

Notice of Meeting:

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

Date: Monday 31 August 2020
Time: 1.00 pm
Venue: Edinburgh Room, Municipal Chambers, The Octagon, Dunedin

Sandy Graham
Acting Chief Executive Officer

Finance and Council Controlled Organisations Committee
PUBLIC AGENDA

MEMBERSHIP

Chairperson Cr Mike Lord
Deputy Chairperson Cr Doug Hall

Members	Cr Sophie Barker	Cr David Benson-Pope
	Cr Rachel Elder	Cr Christine Garey
	Mayor Aaron Hawkins	Cr Carmen Houlahan
	Cr Marie Laufiso	Cr Jim O'Malley
	Cr Jules Radich	Cr Chris Staynes
	Cr Lee Vandervis	Cr Steve Walker
	Cr Andrew Whiley	

Senior Officer Gavin Logie, Acting General Manager Finance

Governance Support Officer Wendy Collard

Wendy Collard
Governance Support Officer

Telephone: 03 477 4000
Wendy.Collard@dcc.govt.nz
www.dunedin.govt.nz

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

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	Waipori Fund - Quarter Ending June 2020	17
6	Financial Result - Year Ended 30 June 2020	23
7	Items for Consideration by the Chair	39

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 representative and any private or other external interest they might have.
2. Elected members are reminded to update their register of interests as soon as practicable, including amending the register at this meeting if necessary.

RECOMMENDATIONS

That the Committee:

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

Attachments

	Title	Page
↓A	Elected Members' Register of Interests	7

Councillor Register of Interest - Current as at 25 August 2020				
Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Aaron Hawkins	Trustee	West Harbour Beautification Trust	Potential conflict WHBT work with Parks and Reserves to co-ordinate volunteer activities	Withdrawal from all West Harbour Beautification Trust/ DCC discussions involving this relationship.
	Trustee	St Paul's Cathedral Foundation	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Residential Property Owner - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Young Elected Members' Committee	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Thank You Payroll	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	ICLEI Oceania Regional Executive	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Hospital Local Advisory Group	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Green Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Connecting Dunedin (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Board Member	Otago Museum Trust Board (Council appointment)	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Otago Theatre Trust (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Member	Otago Polytech's Research Centre of Excellence	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	LGNZ National Council	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Alexander McMillan Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Cosy Homes Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chair	LGNZ Policy Advisory Group	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Local Government New Zealand Zone 6 Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Sophie Barker	Employee	Otago Peninsula Trust	Potential grants recipient	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Director	Ayrmed Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Ocho Newco 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.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Beneficiary	Sans Peur Trust (Larnach Castle)	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)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Trustee	Dunedin Midwinter Carnival	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Dunedin Gas Works Museum Trust (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
David Benson-Pope	Owner	Residential Property Ownership in Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee and Beneficiary	Blind Investment Trusts	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	Yellow-eyed Penguin Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	New Zealand Labour Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Heritage Fund Trust (Council appointment)	Duty to Trust may conflict with duties of Council Office	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Connecting Dunedin (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.
	Delegation holder	Second Generation District Plan (2GP) Authority to Resolve Appeals on behalf of Council (Council appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Hospital Local Advisory Group	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.
	Commissioner (Community Representative)	District Licensing Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Rachel Elder	Owner	Residential Property Ownership - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Greater South Dunedin Action Group	Decisions may be considered on the future of South Dunedin.	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Host Parent	Otago Girls High School	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Advisor/Support Capacity	Kaffelagic	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tracks and Trails Interest Group	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Manufacturing Holdings	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chair	Southern Urban Dunedin Community Response Group	Decisions about emergency response recovery may be conflicted	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Craigieburn Reserve Committee (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.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Member	Okia Reserve Management Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Toitu Otago Settlers Museum Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Café Logic Advisory Group	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
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.
	Chair	Creative Dunedin Partnership (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Symphony Orchestra Foundation Board of Trustees (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Theomin Gallery Management Committee (Olveston) (Council appointment)	No conflict identified	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Chair	Grants Subcommittee (Council Appointment)	No conflict identified	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
		External family member is a Principal Security Consultant	Major supplier to DCC	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Local Government New Zealand Zone 6 Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Doug Hall	Director/Owner	Hall Brothers Transport Ltd	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/Owner	Dunedin Crane Hire	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/Owner	Wood Recyclers Ltd	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/Owner	Dunedin Concrete Crushing Ltd	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/Owner	Anzide Properties Ltd - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	The Woodshed 2014 Limited	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Owner	Property Ownership - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Farmlands	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Ravensdown Fertiliser	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	PGG Wrightson	Currently no likely conflict	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Silver Fern Farms	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Valley View Development Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Geekfix Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Trustee	Hall Family Trust, Invercargill	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Milburn Processing Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Donor of the use of a building free of charge to the group	Fire Brigade Restoration Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Appellant	2GP	Appellant to the 2GP	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Financial Donor	Dunedin North Community Patrol	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Donor of the use of a building free of charge to the group	North Dunedin Blokes Shed	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Loan of a four wheel drive truck free of charge to the group for cartage of gravel	Mountainbiking Otago	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Partner	Highland Helicopters	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Supplier	Southweight Truck and Weights for testing Weighbridges Otago & Southland	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Craigieburn Reserve Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Chinese Garden Advisory Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Toitu Otago Settlers Museum Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Carmen Houlahan	Owner	Residential Property - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Rental Property - North Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Part Owner	Adobe Group Ltd, Wanaka	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Rotary Club	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.
	Member	Otago Property Investors Association	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Company Owner/Sole Director	Shelf Company - RU There	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Toitu Otago Settlers Museum Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Member	Dunedin Public Art Gallery Acquisitions Committee (Council appointment)	Possible grants recipient	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Shareholder	Startup Business	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Mosguel Taieri Community Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Marie Laufiso	Property Owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Community Building Trust - Trust Owner of 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.
	Board Member	Otago Mental Health Trust	Potential grants applicant which would result in pecuniary interest. Duty to Trust may conflict with duties of Council Office	Do not participate in consideration of grants applications. If the meeting is in confidential, to leave the room.
	Trustee	Brockville Community Support Trust	Potential grants recipient	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Trustee	Corso Ōtepoti Dunedin Trust	Potential grants recipient	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Member	Dunedin Manufacturing Holdings Inc	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	National Secretary	P.A.C.I.F.I.C.A Inc	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Dunedin Branch Treasurer	P.A.C.I.F.I.C.A Inc	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Dunedin Branch delegate to Arai Te Uru Marae Council	P.A.C.I.F.I.C.A Inc	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Green Party of Aotearoa New Zealand	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Age Concern (Council appointment)	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	Dunedin Refugee Steering Group (Council appointment)	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	Dunedin Fair Trading Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Deputy Chair	Grants Subcommittee	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Social Well Being Advisory Group (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Committee Member	Dunedin Multi-Ethnic Council	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Mike Lord	Trustee	ML Lord Family Trust - Owner of Residential Properties - Dunedin	Duty to Trust may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Otago Rural Support Trust	Duty to Trust may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Federated Farmers Charitable Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Shareholder	Fonterra	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Federated Farmers	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Mosgiel Rotary Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Mosgiel RSA	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	National Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Federated Farmers Charitable Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Various publicly listed companies	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Otago Rural Support Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Strath Taieri Community 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	District Licensing Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Jim O'Malley	Owner	Biocentrix Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Mosgiel Association Football Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Ocho Newco Limited	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.
	Owner	Ayrmed Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Ice Sports Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Manufacturing Holdings	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Ice Sports Dunedin Incorporated (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Member	Connecting Dunedin (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	Tertiary Precinct Planning Group (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.
Jules Radich	Shareholder	Izon Science Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Taurikura Drive Investments Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Shareholder	Golden Block Developments Ltd	The Auditor General has issued a declaration under section 6(4) of LAMIA allowing Cr Radich to participate on the grounds that it is in the interests of the electors and inhabitants of the area that he be allowed to do so. The declaration applies to the Council meeting on 25 May 2020 and to discussion and deliberations on the Annual Plan 2020/21 up to and including the adoption of the Annual Plan	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Cambridge Terrace Properties Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Southern Properties (2007) Ltd	The Auditor General has issued a declaration under section 6(4) of LAMIA allowing Cr Radich to participate on the grounds that it is in the interests of the electors and inhabitants of the area that he be allowed to do so. The declaration applies to the Council meeting on 25 May 2020 and to discussion and deliberations on the Annual Plan 2020/21 up to and including the adoption of the Annual Plan	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Golden Centre Holdings Ltd	The Auditor General has issued a declaration under section 6(4) of LAMIA allowing Cr Radich to participate on the grounds that it is in the interests of the electors and inhabitants of the area that he be allowed to do so. The declaration applies to the Council meeting on 25 May 2020 and to discussion and deliberations on the Annual Plan 2020/21 up to and including the adoption of the Annual Plan	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	IBMS Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Raft Holdings Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Otago Business Coaching Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Effectivise Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Athol Street Investments Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Allandale Trustee Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Aberdeen St No2 Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	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 Gallery Society (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Road Safety Action Plan	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tertiary Precinct Planning Group (Council appointment - alternate)	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.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Chris Staynes	Chairman	Cargill Enterprises	Contractor and service provider to DCC	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room.
	Director	Wine Freedom	Supplier to DCC	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room.
	Patron	Otago Model Engineering Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Balmacewen Lions Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Otago Southland Manufacturers Association Trust	Possible co-funder of ED project. Duties to the Trust may conflict with duties of Council	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Deputy Chair	Cancer Society of Otago/Southland	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Past President	Patearoa Golf Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	President	Balmacewen Lions	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	CJ and CA Staynes Family Trust - Property Owner - Dunedin and Patearoa	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	George Street Wines Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Saddle Hill Investment Trust Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	NZ Association of Amateur Radio and Transmitters	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Board Member	Otago Museum Trust Board (Council appointment)	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Trustee	Theomin Gallery Trust (Council appointment)	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Chairman	Grow Dunedin Partnership (Council appointment)	Duties may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Dunedin Shanghai Association (Sister City Society) (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Social Well Being Advisory Group (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Local Government New Zealand Zone 6 Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Lee Vandervis	Director	Lee Vandervis, Antonie Alm-Lequeux and Cook Allan Gibson Trustee Company Ltd - Residential Property Ownership - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Bunchy Properties Ltd - Residential Property Ownership - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Vandervision Audio and Lighting - Hire, Sales and Service Business	May contract and provide service to DCC	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Member	Otago Museum Trust Board (Council appointment)	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Member	District Licensing Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chair	Dunedin Heritage Fund Trust (Council appointment)	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
Steve Walker	Chairperson	Dunedin Wildlife Hospital Trust	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Chairperson	West Harbour Beautification Trust	Potential conflict WHBT work with Parks and Reserves to co-ordinate volunteer activities	Withdrawal from all West Harbour Beautification Trust/ DCC discussions involving this relationship.
	Member	Orokonui Ecosanctuary	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Member	Port Chalmers Golf Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Keep New Zealand Beautiful	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Member	Society of Beer Advocates	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	New Zealand Labour Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Port Chalmers Historical Society	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	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.
	Member	Dunedin Edinburgh Sister City Society (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Connecting Dunedin (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Te Ao Turoa Partnership (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	Tertiary Precinct Planning Group (Council appointment - alternate)	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.
Andrew Whiley	Owner/Operator	Whiley Golf Inc and New Zealand Golf Travel Ltd	No conflict identified	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Director/Shareholder 22 May 2017	Estate of Grace Limited	No conflict identified	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Trustee	Japek (Family Trust) - Property Ownership - Dunedin	Duties to Trust may conflict with duties of Council Office.	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Member	Otago Golf Club	No conflict identified	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Dunedin South Rotary Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Board Member	New Zealand Professional Golfers Assn	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.
	Member	National Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairman	Volunteering Otago	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	Dunedin Public Art Gallery Society (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Grow Dunedin Partnership (Council appointment - alternate)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	NZ Masters Games Trust Board (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Dunedin Community House Executive Committee	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	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	Otago Peninsula Community Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

