadlines for exemptions.

16 Under the Government's 'Simplifying Local Government' programme, DCC and Queenstown-Lakes District Council submitted a joint Head Start proposal in August 2026. The Government has moved the decision making point as to whether the proposal will proceed to detailed development from September 2026 to early 2027. The broader timeline is also expected to shift.

17 The Local Government (Systems Improvement) Amendment Act 2026 and the Local Government (Rates Capping) Amendment Bill impact Council matters and Attachment A captures assumptions under these two changes.

f) Financial assumptions

18 Where possible, external advice has been used to support financial assumptions made. Interest rate assumptions have been provided by Dunedin City Treasury Limited (DCTL). The final 2026 Local Government Cost Index (LGCI) Report, prepared by Business and Economic Research Limited (BERL), informed the inflation rates and cost index for local government (Attachment B).

19 The 2026 BERL report provides macroeconomic context and guidelines for interpreting forecast impacts. The report reflects events in the Middle East and their impact on the supply of oil.

20 The 2026 BERL report captures the shift up to the LGCI for 2026, after which it projects a higher temporary uplift in the cost adjusters in 2026, followed by a return to trend from 2027 for the remainder of the forecast period. BERL expects a return to trend in 2027.

21 The financial assumptions, with sources and latest updates, to be used over the 10-year period include:

Table 1: Financial assumptions, sources, and last updates

Financial Assumptions	Sources	Last updated
Interest rates assumptions	DCTL	October 2026
NZ Transport Agency Waka Kotahi (NZTA) funding assistance rates assumptions	NZTA via the transport team	Unchanged from last update
Inflation rates and local government cost index (cost adjusters)	BERL	October 2026

22 Table 2 below presents the interest rate assumptions from the October 2026 Treasury Report provided by DCTL. The full report is available at Attachment C. These assumptions will be used in developing the financial forecasts for the LTP and the WSS.

Table 2: Interest rate assumptions from the October 2026 DCTL report

Financial Year	Previous Interest Rate Forecast	Updated Interest Rate
2027/28	4.43%	4.65%
2028/29	4.58%	4.96%
2029/30	4.87%	4.96%
2030/31	4.98%	4.96%
2031/32	5.25%	4.96%
2032/33	5.41%	5.61%
2033/34	5.54%	5.61%
2034/35	5.66%	5.61%
2035/36	5.82%	5.61%
2036/37	5.82% (assumed)	5.61%

OPTIONS

23 The Local Government Act 2002 and the planning and accountability framework governed by the Local Government (Water Services) Act 2025, require Council to identify all significant forecasting assumptions underlying the financial estimates in the LTP and the WSS. Options have not been presented but the Committee may decide to modify the significant forecasting assumptions.

NEXT STEPS

24 Staff will use the updated SFAs for the development of the LTP and WSS.

25 Staff may bring any further updates to the SFAs to Council or one of its Committees.

Signatories

Author:	Rula Abu-Safieh Talahma - Senior Policy Analyst Janet Fraser - Corporate Planner
Authoriser:	Carolyn Allan - Chief Financial Officer

Attachments

	Title	Page
⇩A	Significant Forecasting Assumptions update - Long Term Plan and Water Services Strategy 2027-37	55
⇩B	BERL Local Government Cost Index October 2026	66
⇩C	DCC DCTL Monthly Reporting October 2026	135

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

The decision supports the purpose of local government under section 10 of the Local Government Act 2002 by enabling informed and transparent democratic decision-making on behalf of the community.

The updated assumptions help Council assess and plan for the current and future needs of communities by providing consistent projections of population change, economic change, inflation, growth, households, dwellings, rating units, and infrastructure demand. These forecasts support planning for local infrastructure, public services, and regulatory functions across Council activities.

The assumptions support good-quality decision-making by reflecting the best available information and present and anticipated future circumstances. They support cost-effective planning by providing a consistent basis for allocating resources, assessing total costs and benefits, and achieving value for money.

Fit with core services of Local Government This decision relates to:

- ✓ Network infrastructure
- ☐ Public transport services
- ✓ Solid waste collection and disposal
- ✓ Waste minimisation
- ✓ Emergency management
- ✓ Libraries, museums and cultural facilities
- ✓ Parks, reserves and recreational facilities
- ☐ None of the above

The decision to use updated forecasting assumptions supports the effective and good quality delivery of local government core services. Current assumptions provide a more reliable basis for assessing future demand, infrastructure needs, service levels, funding requirements, and risk across all core services of local government: network infrastructure, waste services, emergency management, libraries, museums, cultural facilities, parks, reserves, and recreational facilities.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	✓	☐	☐
Economic Development Strategy	✓	☐	☐
Environment Strategy	✓	☐	☐
Arts and Culture Strategy	✓	☐	☐
3 Waters Strategy	✓	☐	☐
Future Development Strategy	✓	☐	☐
Integrated Transport Strategy	✓	☐	☐
Parks and Recreation Strategy	✓	☐	☐
Other strategic projects/policies/plans	✓	☐	☐

The Long Term Plan and Water Services Strategy together contribute to all of the objectives and priorities of the strategic framework as they describe the Council's activities, the community outcomes, and provides a long term focus for decision making and coordination of the Council's resources, as well as a basis for community accountability.

SUMMARY OF CONSIDERATIONS

Māori Impact Statement

Council budgets impact broadly across all Dunedin communities including Māori. The adoption of Te Taki Haruru – Māori Strategic Framework signals Council's commitment to mana whenua and to its obligations under the Treaty of Waitangi. Mana whenua and mātāwaka will have an opportunity to engage in the Long Term Plan and Water Services Strategy 2027-37 consultation process.

Legislative reforms

Significant Forecasting Assumptions have considered recent Local Government legislative reforms.

Sustainability

Sustainability is an underlying principle of the DCC's strategic framework. Significant forecasting assumptions support sustainability through ensuring that the Long Term Plan and Water Services Strategy 2027-37 are developed with the best available information about what the Council and the community can expect in the future.

LTP / Financial Strategy /Infrastructure Strategy/ Water Services Strategy

This report provides details of some updated assumptions being made to assist the development of the Long Term Plan and the associated strategies.

Financial considerations

Updated Local Government Cost Index adjusters for 2026 are outlined in the attachments.

Significance

The Long Term Plan and Water Services Strategy 2027-37 will have community consultation using the Special Consultative Procedure.

Engagement – external

In preparation of the significant forecasting assumptions, population growth and projections have been checked for consistency with the Otago Regional Council. Information from BERL and DCTL has been used to inform some of the assumptions.

Engagement - internal

Relevant staff from across Council have been involved in the development of the draft updated assumptions.

Risks: Legal / Health and Safety etc.

The level of uncertainty for each of the assumptions made, and the impact of that uncertainty are included in the report.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

This report has no specific implications for Community Boards. Community Boards have the opportunity to participate in community consultation as part of the Long Term Plan and Water Services Strategy 2027-37 process.

Attachment A: Significant Forecasting Assumptions November Updates with 2026 final LGCI for the DCC Long-Term Plan 2027-37

Assumption	Level of uncertainty	Reason for uncertainty	Effects of the uncertainty
If not listed here, all previous assumptions, adopted by the Committee in August 2026, remain valid. The assumptions included here are either updated or new assumptions. **ECONOMIC CHANGE** **Dunedin economy** *Unchanged assumptions* **Employment in Dunedin** *Unchanged assumptions* **Business Activity** *Unchanged assumptions* **Visitor economy & tourism** *Unchanged assumptions*	*Unchanged*	*Unchanged*	*Unchanged*
Projected visitor numbers *Unchanged assumptions*	*Unchanged*	*Unchanged*	*Unchanged*
H5N1 Avian Flu (new) H5N1 avian influenza was first confirmed in New Zealand in July 2026. It is assumed the virus will become established in wild birds, including in Dunedin, over the life of this 10 year plan. MPI will lead the response. The DCC will act in a supporting role, including managing sick or dead birds on DCC land, disposing of carcasses as directed and communicating with the public. Costs are assumed to be met within existing budgets.	Low	The timing, location and scale of outbreaks cannot be predicted. Impacts on local wildlife, and any future regulatory role for the DCC, are unknown.	If outbreaks are larger or more frequent than assumed, then the impact includes: • unbudgeted operating expenditure • temporary closure of beaches, parks, reserves or the Botanic Garden aviary • educed wildlife tourism on the Otago Peninsula • pressure on DCC staff and services • additional obligations if central government changes regulations.
Household income & spending *Unchanged assumptions.*	*Unchanged*	*Unchanged*	*Unchanged*

Assumption	Level of uncertainty	Reason for uncertainty	Effects of the uncertainty
DEMOGRAPHIC CHANGE **Projected usually resident population growth** *Unchanged assumptions.*	*Unchanged*	*Unchanged*	*Unchanged*
Aging population *Unchanged assumptions.*			
Ethnic makeup *Unchanged assumptions.*			
GROWTH & URBAN DEVELOPMENT **Household projections** The number of households in Dunedin is projected to grow by 2,040 households over the next 10 years, reaching a total of 53,380 households by 2037. The number of households is projected to increase by a further 4,220 households between 2037 and 2057 reaching 57,600 households in 2057. Year / 2027 / 2037 / 2057 Total households / 51,340 / 53,380 / 57,600 *Source: DCC household projections (based on Stats NZ Subnational Household projections 2023 (base) – 2048, medium series)* **Dwelling projections** The number of dwellings in Dunedin is projected to grow by 2,130 over the next 10 years reaching a total of 55,730 dwellings by 2037. The number of households is projected to increase by a further 4,400 dwellings between 2037 and 2057 reaching 60,130 dwellings in 2057. Year / 2027 / 2037 / 2057 Total dwellings / 53,600 / 55,730 / 60,130 *Source: DCC dwelling projections* The dwelling projections are based on Stats NZ household projections (2023 base). It is assumed that the number of dwellings is equal to the number of households, adjusted for dwellings which are empty on Census night.	Low	Projections are based on the most recent data released from Statistics New Zealand in November 2026.	Actual household and dwelling growth may differ from projections due to demographic, economic, migration, and development trends. Higher growth would increase demand for infrastructure and services and may require additional capital expenditure. Lower growth would reduce demand but may result in lower rates revenue growth and development-related income than forecast

Assumption	Level of uncertainty	Reason for uncertainty	Effects of the uncertainty

Projected rating units growth

The projections have been developed to comply with Schedule 10 section 15A of the LGA 2002 and to allow DCC to use these projections in their long term planning process. The LGA states that "A long-term plan must state, for each year covered by the plan, the projected number of rating units within the district or region of the local authority at the end of the preceding financial year".

The assumptions made for the calculations, using the data released from Stats NZ on 11 November are:

1. The rating base are all rateable units, not SUIPs.
2. The rating base includes residential, lifestyle, commercial (full and half), and farmland categories.
3. The rating base is projected to grow, except for farmland which is expected to remain unchanged over the LTP 2027-37.
4. Other rating categories in the base include the Stadium, Heritage B&Bs, and water utilities, totalling six rating units. The assumption is that they will not change over the LTP 2027-37.
5. Other non-rateable units including schools, residential institutions, and churches (and other religious institutions are all assumed to remain unchanged over the LTP 2027-37.

Other assumptions include:

Residential and lifestyle – The number of Residential and Lifestyle rating units is increased by the percentage of growth in dwellings for each five-year period. The assumption is that each new dwelling creates a new rating unit.

Commercial rating units – The future demand for Commercial rating units is based on the projected number of people working within the applicable industry sectors. The projected growth rate of commercial rating units is assumed to be equivalent to the projected growth rate in the total employment count. This assumes that the ratio of commercial rating units to employees remains static. The unit of employment is the Total Employment Count developed by Formative using their Macroeconomic Forecast Model.

Rating unit projections:

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Residential	49,423	49,481	49,539	49,751	49,964	50,178	50,393	50,609	50,821	51,034	51,248	51,463
Lifestyle	2,718	2,721	2,724	2,736	2,748	2,760	2,772	2,784	2,796	2,808	2,820	2,832

Assumption													Level of uncertainty	Reason for uncertainty	Effects of the uncertainty
Commercial	3,134	3,158	3,182	3,201	3,221	3,242	3,262	3,282	3,303	3,323	3,351	3,380			
Commercial - half	117	118	119	120	120	121	122	123	123	124	125	126			
Farmland	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,347			
RESILIENCE & EMERGENCY MANAGMENET *Updated:* The Emergency Management Act 2026 came into force on 4 September 2026, with some provisions taking effect on later dates. Dunedin City Council and the wider Dunedin community are exposed to a range of natural hazards and non-natural hazards that have the potential to result in civil defence emergencies. Key natural hazards include: • River (fluvial), surface water (pluvial), and stormwater flooding, and groundwater rise. • Coastal erosion, storm surges, and sea-level rise. • Landslides, rockfall, and alluvial fan hazard. • Earthquakes, liquefaction, and land instability associated with active fault lines. • Tsunami generated by offshore earthquake. Key non-natural hazards include: • Bio-security threats. • Hazardous material incidents. • Global pandemics. • Critical infrastructure failures, including telecommunications, electricity, and transport networks. Source: Otago Region Natural Hazards Exposure Analysis, May 2025 and Citywide Climate Risk Assessment: Preliminary Citywide Screening, November 2026. Planning assumption. It is assumed that DCC, supported by regional emergency management resources, will maintain an effective response capability during civil defence emergencies.													Medium	The frequency, scale, and severity of future emergencies remain uncertain. Climate change is expected to influence the frequency and intensity of some weather-related hazards.	If a significant disaster occurs that exceeds the DCC's ability to respond, this could result in: • Harm to people, property, infrastructure and essential services. • Disruption to DCC supply chains and Council operations. • Increased pressure on DCC staff to respond while maintaining critical services. • Significant financial impacts including increased recovery costs and potential insurance implications. • Changes to Council priorities in response to emergencies. • Potential reputational risk to DCC's reputation and public confidence. • The need to seek additional funding, including rates based funding options where it is permitted by legislation.

Assumption	Level of uncertainty	Reason for uncertainty	Effects of the uncertainty
CLIMATE CHANGE **City and DCC emissions reduction targets** *Updated:* In September 2026, Council revised its city-wide emissions targets based on a new emissions modelling that confirmed the city is unlikely to achieve the net zero target by 2030. Council resolved to replace the existing Zero Carbon targets (set in 2019), with a two stage target comprising: i) a near-term gross greenhouse gas emissions reduction target; and ii) a long-term net zero greenhouse gas emissions target. Council also resolved to keep biogenic methane separate from all other greenhouse gases. Council will consider the level of ambition for both biogenic methane and net zero (all greenhouse gases other than biogenic methane). In September 2026, the city updated its emissions reduction targets. Dunedin's targets for all greenhouse gases, excluding biogenic methane, are: • 30% reduction in emissions by 2030/31 • Net zero emissions by 2040 These targets use 2018/19 as the baseline year. Dunedin's targets for biogenic methane reduction targets are now: • *A 10% reduction by 2030, compared with 2017 levels* • *A 35-47% reduction by 2050, compared with 2017 levels* The DCC also has a commitment to reduce emissions from its own operations, including a goal to reduce all its core organisational emissions by 46.2% by 2029/30 (from a 2018/19 baseline), *and to achieve net zero emissions no later than 2050.* The Zero Carbon Policy adopted in 2022 mandates that the DCC's activities minimise emissions and contribute to achieving emissions reduction targets. It is assumed the DCC will meet its organisational targets, including through adherence to its Emissions Management and Reduction Plan and Zero Carbon Policy.	Medium High	DCC has updated its city-wide targets. Achieving city emissions reduction targets would require additional actions by the DCC, central government, and a wide range of other stakeholders. Achieving both city and DCC emissions reduction targets in part relies on central government funding and policy settings that support emissions reduction. Both are subject to change.	Potential impacts of organisational and city emissions reduction targets not being met include: • misalignment with the DCC's strategic commitments and Zero Carbon Policy • possible misalignment with national policy direction relating to emissions reduction • misalignment with community expectations on the contribution to global efforts to combat climate change, leading to negative effects on political and organisational reputation • potential financial costs (for DCC and residents) due to continued reliance on fossil fuels and associated price volatility • potential financial costs (for DCC and residents) due to the need to address liabilities, or meet targets/legislative requirements for residual emissions, which may impact on rates. For DCC emissions targets, an additional potential

Assumption	Level of uncertainty	Reason for uncertainty	Effects of the uncertainty
It is assumed to be unlikely that the emission reduction targets for the city-wide will be met through the DCC's 10 Year Plan actions or those of other stakeholders.			impact is possible exclusion from Local Government Funding Authority opportunities for reduced costs of borrowing (enabled by organisational emissions reduction effort).
Climate Change Predictions *Unchanged assumptions*			
RESOURCE CONSENTS FOR DCC PROJECTS *Unchanged assumptions*			
WATER SERVICES *Unchanged assumptions*			
LEGISLATIVE REFORMS **Local Government (Systems Improvement) Amendment Act** The Act came into force on 19 September 2026. It changed the purpose of local government, removing the 'four wellbeings'. It requires councils to have particular regard to core services when making decisions. *Deferred dates:* 19 March 2027: non-elected appointed members can no longer vote or count towards quorum on specialist committees. Councils have from the day the act commenced till 19 March to apply for any exemptions. 2026/27 annual report: consultant and contractor expenditure must be disclosed. *Exemptions*: - Committees established under other legislation or Treaty settlements are exempt from the voting changes. - Further exemptions may be granted by Order in Council on the Minister's recommendation, after consultation with the council. At the start of this Long Term Plan, the Act would have been fully enacted, including some parts that will come into force later. From 1 November 2026, the new **Local Government (Local Authority Reporting) Regulations 2014** now sets the groups of activities that Council reports on.	Very low	The act is in force, however, uncertainty remains around exemptions for voting rights of non-elected members.	• Committee terms of reference may need review if no exemption is granted.

Assumption	Level of uncertainty	Reason for uncertainty	Effects of the uncertainty
This Act was formerly called the *Local Government (Financial Reporting and Prudence) Regulations 2014* and was changed by the Local Government (Local Authority Reporting) Amendment Regulations 2026.			
Local Government Structural Reform DCC collaborated with Queenstown-Lakes District Council to submit a Head Start proposal in August 2026. The Government announced in September that it is expected to decide in early 2027 (instead of September 2026) which proposals will continue into detailed development. For any proposal that is accepted, implementation was expected to begin from May 2028. A new timeline will be in place. Assumption: with very high uncertainty, Council assumes business as usual until further decisions are made. As that happens, assumptions will be updated.	Very high	Government decisions pending; unclear approval process, unknown scope of Ministerial decision, future legislative process is uncertain.	Significant implications for governance, service delivery, organisational structure, staffing, and financial assumptions. Council may need to rapidly change planning assumptions if and when a clear outcome to the reorganisation proposal is received.
Local Water Done Well *Unchanged assumptions.*	*Unchanged*	*Unchanged*	*Unchanged*
Emergency Management *Updated* The new Emergency Management Act 2026 came into force on 4 September 2026 with some exceptions (Section 2). The timing of provisions commencing after 4 September 2026 require consideration. These are: **3 March 2027:** Sections 183–187 **3 September 2027:** Sections 48, 57, 59, 62–64, 66, 68, 71–73, and 98 **By 3 September 2028:** Sections 74–75 The Act requires existing plans and committees to continue in existence until their expiration dates, with the new requirements applied to existing plans and committees. A budget assumption will be needed up to the point of adoption of the first plans under the new legislation. New tools and mechanisms to strengthen capability, improve consistency, and lift performance across the sectors.	Low	Bill was enacted on 4 September 2026 with some exceptions where transitional periods and provisions coming into force at later dates.	Additional planning and implementation costs to meet the new legislative requirements; review of plans, and ongoing obligations under regional management plans.

