



Tauranga City

ANNUAL REPORT

PŪRONGO O TE TAU **2019/20**

DRAFT

About this report

This annual report provides a review of the work we carried out from 1 July 2019 to 30 June 2020.

It outlines our operational and financial performance (especially with regards to our budget) and our progress in relation to the second year of our Long-term Plan 2018-2028.

It also provides an overview of our highlights, challenges and future prospects – including our plans to enhance the sustainability of our organisation, our city and the community we serve.

Our audience

This report will be of interest to a broad range of people – including residents, ratepayers, local iwi and hapū, businesses, non-government organisations, our partners, and other government departments and agencies.

Our mayor, councillors and staff will also find information on how well we have performed and how their efforts have contributed to that.

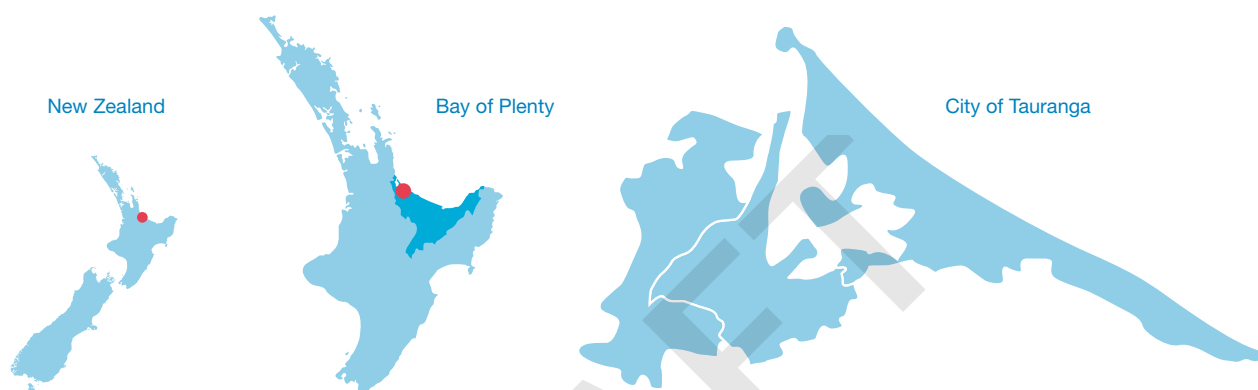
Acknowledgements

We acknowledge the work of the many staff who contributed to this report.



Tauranga

2019/20



13,440
hectares



136,840
people



58,520
homes



3,511
commercial ratepayers



1
university



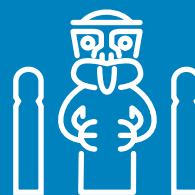
1
polytechnic

**4**

libraries

**6**

iwi

**11**

hapū



More than
600,000m²
of sports fields



14,246
registered dogs

**7**

skateparks

**5**

pool complexes

**7**

boat ramps

**11**

community centres



530km
roads



700km
footpaths, cycle ways,
accessways

XXX

extra figure here



Contents

01 Introduction / Kupu arataki

Whakatauki	
About this report	XXX
Snapshot of our city	XXX
Mayor's message	XXX
Chief executive's review	XXX

02 Year in Review / Te tau kua hipa

Council planning and reporting cycle	XXX
Highlights and challenges	XXX
Our performance snapshot	XXX
Financial overview	XXX
Non-financial performance summary	XXX
City events	XXX
Awards and recognition	XXX
Project Tauranga	XXX
Working with tangata whenua	XXX

03 Civic Leadership / Te whiri mātarāe

Our mayor and councillors	XXX
How we govern	XXX
The committee structure	XXX

04 Our Organisation / Te āhua o te kaunihera

Organisational leadership	XXX
Executive team	XXX
Our stakeholders	XXX
Leadership, learning and development	XXX
Managing risk	XXX
Health, safety and wellbeing	XXX

05 Service performance / Te āhua o ngā ratonga

Our performance	XXX
Groups of activities	XXX

06 Council Controlled Organisations / Ngā whakahaere | Raro | Te mana o te kaunihera

Bay Venues Ltd	XXX
Western Bay of Plenty Tourism and Visitors Trust, trading as Tourism Bay of Plenty	XXX
Local Government Funding Agency Ltd	XXX
Bay of Plenty Local Authority Shared Services	XXX
Tauranga Art Gallery Trust	XXX

07 Financial statements / Pūrongo pūtea

General purpose financial statements	XXX
Special purpose financial statements	
Special schedules	

Disclosures statement / Tauākī puakanga	XXX
--	-----

Auditors Report / Pūrongo a te kaiarotake	XXX
--	-----

Glossary and Index / Kuputaka me ngā kuputahu	XXX
--	-----

Mayor's message

Kia ora koutou. Welcome to Tauranga City Council's annual report for the year to 30 June 2020, which details our performance in working with and for our community.