PART A REPORTS

WAIPORI FUND - QUARTER ENDING JUNE 2020

Department: Finance

EXECUTIVE SUMMARY

- 1 The attached report from Dunedin City Treasury Limited provide information on the results of the Waipori Fund for the quarter ended 30 June 2020.

RECOMMENDATIONS

That the Committee:

- a) **Notes** the report from Dunedin City Treasury Limited on the Waipori Fund for the quarter ended 30 June 2020.

BACKGROUND

- 2 Not applicable.

DISCUSSION

- 3 Not applicable.

OPTIONS

- 4 Not applicable.

NEXT STEPS

- 5 Not applicable.

Signatories

Author:	Richard Davey - Treasury Manager
Authoriser:	Gavin Logie - Acting General Manager Finance

Attachments

Title	Page
⬇A Waipori Fund - June 2020 Quarter	19

SUMMARY OF CONSIDERATIONS
Fit with purpose of Local Government

This report relates to providing local infrastructure, public services and regulatory functions for the community.

Fit with strategic framework

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

This report has no direct contribution to the Strategic Framework.

Māori Impact Statement

There are no known implications for tangata whenua.

Sustainability

There are no known implications for sustainability.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

This report fulfils the financial reporting requirements for Council.

Financial considerations

Not applicable – reporting only.

Significance

Not applicable – reporting only.

Engagement – external

This report has been prepared for and approved by the Board of Dunedin City Treasury Limited.

Engagement - internal

There has been no internal engagement.

Risks: Legal / Health and Safety etc.

There are no known risks.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

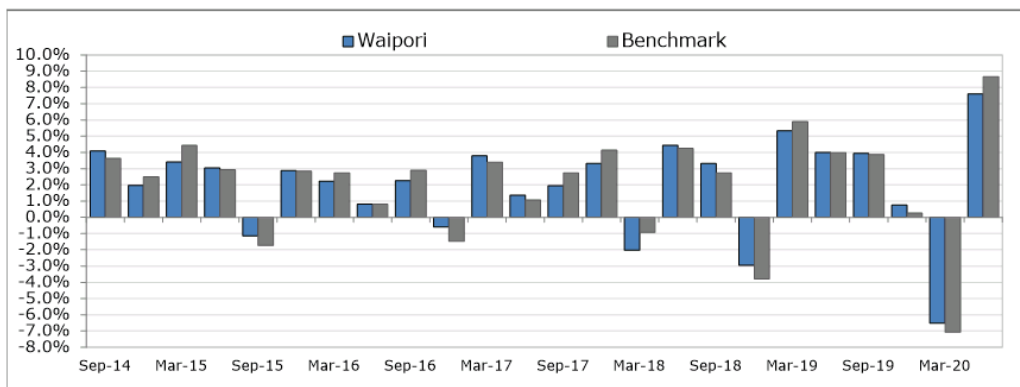
There are no known implications for Community Boards.