Assumption	Level of uncertainty	Reason for uncertainty	Effects of the uncertainty
Building Act Reforms There are two Building Act reform streams relevant to the LTP assumptions: 1. Building Amendment Bill – addresses voluntary BCA amalgamation and proportionate liability for defective building work. The bill proposes significant changes to the Building Act 2004 and the building consent system. The assumption: Building Consent Authority (BCA) amalgamation framework and proportionate liability introduced from 2027-28. 2. Building (Earthquake-prone Buildings) Amendment Act The assumption: New risk-based framework effective from 1 July 2027. The changes focus regulatory requirements on higher-risk building types in medium and high seismic zones, with most operational changes taking effect from 1 July 2027. Dunedin and parts of coastal Otago move from a low to a medium seismic zone under the new framework. Existing earthquake-prone building designations and compliance processes continue during the transition period. Councils will need to administer both existing and new requirements until the revised system is fully implemented from 1 July 2027.	*Medium* for the Building Amendment Bill, and Low for the Building (earthquake-prone buildings) Amendment Act	Bill before Parliament; enactment timing uncertain; amalgamation decisions are voluntary. Legislation enacted and implementation details still being finalised.	Potential impacts on insurance, liabilities, legal costs, governance, ICT systems and service delivery models. Changes to assessment, compliance, enforcement, communication, monitoring, and building control workloads. Dunedin would move to a medium seismic zone.
Rate Capping Rate capping bill was introduced on 25 August 2026 and is expected to be enacted in early- to mid-2027, with the full framework applying from 1 July 2029. The Ministry of Cities, Environment, Regions and Transport (MCERT) will monitor levels of rates increase in the interim. Rate increases will be set by the Minister and are expected to be set between 2-4 percent. Targeted rates set for drinking water, wastewater and stormwater would be exempted from the cap.	High	Bill not yet enacted; exemptions not fully determined.	Council may need regulatory approval for rate increases above the cap; funding plans and affordability assumptions may require revision.
Infrastructure Funding and Financing Reforms (Development Levies) *Unchanged assumptions.*	*Unchanged*	*Unchanged*	*Unchanged*
Resource Management Act Reform *Unchanged assumptions.*	*Unchanged*	*Unchanged*	*Unchanged*

Assumption	Level of uncertainty	Reason for uncertainty	Effects of the uncertainty
Climate Change Response Amendment Bill The bill was introduced on 15 July 2026, and makes climate adaptation planning mandatory for councils, with a horizon of at least 30 years. Plans required for priority areas identified through regional spatial plans.	High	Bill not enacted; future priority areas and adaptation requirements depend on spatial planning outcomes.	New planning and implementation costs that align with the regional spatial planning assumption; no central government funding provided; future adaptation investment requirements uncertain.
FINANCIAL ASSUMPTIONS **Inflation** Inflation adjustors are applied as per the price level adjustors schedule provided below.	Low	Inflation levels and prices may vary from those projected.	Unexpected inflation may require unbudgeted capital and/or operating expenditures.
Borrowing costs Interest on existing and new debt is calculated at: • 4.65% for 2027/28 (year 1) • 4.96% for 2028/29 (year 2) • 4.96% for 2029/30 (year 3) • 4.96% for 2030/31 (year 4) • 4.96% for 2031/32 (year 5) • 5.61% for 2032/33 (year 6) • 5.61% for 2033/34 (year 7) • 5.61% for 2034/35 (year 8) • 5.61% for 2035/36 (year 9) • 5.61% for 2036/37 (year 10)	Medium	There is uncertainty on the floating rate debt, but the expectation is that interest rates will gradually rise over the 10 year period.	Interest rates may vary from those projected and require unbudgeted financing expenditures.
NZ Transport Waka Kotahi (NZTA) subsidy rates *Unchanged* Revenue from the NZ Transport Agency Waka Kotahi (NZTA) is calculated at the normal funding assistance rate of 51% per annum.	Medium	Subsidy levels may vary from those projected and NZTA priority areas	Subsidy revenue may be less than expected and require changes to levels of service and/or unbudgeted expenditure.

Assumption	Level of uncertainty	Reason for uncertainty	Effects of the uncertainty
Subsidy rates vary depending on the nature of the work being completed and assumptions are adjusted for a low level of NZTA investment in walking and cycling related work categories.		may differ from the DCC's renewal and capital programme.	

PRICE LEVEL ADJUSTORS SCHEDULE - BERL[1]

Updated 22 October 2026

	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Inflation Adjustors - Cumulative										
Roading	100.0%	102.5%	104.9%	107.3%	109.5%	111.9%	114.2%	116.6%	119.0%	121.3%
Water	100.0%	102.8%	105.5%	108.2%	110.7%	113.0%	115.2%	117.5%	119.8%	122.1%
Waste	100.0%	102.9%	105.7%	108.5%	111.4%	113.9%	116.3%	118.9%	121.4%	123.9%
LGCI Opex	100.0%	102.3%	104.6%	106.9%	109.0%	111.2%	113.4%	115.5%	117.7%	119.8%
LGCI Capex	100.0%	102.4%	104.7%	107.1%	109.2%	111.4%	113.6%	115.9%	118.0%	120.2%
CPI	100.0%	102.1%	104.0%	106.0%	107.9%	109.8%	111.6%	113.5%	115.4%	117.2%
Inflation Adjustors - Annual										
Roading		2.5%	2.3%	2.3%	2.1%	2.2%	2.1%	2.1%	2.1%	1.9%
Water		2.8%	2.6%	2.5%	2.3%	2.1%	2.0%	2.0%	2.0%	1.9%
Waste		2.9%	2.7%	2.7%	2.6%	2.2%	2.1%	2.2%	2.1%	2.1%
LGCI Opex		2.3%	2.2%	2.2%	1.9%	2.1%	1.9%	1.9%	1.9%	1.8%
LGCI Capex		2.4%	2.2%	2.3%	1.9%	2.1%	1.9%	2.0%	1.9%	1.8%
CPI		2.1%	1.9%	1.9%	1.8%	1.7%	1.7%	1.7%	1.6%	1.6%
Standard NZTA Subsidy Rate: *(Unchanged)*	*51%*	*51%*	*51%*	*51%*	*51%*	*51%*	*51%*	*51%*	*51%*	*51%*

[1] *Source: BERL – Local Government Cost Index October 2026*

11

berl

Local Government Cost Index

Taituarā

October 2026



Taituarā

Authors: Killian Destremau, Hugh Dixon, and Dr Nathaniel Robson

Peer reviewer: Hillmarè Schulze

This report was prepared by Business and Economic Research Limited (BERL) for Taituarā. The views, opinions, findings, and conclusions expressed in this report are those of the authors and do not necessarily reflect the views of Taituarā or any other organisation. While BERL has exercised all reasonable skill and care in the preparation of information in this report, we accept no liability in contract, tort, or otherwise for any loss, damage, injury or expense, whether direct, indirect, or consequential, arising out of the provision of information in this report.

This report is intended for informational purposes only and should not be construed as professional advice. Any use of this report is at the user's own risk. The information in this report is current as of October 2026 and may be subject to change without notice. BERL retains copyright in this report. Any reproduction, adaptation, or distribution of this report without BERL's prior written consent is prohibited. By accessing and using this report, you agree to indemnify and hold harmless BERL from any claims arising from its use.

©BERL Reference No: 6569 October 2026

Contents

1 Introduction 1
1.1 Scope and objective 1
1.2 Structure of the report 1
2 Local government cost inflation 2
2.1 Producer prices (Producer Price Index, PPI) 2
2.2 Capital goods prices (Capital Goods Price Index, CGPI) 3
2.3 Labour cost index (LCI) 5
2.4 International drivers 6
2.5 Domestic drivers 8
3 Macroeconomic context 9
3.1 Framework 9
3.2 Overview 10
3.3 Economic growth 10
3.4 Inflation 12
3.5 Labour market 14
3.6 Summary 15
4 Understanding the cost adjusters 17
4.1 What is the Local Government Cost Index? 17
4.2 Cost adjusters versus Consumer Price Index (CPI) inflation 17
5 Understanding our forecasts 18

5.1 What it means to model price indices 18
5.2 Methodological overview 18
5.3 Caveats 21
6 The LGCI basket 23
7 Indices and adjusters 24
7.1 Price indices 24
7.2 Adjusters 33
8 Summary 46
Appendix A Price Indices actual and forecast values 47
Appendix B Macroeconomic forecasts 59
Appendix C References 61

Tables

Table 1 Local Government Price Indices (PPI), 1996 – 2037, index values 24
Table 2 Local Government Price Indices (CGPI and LCI), 1996 – 2037, index values 26
Table 3 Local Government Price Indices (PPI), 1996-2037, percentage per annum change 28
Table 4 Local Government Price Indices (CGPI and LCI), 1996-2037, percentage per annum change 30
Table 5 Local Government Price Indices (PPI), cumulative change 32
Table 6 Local Government Price Indices (CGPI and LCI), cumulative change 32
Table 7 Local Government Cost Adjusters, 1996 – 2037, index values 33
Table 8 Local Government Cost Adjusters, 1996 – 2037, percentage per annum changes 35
Table 9 Local Government Cost Adjusters, 2026 – 2037, cumulative change 36
Table 10 Local Government Aggregated Cost Adjusters (excluding water), 1996 – 2037, index values 37
Table 11 Local Government Aggregated Cost Adjusters (excluding water), 1996 – 2037, per annum percentage changes 39
Table 12 Local Government Aggregated Cost Adjusters (excluding water), 2026 – 2037, cumulative change 41
Table 13 Local Government Aggregated Cost Adjusters (including water), 1996 – 2037, index values 41
Table 14 Local Government Aggregated Cost Adjusters (including water), 1996 – 2037, per annum percentage changes 42
Table 15 Local Government Aggregated Cost Adjusters (including water), 2026 – 2037, cumulative change 44
Table 16 Water infrastructure cost adjuster, 1996 – 2037, index value, pa % change, and cumulative change 44
Table 17 Comparison of 2025 and 2026 cost adjusters, projected growth rates (2026-2036) 46
Table 18 BERL macroeconomic forecasts – part one 59
Table 19 BERL macroeconomic forecasts – part two 59
Table 20 BERL macroeconomic forecasts – part three 60
Table 21 BERL macroeconomic forecasts – part four 60

Figures

Figure 1 Producer Price Indices (PPI) trend 2
Figure 2 Producer Price Indices (PPI) annual growth rate 3

Figure 3 Capital Goods Price Indices (CGPI) trend 4
Figure 4 Capital Goods Price Indices (CGPI) annual growth rates 4
Figure 5 Labour Cost Indices (LCI) trend 5
Figure 6 Labour Cost Indices (LCI) annual growth rates 5
Figure 7 Brent crude oil prices 6
Figure 8 Oil prices and Strait of Hormuz disruption 7
Figure 9 Oil prices forward market pricing 7
Figure 10 Total investment, public and private (non-residential), actual and forecast (in $ billions) 8
Figure 11 Framework for understanding the macroeconomic impact of the Strait of Hormuz closure 9
Figure 12 World GDP annual growth, actual and forecast 11
Figure 13 GDP, actual and forecast 12
Figure 14 Global inflation actual and forecast 13
Figure 15 Inflation outlook, tradable and non-tradable inflation, percent, year on year 13
Figure 16 Exchange rate (NZ dollar trade-weighted index) 14
Figure 17 Annual wage growth and unemployment, actual and forecast 15
Figure 18 World Uncertainty Index 15
Figure 19 ANZ-Roy Morgan Consumer Confidence 16
Figure 20 LGCI methodology overview 21
Figure 21 Weights by adjuster (across operational, capital, and labour costs) 23
Figure 22 LGCI 2025 and 2026 cost adjusters, projected growth rates 46
Figure 23 PPI inputs – local government administration 47
Figure 24 PPI inputs – arts and recreation 47
Figure 25 PPI inputs – water, sewerage, drainage, and waste services 48
Figure 26 PPI inputs – heavy and civil construction 48
Figure 27 PPI inputs – transport, postal, and warehousing 49
Figure 28 CGPI inputs – other civil construction 49
Figure 29 CGPI – system for water and sewerage 50
Figure 30 CGPI – reclamation, slope stabilisation, and river control 50
Figure 31 CGPI – transport ways 51
Figure 32 CGPI – commercial buildings 51
Figure 33 Local government wages and salaries 52
Figure 34 Private sector wages and salaries 52
Figure 35 LGCI transport 53

Figure 36 LGCI community 53
Figure 37 LGCI waste 54
Figure 38 LGCI planning and regulation 54
Figure 39 LGCI roading 55
Figure 40 LGCI water infrastructure 55
Figure 41 LGCI OPEX – with water included 56
Figure 42 LGCI CAPEX – with water included 56
Figure 43 LGCI Total – with water included 57
Figure 44 LGCI OPEX – with water excluded 57
Figure 45 LGCI CAPEX – with water excluded 58
Figure 46 LGCI Total – with water excluded 58

Local Government Cost Index
October 2026

1 Introduction

1.1 Scope and objective

The Local Government Cost Index (LGCI) is a composite index that measures the changes in the prices of a basket of goods and services that are purchased by local governments in New Zealand.

The intention is to provide local government administrators with a robust, defensible, and replicable estimate of how costs faced by local government are expected to increase in the following 10 years, given the current macroeconomic conditions. This is useful for both the planning and the auditing processes.

1.2 Structure of the report

The structure of the report is as follows:

- **Local government cost inflation** – This section presents a review of the inputs and drivers of local government cost inflation. The first quarter of data capturing the impact of developments in the Middle East on the cost adjusters is now available and has been incorporated into the forecast. We project a higher temporary uplift in the cost adjusters in 2026, followed by a return to trend from 2027 for the remainder of the forecast period.
- **Macroeconomic context** – This section sets out the macroeconomic context for the 2026 cost adjuster forecasts. It provides an overview of the global and New Zealand gross domestic product (GDP), labour market, and inflation outlooks, with a particular focus on the implications of the Strait of Hormuz closure on economic activity and global prices
- **Indices and adjusters** – Our 2026 forecasts for the LGCI out to 2037.

Local Government Cost Index
October 2026

2 Local government cost inflation

2.1 Producer prices (Producer Price Index, PPI)

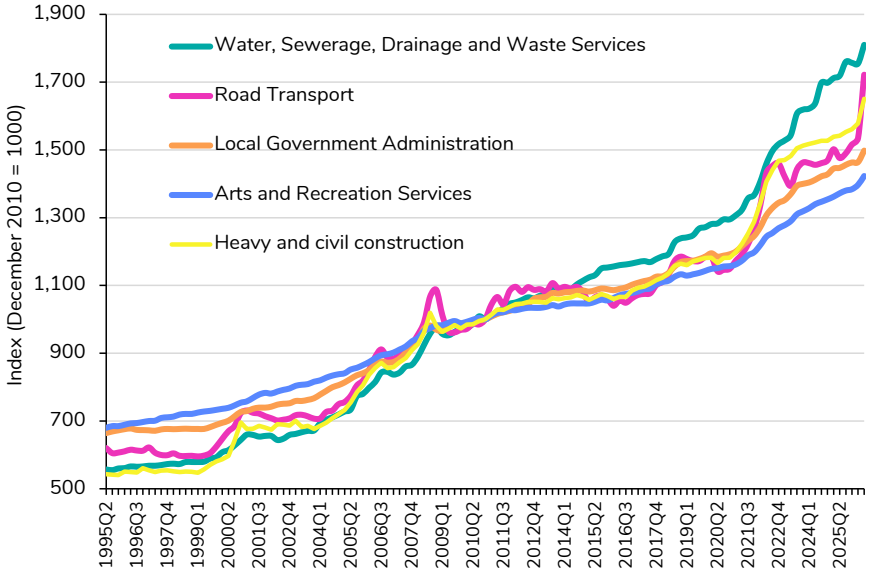
Following the global financial crisis (GFC) and through to COVID-19, Producer Price Index (PPI) inflation remained relatively subdued compared to earlier decades (Given international and domestic economic factors, it is to be expected that local government will face less predictable and more volatile costs in the future. Councils will need to prepare for this. Road transport PPI inflation is particularly volatile, and is rising again because of the increase in fuel prices and the conflict in the Middle East. Also noticeable is the recent higher pace of water producer price inflation, relative to other producer prices with which they were relatively aligned in the past.

Figure 1). The inflation surge of 2021 and 2022 has now largely passed, with PPI returning to growth rates more consistent with historical averages.

Given international and domestic economic factors, it is to be expected that local government will face less predictable and more volatile costs in the future. Councils will need to prepare for this. Road transport PPI inflation is particularly volatile, and is rising again because of the increase in fuel prices and the conflict in the Middle East. Also noticeable is the recent higher pace of water producer price inflation, relative to other producer prices with which they were relatively aligned in the past.

Local Government Cost Index
October 2026

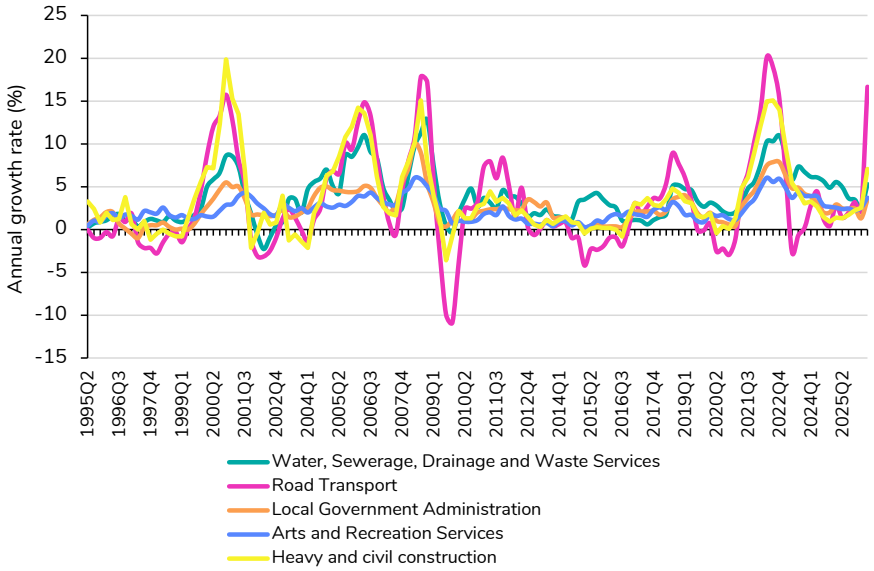
Figure 1 Producer Price Indices (PPI) trend



Source: Statistics New Zealand, BERL analysis

Local Government Cost Index
October 2026

Figure 2 Producer Price Indices (PPI) annual growth rate



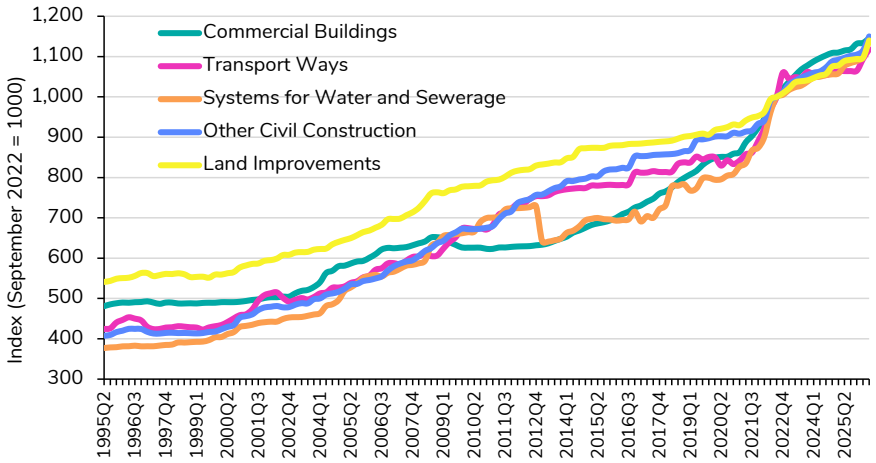
Source: Statistics New Zealand, BERL analysis

2.2 Capital goods prices (Capital Goods Price Index, CGPI)

Capital goods cost inflation (the annual increase in prices) has also now largely returned to historical norms following the inflation surge of recent years, which was most pronounced in transport and water capital costs.