Photo required

This last year has been different to any other in recent history. The second half of our financial year has been dominated by the substantial negative impact COVID-19 has had on our city. Families, businesses and community groups have all felt the pressure of lockdown and alert level restrictions and the effects they have had on our economy. It is still too early to know whether we are past the worst.

Since New Zealand entered lockdown, we have adapted to work and provide our services in a COVID-appropriate way. Councillors and council staff have utilised technology to work remotely and keep our city moving forward. We have also found new ways to provide support to those who need it most, through initiatives like rent and rate rebates and community grants to organisations which provide crucial community support.

COVID-19 is not the only challenge we have faced this year. We are a relatively new Council – six of the eleven members, myself included, are serving their first term. While it has taken time to develop the ability to work together in a positive and collaborative manner, we have made many decisions which have moved the city forward progressively.

The recent 2020/21 annual plan process demonstrates the successful outcomes that can be achieved when we work together, and I believe we are all committed to working in a way that will ensure the Council continues to perform at a high level.

Tauranga continues to be a popular place to live. We have a beautiful natural environment, enjoy a great lifestyle and benefit from a strong and diverse economy. As in previous years, our growing population continues to put pressure on our infrastructure. We are working to ensure our water supply, transport and waste collection systems are resilient and able to serve our community into the future. This requires a programme of work to ensure we have capacity for Tauranga to grow, while retaining the qualities we all enjoy. Getting the balance right is critical and it's important that we work hard now to ensure we are ready for the growth that is coming our way.

That said, this year has not been defined just by its challenges. We've taken opportunities to enhance our community spaces, engage with our neighbours and had many highlights along the way. There are plenty of successes that we can be proud of.



In the lead up to Christmas last year, we restored the accessibility of the Mauao base track. Short-term repairs to the track in 2017 made it difficult for people with prams or reduced mobility to enjoy. The new council made restoring the track a priority and we got it done quickly, with the track open for the peak summer period and completed by February this year. Importantly, this work was completed at just 13 percent of the budgeted cost. Over 170,000 people walked the base track between January and March this year enjoying the beautiful views of the ocean and Matakana Island.

Council has also worked hard to develop effective and enduring relationships with central government, our regional partners, iwi, and special interest community groups. These important relationships are stronger now than ever before and this will pay future dividends for the residents and city of Tauranga. The signing of the SmartGrowth partnership agreement, and confirmation that government Ministers will sit at the table, is testimony to what can be achieved in short order through collaboration and professional working relationships.

We also invested significant time and energy in helping to form the Urban Form and Transport Initiative with Waka Kotahi NZ Transport Agency and our regional partners and, together, we will coordinate a unified plan for growth in the western Bay of Plenty sub-region. We have agreed a plan of work that will see \$7 billion invested in housing, urban development, transport and education over the next 50 years. By coordinating our planning and responses, we will be better placed to overcome our shared challenges.

As part of our strategic planning, staff submitted a range of 'shovel ready' infrastructure projects for inclusion in the

Government's post-pandemic economic stimulus investment package. This hard work has paid off with a \$45 million grant awarded to Tauranga City Council in August 2020, for the redevelopment of Cameron Road from the hospital to the city centre. We are hopeful there may be more project funding to come and heartened to see grants being awarded across the Bay.

Looking ahead, we are already working on our draft 2021-31 Long-term Plan and have a number of large infrastructure projects in the pipeline. I encourage you to get involved and share your views with us as we work through this important process, because your input helps us to develop and refine our plans and ensure the projects and activities they deliver are fit for purpose, will meet the community's needs and will serve us well into the future.

Working collaboratively with and for our community is the key to helping Tauranga recover and grow into the city we all want it to be. I am excited by the challenges ahead, and by what we can achieve together in the coming year.

Nga mihi nui

Signature required

Tenby Powell
Mayor of Tauranga City

Statement of compliance

The Council of Tauranga City Council hereby confirms that all statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

The Annual Report and the Audited Financial Statements of Tauranga City Council, together with the report of the Audit office, were adopted by Council on 17 September 2019, in compliance with S.98 of the Local Government Act 2002.

Signature required

Tenby Powell
Mayor of Tauranga City

Signature required

Marty Grenfell
Chief Executive

DRAFT

02

Year in review

Te tau kua hipa





Council planning and reporting cycle

Reporting on our progress

Every year council produces an annual report. The annual report provides the community, the mayor and councilors, and the staff with a summary of the work completed by council during the year. The report aims to provide a transparent insight into our operations and decision-making processes.