Dunedin City Treasury Ltd

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

TO: Chief Executive, Dunedin City Council
FROM: Dunedin City Treasury Ltd
DATE: 23 July 2020
SUBJECT: **WAIPORI FUND - JUNE 2020 QUARTER**

Quarterly Returns vs Benchmark



June 2020 Quarter

It was a very strong quarter for the Fund with a 7.6% gain as equities experienced a strong rally globally after the large fall in the March quarter connected with the onset of the COVID-19 restrictions. New Zealand and Australian Equities were the strongest effected sectors, gaining 18.1% and 14.4%, respectively. The return of 7.6% for the Quarter compares to the Benchmark return of 8.7%.

Fund Returns

Period ended 30 June 2020	Waipori		Benchmark	
	Quarter %	FY %	Quarter %	FY %
NZ Equities (NZ50 Gross)	18.1	9.6	16.9	9.0
Australian Equities (Australian All Ac)	14.4	9.8	22.9	-4.9
Int'l Equities (MSCI World Gross)	10.0	10.0	12.0	7.4
Property Equities (NZ Real Estate)	9.5	-7.5	6.7	-8.3
Short Term Interest (NZ 90 day bb)	0.1	1.3	0.1	1.2
Fixed Interest (NZ Corp Bond Index)	4.0	5.9	3.5	5.8
TOTAL	7.6	5.3	8.7	5.2

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

Investment Profile

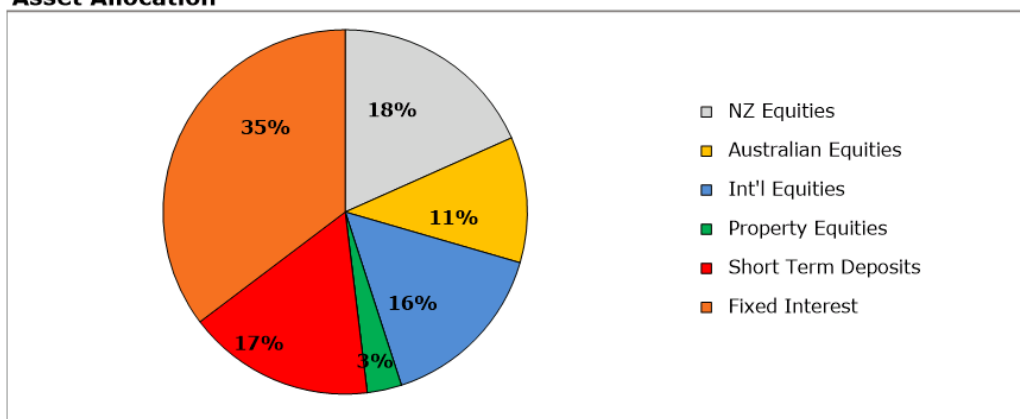
Waipori is diversified across asset classes with 48.1% invested in growth assets (equities and property) and 51.9% invested in income assets (fixed interest investments and short term deposits/cash).

The market value of the investment portfolio as at 30 June 2020 was \$94.1 million.

Summary of Investments

As at 30 June 2020	Market Value	Percentage of Portfolio	Benchmark/Exposure Range*
NZ Equities	17,242,684	18.3	16.0
Australian Equities	10,499,713	11.2	11.0
Int'l Equities	14,589,179	15.5	15.0
Equities	42,331,576	45.0	20.0 - 60.0
Property Equities	2,877,015	3.1	3.0
Property	2,877,015	3.1	0.0 - 10.0
Short Term Deposits	15,640,330	16.6	10.0
Fixed Interest	33,207,294	35.3	45.0
Fixed Interest	48,847,624	51.9	40.0 - 70.0
TOTAL	94,056,215	100.0	100.0

Asset Allocation



Outlook

Following the Reserve Bank's (RBNZ) cut of 0.75% to the Official Cash Rate in March 2020 to 0.25%, expectations of further rate cuts are currently priced into the New Zealand yield curve. Benchmark New Zealand bond and swap yields have continued to trend lower since the onset of COVID-19 as the RBNZ and global central banks have committed staggering amounts of support and stimulus to soften the economic impact of the pandemic.

Equity markets have made large gains in June quarter with the S&P500 rebounding an extraordinary 39.6% from the March lows and the NZX50 rallying 34.7% over the same period. Since the end of June markets have made further gains. A potential cloud on the horizon could be the re-emergence of tensions between the U.S. and China.

If equity markets have rebounded a little too far too fast, this could also be a catalyst for markets to give back some of the gains. In addition global COVID-19 cases are still rising rapidly.

The fund is diversified and has been a long term investor. Accordingly we continue to maintain a long term view. However, we are seeking external advice regarding the equity portfolio to assess whether any changes to asset allocation are warranted at the current time.


Keith Cooper
CHAIR


Olivia White
ASSISTANT TREASURER


Richard Davey
TREASURY MANAGER

WAIPORI FUND PERFORMANCE VERSUS INVESTMENT OBJECTIVES

30 June 2020

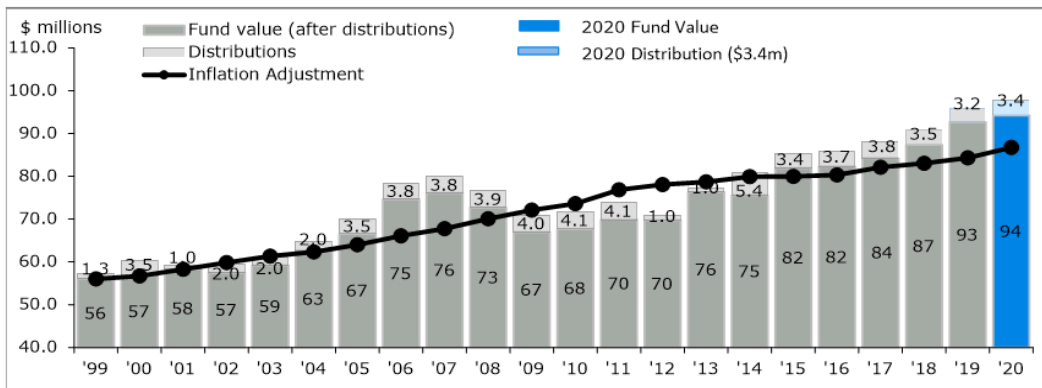
1. INCOME

Objective	2020 Est. Income	2020 Est. Yield	Average Yield	Period Years
The primary objective of the Fund will be to maximise its income, subject always to a proper consideration of investment risk.	\$3,126,418	3.4%	4.5%	21

2. CAPITAL GROWTH

Objective	Fund Value 30 Jun 2020	Revised Capital Base	Achieved
Subject to the income distribution needs of the Council and the provisions for capital protection, a key objective will be to grow the Fund's capital. Each calendar quarter, the Fund's capital base is to be adjusted by the movement in the CPI as follows: Revised capital base = previous capital base x (1 + quarterly CPI movement)	\$94,219,990	\$86,735,429	✓

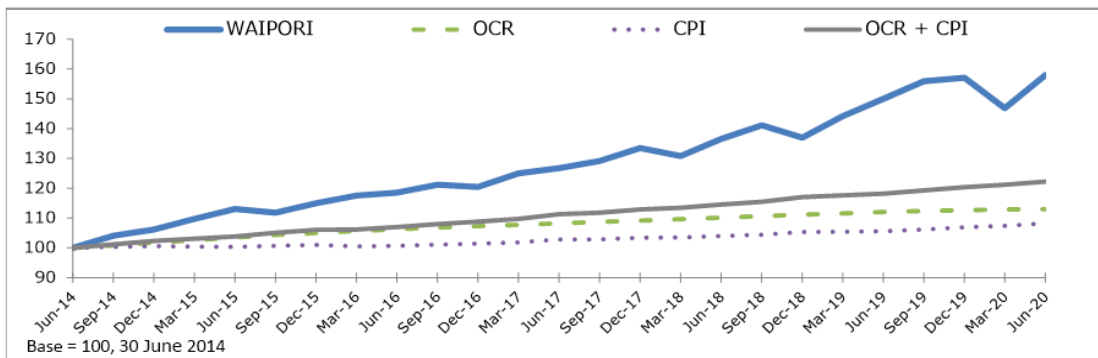
Fund value less distribution (\$3,389,050)