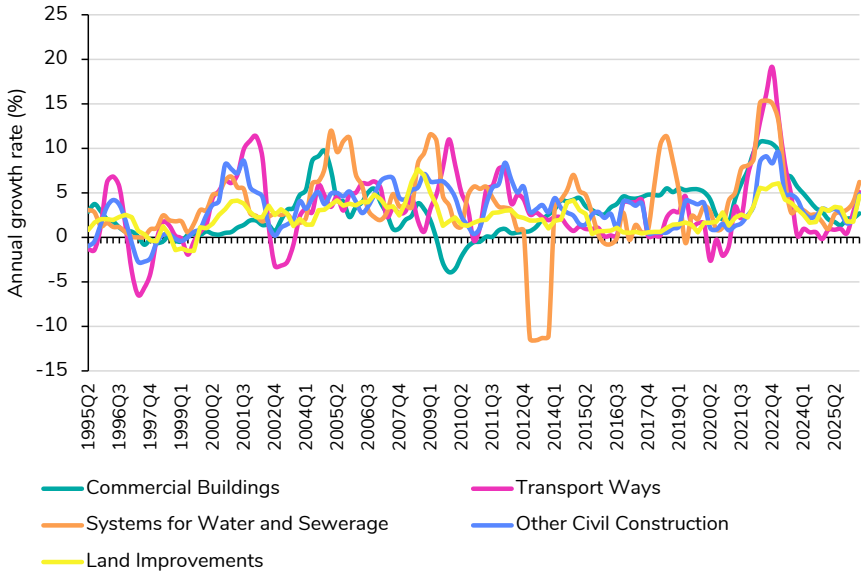
Local Government Cost Index
October 2026

Figure 3 Capital Goods Price Indices (CGPI) trend



Source: Statistics New Zealand, BERL analysis

Figure 4 Capital Goods Price Indices (CGPI) annual growth rates



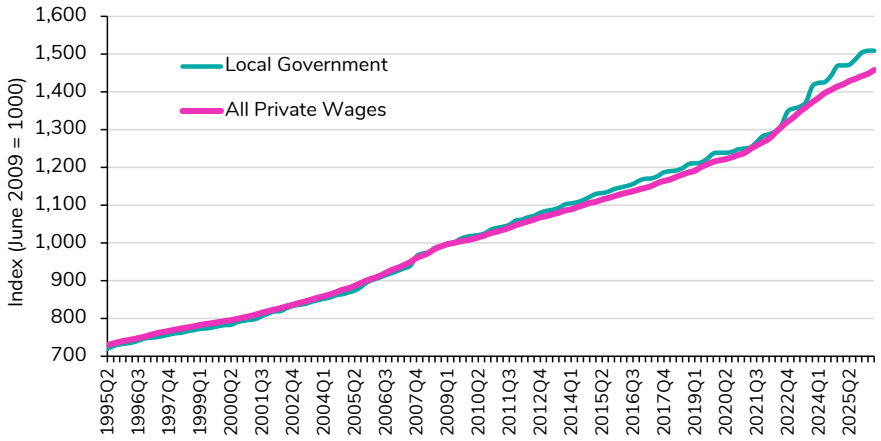
Source: Statistics New Zealand, BERL analysis

Local Government Cost Index
October 2026

2.3 Labour cost index (LCI)

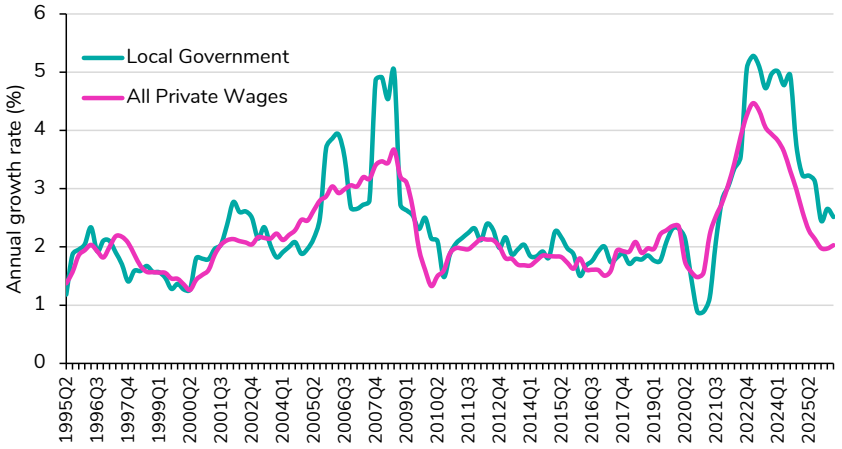
Labour cost inflation is also trending back towards its long-term average, following a period of elevated growth. However, the spike since 2021 still represents a permanent increase in labour costs. As forecast last year, local government wages continue to grow faster than private sector wages.

Figure 5 Labour Cost Indices (LCI) trend



Source: Statistics New Zealand, BERL analysis

Figure 6 Labour Cost Indices (LCI) annual growth rates



Source: Statistics New Zealand, BERL analysis

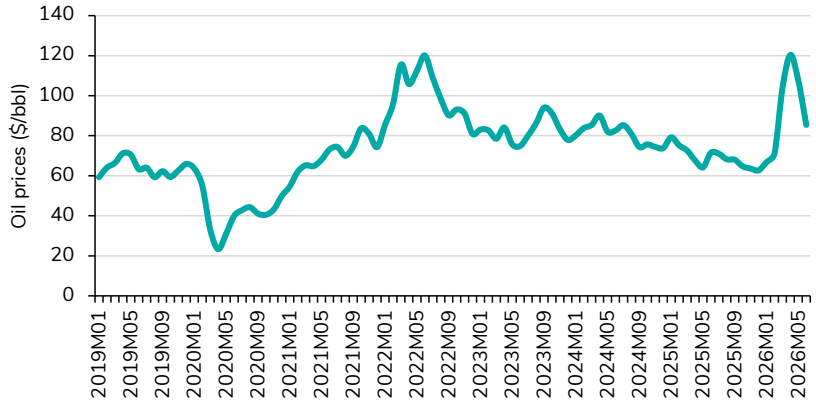
Local Government Cost Index
October 2026

2.4 International drivers

Oil prices and market volatility are the dominant themes and drivers of inflation and subdued economic growth in 2026. Prices in 2026 are responding to geopolitical risk with the Strait of Hormuz crisis, increasing prices from about $60 per barrel of oil before the conflict to a high of $120 per barrel at the peak of the crisis.

Diplomatic efforts have subsequently reduced some of that premium, and global oil prices have retraced to between $70 and $100 per barrel. The situation remains volatile and uncertain, however, with prices still elevated relative to pre-2026 levels.

Figure 7 Brent crude oil prices

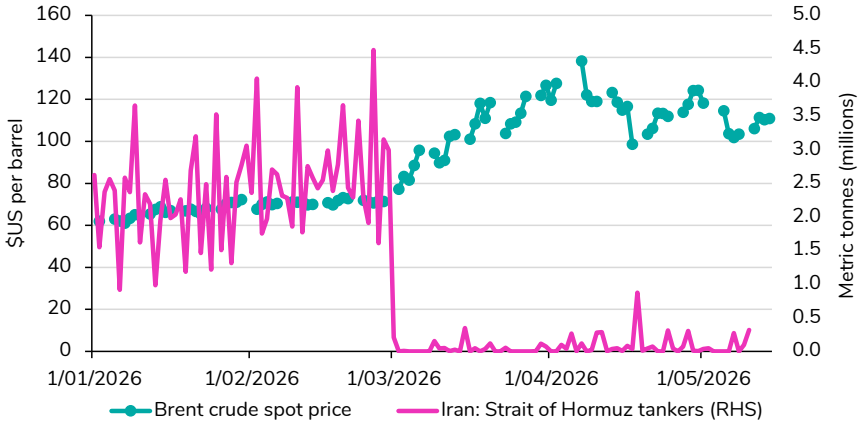


Source: World Bank

The Strait of Hormuz exercises a significant influence on global oil prices as it is a critical transit route for around one-fifth of world oil supplies. As shown in Figure 8, the Strait of Hormuz is currently experiencing significant disruption, with vessel movements collapsing since the beginning of the US-Iran conflict. Given that the Strait serves as a critical export route for a substantial share of global oil and liquefied natural gas supplies, the disruptions have contributed to volatility in energy markets and remain a key downside risk to the global economic outlook.

Local Government Cost Index
October 2026

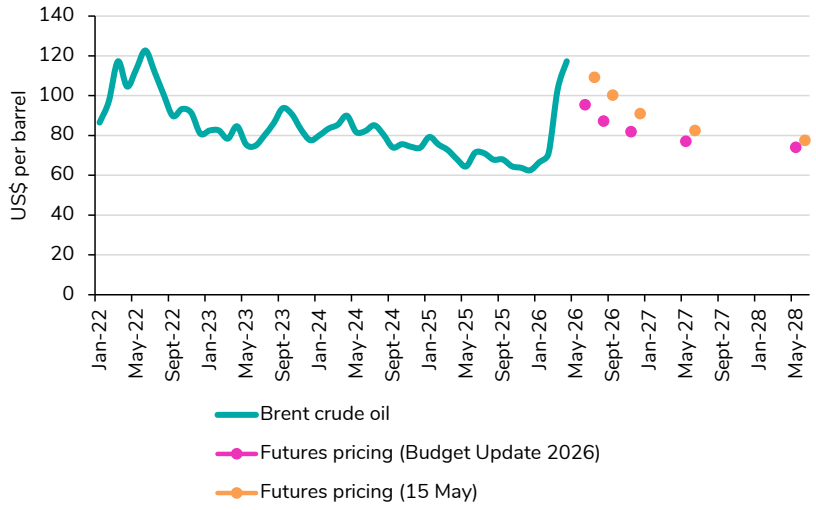
Figure 8 Oil prices and Strait of Hormuz disruption



Source: The Treasury, BEFU 2026

Current forward oil markets imply that Brent crude will remain elevated over the coming year, with prices broadly around US$90-100 per barrel while disruptions to Strait of Hormuz shipping persist. Using forward oil markets as a guide, our projections are for oil prices to settle structurally in the mid-$70 per barrel range.

Figure 9 Oil prices forward market pricing



Source: The Treasury, BEFU 2026

Local Government Cost Index
October 2026

2.5 Domestic drivers

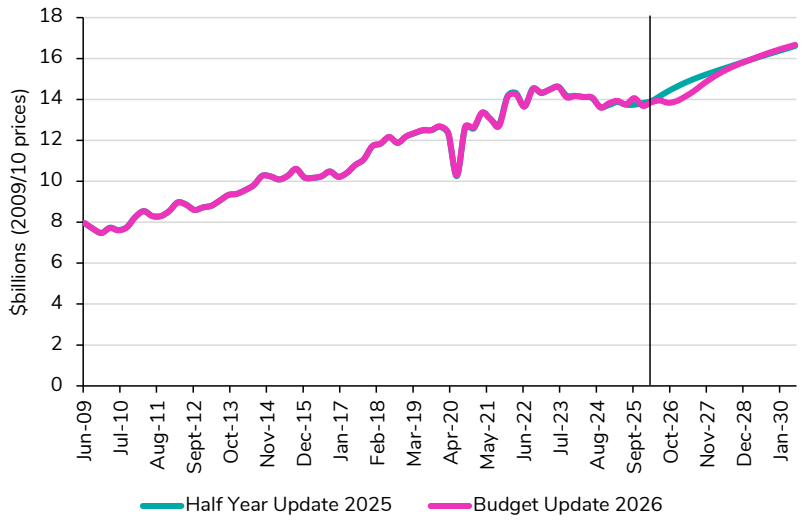
Non-residential investment and construction costs

Public and private investment peaked in mid-2023 and has subsequently softened, dampening demand across the construction sector and contributing to the broader slowdown in economic activity.

Elevated geopolitical uncertainty and higher energy costs are expected to constrain activity in the short term. However, business investment is expected to become an increasingly important driver of economic growth through the latter part of the decade. The Government's $5.7 billion capital investment programme in Budget 2026 will further support demand across the construction, engineering, transport, and infrastructure sectors.

Non-residential investment is expected to strengthen over the forecast period as improving business conditions, strong export incomes, and a large pipeline of public infrastructure investment support demand for commercial construction and productive capital expenditure.

Figure 10 Total investment, public and private (non-residential), actual and forecast (in $ billions)



Source: The Treasury, BEFU 2026

Local Government Cost Index
October 2026

3 Macroeconomic context

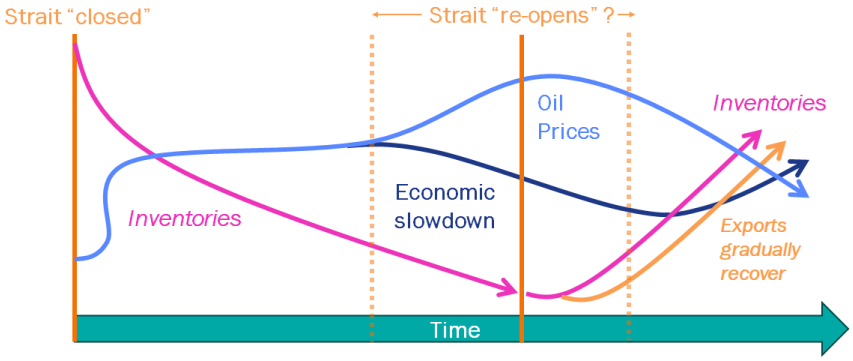
This section sets out the macroeconomic context for the 2026 cost adjuster forecasts. It provides an overview of the global and New Zealand GDP, labour market, and inflation outlooks. The most consequential change in the economic landscape, relative to the 2025 cost adjusters, are developments in global oil markets which are increasing general price inflation but weakening the economy.

3.1 Framework

Figure 11 illustrates the framework for understanding the macroeconomic impact of the closure of the Strait of Hormuz. At a high level there are two effects at play; while higher oil prices are inflationary, there is a corresponding economic slowdown caused by higher inflation and the uncertainty generated by the conflict.

Specifically, the process since the oil crisis began has been the initial closure reducing oil exports and leading to a drawdown of global inventories. This drawdown temporarily cushions the impact on end users. However, as inventories become depleted oil prices rise, and remain elevated, which increases energy costs across the economy. Sustained high oil prices contribute to weaker economic activity through higher production, transport, and household costs.

Figure 11 Framework for understanding the macroeconomic impact of the Strait of Hormuz closure



Source: BERL

Following the reopening of the Strait, exports are assumed to recover progressively, allowing inventories to be replenished and oil prices to moderate. Nevertheless, the economic effects persist

beyond the physical restoration of shipping flows, reflecting the time required for markets and supply chains to return to equilibrium.

3.2 Overview

The global and New Zealand economies have held up better than expected despite several major shocks in recent years, including geopolitical conflict, supply chain disruptions, and high inflation. Growth has slowed, but global markets have progressively adapted to these challenges and have generally performed more strongly than expected.

In New Zealand, the economic recovery has been slower and weaker than originally forecast. Business and consumer confidence remain subdued, suggesting that the recovery is likely to be gradual rather than rapid.

Looking ahead, the outlook remains uncertain. Ongoing tensions in the Middle East, and the potential for further escalation, or de-escalation, of the conflict continues to pose risks to global energy markets, inflation, and economic growth. As a result, developments in the region remain an important factor shaping the economic outlook and the level of uncertainty surrounding future forecasts.

3.3 Economic growth

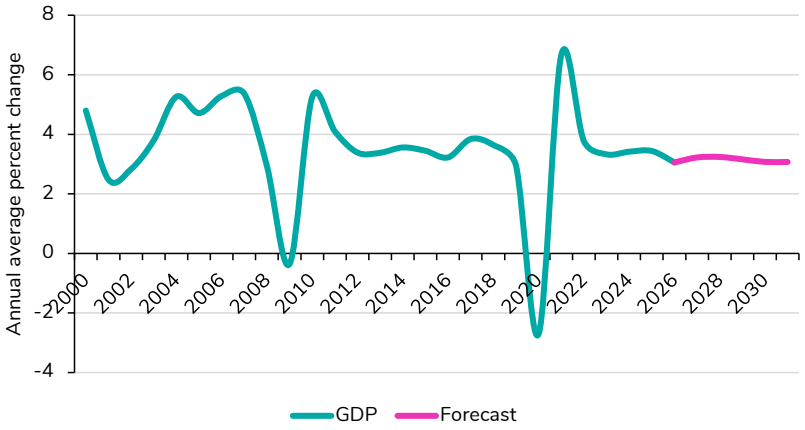
3.3.1 Global outlook

Global economic growth is expected to remain relatively resilient over the medium term, with world GDP expected to expand by 3.1 percent in 2026 and 3.2 percent in 2027. While these growth rates are resilient despite the conflict in the Middle East, and the impact of the conflict is less than initially expected, they remain slightly below the average growth rates observed prior to COVID-19.

The effects of recent conflicts on global growth and inflation have been partially mitigated by increased energy production from countries outside affected regions and the use of inventories. These factors have helped prevent a more severe deterioration in global economic conditions and have supported continued growth despite significant external shocks.

Local Government Cost Index
October 2026

Figure 12 World GDP annual growth, actual and forecast



Source: IMF, WEO April 2026

3.3.2 Domestic outlook

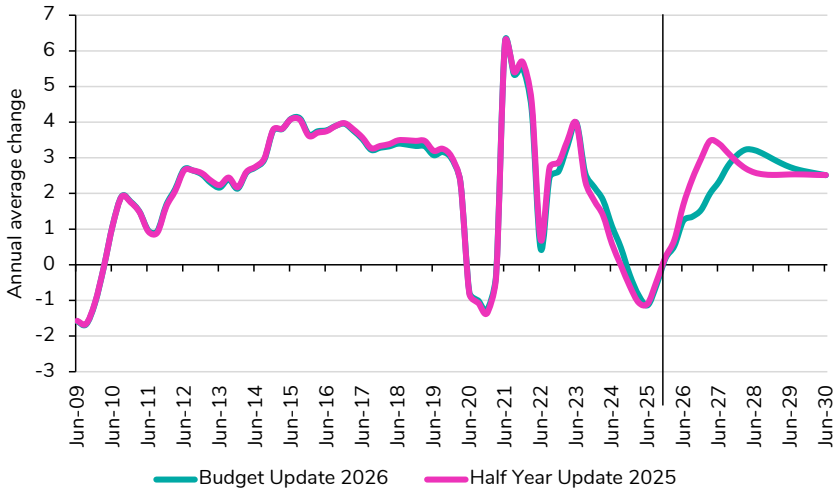
The New Zealand economy is slowly recovering after a long period of weak growth and a series of successive shocks. However, the recovery has been weaker than expected as ongoing geopolitical tensions and higher energy prices have once again delayed the return to stronger economic growth.