3. TOTAL RETURN (Period June 2014 - June 2020)

Objective	Waipori Return*	OCR*	CPI*	OCR + CPI	Achieved	Period Years
The Council envisages a minimum return over the medium to long-term, net of all fees and charges attributable to the Fund, equivalent to the weighted average Official Cash Rate (OCR) plus the movement in the "all groups" Consumer Price Index (CPI).	7.9%	2.1%	1.3%	3.4%	✓	6.00

*Returns annualised



P 3

WAIPORI FUND

Statement of Financial Performance for quarter ended 30 June 2020

Quarter 30-Jun-19	Actual YTD 30-Jun-19		Actual	Quarter Target	Variance	Actual	Year to Date Target	Variance	Target Full Year
		Income							
379,642	1,408,843	Dividends	299,293	430,841	(131,548)	1,269,070	1,451,085	(182,015)	1,451,085
421,410	1,831,400	Interest	294,380	481,808	(187,428)	1,547,819	1,675,333	(127,514)	1,675,333
(16,363)	(332,046)	Surplus on sale of Equities	(338,560)	-	(338,560)	(235,940)	-	(235,940)	-
		Unrealised Gains/(Losses)							
3,007,383	5,854,910	Equities	6,132,970	n.a.	n.a.	1,209,794	n.a.	n.a.	n.a.
(282,898)	(823,394)	Exchange Movements	(528,196)	n.a.	n.a.	742,430	n.a.	n.a.	n.a.
2,724,485	5,031,516	Revaluation of Equities	5,604,774	283,802	5,320,972	1,952,224	1,135,208	817,016	1,135,208
241,191	853,069	Revaluation of Bonds	1,072,825	-	1,072,825	646,412	-	646,412	-
(2,319)	(2,319)	Revaluation of \$AUD Bank A/C	19,089	-	19,089	9,926	-	9,926	-
3,748,046	8,790,463	Total Income	6,951,801	1,196,451	5,755,350	5,189,511	4,261,626	927,885	4,261,626
		less Expenses							
69,028	178,221	Management Fees	-	49,016	(49,016)	-	196,064	(196,064)	196,064
(4,811)	41,025	Equity Management Advice	59,281	11,213	48,068	241,106	44,850	196,256	44,850
-	111	Bank Fees	37	30	7	133	120	13	120
64,217	219,357	Total Expenses	59,318	60,259	(941)	241,239	241,034	205	241,034
3,683,829	8,571,106	Net Surplus/(Deficit)	6,892,483	1,136,192	5,756,291	4,948,272	4,020,592	927,680	4,020,592

Targets are calculated based on assumptions of returns for each asset class by Craigs' Investment Partners and current yields.
Targets do not split out contribution from market and exchange movements.

WAIPORI FUND

Statement of Movement in Principal of Fund
For Period to 30 June 2020

30-Jun-19		30-Jun-20
56,000,000	Principal	56,000,000
	Inflation Adjustment Reserve	
27,007,797	Opening Balance	28,302,895
1,295,098	Transfer from Retained Earnings	2,432,535
28,302,895	Closing Balance	30,735,430
	Retained Earnings	
4,281,796	Opening Balance	8,357,804
8,571,106	Net Surplus/(Deficit)	4,948,272
(1,295,098)	Transfer to Inflation Adjustment Reserve	(2,432,535)
(3,200,000)	Distribution to Council	(3,389,050)
8,357,804	Closing Balance	7,484,491
92,660,699	Total Fund at End of the Period	94,219,921
92,660,699		

Statement of Financial Position As at 30 June 2020

30-Jun-19		30-Jun-20
	Current Assets	
387,272	Bank Account	1,677,308
306,821	Debtors	272,953
12,072,818	Short Term Investments	13,963,022
12,766,911	Total Current Assets	15,913,283
	Investments	
44,143,582	Equities	45,208,591
35,848,678	Term Financial Instruments	33,207,294
79,992,260	Total Investments	78,415,885
92,759,171	Total Assets	94,329,168
	less	
98,469	Current Liabilities	
98,472	Accruals	109,247
	Total Current Liabilities	109,247
92,660,699	Total Value of Fund	94,219,921

FINANCIAL RESULT - YEAR ENDED 30 JUNE 2020

Department: Finance

EXECUTIVE SUMMARY

- This report provides the financial results for the year ended 30 June 2020 and the financial position as at that date.

\$ Million	Actual	Budget	Variance		Last Year
Revenue	308.696	317.019	(8.323)	U	314.966
Expenditure	313.239	312.214	(1.025)	U	301.104
Net Surplus/(Deficit) excluding Waipori	(4.543)	4.805	(9.348)	U	13.862
Waipori Fund Net	4.948	5.042	(0.094)	U	8.571
Net Surplus/(Deficit) including Waipori	0.405	9.847	(9.442)	U	22.433
Capital Expenditure	92.319	124.958	32.639		101.284
Debt					
Short Term Borrowings	-	-	-		-
Term Loans	243.973	268.473	24.500	F	218.473
Total Debt	243.973	268.473	24.500	F	218.473

RECOMMENDATIONS

That the Council:

- a) **Notes** the Financial Performance for the year ended 30 June 2020 and the Financial Position as at that date.
- b) **Notes** that the year end result is subject to final adjustments and external audit by Audit New Zealand.

BACKGROUND

- 2 This report provides the financial statements for the year ended 30 June 2020. It includes reports on: financial performance, financial position, cashflows and capital expenditure. The operating result is also shown by group, including analysis by revenue and expenditure type.

DISCUSSION

- 3 The full year unfavourable revenue variance included the impact of the nationwide lockdown with a number of operating units recording little or no income in the month of April, flowing into May. The variance also included the previously reported reduced activity at the Green Island Landfill and lower parking revenue.

Grants revenue was also less than budget due to the lower than expected capital expenditure on roading projects.

These unfavourable variances were partially offset by an unbudgeted dividend from Civic Assurance and unbudgeted revenue from the Provincial Growth Fund for economic development initiatives.

Contributions revenue was also greater than budget primarily due to a higher than budgeted level of vested assets.

- 4 Overall expenditure was an unfavourable spend of \$1.025 million.

The unfavourable variances included:

- higher depreciation following the revaluation of Transport and Three Waters assets,
- higher personnel costs due to additional staffing required to support the delivery of 2GP. Personnel costs were also impacted by an increase in the liability for annual leave due to the current restrictions on travel and staff electing to defer their holiday plans,
- higher grants & subsidies due to the payment of \$500k in relation to the planned hockey turf at Kings High School originally budgeted in the 2017/2018 financial year,
- an increase in the aftercare provision related to the Green Island Landfill.

The unfavourable variances were partially offset by:

- lower than expected costs associated with Parks maintenance contracts (reserves, buildings and other facilities) resulting from the nationwide lockdown and improved management of scheduled and unscheduled spending,
 - lower variable costs resulting from the reduced landfill activity,
 - favourable interest costs due to a lower level of borrowing and favourable floating interest rate.
- 5 The full year Waipori result was close to budget with a significant degree of recovery in April/May following the initial market decline that occurred in March.
- 6 Capital expenditure ended the year below budget with delays for a number of projects including limited expenditure during the nationwide lockdown.

OPTIONS

- 7 Not applicable.

NEXT STEPS

- 8 Not applicable.

Signatories

Author:	Lawrie Warwood - Financial Analyst
Authoriser:	Gavin Logie - Acting General Manager Finance

Attachments

	Title	Page
↵A	Summary Financial Information	27
↵B	Statement of Financial Performance	28
↵C	Statement of Financial Position	29
↵D	Statement of Cashflows	30
↵E	Capital Expenditure Summary	31
↵F	Summary of Operating Variances	32
↵G	Financial Review	33

SUMMARY OF CONSIDERATIONS
Fit with purpose of Local Government

The financial expenditure reported in this report relates to providing local infrastructure, public services and regulatory functions which contribute to the well-being of the community.

Fit with strategic framework

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

This report has no direct contribution to the Strategic Framework, although the financial expenditure reported in this report has contributed to all of the strategies.

Māori Impact Statement

There are no known impacts for tangata whenua.

Sustainability

There are no known implications for sustainability.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

This report fulfils the internal financial reporting requirements for Council.

Financial considerations

Not applicable – reporting only.

Significance

Not applicable – reporting only.

Engagement – external

There has been no external engagement.

Engagement - internal

The report is prepared as a summary for the individual department financial reports.

Risks: Legal / Health and Safety etc.

There are no known risks.

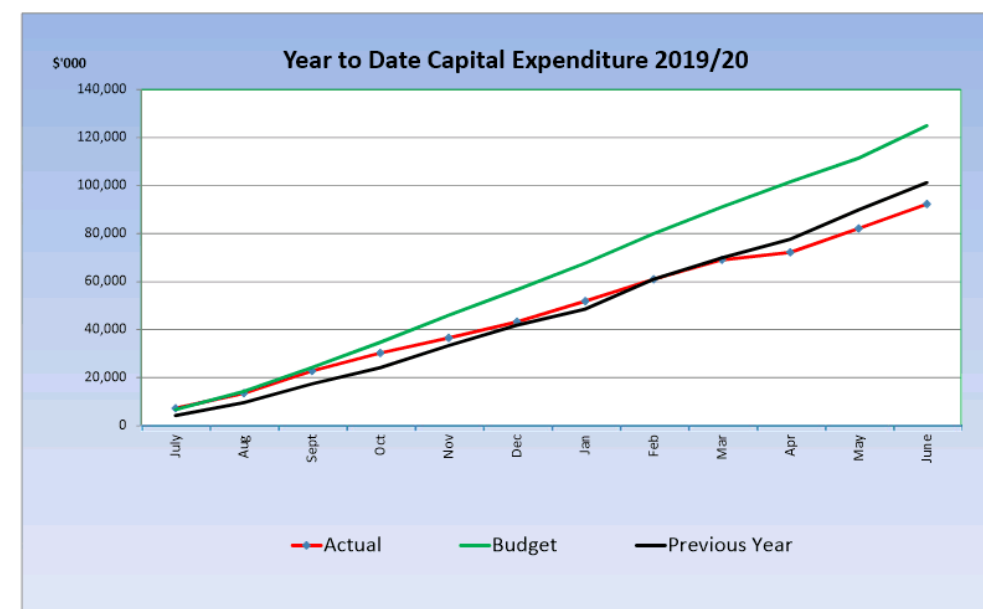
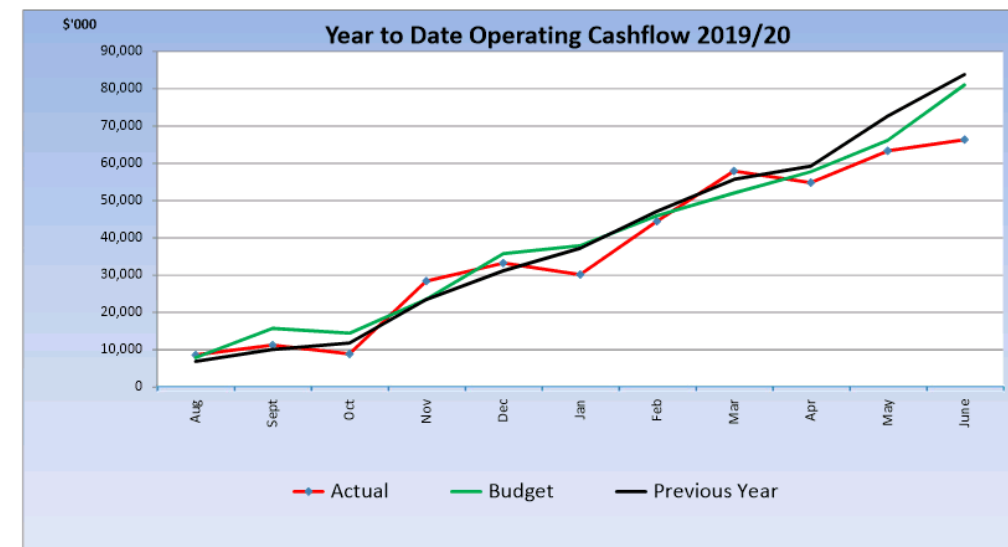
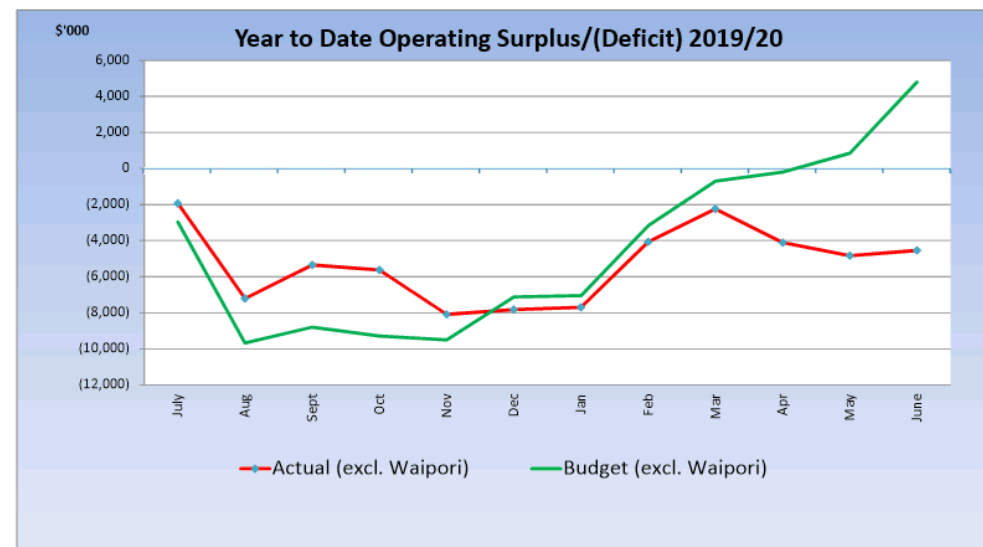
Conflict of Interest

There are no known conflicts of interest.

Community Boards


There are no known implications for Community Boards.