Economic output remains below its potential level, but growth is expected to start strengthening through the second half of 2026 as the effects of earlier monetary easing continue to flow through the economy.

Economic growth is expected to normalise over the next one to two years. Real GDP growth is projected to be around three percent over the next three years, before easing due to weak labour productivity constraining the pace of trend growth. That said, economic growth remains vulnerable to external shocks and weakness in the global economy.

Local Government Cost Index
October 2026

Figure 13 GDP, actual and forecast



Source: The Treasury, BEFU 2026

3.4 Inflation

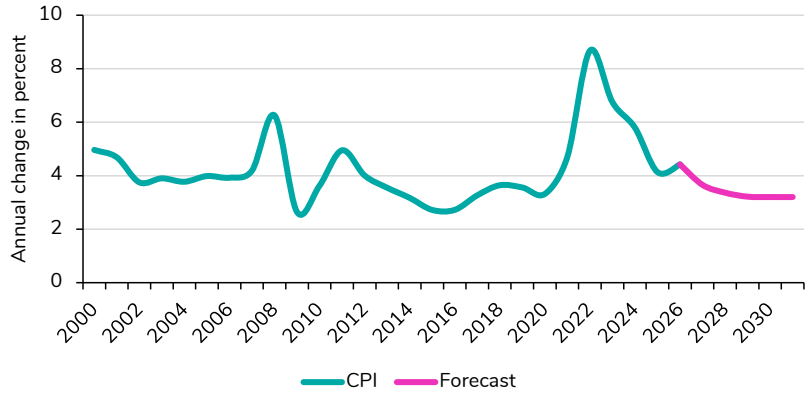
Global outlook

The global disinflation process has stalled after several years of progress in reducing inflation following the COVID-19 pandemic period. Global headline inflation is forecast to increase to 4.4 percent in 2026 before easing to 3.7 percent in 2027. However, the current oil shock is not expected to generate the same inflationary push that occurred in 2021 and 2022.

Nevertheless, higher energy prices, ongoing supply chain pressures, and persistent cost increases across a range of sectors are keeping inflation more elevated than expected. Inflation will moderate over time, but the path back to price stability is proving more difficult than previously anticipated.

Local Government Cost Index
October 2026

Figure 14 Global inflation actual and forecast

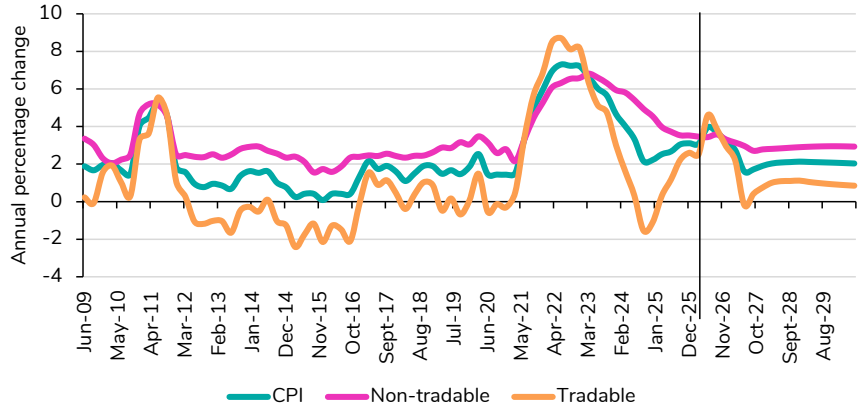


Source: IMF, WEO April 2026

Domestic outlook

Inflation is above the Reserve Bank of New Zealand's (RBNZ) target range of one to three percent and has re-emerged as a key economic concern. Higher global oil prices and energy costs have pushed up inflation expectations and increased near-term price pressures across the economy. Inflation is expected to fall over the next year, but the outlook remains highly dependent on whether temporary cost pressures become embedded in wages and broader price-setting behaviour.

Figure 15 Inflation outlook, tradable and non-tradable inflation, percent, year on year

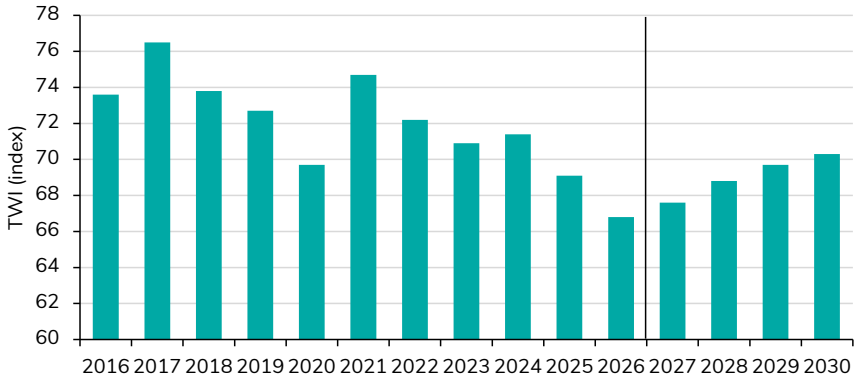


Source: The Treasury, BEFU 2026

Local Government Cost Index
October 2026

The exchange rate is an important transmission channel through which global developments influence the New Zealand economy. The New Zealand dollar has faced downward pressure from heightened global uncertainty, elevated commodity price volatility, and the widening divergence between monetary policy settings in New Zealand and some of its major trading partners. The NZ dollar remains weak by historical standards but is projected to gradually appreciate as the New Zealand economy recovers and US dollar strength moderates.

Figure 16 Exchange rate (NZ dollar trade-weighted index)



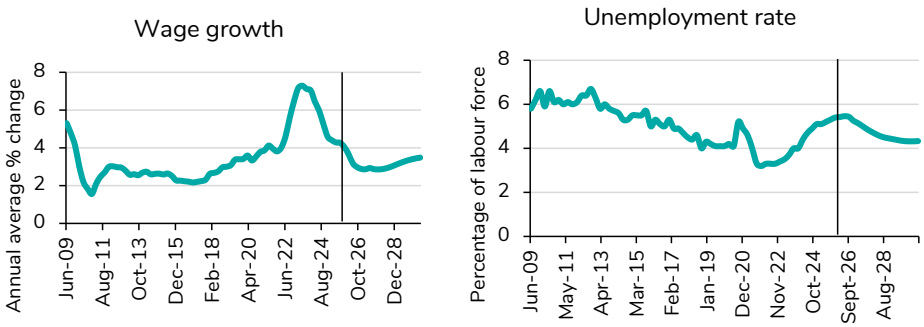
Source: The Treasury, BEFU 2026

3.5 Labour market

Labour market conditions are weak but are expected to gradually improve. Unemployment remains elevated and reached 5.6 percent in the June 2026 quarter. It is likely that unemployment has peaked and it is expected to decline gradually as economic growth strengthens and business activity recovers. However, spare capacity remains in the labour market, which is moderating wage pressures.

Local Government Cost Index
October 2026

Figure 17 Annual wage growth and unemployment, actual and forecast



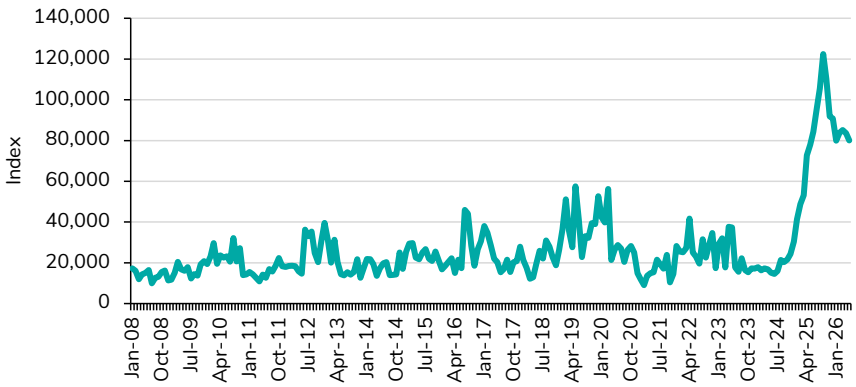
Source: The Treasury, BEFU 2026

3.6 Summary

The 2026 cost adjuster forecasts reflect the impact of higher oil prices on both general prices as well as on economic activity and growth. While economies show relative resilience, they have, nevertheless slowed, which has partly offset growing inflationary pressures. Therefore, the impact of this shock is expected to be less than the price shock in 2021 and 2022.

As we highlighted in the 2025 cost adjusters, uncertainty remains elevated and future cost movements are likely to be more volatile and less predictable. Councils should continue to plan for a wider range of possible cost outcomes.

Figure 18 World Uncertainty Index



Source: World Uncertainty Index

Local Government Cost Index
October 2026

The US-Iran conflict is another example of the volatility and uncertainty that can be expected in coming years. Councils should continue to be prepared for volatility and for further cost pressures to arise unexpectedly over the coming decade. These will be difficult to predict, as demonstrated by COVID-19, more recent global conflicts, and changes in global trade politics. These events can have a significant impact on council finances, particularly in the face of higher projected spending and investment by councils.

Downside risks continue to dominate the outlook. Confidence in the economy remains low historically, and while it is gradually recovering, it remains depressed and vulnerable to deterioration or other shocks.

Figure 19 ANZ-Roy Morgan Consumer Confidence



Source: ANZ Research, Roy Morgan

Key concerns include the possibility of further escalation of geopolitical conflicts, renewed increases in commodity prices, disruptions to global supply chains, greater trade fragmentation, and tighter global financial conditions.

4 Understanding the cost adjusters

4.1 What is the Local Government Cost Index?

The Local Government Cost Index (LGCI) is a composite index that measures the changes in the prices of a basket of goods and services that are purchased by local governments in New Zealand. The LGCI gives local government administrators a robust, defensible, and replicable estimate of how costs faced by local government are expected to increase in the following 10 years, given the current macroeconomic conditions. This is useful for both the planning and the auditing processes.

4.2 Cost adjusters versus Consumer Price Index (CPI) inflation

The CPI and the LGCI share a common purpose; to track the movements in the price level of a particular basket of goods and services used by their intended audience. The difference between the two is their intended audience.

The CPI is used by policymakers to understand the movements in the general price level as experienced by households. It enables an understanding of what households are experiencing in terms of the price increases in the goods and services they buy. The CPI tracks the price of a basket of goods and services purchased by the average household, for example, food, power, fuel, and rent. This understanding is used to inform policymaking. The RBNZ conducts monetary policy in New Zealand through the tightening or loosening of the official cash rate (OCR). The OCR is the RBNZ's main policy tool to keep the CPI within the target range of one to three percent.

By contrast, the LGCI is designed to understand changes in local authority costs. It tracks the price of a basket of goods and services purchased by the average local authority. The mix of goods and services purchased by local authorities is markedly different from the basket of goods and services represented in the CPI. For example, some of the key inputs that local authorities purchase are staff labour, contractor services, physical infrastructure components, and maintenance services.

There are several macroeconomic drivers which are common to the CPI and LGCI, namely money supply growth, immigration, and the global macro environment. However, there are also drivers that are specific to the LGCI, and those that are specific to the CPI. Historically, the LGCI has tended to grow faster than the CPI, reflecting that the indices measure different baskets of goods and services and are built for different purposes.

Local Government Cost Index
October 2026

5 Understanding our forecasts

5.1 What it means to model price indices

Econometric modelling can often appear arcane and impenetrable. The perception that the econometric model is a black box may give users of the data a great deal of confidence in the results. However, it also creates some unjustified expectations.

The models we choose to use come from a rich history of academic research into probability theory and statistics. This literature stretches back into the mid-20th century. The earlier research focused on the theoretical properties of the models. As access to computers and advanced statistical software has increased, we find that the later research looks more into applying these models and numerical optimisation. It is accurate to say that the models have been rigorously tested and found to be robust, in the pure sense of the word, by decades of research.

In our view, these models are the best currently available. While there are some alternatives, especially in the "black box" category, these come with trade-offs that we find undesirable. We apply our chosen models to data that is sourced either from New Zealand official statistics or, in the case of oil prices, official statistics of other jurisdictions. These are all publicly available sources, and are the only sources we know to exist that describe the input prices for local authorities.

The value-add of the LGCI is the reduction in duplication of effort by different local authorities, employing different cost forecast methodologies, through the provision of a consistent set of estimates.

5.2 Methodological overview

This section summarises the methodology used to develop and forecast the cost adjuster series.

Input data

The process begins with twelve price indices measuring the input prices incurred by local authorities. These twelve indices make up the LGCI basket:

- Producer Price Index (inputs) – local government and administration
- Producer Price Index (inputs) – arts and recreation services
- Producer Price Index (inputs) – water, sewerage, drainage, and waste services
- Producer Price Index (inputs) – transport, postal, and warehousing

Local Government Cost Index
October 2026

- Producer Price Index (inputs) – heavy and civil engineering construction
- Capital Goods Price Index – other civil construction
- Capital Goods Price Index – systems for water and sewerage
- Capital Goods Price Index – reclamation, slope stabilisation, and river control
- Capital Goods Price Index – transport ways
- Capital Goods Price Index – commercial buildings
- Labour Cost Index – private sector wages
- Labour Cost Index – local government wages

The following macroeconomic explanatory variables are used within the modelling process:

- CPI
- Energy Price Index - Commercial electricity
- GDP
- GDP per capita
- GFCF (Investment) - Non-residential buildings
- GFCF (Investment) - Other construction
- Non-residential consents - Number
- Non-residential consents - Value
- Oil price
- Population - Total
- Population - 65 Years and over
- Residential consents - Floor area
- Residential consents - Number
- Residential consents - Value
- Trade Weighted Index (Exchange rate)
- Unemployment Rate

Local Government Cost Index
October 2026

Modelling

A model is built for each of the input price indices. Each model contains some combination of the explanatory (macroeconomic) variables. We decide which variables to include in each model using a robust statistical method. As explained later in this section, our forecasts include some subjectivity.

Our methodology allows for the disruption caused by the pandemic in 2020. In this model structure, the macroeconomic variables have high explanatory power in our statistical tests, which adds statistical robustness to our estimates.

Forecasting

We forecast the explanatory variables using a combination of well-understood statistical techniques, and subjective economic forecast techniques. These forecast values are plugged into the statistical models of the input price indices to create forecasts of the six adjusters.

Input price indices to adjusters

We combine our input price indices (actual values and forecast values) into six cost adjuster indices:

- Planning and regulation
- Roading
- Transport
- Community
- Waste
- Water

Each adjuster index is a linear combination of input price indices, with weights taken from an analysis of local government financial statements to understand the cost structures of local government. These six adjusters are further combined into three aggregate indices:

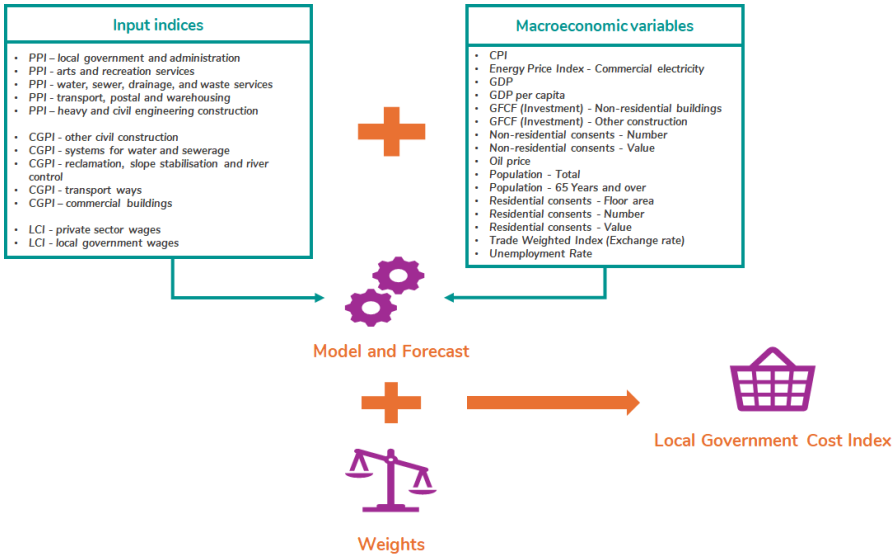
- Capital expenditure (Capex)
- Operating expenditure (Opex)
- Total

Finally, the three aggregate indices are also provided excluding water.

The methodology is summarised in Figure 20.

Local Government Cost Index
October 2026

Figure 20 LGCI methodology overview



Source: BERL analysis

For this update to the cost adjusters, the forecasting model has been strengthened with a more comprehensive set of macroeconomic variables underpinning the forecasts, along with an improved forecasting methodology.

5.3 Caveats

Price increases compound

In everyday discussions, and particularly in the news media, it is common to refer to the rate of CPI inflation slowing down, especially after periods of high inflation. It is important to remember that a low rate of increase in the CPI does not undo any previous increases in the actual prices of goods and services. It is still an increase, and the price increases compound each year.

This is also true of the LGCI. Our forecasts in this update show the rapid increases in costs experienced between 2021 and 2023. They then show that the rates of increase start to fall to what our model indicates is a long-run structural norm. However, this does not mean that costs faced by local government will fall, it only means that the prices will increase more slowly. It also does not undo the significant cost increases that occurred between 2021 and 2023.

Local Government Cost Index
October 2026

Uncertainty increases over time

The model behind our forecasts utilises a process based on past observations of a given variable to explain present, and forecast future, observations. This process means that uncertainty in earlier forecast periods ripples through later forecast periods and is amplified as it does so. We suggest that the first few years of the forecasts are taken as being reasonably likely while the later periods, particularly from the year 2028 onward, should be taken as indicative.

Subjectivity in forecasting

When designing the model for each price index, we include macroeconomic variables, such as GDP, unemployment, and CPI inflation. We then forecast these variables using a combination of subjective economic analysis and statistical modelling. We do so because our forecasts of the LGCI are intended to be a balance of statistical modelling augmented by subjective and informed economic forecasts.

Insurance costs are not explicitly included

As of 2024, local authorities have experienced significant cost increases in insurance premiums. The LGCI is not designed to model costs at a granularity sufficient to account for this effect. However, the raw data we use to construct the LGCI (the producer price indices) does include insurance premiums as an input. Thus, the effect of these price increases is, to some extent, reflected in the series. We refer the reader to methodology documentation produced by Stats NZ available at https://www.stats.govt.nz/methods/producers-price-index-concepts-sources-and-methods

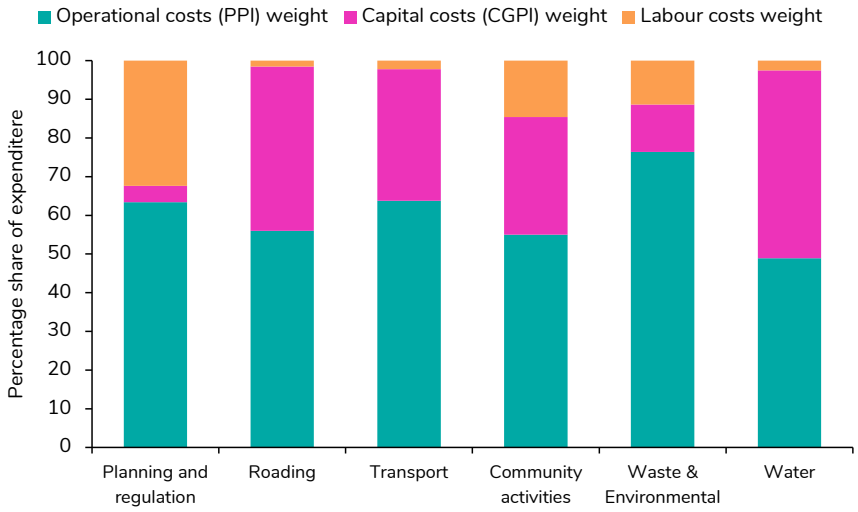
Local Government Cost Index
October 2026

6 The LGCI basket

The weights for each of the six cost adjusters (planning and regulation, roading, transport, community, waste, and water) have been updated. The weights reflect local government spending patterns across operational, capital, and labour costs, excluding wages. The revised weights reflect the current composition of spending across the types of local council expenditures.

Figure 21 shows the weightings for the six cost adjusters. At a high level the new weights, across all six cost adjusters, have a higher weight for operational costs and lower weights for capital and labour costs. Operational and capital costs have increased at a relatively similar pace historically (around three percent annually) and local government labour costs have increased at a slightly slower rate (around 2.5 percent on average annually).

Figure 21 Weights by adjuster (across operational, capital, and labour costs)



Source: BERL analysis

Local Government Cost Index
October 2026

7 Indices and adjusters

7.1 Price indices

Table 1 Local Government Price Indices (PPI), 1996 – 2037, index values

	Index values (2026 = 1000)				
Year	PPI inputs - Local government administration	PPI inputs - Arts and recreation services	PPI inputs - Water, sewer, drainage, and waste services	PPI inputs - Heavy and civil engineering construction	PPI inputs - Transport, postal and warehousing
1996	453	487	313	333	357
1997	448	493	314	333	352
1998	452	505	317	333	347
1999	452	512	320	337	347
2000	468	519	339	362	389
2001	491	540	364	410	421
2002	500	553	356	418	407
2003	507	567	369	413	417
2004	527	582	389	421	422
2005	551	599	406	457	450
2006	579	622	450	519	516
2007	590	640	466	529	520
2008	649	679	511	582	576
2009	654	696	527	589	560
2010	663	702	545	597	573
2011	678	716	562	623	619
2012	694	725	584	634	628
2013	712	729	594	635	628
2014	722	736	601	645	634
2015	725	739	625	646	619
2016	728	753	641	646	613
2017	743	765	648	664	624
2018	759	783	659	688	658
2019	783	796	690	709	681
2020	791	809	709	706	663
2021	812	824	731	741	692
2022	872	874	806	852	832
2023	915	907	853	898	810
2024	943	942	905	922	846
2025	966	964	950	934	857
2026	1000	1000	1000	1000	1000
2027	1021	1014	1019	1015	943
2028	1038	1025	1044	1034	951

Local Government Cost Index
October 2026

Year	Index values (2026 = 1000)				
	PPI inputs - Local government administration	PPI inputs - Arts and recreation services	PPI inputs - Water, sewer, drainage, and waste services	PPI inputs - Heavy and civil engineering construction	PPI inputs - Transport, postal and warehousing
2029	1057	1039	1075	1060	974
2030	1075	1052	1105	1083	992
2031	1094	1066	1136	1107	1013
2032	1110	1080	1167	1129	1030
2033	1130	1098	1192	1153	1050
2034	1149	1117	1217	1175	1069
2035	1169	1136	1243	1198	1088
2036	1188	1155	1268	1220	1107
2037	1208	1174	1295	1243	1127

Source: BERL analysis

Local Government Cost Index
October 2026

Table 2 Local Government Price Indices (CGPI and LCI), 1996 – 2037, index values

	Index values (2026 = 1000)						
Year	CGPI - Other civil construction	CGPI - Systems for water and sewerage	CGPI - Reclamation, slope stabilisation and river control	CGPI - Transport ways	CGPI - Commercial buildings	All salary and wage rates - Local govt sector	All salary and wage rates - Private sector
1996	369	334	484	406	427	488	511
1997	359	334	487	379	428	497	522
1998	360	342	493	386	426	505	531
1999	360	344	486	378	427	513	539
2000	373	360	494	395	429	519	546
2001	400	380	514	423	433	529	556
2002	419	387	525	461	439	543	567
2003	425	397	539	448	453	556	580
2004	443	421	547	461	492	567	592
2005	465	461	570	482	513	579	608
2006	478	488	593	511	533	602	626
2007	510	502	613	523	547	618	646
2008	537	519	651	546	560	646	668
2009	571	575	674	573	559	663	686
2010	584	582	684	601	547	677	696
2011	606	615	697	634	547	691	710
2012	646	634	718	658	550	708	725
2013	666	560	732	676	556	721	738
2014	688	584	747	691	579	734	751
2015	698	612	766	698	599	750	765
2016	717	607	772	699	619	763	777
2017	742	616	777	727	646	776	789
2018	746	680	782	728	677	790	806
2019	776	676	795	762	713	804	824
2020	785	695	808	742	743	821	838
2021	795	730	826	767	775	830	857
2022	862	840	872	866	858	858	886
2023	904	895	909	938	920	902	925
2024	924	918	924	944	957	945	958
2025	954	941	955	952	974	975	980
2026	1000	1000	1000	1000	1000	1000	1000
2027	1026	1013	1009	1029	1023	1022	1023
2028	1052	1035	1019	1051	1054	1042	1044
2029	1080	1063	1032	1078	1094	1061	1061
2030	1107	1090	1044	1104	1141	1081	1073
2031	1136	1115	1058	1132	1190	1103	1084
2032	1169	1132	1078	1151	1232	1123	1095

Local Government Cost Index
October 2026

	Index values (2026 = 1000)						
Year	CGPI - Other civil construction	CGPI - Systems for water and sewerage	CGPI - Reclamation, slope stabilisation and river control	CGPI - Transport ways	CGPI - Commercial buildings	All salary and wage rates - Local govt sector	All salary and wage rates - Private sector
2033	1208	1142	1104	1174	1261	1142	1109
2034	1243	1154	1130	1199	1280	1162	1127
2035	1278	1168	1155	1223	1293	1182	1146
2036	1313	1181	1181	1249	1305	1201	1166
2037	1349	1193	1206	1274	1318	1221	1186

Source: BERL analysis

Local Government Cost Index
October 2026

Table 3 Local Government Price Indices (PPI), 1996-2037, percentage per annum change

pa % changes

Year	PPI inputs - Local government administration	PPI inputs - Arts and recreation services	PPI inputs - Water, sewer, drainage, and waste services	PPI inputs - Heavy and civil engineering construction	PPI inputs - Transport, postal and warehousing
1996	0.0	0.0	0.0	0.0	0.0
1997	-1.0	1.2	0.4	0.0	-1.5
1998	0.8	2.6	0.9	0.0	-1.5
1999	0.0	1.3	1.2	1.4	0.1
2000	3.6	1.5	5.9	7.2	12.0
2001	5.0	3.9	7.3	13.5	8.1
2002	1.7	2.5	-2.3	2.0	-3.1
2003	1.4	2.5	3.6	-1.3	2.4
2004	3.9	2.6	5.5	2.0	1.2
2005	4.5	2.9	4.3	8.5	6.5
2006	5.1	3.9	11.0	13.6	14.9
2007	2.0	2.9	3.4	1.9	0.7
2008	10.0	6.0	9.7	10.1	10.8
2009	0.7	2.5	3.0	1.2	-2.8
2010	1.3	0.9	3.6	1.3	2.4
2011	2.4	2.0	3.1	4.5	8.0
2012	2.3	1.2	3.8	1.7	1.4
2013	2.7	0.6	1.7	0.3	0.1
2014	1.3	1.0	1.2	1.5	0.8
2015	0.5	0.5	4.0	0.1	-2.3
2016	0.4	1.8	2.6	0.0	-0.9
2017	2.1	1.7	1.0	2.9	1.8
2018	2.2	2.3	1.8	3.6	5.4
2019	3.2	1.7	4.6	3.1	3.4
2020	1.0	1.6	2.8	-0.4	-2.6
2021	2.6	1.9	3.1	4.9	4.4
2022	7.5	6.1	10.3	15.0	20.1
2023	4.8	3.7	5.8	5.4	-2.7
2024	3.1	3.9	6.1	2.7	4.4
2025	2.5	2.4	4.9	1.3	1.4
2026	3.5	3.7	5.3	7.1	16.7
2027	2.1	1.4	1.9	1.5	-5.7
2028	1.6	1.1	2.4	1.8	0.8
2029	1.8	1.4	3.0	2.5	2.4
2030	1.7	1.2	2.8	2.2	1.9
2031	1.7	1.3	2.8	2.2	2.1
2032	1.5	1.3	2.7	2.0	1.7

Local Government Cost Index
October 2026

	pa % changes				
Year	PPI inputs - Local government administration	PPI inputs - Arts and recreation services	PPI inputs - Water, sewer, drainage, and waste services	PPI inputs - Heavy and civil engineering construction	PPI inputs - Transport, postal and warehousing
2033	1.7	1.7	2.1	2.1	1.9
2034	1.7	1.8	2.1	2.0	1.8
2035	1.7	1.7	2.1	1.9	1.8
2036	1.7	1.7	2.1	1.9	1.8
2037	1.6	1.6	2.1	1.8	1.7
20 year average % pa	**2.5**	**2.2**	**3.5**	**3.2**	**3.0**

Source: BERL analysis

Local Government Cost Index
October 2026

Table 4 Local Government Price Indices (CGPI and LCI), 1996-2037, percentage per annum change

	pa % changes						
Year	CGPI - Other civil construction	CGPI - Systems for water and sewerage	CGPI - Reclamation, slope stabilisation and river control	CGPI - Transport ways	CGPI - Commercial buildings	All salary and wage rates - Local govt sector	All salary and wage rates - Private sector
1996	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1997	-2.7	0.0	0.7	-6.5	0.1	1.9	2.2
1998	0.3	2.5	1.3	1.7	-0.5	1.6	1.7
1999	0.0	0.5	-1.5	-1.9	0.3	1.5	1.6
2000	3.7	4.8	1.5	4.4	0.4	1.3	1.3
2001	7.2	5.6	4.1	7.1	1.1	2.0	1.9
2002	4.5	1.8	2.3	9.0	1.4	2.6	2.1
2003	1.5	2.6	2.7	-2.7	3.1	2.3	2.2
2004	4.4	6.0	1.4	2.8	8.6	2.0	2.2
2005	5.0	9.6	4.2	4.6	4.2	2.1	2.6
2006	2.7	5.8	4.0	6.0	3.9	3.9	2.9
2007	6.7	2.8	3.3	2.3	2.6	2.7	3.2
2008	5.3	3.4	6.2	4.5	2.4	4.5	3.4
2009	6.3	10.8	3.6	4.8	-0.2	2.5	2.7
2010	2.4	1.2	1.4	5.0	-2.1	2.1	1.5
2011	3.7	5.7	2.0	5.4	0.1	2.2	2.0
2012	6.5	3.0	3.1	3.8	0.5	2.4	2.1
2013	3.1	-11.6	1.9	2.8	1.2	1.9	1.8
2014	3.3	4.2	2.0	2.2	4.2	1.8	1.8
2015	1.5	4.7	2.7	0.9	3.5	2.2	1.8
2016	2.7	-0.7	0.8	0.2	3.4	1.7	1.6
2017	3.6	1.4	0.6	3.9	4.3	1.7	1.6
2018	0.6	10.5	0.6	0.2	4.8	1.8	2.1
2019	4.0	-0.6	1.7	4.6	5.3	1.8	2.2
2020	1.1	2.9	1.6	-2.6	4.3	2.1	1.7
2021	1.3	5.0	2.2	3.4	4.3	1.1	2.2
2022	8.5	15.1	5.6	12.9	10.7	3.4	3.4
2023	4.9	6.5	4.2	8.3	7.2	5.1	4.3
2024	2.2	2.5	1.6	0.6	4.1	4.8	3.6
2025	3.2	2.6	3.4	0.9	1.7	3.2	2.3
2026	4.8	6.2	4.7	5.1	2.7	2.5	2.0
2027	2.6	1.3	0.9	2.9	2.3	2.2	2.3
2028	2.6	2.2	1.0	2.2	3.0	1.9	2.0
2029	2.6	2.7	1.3	2.6	3.8	1.9	1.6
2030	2.5	2.5	1.2	2.4	4.3	1.9	1.2
2031	2.7	2.3	1.3	2.5	4.4	2.0	1.0
2032	2.9	1.5	1.9	1.7	3.5	1.8	1.0

Local Government Cost Index
October 2026

Year	CGPI - Other civil construction	CGPI - Systems for water and sewerage	CGPI - Reclamation, slope stabilisation and river control	CGPI - Transport ways	CGPI - Commercial buildings	All salary and wage rates - Local govt sector	All salary and wage rates - Private sector
	pa % changes						
2033	3.3	0.9	2.4	2.0	2.3	1.8	1.3
2034	3.0	1.1	2.4	2.1	1.5	1.7	1.6
2035	2.8	1.2	2.2	2.1	1.0	1.7	1.7
2036	2.8	1.1	2.2	2.1	0.9	1.7	1.8
2037	2.7	1.1	2.1	2.1	1.0	1.6	1.7
20 year average % pa	**3.0**	**3.4**	**2.2**	**2.8**	**3.6**	**2.3**	**2.1**

Source: BERL analysis

Local Government Cost Index
October 2026

Table 5 Local Government Price Indices (PPI), cumulative change

	Cumulative change (since 2026)				
Year	PPI inputs - Local government administration	PPI inputs - Arts and recreation services	PPI inputs - Water, sewer, drainage, and waste services	PPI inputs - Heavy and civil engineering construction	PPI inputs - Transport, postal and warehousing
2027	2.1	1.4	1.9	1.5	-5.7
2028	3.8	2.5	4.4	3.4	-4.9
2029	5.7	3.9	7.5	6.0	-2.6
2030	7.5	5.2	10.5	8.3	-0.8
2031	9.4	6.6	13.6	10.7	1.3
2032	11.0	8.0	16.7	12.9	3.0
2033	13.0	9.8	19.2	15.3	5.0
2034	14.9	11.7	21.7	17.5	6.9
2035	16.9	13.6	24.3	19.8	8.8
2036	18.8	15.5	26.8	22.0	10.7
2037	20.8	17.4	29.5	24.3	12.7

Source: BERL analysis

Table 6 Local Government Price Indices (CGPI and LCI), cumulative change

	Cumulative change (since 2026)						
Year	CGPI - Other civil construction	CGPI - Systems for water and sewerage	CGPI - Reclamation, slope stabilisation and river control	CGPI - Transport ways	CGPI - Commercial buildings	All salary and wage rates - Local govt sector	All salary and wage rates - Private sector
2027	2.6	1.3	0.9	2.9	2.3	2.2	2.3
2028	5.2	3.5	1.9	5.1	5.4	4.2	4.4
2029	8.0	6.3	3.2	7.8	9.4	6.1	6.1
2030	10.7	9.0	4.4	10.4	14.1	8.1	7.3
2031	13.6	11.5	5.8	13.2	19.0	10.3	8.4
2032	16.9	13.2	7.8	15.1	23.2	12.3	9.5
2033	20.8	14.2	10.4	17.4	26.1	14.2	10.9
2034	24.3	15.4	13.0	19.9	28.0	16.2	12.7
2035	27.8	16.8	15.5	22.3	29.3	18.2	14.6
2036	31.3	18.1	18.1	24.9	30.5	20.1	16.6
2037	34.9	19.3	20.6	27.4	31.8	22.1	18.6

Source: BERL analysis

Local Government Cost Index
October 2026

7.2 Adjusters

Table 7 Local Government Cost Adjusters, 1996 – 2037, index values

	Index values (2026 = 1000)				
Year	Planning & regulation	Roading	Transport	Community	Waste
1996	460	360	375	464	336
1997	460	352	364	467	337
1998	465	354	362	475	340
1999	467	354	360	479	344
2000	480	375	394	486	361
2001	499	415	424	501	384
2002	510	432	427	512	381
2003	519	427	430	526	393
2004	536	437	437	547	412
2005	556	467	462	564	429
2006	582	513	517	586	468
2007	596	527	523	604	486
2008	644	568	568	633	527
2009	653	583	566	646	545
2010	664	598	584	649	563
2011	679	625	625	660	580
2012	696	643	639	669	603
2013	713	652	645	676	614
2014	724	665	653	690	624
2015	732	668	646	700	645
2016	738	671	643	715	661
2017	753	693	659	733	671
2018	768	708	682	753	682
2019	789	734	708	773	710
2020	800	727	691	791	728
2021	817	756	718	810	748
2022	868	858	843	867	817
2023	910	910	851	909	864
2024	943	929	878	945	911
2025	968	942	889	968	953
2026	1000	1000	1000	1000	1000
2027	1021	1021	971	1018	1020
2028	1040	1041	983	1037	1044
2029	1059	1067	1007	1060	1074
2030	1078	1092	1028	1084	1103
2031	1098	1117	1051	1109	1133
2032	1117	1140	1068	1133	1163
2033	1137	1165	1089	1156	1189

Local Government Cost Index
October 2026

Year	Index values (2026 = 1000)				
	Planning & regulation	Roading	Transport	Community	Waste
2034	1157	1189	1110	1176	1214
2035	1177	1214	1131	1194	1241
2036	1198	1239	1152	1212	1267
2037	1218	1263	1173	1231	1293

Source: BERL analysis

Local Government Cost Index
October 2026

Table 8 Local Government Cost Adjusters, 1996 – 2037, percentage per annum changes

	pa % changes				
Year	Planning & regulation	Roading	Transport	Community	Waste
1996	0.0	0.0	0.0	0.0	0.0
1997	-0.1	-2.4	-3.0	0.8	0.2
1998	1.1	0.6	-0.4	1.6	0.9
1999	0.5	0.2	-0.5	1.0	1.1
2000	2.8	5.8	9.3	1.3	4.9
2001	4.1	10.6	7.6	3.1	6.6
2002	2.1	4.3	0.7	2.3	-0.8
2003	1.7	-1.3	0.7	2.6	3.1
2004	3.3	2.5	1.7	4.0	4.9
2005	3.8	6.8	5.8	3.2	4.1
2006	4.6	9.9	11.7	3.8	9.1
2007	2.4	2.6	1.2	3.0	3.7
2008	8.1	7.8	8.7	4.9	8.6
2009	1.5	2.8	-0.4	2.0	3.3
2010	1.6	2.5	3.2	0.4	3.3
2011	2.3	4.6	7.0	1.7	3.1
2012	2.5	2.8	2.2	1.5	4.0
2013	2.5	1.4	1.0	1.1	1.9
2014	1.6	1.9	1.3	2.0	1.5
2015	1.0	0.5	-1.1	1.5	3.4
2016	0.9	0.4	-0.5	2.2	2.5
2017	2.0	3.3	2.5	2.4	1.4
2018	2.0	2.2	3.6	2.7	1.6
2019	2.7	3.6	3.8	2.7	4.2
2020	1.4	-0.9	-2.5	2.3	2.5
2021	2.1	4.0	4.0	2.4	2.7
2022	6.2	13.4	17.4	7.0	9.3
2023	4.9	6.2	0.9	4.9	5.6
2024	3.6	2.0	3.1	4.0	5.5
2025	2.7	1.4	1.2	2.4	4.6
2026	3.3	6.2	12.5	3.3	5.0
2027	2.1	2.1	-2.9	1.8	2.0
2028	1.8	2.0	1.3	1.8	2.4
2029	1.9	2.5	2.4	2.2	2.8
2030	1.8	2.3	2.1	2.3	2.7
2031	1.9	2.3	2.2	2.4	2.7
2032	1.7	2.0	1.7	2.1	2.6
2033	1.8	2.2	1.9	2.0	2.2
2034	1.8	2.1	1.9	1.7	2.2
2035	1.8	2.1	1.9	1.6	2.1