DUNEDIN CITY COUNCIL SUMMARY FINANCIAL INFORMATION AS AT 30 JUNE 2020





Borrowing Metrics	LGFA Target		Actual	Budget
Interest as a % rates revenue	< 30%	*	6.4%	8.2%
Interest as a % total revenue	< 20%	*	3.7%	4.6%
Debt % annualised revenue	250.0% Max.		89.3%	95.3%


* represents the ability to fund interest costs from revenue

<p style="text-align: center;">DUNEDIN CITY COUNCIL Statement of Financial Performance For the Year Ending 30 June 2020 Amount : \$'000</p>									
									
Mth Actual	Mth Budget	Mth Variance			Full Year Actual	Full Year Budget	Full Year Variance		LY Full Year Actual
REVENUE									
13,330	13,589	259 U		Rates Revenue	156,967	156,711	256 F		149,312
91	72	19 F		Rates Penalties	766	860	94 U		937
5,995	6,976	981 U		Other Operating Revenue	69,446	77,452	8,006 U		77,529
4,054	3,215	839 F		Grants	40,052	43,359	3,307 U		45,519
5,004	2,569	2,435 F		Contributions	6,116	3,332	2,784 F		5,992
2,924	2,939	15 U		Internal Revenue	35,349	35,305	44 F		35,677
31,398	29,360	2,038 F		TOTAL REVENUE	308,696	317,019	8,323 U		314,966
EXPENDITURE									
6,386	5,374	1,012 U		Personnel Costs	67,488	64,973	2,515 U		62,353
7,804	5,825	1,979 U		Operations & Maintenance	67,782	71,154	3,372 F		69,064
662	957	295 F		Occupancy Costs	24,825	24,595	230 U		23,169
3,551	2,819	732 U		Consumables & General	24,634	24,888	254 F		22,548
1,161	520	641 U		Grants & Subsidies	10,095	9,482	613 U		9,226
2,926	2,912	14 U		Internal Charges	35,349	35,305	44 U		35,677
8,169	5,747	2,422 U		Depreciation	73,052	68,984	4,068 U		68,597
451	1,254	803 F		Interest	10,014	12,833	2,819 F		10,470
31,110	25,408	5,702 U		TOTAL EXPENDITURE	313,239	312,214	1,025 U		301,104
288	3,952	3,664 U		NET SURPLUS (DEFICIT) EXCLUDING WAIPORI	(4,543)	4,805	9,348 U		13,862
1,075	419	656 F		Add Waipori Fund Net Operating Result	4,948	5,042	94 U		8,571
1,363	4,371	3,008 U		NET SURPLUS (DEFICIT) INCLUDING WAIPORI	405	9,847	9,442 U		22,433

DUNEDIN CITY COUNCIL Statement of Financial Position As at 30 June 2020 Amount : \$'000			
 DUNEDIN kaunihera CITY COUNCIL a-rohe o ōtepoti			
As at 30-Jun-19		As at 30-Jun-20	Budget 30-Jun-20
	Current Assets		
11,905	Cash and Deposits	15,362	6,417
19,891	Sundry Debtors	23,534	16,664
7,723	Short Term Investments	7,163	6,114
1,287	Assets held for Resale	-	-
288	Inventories	352	260
41,094	Total Current Assets	46,411	29,455
	Non Current Assets		
316,066	Investments	317,044	321,974
3,041,852	Fixed Assets	3,066,599	3,128,171
3,357,918	Total Non Current Assets	3,383,643	3,450,145
3,399,012	TOTAL ASSETS	3,430,054	3,479,600
	Current Liabilities		
13,005	Sundry Creditors	13,284	10,000
31,162	Accrued Expenditure	36,139	29,862
-	Short Term Borrowings	-	-
4,265	Derivative Financial Instruments	2,052	1,316
48,432	Total Current Liabilities	51,475	41,178
	Non Current Liabilities		
218,973	Term Loans	243,973	268,473
11,421	Other Non-Current Liabilities	12,430	9,683
230,394	Total Non Current Liabilities	256,403	278,156
278,826	TOTAL LIABILITIES	307,878	319,334
3,120,186	COUNCIL EQUITY	3,122,176	3,160,266
3,399,012		3,430,054	3,479,600
	Statement of Change in Equity		
3,052,940	Opening Balance	3,120,186	3,111,216
22,433	Operating Surplus (Deficit)	405	9,847
-	Income Tax	-	-
42,280	Movements in Reserves	(628)	36,833
2,533	Adjustment Derivatives	2,213	2,370
3,120,186		3,122,176	3,160,266

<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> DUNEDIN CITY COUNCIL Statement of Cashflows For the Year Ending 30 June 2020 Amount : \$'000 </div> <div style="text-align: right;">  DUNEDIN kaunihera CITY COUNCIL a-rohe o ōtepoti </div> </div>			
	Full Year Actual	Full Year Budget	LY Full Year Actual
Cash Flow from Operating Activities			
<i>Cash was provided from operating activities</i>			
Rates Received	156,509	156,555	150,163
Other Revenue	100,246	121,530	116,532
Interest Received	7,563	8,041	8,106
Dividend Received	1,661	1,509	1,519
Income Tax Refund	1,248	450	1,174
<i>Cash was applied to</i>			
Suppliers and Employees	(191,276)	(193,913)	(182,531)
Interest Paid	(9,572)	(13,088)	(11,118)
Net Cash Inflow (Outflow) from Operations	66,379	81,084	83,845
Cash Flow from Investing Activities			
<i>Cash was provided from investing activities:</i>			
Sale of Assets	731	120	508
Reduction in Loans & Advances	-	-	-
Reduction in Investments	4,499	-	4,719
<i>Cash was applied to:</i>			
Increases in Loans & Advances	-	-	-
Increase in Investments	(2,550)	(2,550)	(2,550)
Capital Expenditure	(90,602)	(121,901)	(98,195)
Net Cash Inflow (Outflow) from Investing Activity	(87,922)	(124,331)	(95,518)
Cash Flow from Financing Activities			
<i>Cash was provided from financing activities:</i>			
Loans Raised	-	-	-
Increase in Short Term Borrowings	54,000	46,000	45,500
<i>Cash was applied to:</i>			
Loans Repaid	-	-	(412)
Decrease in Short Term Borrowings	(29,000)	(3,000)	(27,000)
Net Cash Inflow (Outflow) from Financing Activity	25,000	43,000	18,088
Total Increase/(Decrease) in Cash	3,457	(247)	6,415
Opening Cash and Deposits	11,905	6,664	5,490
Closing Cash and Deposits	15,362	6,417	11,905

<div> <div> DUNEDIN CITY COUNCIL Capital Expenditure Summary by Activity For the Year Ending 30 June 2020 Amount : \$'000 </div> <div>  DUNEDIN kaunihera CITY COUNCIL a-rohe o Ōtepoti </div> </div>					
Description	Full Year Actual	Full Year Budget	Full Year Variance	Over Under Spend	LY Full Year Actual
Arts and Culture	1,152	2,242	1,090	U	1,460
Community and Planning	383	1,789	1,406	U	486
Corporate Services	2,804	5,355	2,551	U	2,967
Enterprise Dunedin	8	-	8	O	6
Property	9,031	17,030	7,999	U	15,885
Parks and Recreation	4,038	10,957	6,919	U	8,753
Customer and Regulatory Services	189	1,364	1,175	U	913
Transport	47,588	55,766	8,178	U	50,599
Waste & Environmental	1,744	1,525	219	O	900
Three Waters	25,382	28,930	3,548	U	19,315
	92,319	124,958	32,639	U	101,284