Local Government Cost Index
October 2026

Year	pa % changes Planning & regulation	Roading	Transport	Community	Waste
2036	1.7	2.0	1.9	1.5	2.1
2037	1.7	2.0	1.8	1.5	2.1
20 year average % pa	**2.4**	**3.0**	**2.9**	**2.6**	**3.3**

Source: BERL analysis

Table 9 Local Government Cost Adjusters, 2026 – 2037, cumulative change

Year	Cumulative change (since 2026) Planning & regulation	Roading	Transport	Community	Waste
2027	2.1	2.1	-2.9	1.8	2.0
2028	4.0	4.1	-1.7	3.7	4.4
2029	5.9	6.7	0.7	6.0	7.4
2030	7.8	9.2	2.8	8.4	10.3
2031	9.8	11.7	5.1	10.9	13.3
2032	11.7	14.0	6.8	13.3	16.3
2033	13.7	16.5	8.9	15.6	18.9
2034	15.7	18.9	11.0	17.6	21.4
2035	17.7	21.4	13.1	19.4	24.1
2036	19.8	23.9	15.2	21.2	26.7
2037	21.8	26.3	17.3	23.1	29.3

Source: BERL analysis

Local Government Cost Index
October 2026

Local government aggregated cost adjusters – excluding water

Table 10 Local Government Aggregated Cost Adjusters (excluding water), 1996 – 2037, index values

Index values (2026 = 1000)			
Year	OPEX	CAPEX	Total
1996	400	387	396
1997	396	380	391
1998	399	383	394
1999	400	383	395
2000	419	405	415
2001	446	436	443
2002	455	447	453
2003	460	448	457
2004	474	460	470
2005	497	486	494
2006	536	529	534
2007	549	541	547
2008	590	581	588
2009	600	591	597
2010	612	604	610
2011	637	632	635
2012	652	647	651
2013	662	655	660
2014	673	666	671
2015	678	668	675
2016	683	672	680
2017	700	690	697
2018	718	709	715
2019	742	734	740
2020	743	730	739
2021	767	756	763
2022	853	854	853
2023	889	890	889
2024	919	915	918
2025	939	931	936
2026	1000	1000	1000
2027	1007	1004	1006
2028	1025	1022	1024
2029	1049	1047	1048
2030	1072	1070	1071
2031	1096	1095	1096
2032	1117	1116	1117
2033	1140	1139	1140

Local Government Cost Index
October 2026

Index values (2026 = 1000)			
Year	OPEX	CAPEX	Total
2034	1162	1161	1162
2035	1184	1184	1184
2036	1206	1206	1206
2037	1228	1228	1228

Source: BERL analysis

Local Government Cost Index
October 2026

Table 11 Local Government Aggregated Cost Adjusters (excluding water), 1996 – 2037, per annum percentage changes

	pa % changes		
Year	OPEX	CAPEX	Total
1996	0.0	0.0	0.0
1997	-1.1	-1.7	-1.3
1998	0.7	0.6	0.7
1999	0.4	0.2	0.3
2000	4.8	5.6	5.1
2001	6.4	7.6	6.8
2002	2.0	2.5	2.2
2003	1.1	0.4	0.9
2004	3.0	2.7	2.9
2005	4.9	5.5	5.0
2006	7.9	8.9	8.2
2007	2.4	2.3	2.4
2008	7.5	7.5	7.5
2009	1.6	1.6	1.6
2010	2.1	2.3	2.2
2011	4.0	4.6	4.2
2012	2.4	2.4	2.4
2013	1.5	1.2	1.4
2014	1.7	1.7	1.7
2015	0.7	0.3	0.6
2016	0.8	0.6	0.8
2017	2.5	2.8	2.6
2018	2.5	2.7	2.6
2019	3.4	3.5	3.4
2020	0.1	-0.5	-0.1
2021	3.1	3.5	3.3
2022	11.3	13.0	11.8
2023	4.2	4.2	4.2
2024	3.3	2.9	3.2
2025	2.1	1.7	2.0
2026	6.5	7.4	6.8
2027	0.7	0.4	0.6
2028	1.8	1.7	1.8
2029	2.4	2.4	2.4
2030	2.2	2.2	2.2
2031	2.2	2.3	2.3
2032	1.9	1.9	1.9
2033	2.0	2.1	2.0
2034	1.9	2.0	2.0
2035	1.9	1.9	1.9

Local Government Cost Index
October 2026

	pa % changes		
Year	OPEX	CAPEX	Total
2036	1.8	1.9	1.9
2037	1.8	1.8	1.8
20 year average % pa	**2.8**	**2.9**	**2.9**

Source: BERL analysis

Local Government Cost Index
October 2026

Table 12 Local Government Aggregated Cost Adjusters (excluding water), 2026 – 2037, cumulative change

Cumulative change (since 2026)			
Year	OPEX	CAPEX	Total
2027	0.7	0.4	0.6
2028	2.5	2.2	2.4
2029	4.9	4.7	4.8
2030	7.2	7.0	7.1
2031	9.6	9.5	9.6
2032	11.7	11.6	11.7
2033	14.0	13.9	14.0
2034	16.2	16.1	16.2
2035	18.4	18.4	18.4
2036	20.6	20.6	20.6
2037	22.8	22.8	22.8

Source: BERL analysis

Local government aggregated cost adjusters – including water

Table 13 Local Government Aggregated Cost Adjusters (including water), 1996 – 2037, index values

Index values (2026 = 1000)			
Year	OPEX	CAPEX	Total
1996	390	372	384
1997	386	367	380
1998	389	370	382
1999	391	371	384
2000	409	391	403
2001	436	420	430
2002	444	428	438
2003	449	432	444
2004	464	447	458
2005	488	472	482
2006	526	512	521
2007	539	526	535
2008	579	564	574
2009	592	580	588
2010	605	593	601
2011	629	619	626
2012	646	637	643
2013	652	640	648
2014	664	652	660
2015	672	660	668

Local Government Cost Index
October 2026

Index values (2026 = 1000)			
Year	OPEX	CAPEX	Total
2016	678	666	674
2017	694	682	690
2018	713	702	709
2019	736	726	733
2020	740	728	736
2021	764	753	760
2022	849	846	848
2023	887	885	887
2024	918	915	917
2025	940	937	939
2026	1000	1000	1000
2027	1009	1009	1009
2028	1028	1028	1028
2029	1053	1054	1053
2030	1077	1079	1077
2031	1101	1105	1102
2032	1124	1127	1125
2033	1146	1151	1148
2034	1169	1173	1170
2035	1191	1196	1193
2036	1213	1219	1215
2037	1235	1242	1237

Source: BERL analysis

Table 14 Local Government Aggregated Cost Adjusters (including water), 1996 – 2037, per annum percentage changes

pa % changes			
Year	OPEX	CAPEX	Total
1996	0.0	0.0	0.0
1997	-1.0	-1.3	-1.1
1998	0.8	0.7	0.8
1999	0.4	0.3	0.4
2000	4.8	5.4	5.0
2001	6.4	7.3	6.7
2002	1.8	1.9	1.8
2003	1.3	1.1	1.2
2004	3.3	3.4	3.4
2005	5.0	5.6	5.2
2006	7.8	8.5	8.0
2007	2.6	2.7	2.7

Local Government Cost Index
October 2026

	pa % changes		
Year	OPEX	CAPEX	Total
2008	7.4	7.3	7.4
2009	2.2	2.8	2.4
2010	2.2	2.3	2.2
2011	4.0	4.4	4.1
2012	2.7	2.9	2.7
2013	1.0	0.4	0.8
2014	1.8	1.9	1.8
2015	1.1	1.3	1.2
2016	1.0	0.9	1.0
2017	2.3	2.4	2.4
2018	2.7	3.0	2.8
2019	3.3	3.3	3.3
2020	0.5	0.4	0.5
2021	3.1	3.4	3.2
2022	11.2	12.3	11.6
2023	4.5	4.7	4.6
2024	3.5	3.3	3.4
2025	2.4	2.4	2.4
2026	6.3	6.8	6.5
2027	0.9	0.9	0.9
2028	1.9	1.9	1.9
2029	2.4	2.5	2.5
2030	2.3	2.4	2.3
2031	2.3	2.4	2.3
2032	2.0	2.1	2.0
2033	2.0	2.0	2.0
2034	2.0	2.0	2.0
2035	1.9	1.9	1.9
2036	1.9	1.9	1.9
2037	1.8	1.9	1.8
20 year average % pa	**2.9**	**3.0**	**3.0**

Source: BERL analysis

Local Government Cost Index
October 2026

Table 15 Local Government Aggregated Cost Adjusters (including water), 2026 – 2037, cumulative change

	Cumulative change (since 2026)		
Year	OPEX	CAPEX	Total
2027	0.9	0.9	0.9
2028	2.8	2.8	2.8
2029	5.3	5.4	5.3
2030	7.7	7.9	7.7
2031	10.1	10.5	10.2
2032	12.4	12.7	12.5
2033	14.6	15.1	14.8
2034	16.9	17.3	17.0
2035	19.1	19.6	19.3
2036	21.3	21.9	21.5
2037	23.5	24.2	23.7

Source: BERL analysis

Water infrastructure only

Table 16 Water infrastructure cost adjuster, 1996 – 2037, index value, pa % change, and cumulative change

	Water infrastructure		
Year	Index values (2026 = 1000)	pa % changes	Cumulative change (since 2026)
1996	339	0.0	
1997	338	-0.3	
1998	342	1.2	
1999	344	0.7	
2000	361	4.8	
2001	384	6.5	
2002	386	0.4	
2003	397	2.8	
2004	417	5.1	
2005	441	5.7	
2006	474	7.5	
2007	492	3.8	
2008	526	6.9	
2009	556	5.6	
2010	570	2.6	
2011	592	3.8	
2012	616	4.0	
2013	606	-1.6	
2014	621	2.4	

Local Government Cost Index
October 2026

Year	Water infrastructure Index values (2026 = 1000)	pa % changes	Cumulative change (since 2026)
2015	643	3.6	
2016	653	1.6	
2017	664	1.6	
2018	688	3.6	
2019	708	2.9	
2020	725	2.4	
2021	748	3.2	
2022	829	10.8	
2023	876	5.8	
2024	913	4.2	
2025	949	3.9	
2026	1000	5.4	
2027	1018	1.8	1.8
2028	1042	2.3	4.2
2029	1071	2.8	7.1
2030	1099	2.6	9.9
2031	1127	2.6	12.7
2032	1153	2.4	15.3
2033	1177	2.0	17.7
2034	1200	2.0	20.0
2035	1224	2.0	22.4
2036	1248	2.0	24.8
2037	1272	1.9	27.2
20 year average % pa		**3.3**	

Source: BERL analysis

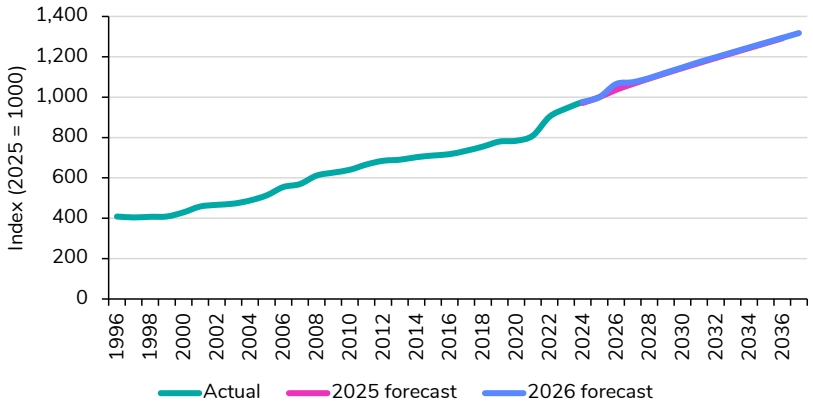
Local Government Cost Index
October 2026

8 Summary

The 2026 cost adjusters have a higher trajectory across the forecast period than the 2025 cost adjusters, as shown in Figure 22. While recent geopolitical developments, particularly higher oil prices, have pushed prices higher the shock is also an economic one which slowed, and introduced downside risks, to economic activity. We forecast a temporary uplift in the cost adjusters for 2026, largely driven by fuel prices and transport cost, and a return to trend thereafter out to 2037.

The overall effect is, on balance, an inflationary shock that is offset in part by a delayed and slower economic recovery, and translates into only a slightly higher cost adjusters pathway across the next decade.

Figure 22 LGCI 2025 and 2026 cost adjusters, projected growth rates



Source: BERL analysis

Therefore, we project only marginally higher cost adjusters over the forecast horizon. The projected growth rate for the 2026 cost adjusters, over the next decade, is expected to be 0.01 percentage points higher than that forecast for the 2025 cost adjusters (over the comparable periods, from 2026 to 2036).

Table 17 Comparison of 2025 and 2026 cost adjusters, projected growth rates (2026-2036)

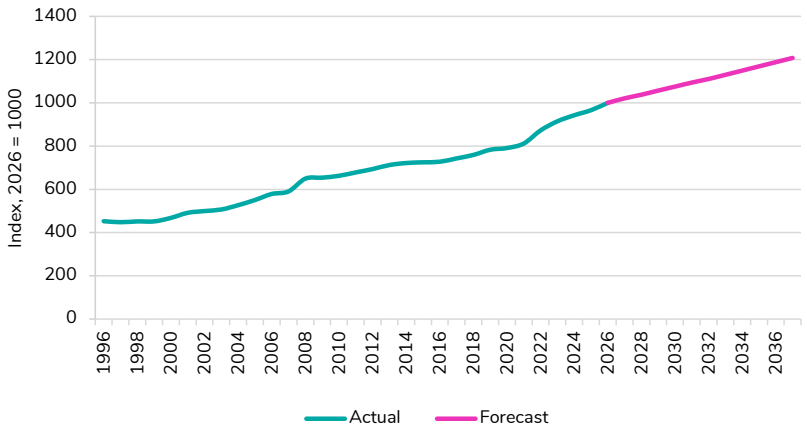
	Forecast 2025 (growth rate)	Forecast 2026 (growth rate)	Change
OPEX	2.33	2.34	0.01
CAPEX	2.41	2.42	0.01
LGCI	2.36	2.37	0.01

Source: BERL analysis

Local Government Cost Index
October 2026

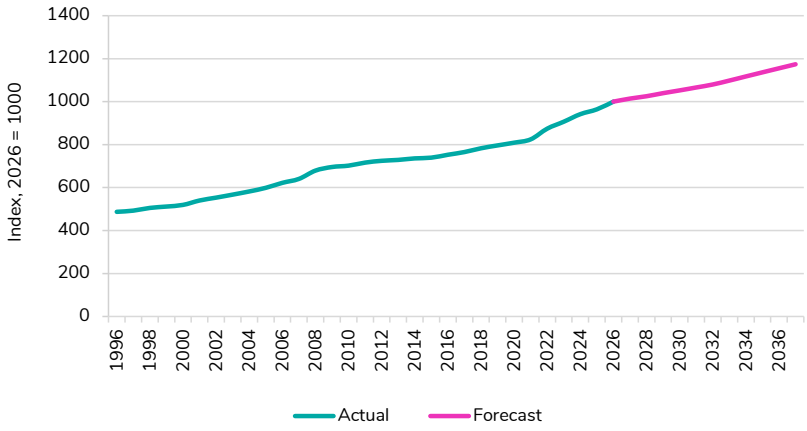
Appendix A Price Indices actual and forecast values

Figure 23 PPI inputs – local government administration



Source: BERL analysis

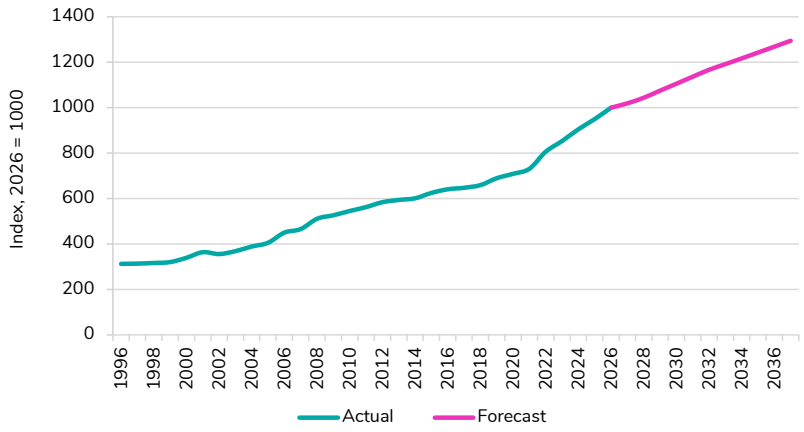
Figure 24 PPI inputs – arts and recreation



Source: BERL analysis

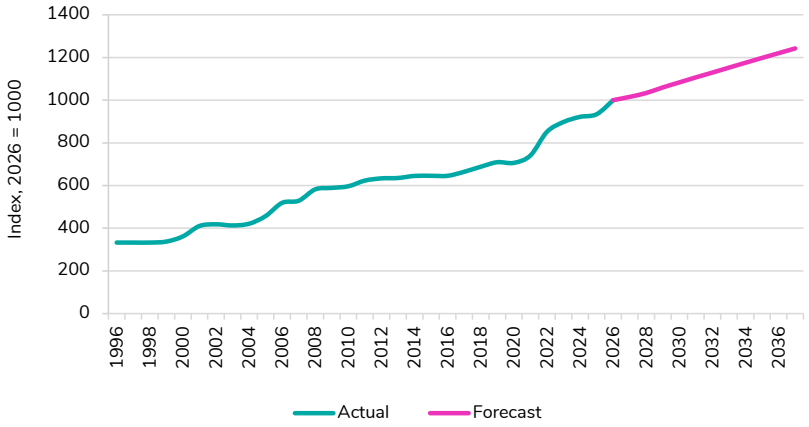
Local Government Cost Index
October 2026

Figure 25 PPI inputs – water, sewerage, drainage, and waste services



Source: BERL analysis

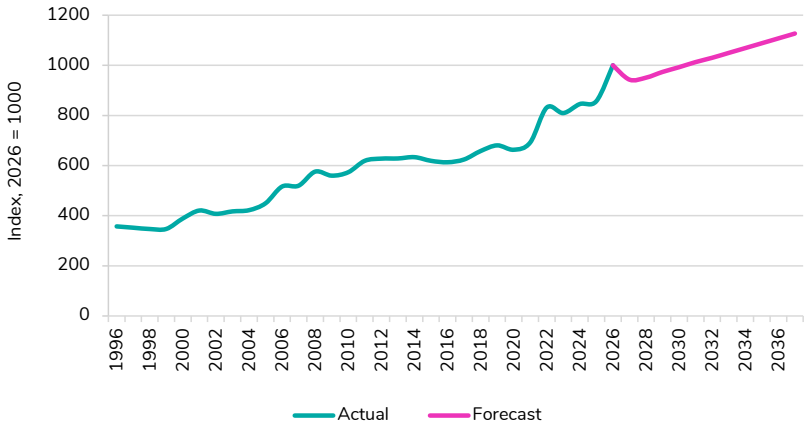
Figure 26 PPI inputs – heavy and civil construction



Source: BERL analysis

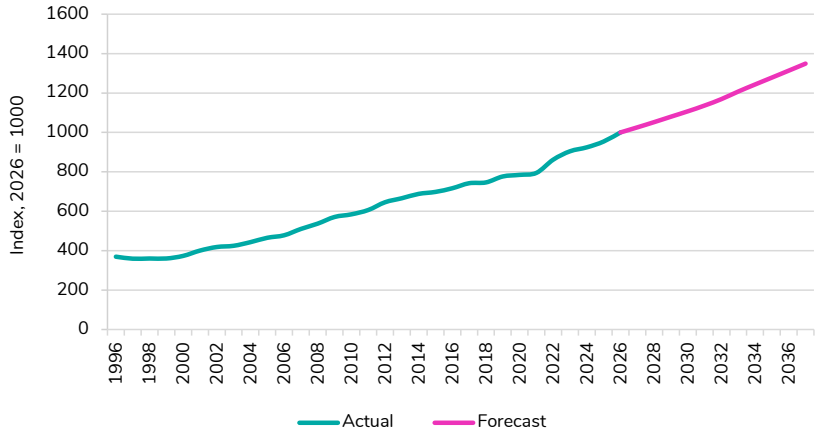
Local Government Cost Index
October 2026

Figure 27 PPI inputs – transport, postal, and warehousing



Source: BERL analysis

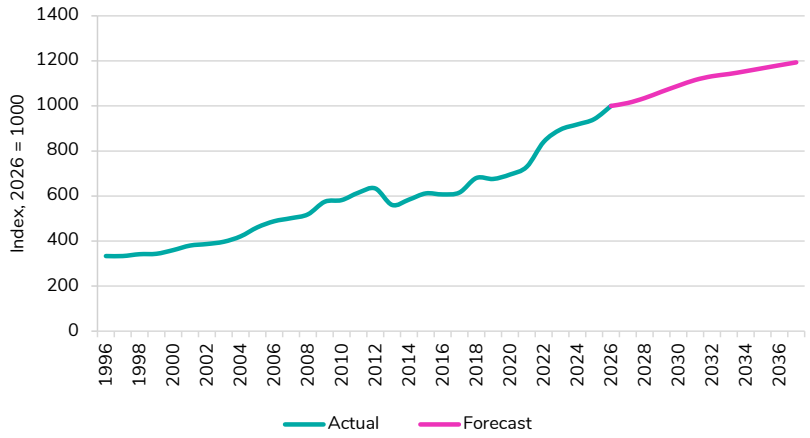
Figure 28 CGPI inputs – other civil construction



Source: BERL analysis

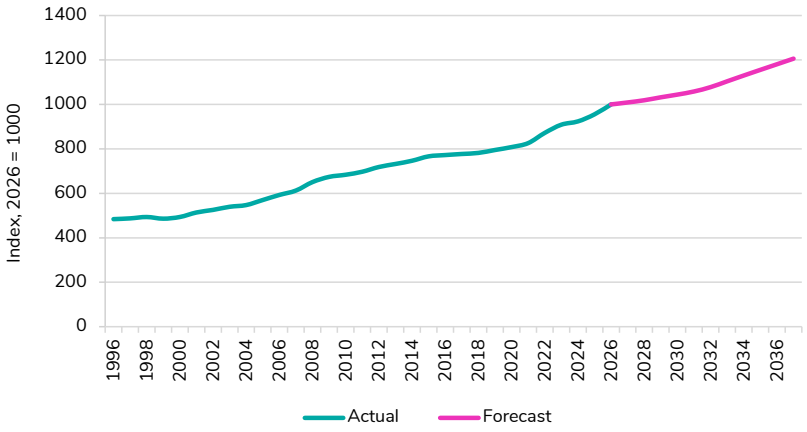
Local Government Cost Index
October 2026

Figure 29 CGPI – system for water and sewerage



Source: BERL analysis

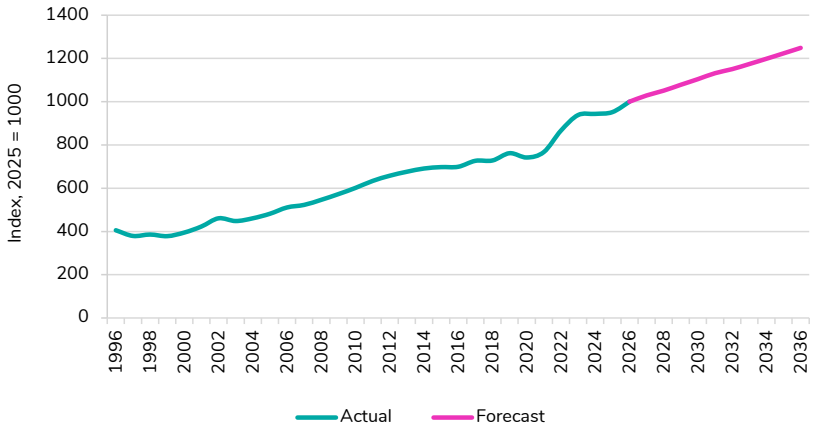
Figure 30 CGPI – reclamation, slope stabilisation, and river control



Source: BERL analysis

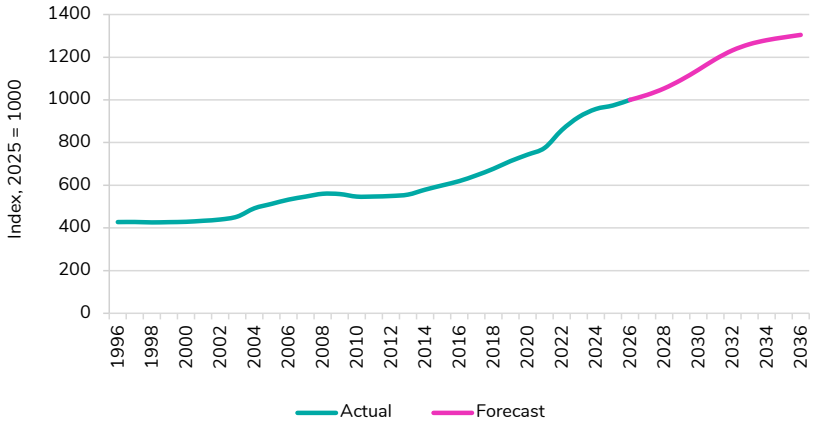
Local Government Cost Index
October 2026

Figure 31 CGPI – transport ways



Source: BERL analysis

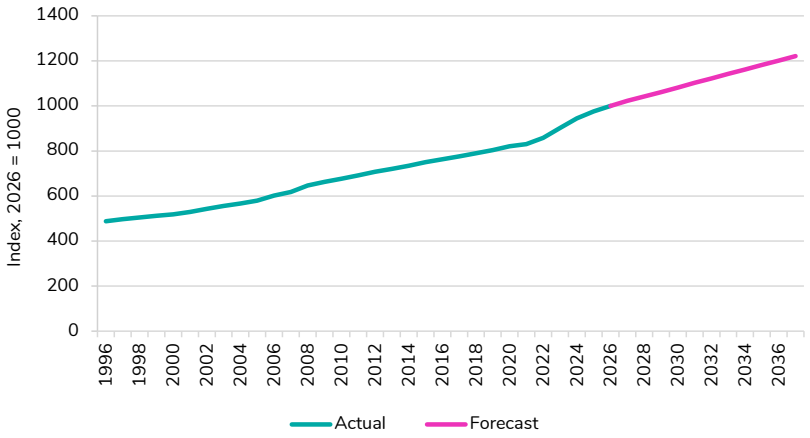
Figure 32 CGPI – commercial buildings



Source: BERL analysis

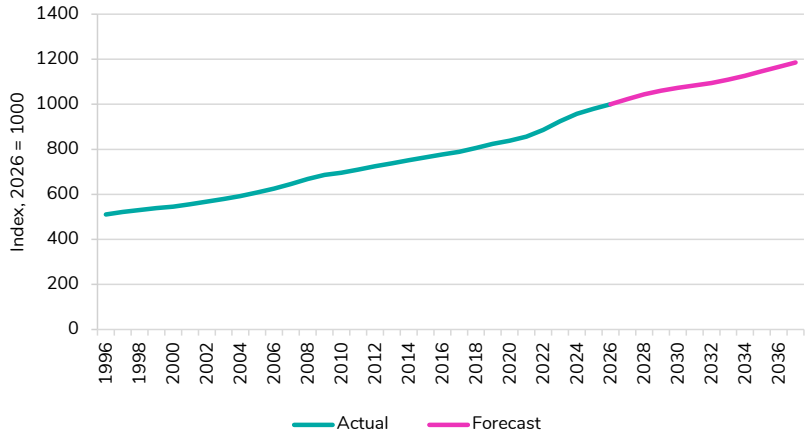
Local Government Cost Index
October 2026

Figure 33 Local government wages and salaries



Source: BERL analysis

Figure 34 Private sector wages and salaries



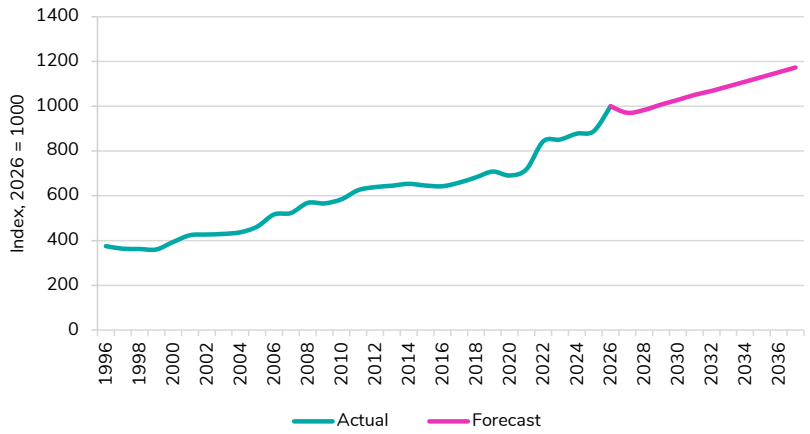
Source: BERL analysis

Local Government Cost Index
October 2026

Cost adjuster series

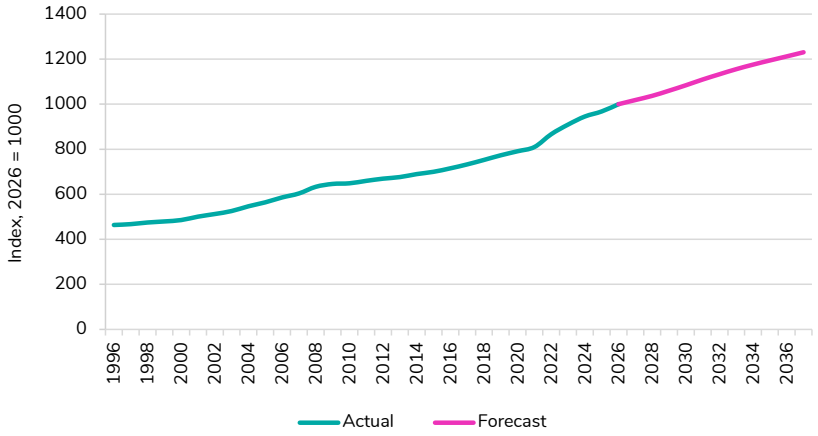
These series are linear combinations of the above cost adjusters. They describe the price trajectory of the basket of goods, services and labour bought by local government.

Figure 35 LGCI transport



Source: BERL analysis

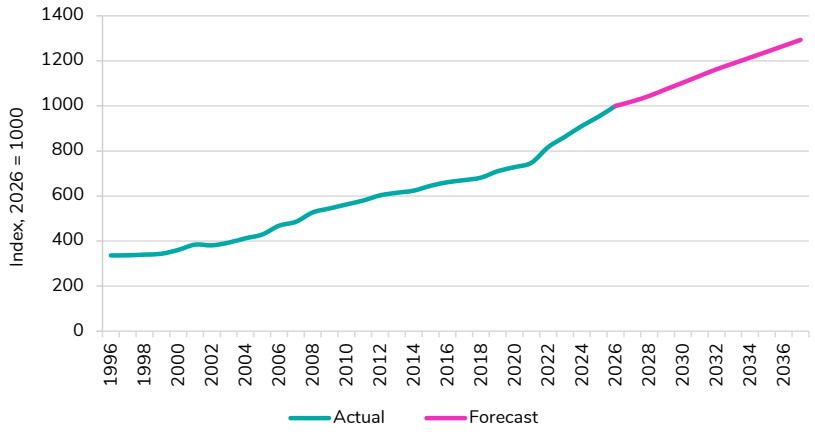
Figure 36 LGCI community



Source: BERL analysis

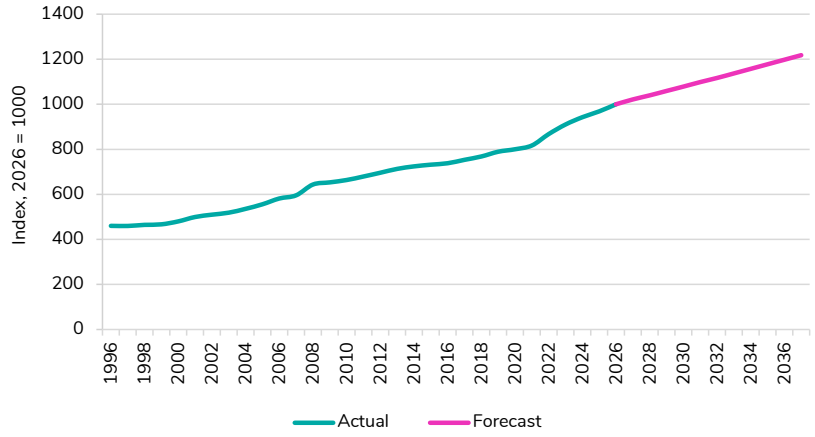
Local Government Cost Index
October 2026

Figure 37 LGCI waste



Source: BERL analysis

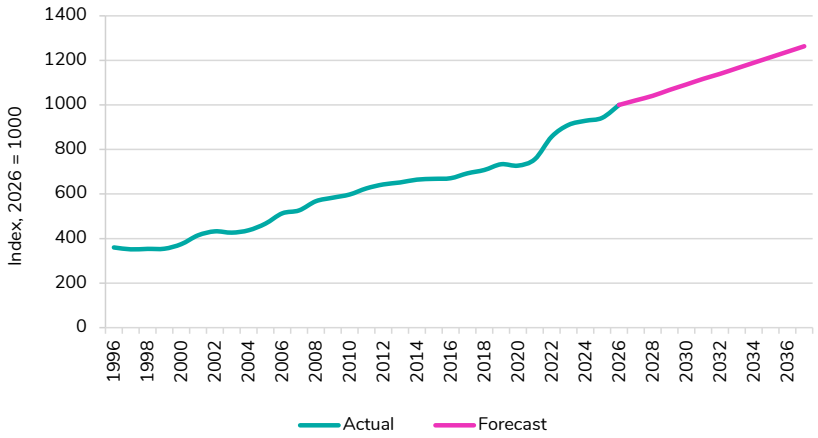
Figure 38 LGCI planning and regulation



Source: BERL analysis

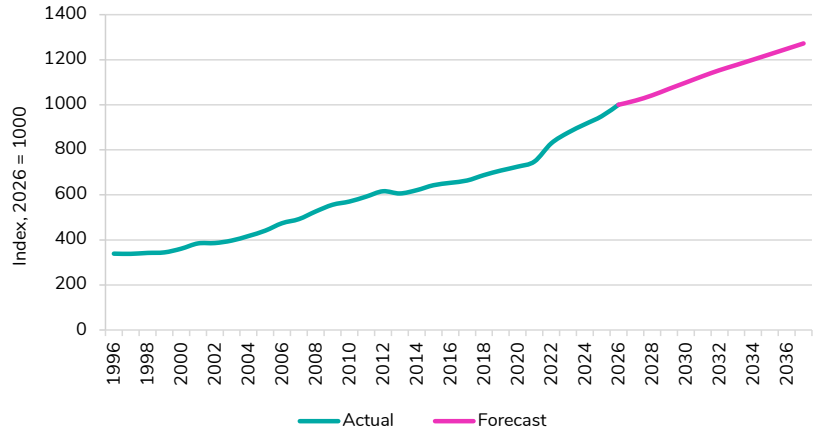
Local Government Cost Index
October 2026

Figure 39 LGCI roading



Source: BERL analysis

Figure 40 LGCI water infrastructure

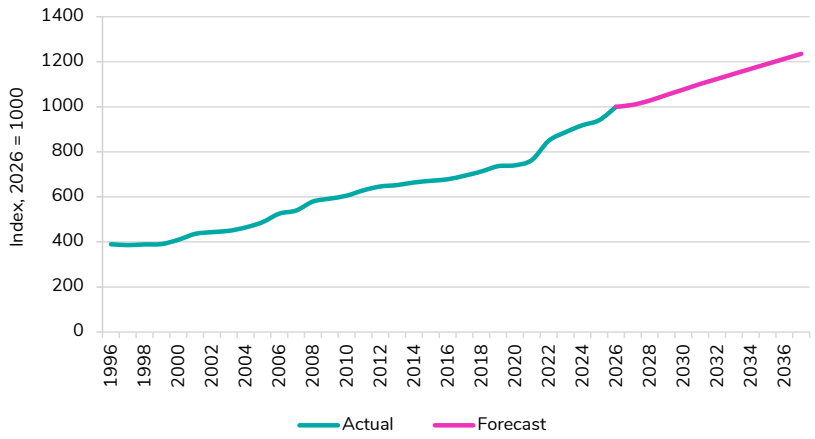


Source: BERL analysis

Local Government Cost Index
October 2026

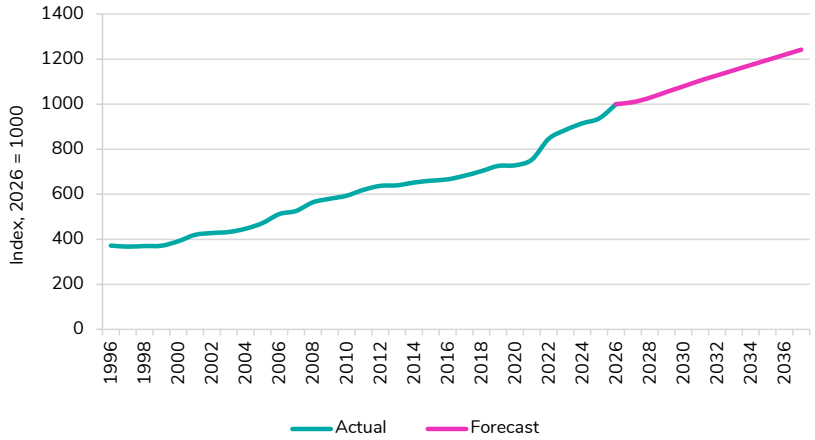
Aggregate adjuster series

Figure 41 LGCI OPEX – with water included



Source: BERL analysis

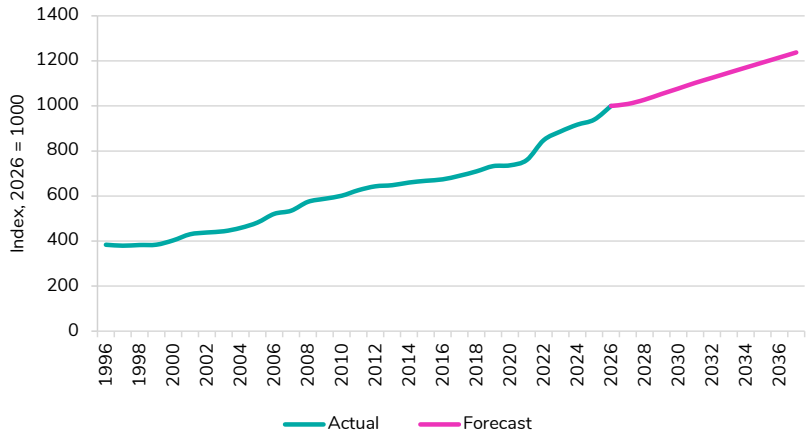
Figure 42 LGCI CAPEX – with water included