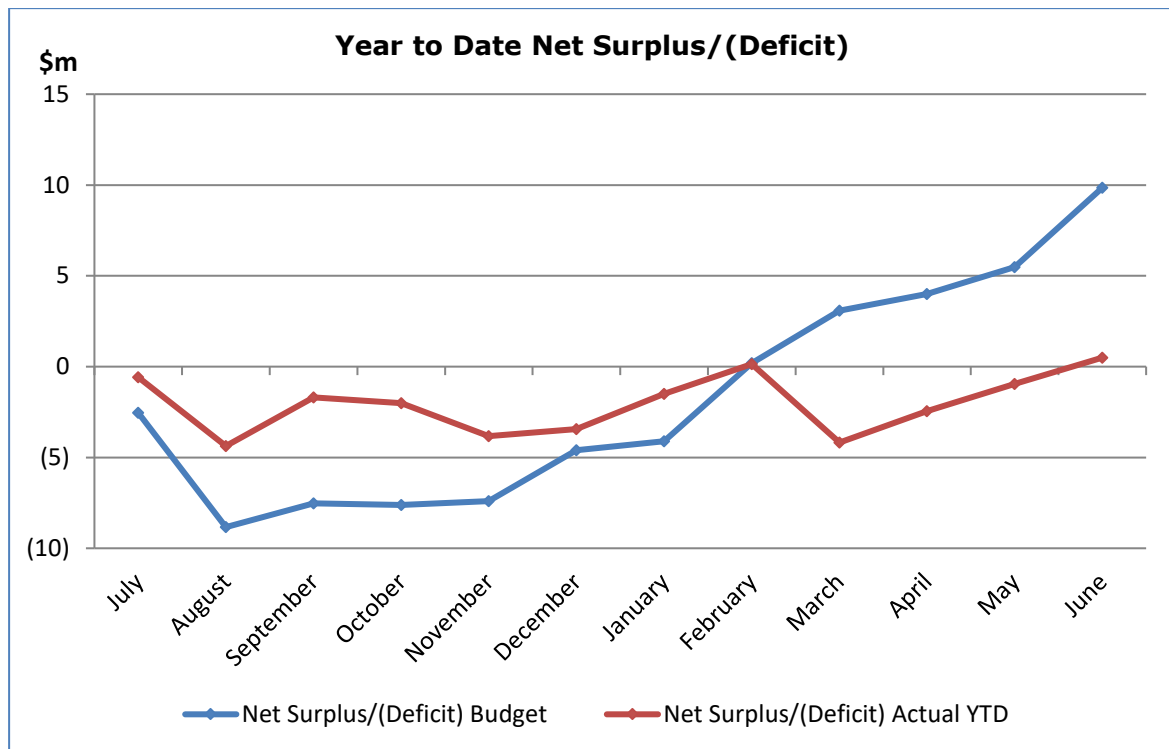
<p style="text-align: center;">DUNEDIN CITY COUNCIL Summary of Operating Variances For the Year Ending 30 June 2020</p> <p style="text-align: center;">Amount : \$'000</p> <p style="text-align: right;"></p>											
Group	Full Year Surplus(Deficit)			Full Year Variance Favourable (Unfavourable)							
	Actual	Budget	Variance	Rates Revenue	Other Ext Revenue	Int Revenue	Staff	Ops & Other Exps	Internal Costs	Interest	Depr'n
Waipori Fund	4,948	5,042	(94)	-	(77)	-	-	(17)	-	-	-
Ara Toi	(133)	-	(133)	-	(398)	11	(152)	548	(1)	-	(141)
Community and Planning	(131)	(75)	(56)	-	180	45	(543)	278	(9)	-	(7)
Corporate Services	784	-	784	-	194	9	(103)	391	13	-	280
Enterprise Dunedin	33	-	33	-	285	2	130	(384)	1	-	(1)
Property	(3,787)	(2,825)	(962)	-	(183)	11	(92)	(580)	(6)	-	(112)
Investment	(5,531)	(4,975)	(556)	162	(2,444)	-	(534)	(563)	4	2,819	-
Otago Museum Levy	(75)	-	(75)	-	-	-	-	(75)	-	-	-
Other	(2)	3	(5) *	-	36	62	(479)	390	(14)	-	-
Parks and Recreation	718	-	718	-	(662)	2	(176)	1,974	24	-	(444)
Customer and Regulatory Services	(474)	2,382	(2,856)	-	(3,021)	(76)	(340)	542	(9)	-	48
Transport	8,795	11,671	(2,876)	-	(1,342)	-	283	70	(53)	-	(1,834)
Waste & Environmental	70	3,672	(3,602)	-	(3,402)	(22)	(7)	(293)	53	-	69
Three Waters	(4,810)	(5,048)	238	-	2,228	-	(502)	485	(47)	-	(1,926)
Total Council	405	9,847	(9,442)	162	(8,606)	44	(2,515)	2,766	(44)	2,819	(4,068)
* Other includes: Corporate Management, Dunedin Centre, Finance, Human Resources and Warm Dunedin											

FINANCIAL REVIEW

For the year ended 30 June 2020

This report provides a detailed commentary on the Council's financial result for the year ended 30 June 2020 and the financial position at that date.

NET SURPLUS/(DEFICIT) (INCLUDING WAIPORI)



The net surplus (including Waipori) for the year ended 30 June 2020 was \$405k or \$9.442 million lower than budget.

REVENUE

The total revenue for the year was \$308.696 million or \$8.323 million less than budget.

The major variances were as follows:

Other Operating Revenue

Actual \$69.446 million, Budget \$77.452 million, Unfavourable variance \$8.006 million

Waste and Environmental revenue was unfavourable \$3.402 million primarily due to lower than expected activity at the Green Island landfill.

Parking Operations revenue was unfavourable \$2.750 million, resulting from delays in implementing the new pricing structure at the start of the financial year, and the budget being over-optimistic with regards to the additional income arising from this pricing structure. The variance also included the impact of providing free parking during/after the period of the nationwide lockdown.

A number of other operating units were impacted by the lockdown and subsequent alert level changes. The main areas included:

- Parking Services with lower level of infringement activity (\$432k).
- Aquatic Services with reduced user fees (\$915k).
- Ara Toi group with reduced visitor activity (\$398k).

These unfavourable variances were partially offset by:

Investment account revenue included an unbudgeted dividend received from Civic Assurance (\$355k).

Enterprise Dunedin revenue was favourable \$285k mainly due to revenue from the Provincial Growth Fund for several initiatives, namely Otago Regional Economic Development, Construction Labour Forecast and the Code of Digital Excellence.

Grants and Subsidies Revenue

Actual \$40.052 million, Budget \$43.359 million, Unfavourable variance \$3.307 million

Transportation revenue was unfavourable \$3.527 million due to the lower than expected capital expenditure for the year including the impact of limited activity in April.

Contributions Revenue

Actual \$6.116 million, Budget \$3.332 million, Favourable variance \$2.784 million

The full year actual included \$4.900 million of vested infrastructure assets versus a budget of \$2.500 million.

EXPENDITURE

The total expenditure for the year was \$313.239 million or \$1.025 million greater than budget.

The major variances were as follows:

Personnel Costs

Actual \$67.488 million, Budget \$64.973 million, Unfavourable variance \$2.515 million

The full year variance reflected additional staffing and staffing cost required to support the delivery of the 2GP and process a higher than expected volume of building consents. The variance also reflected ongoing recruitment of staff into the higher salary grades and a reduction in annual leave taken across the organisation due to the nationwide lockdown resulting in a higher than expected accrued leave as at 30 June 2020.

Operations and Maintenance Costs

Actual \$67.782 million, Budget \$71.154 million, Favourable variance \$3.372 million

Parks costs were favourable \$1.693 million partly due to tighter management of scheduled and unscheduled work under the North and South Greenspace contracts. Some living asset, building and paving maintenance costs were also deferred. Contract costs savings attributed to the nationwide lockdown in April and May were estimated to be approx. \$520k across the Greenspace, Ecological and tree maintenance contracts.

Three Waters costs were favourable \$1.078 million partly due to the impact of the nationwide lockdown in April and May. A larger than expected amount of work under the City Care contract was capital in nature, resulting in savings in operational maintenance and contract overhead costs of \$630k. There were also significant treatment savings in testing and chemicals.