Source: BERL analysis

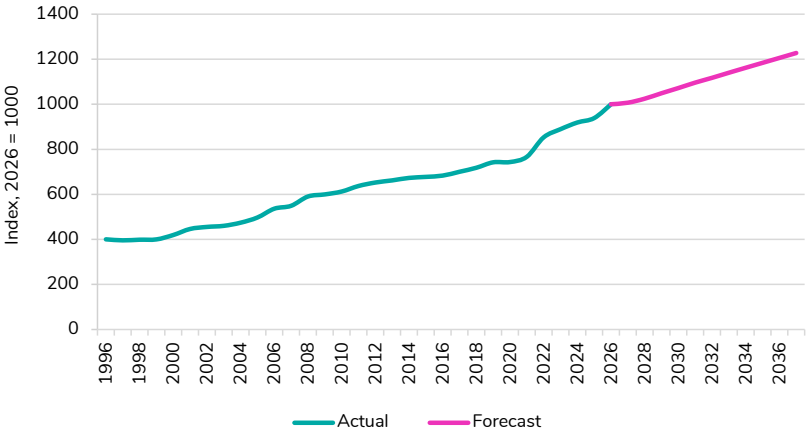
Local Government Cost Index
October 2026

Figure 43 LGCI Total – with water included



Source: BERL analysis

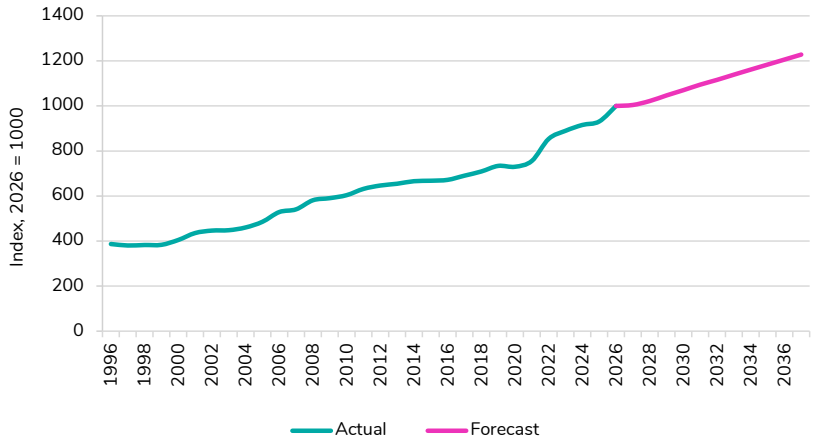
Figure 44 LGCI OPEX – with water excluded



Source: BERL analysis

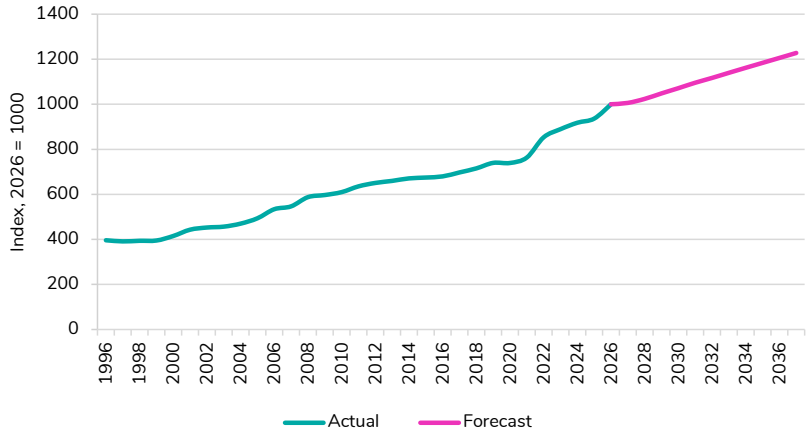
Local Government Cost Index
October 2026

Figure 45 LGCI CAPEX – with water excluded



Source: BERL analysis

Figure 46 LGCI Total – with water excluded



Source: BERL analysis

Local Government Cost Index
October 2026

Appendix B Macroeconomic forecasts

Table 18 BERL macroeconomic forecasts – part one

Year to June	Real expenditure GDP (% pa change)	Real expenditure GDP per capita ($)	Unemployment rate	CPI (% pa change)
2023 (actual)	3.4	13,926	3.7	6.0
2024 (actual)	0.1	13,673	4.7	3.3
2025 (actual)	-0.7	13,494	5.2	2.7
2026 (actual)	3.0	13,802	5.6	4.1
2027	2.8	13,911	5.2	1.8
2028	2.7	14,051	4.7	1.9
2029	2.8	14,245	4.4	2.1
2030	2.4	14,394	4.3	1.9
2031	2.4	14,559	4.3	1.9
2032	0.8	14,728	4.4	1.8
2033	1.4	14,889	4.5	1.7
2034	1.4	15,055	4.5	1.7
2035	1.5	15,219	4.6	1.7
2036	1.5	15,383	4.6	1.6
2037	1.5	15,548	4.6	1.6

Source: BERL analysis

Table 19 BERL macroeconomic forecasts – part two

Year to June	Energy Price Index - Commercial electricity (% pa change)	Trade Weighted Index (Exchange rate)	GFCF (Investment) - Non-residential buildings (% pa change)	GFCF (Investment) - Other construction (% pa change)
2023 (actual)	8.1	72.2	14.8	15.7
2024 (actual)	9.6	70.9	-1.4	5.3
2025 (actual)	13.5	71.4	-10.1	0.9
2026 (actual)	3.0	69.1	-5.8	8.6
2027	-1.1	66.5	4.2	3.6
2028	1.6	67.7	2.6	3.1
2029	1.7	68.7	2.1	2.8
2030	1.6	69.3	1.8	2.6
2031	1.6	69.8	1.6	2.4
2032	1.6	70.1	1.5	2.2
2033	1.6	70.1	1.4	2.0
2034	1.5	70.1	1.3	1.8
2035	1.5	70.1	1.3	1.7
2036	1.5	70.1	1.3	1.5
2037	1.5	70.1	1.2	1.4

Source: BERL analysis

Local Government Cost Index
October 2026

Table 20 BERL macroeconomic forecasts – part three

Year to June	Residential consents - Number of consents	Residential consents - Value (%a pa change)	Residential consents - Floor area (%a pa change)	Non-residential consents - Number of consents	Non-residential consents - Value (%a pa change)
2023 (actual)	44,529	-13.9	-23.6	5,233	24.0
2024 (actual)	33,627	-11.2	-15.3	4,083	-28.5
2025 (actual)	33,979	0.2	0.9	3,453	13.2
2026 (actual)	40,581	25.9	26.0	3,387	-17.1
2027	45,524	7.7	4.9	3,688	6.4
2028	47,958	7.0	6.9	3,733	3.1
2029	49,542	3.7	2.7	3,796	2.2
2030	50,394	2.6	2.4	3,839	2.4
2031	50,915	1.7	1.3	3,868	2.3
2032	51,208	1.1	1.0	3,888	2.3
2033	51,381	0.7	0.6	3,902	2.2
2034	51,480	0.5	0.4	3,912	2.2
2035	51,539	0.3	0.3	3,918	2.1
2036	51,572	0.2	0.2	3,923	2.1
2037	51,592	0.1	0.1	3,926	2.0

Source: BERL analysis

Table 21 BERL macroeconomic forecasts – part four

Year to June	Oil price ($ per barrel)	Population - total	Population - 65 Years and over
2023 (actual)	78.2	5,200,000	848,000
2024 (actual)	84.9	5,289,900	873,900
2025 (actual)	67.8	5,321,000	901,800
2026 (actual)	104.4	5,357,300	930,500
2027	81.3	5,434,434	962,943
2028	75.7	5,494,800	994,100
2029	75.4	5,548,221	1,019,078
2030	75.4	5,602,160	1,044,683
2031	75.4	5,656,625	1,070,931
2032	75.4	5,711,770	1,097,914
2033	75.4	5,767,300	1,125,500
2034	75.4	5,818,764	1,149,463
2035	75.4	5,870,687	1,173,937
2036	75.4	5,923,218	1,199,000
2037	75.4	5,976,073	1,224,528

Source: BERL analysis

Local Government Cost Index
October 2026

Appendix C References

ANZ. (2025). *Quarterly Economic Outlook May 2025: Walking a Tightrope.* https://www.anz.co.nz/about-us/economic-markets-research/economic-outlook/

IMF. (2025). *World Economic Outlook Apr 2025: A Critical Juncture amid Policy Shifts*. https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025

NZIER. (2025). *Consensus Forecast*. https://www.nzier.org.nz/hubfs/Public%20Publications/Consensus%20Forecasts/Consensus%20Forecasts%20Jun%202025_FINAL.pdf

Federal Reserve Bank of Dallas. (2025). Producer Price Index (PPI) / Wholesale Price Index (WPI) inflation. https://www.dallasfed.org/research/international/dgei/ppi

Federal Reserve Bank of New York. (2025). *Global Supply Chain Pressure Index.* https://www.newyorkfed.org/research/policy/gscpi#/interactive

Rider Levett Bucknall. (2025). *Infrastructure Forecast Report 1: New Zealand Trends In Infrastructure.* https://www.rlb.com/wp-content/uploads/sites/1/2024/09/Infrastructure-Forecast-2024_web.pdf

S&P Global. (2025). *Global friction could grind down growth in 2025.* https://www.spglobal.com/_assets/documents/ratings/research/101611595.pdf

The Treasury. (2026). Budget Economic and Fiscal Update 2026. https://budget.govt.nz/budget/pdfs/befu2026/befu26.pdf

World Uncertainty Index. (2025). World Uncertainty Index. https://worlduncertaintyindex.com/

Dunedin City Treasury Ltd

Treasury Report

DRAFT

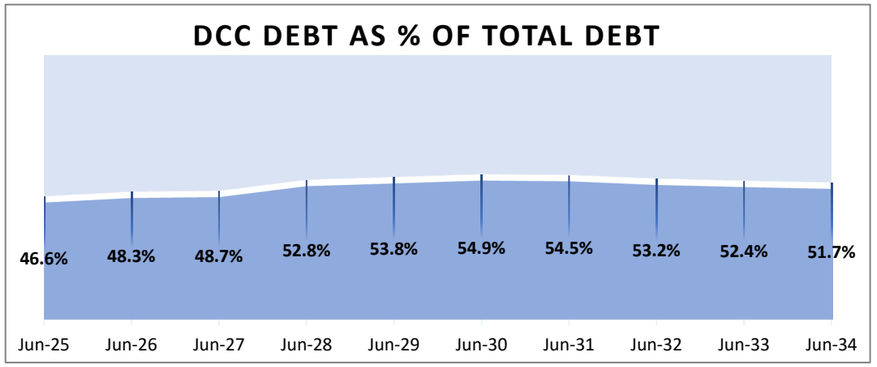
October 2026

Advances and Rates

Historically DCC cost of funds was derived from historical interest rate hedges (Tranche 1 funding) and the group Tranche 2 interest rate. There is no longer any Tranche 1 Funding held by the DCC so the cost of funds is the Group Tranch 2 Interest rate.

DCTL uses a portfolio approach to managing interest rate risk within hedging parameters, with no new hedges specific to any borrower within the DCC Group.

Advances and Rates	Facility Amount	Drawn	Available	Q2 2027 Cost of Funds	Term
DCC	815,000,000	748,500,000	66,500,000	4.28%	Evergreen
Total DCC Group	1,900,000,000	1,493,957,000	406,043,000	4.28%	Evergreen



Facility Summary

Current Amount $815m effective 15 September 2026

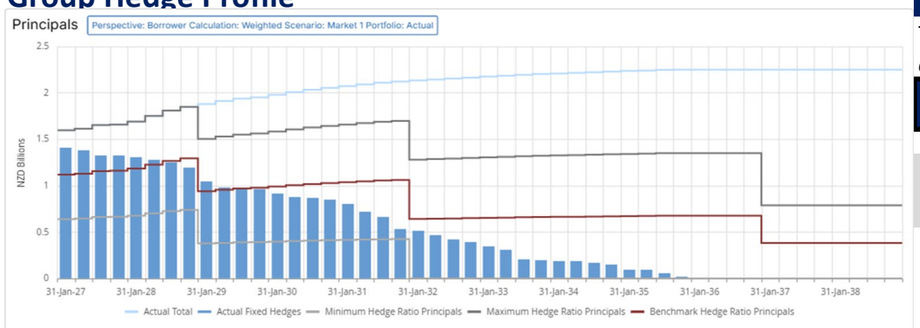
Increase to $800m effective 25 September 2025

Increase to $735m effective 10 July 2024

Increase to $600m effective 28 September 2023

Increase to $515m effective 27 July 2023

Group Hedge Profile



DUNEDIN CITY COUNCIL | kaunihera a-rohe o Ōtepoti

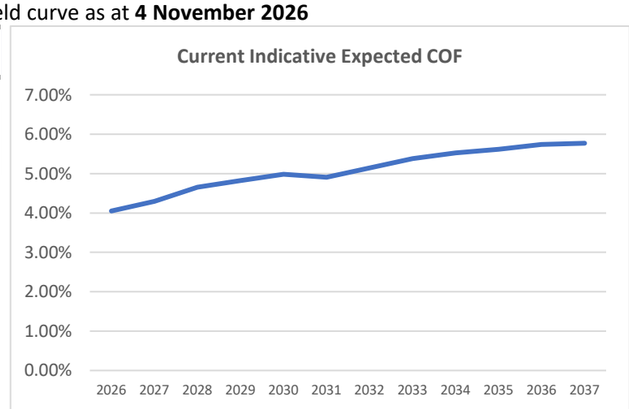
Historic DCTL Cost of Funds to 30 June 2026

Past 5y Avg	3.92%
Past 10y Avg	3.97%

Indicative Forward Looking Cost of Funds (CoF)

The following table and graph display DCC Group expected cost of funds based on the ***current*** New Zealand yield curve as at **4 November 2026**

Year	Expected CoF
2026	**4.05%**
2027	**4.29%**
2028	**4.65%**
2029	**4.82%**
2030	**4.98%**
2031	**4.91%**
2032	**5.14%**
2033	**5.38%**
2034	**5.53%**
2035	**5.61%**
2036	**5.74%**
2037	**5.77%**
3y Avg 2027-2036	**4.59%**
	5.11%



Dunedin City Treasury Ltd

Treasury Report

DRAFT

October 2026

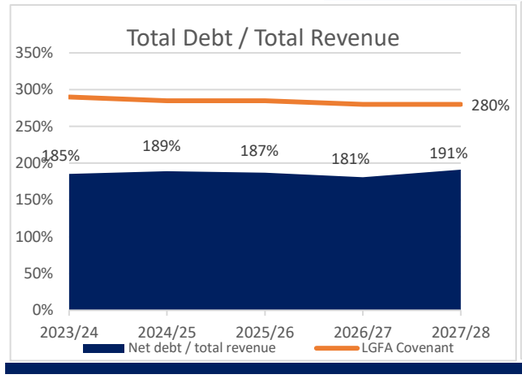
Debt Ratios (Based on 2026 Actuals and 2025-2034 9 Year Plan)

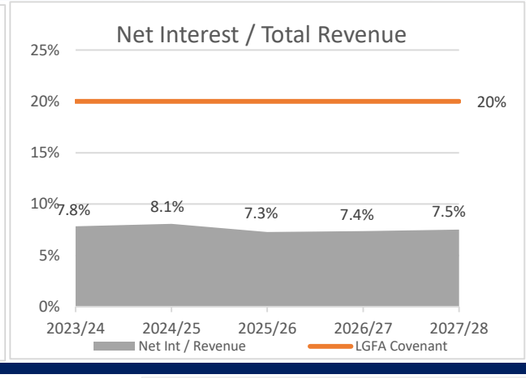
DUNEDIN CITY COUNCIL | kaunihera a-rohe o Ōtepoti

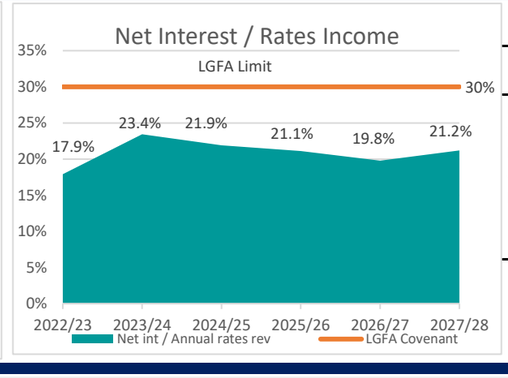
As a point of reference we have charted DCC borrowing metrics against LGFA covenants. Note these calculations are on a DCC Group basis.

Non-compliance with the financial covenants will either preclude a council from borrowing from the LGFA or in the case of existing council borrowers trigger an event of review.

Total revenue is defined as cash earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions, eg. developer contributions and vested assets.
Net debt is defined as total consolidated debt less liquid financial assets and investments.
Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.
Net interest is defined as the amount equal to all interest and financing costs less interest income for the relevant period.
Annual rates income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received from other local governments for services provided and for which the other local governments rate.





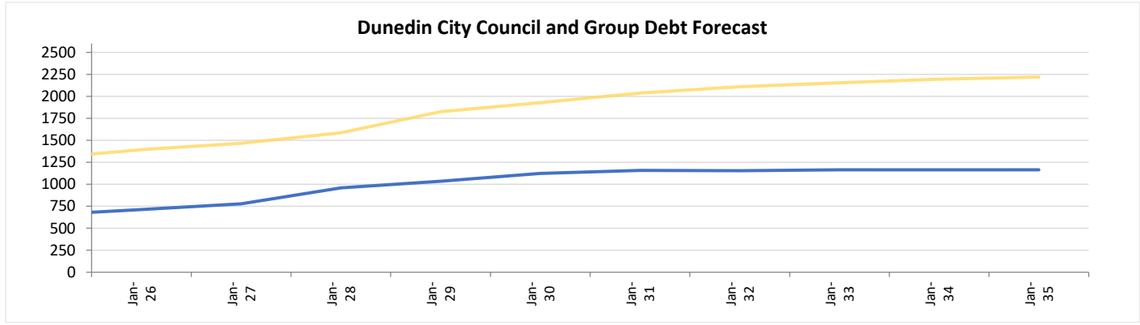


Foundation Policy Covenants
Liquidity
>110%
Net Debt / Revenue
<280%
Net Interest / Revenue

Long-term Debt Forecast

Forecast Interest Points

Group Max Debt	Jun-34	$2,251,000



ADVANCES (mil)		Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34	Jun-35
DCC	(2028-2034 based on 9 Year Plar	650.5	711.5	777.5	959.9	1034.7	1125.0	1159.3	1155.4	1163.9	1164.4	1164.4

ITEMS FOR CONSIDERATION BY THE CHAIR

Any items for consideration by the Chair.