Grants and Subsidies Costs

Actual \$10.095 million, Budget \$9.482 million, Unfavourable variance \$613k

Parks costs were unfavourable \$508k due to a grant relating to the Kings hockey turf budgeted in 2017/18 being paid in the 2019/20 year.

Depreciation

Actual \$73.052 million, Budget \$68.984 million, Unfavourable variance \$4.068 million

Depreciation was unfavourable mainly due to revaluation of Transportation and Three Waters assets effective from 1 July 2019.

Interest

Actual \$10.014 million, Budget \$12.833 million, Favourable variance \$2.819 million

Interest expenditure was less than budget primarily due to a favourable floating interest rate applied to the non-fixed interest borrowing, along with a lower loan balance.

WAIPORI FUND NET OPERATING RESULT

Actual \$4.948 million, Budget \$5.042 million, Unfavourable variance \$94k

The Waipori Fund ended the year relatively close to budget following the earlier market decline in March.

STATEMENT OF FINANCIAL POSITION

A Statement of Financial Position is provided as Attachment C.

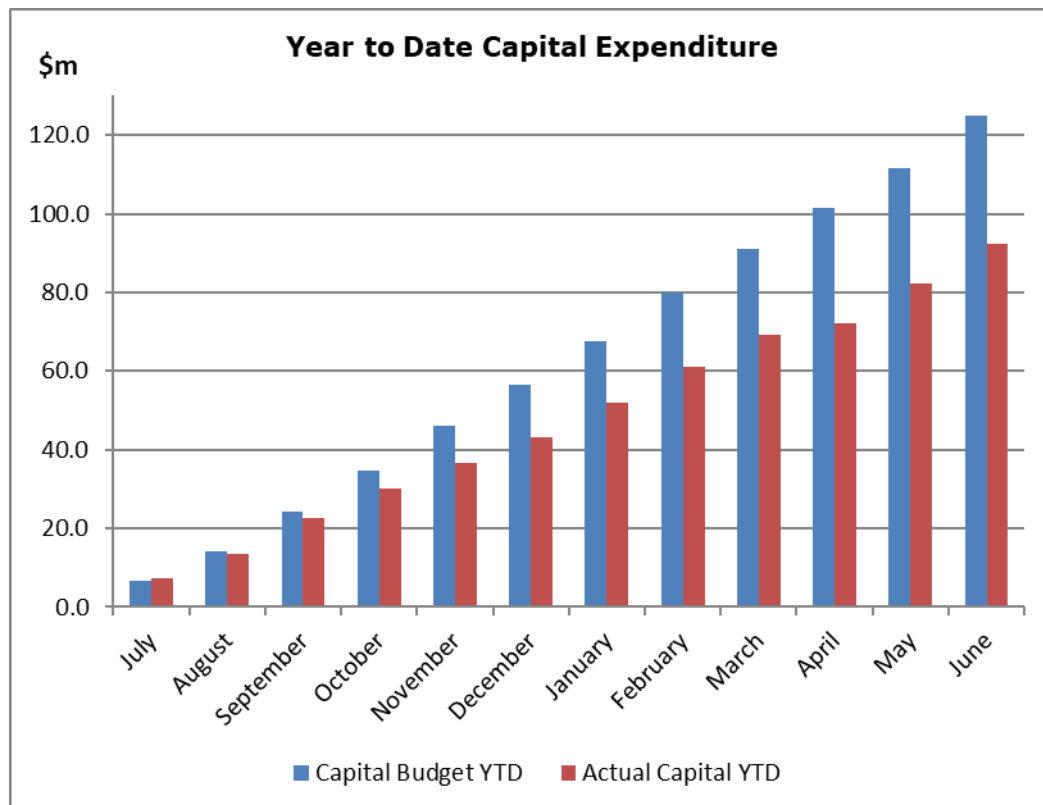
Short term investments of \$7.163 million relate to the Waipori Fund.

Total Debt ended the year below budget following the lower level of capital expenditure, partially offset by the revenue shortfalls discussed above.

CAPITAL EXPENDITURE

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

Total capital expenditure for the year was \$92.319 million or 73.9% of the full year budget of \$124.958 million.



Community Planning capital expenditure was \$1.406 million underspent

There was limited expenditure for the year on the Central City Plan and Citywide Amenity Upgrades.

Corporate Services capital expenditure was \$2.551 million underspent

The underspend was primarily driven by lower than expected expenditure on a number of key IT projects including the Payroll System Replacement, Online Services, and Mobility Solutions, Infrastructure Program and Performance Management System.

Property capital expenditure was \$7.999 million underspent

The underspend was due the delayed timing of projects including the South Dunedin Community Complex, School St and Palmyra Housing Upgrades, Tarpit Renewal, Ice Stadium Roof, Civic Centre Roof Renewal, and the Central Library Refurbishment project.

Parks and Recreation capital expenditure was \$6.919 million underspent

This variance primarily reflected delays in key Aquatics projects (Moana upgrade and the Mosgiel Aquatic centre development) pending finalising of project scope and design.

Transport capital expenditure was \$8.178 million underspent

A number of key projects were underspent for the year, partially driven by the impact of the nationwide lockdown and managed project recommencement in May and June.

Dunedin Urban Cycleways expenditure was underspent \$1.969 million, with expenditure being deferred until 2021 to allow negotiations with Kiwirail to be concluded.

Three Waters capital expenditure was \$3.548 million underspent

The underspend was primarily driven by delays in Mosgiel stormwater renewals while further investigative work on flood risks in Mosgiel is undertaken.

COMMENTS FROM GROUP ACTIVITIES

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

Corporate Services - \$784k Favourable

BIS operating costs were favourable primarily due to project management costs being capitalised to the relevant software projects (including payroll).

Group depreciation was also favourable due to the delayed completion of some key IT projects.

Property - \$962k Unfavourable

External revenue was impacted by reduced rental income during the nationwide lockdown period, partially offset by an unbudgeted net increase in the value of the investment property portfolio.

Operating costs were unfavourable due largely to unbudgeted fire compliance costs for several properties, including the Regent Theatre and Art Gallery, maintenance costs in the Civic Centre, Town Hall air condition systems maintenance and asbestos assessment costs at Toitu Settlers Museum.

Parks and Recreation - \$718k Favourable

Parks costs were favourable due to tighter management of scheduled and unscheduled work under the North and South Greenspace contracts. Some living asset, building and paving maintenance costs were also deferred. Contract costs savings attributed to the nationwide lockdown in April and May were estimated to be approx. \$520k across the Greenspace, Ecological and tree maintenance contracts.

Group revenue was unfavourable primarily due to the impact of the lockdown and subsequent alert level changes in Aquatic Services.

Customer and Regulatory Services - \$2.856 million Unfavourable

Parking Operations and Parking Enforcement revenue was unfavourable due to less than budgeted parking meter revenue partially as a result of delays in implementing the new pricing structure, and the budget being over-optimistic with regards the additional income arising from this pricing structure. The variance also included the impact of providing free parking during/after the period of the nationwide lockdown.

Transport - \$2.876 million Unfavourable

Depreciation was unfavourable as a result of latest revaluation of Transportation assets.

NZTA grants revenue was unfavourable due to lower operational expenditure on both maintenance and subsidised consultants during the nationwide lockdown as well as the underspend on major capital projects and subsidised renewals.

These unfavourable variances were partially offset by unbudgeted vested asset income of \$3.200 million.

Waste and Environmental - \$3.602 million Unfavourable

This variance reflected the net impact of a reduction in commercial tonnage at Green Island Landfill, along with an increase in the aftercare provision related to the landfill.

ITEMS FOR CONSIDERATION BY THE CHAIR

Any items for consideration by the Chair