This annual report covers the period 1 July 2019 to 30 June 2020, which is the second year of our current Long-term Plan 2018-28 (LTP).

In between annual reports, we produce regular reports to our Finance, Audit and Risk Committee to regularly track our progress against targets and budgets.

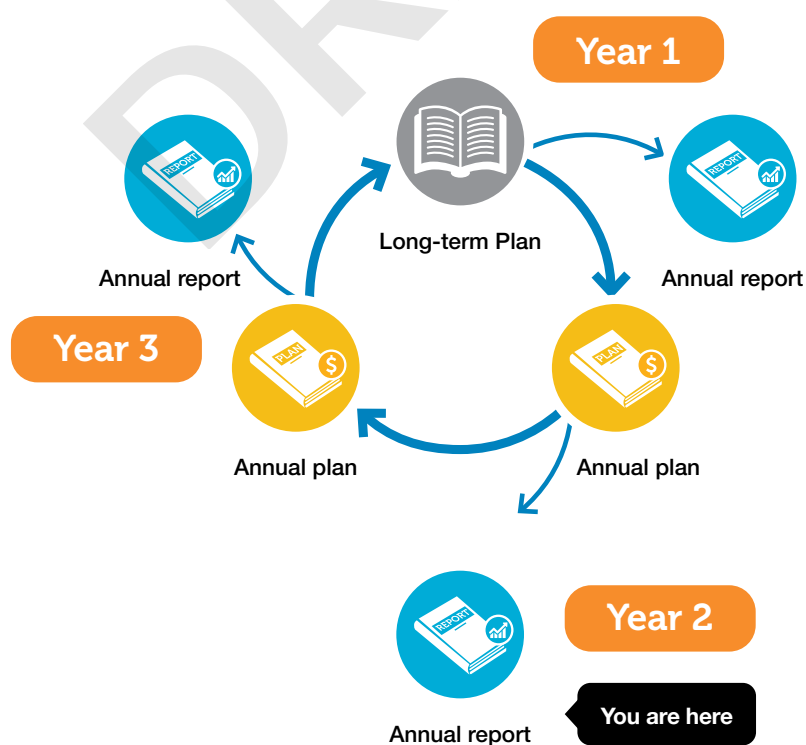
What is a long-term plan?

Every three years we develop a long-term plan in consultation with the community. This sets our vision, direction, budgets and work plans for the following 10 years. The LTP was finalised in June 2018, after substantial community input. The LTP is our lead document and provides detail on all our activities.

It sets out Council's financial strategy, details our performance measures and provides the rationale for delivery of our activities, amongst other things. This should be the first port of call if you require additional information.

What is an annual plan?

In the two years between adopting our LTPs, we develop annual plans. Essentially these plans update what we agreed through the LTP, highlighting the changes to our budgets and workplans for each specific year. For any significant or material changes, we consult with the community. This process allows us to make sure that our budgets and workplans are flexible enough to respond to the needs of our community and the demands of growth.



Highlights and challenges

The past year has seen our council successfully complete a number of projects and initiatives with many more being progressed over the course of the year. We have also had to manage a number of issues and challenges.

Highlights



Restoring the Mauao base track

The Mauao base track was restored close to its original position following a land slip in 2017. The repairs have created a more accessible path around the mountain by removing two sets of stairs. This has improved accessibility to this beautiful part of our city for residents and visitors with reduced mobility and those with prams.

The project was a successful collaboration between the Mauao Trust representing three local iwi and council. While initial plans had costed the repairs at \$4.65 million, this project was completed for less than its revised budget of \$718,600.

Since the initial stage of restoration work was undertaken in December 2019, an estimated 170,000 people have walked the track in the first three months of 2020.



Transfer of 11 Mission Street to Otamataha Trust

The council has transferred ownership of land located within the original Otamataha Pa site to the Otamataha Trust. The transfer is subject to a lease from the Otamataha Trust to the Elms Foundation to allow cultural development of the site.

The land, at 11 Mission Street, holds cultural and historical significance to the people of Tauranga. The council's decision to transfer ownership acknowledges the shared history of the land and ensures it can be enjoyed by future generations.

Highlights



Record economic returns for Anchor AIMS Games

The Anchor AIMS Games made a record high contribution to the Bay of Plenty's economy in 2019. The total estimated contribution was \$6.5 million, up 108 percent since the last economic study undertaken in 2016.

The intermediate-aged tournament drew more than 11,500 entries from around New Zealand and the Pacific Islands. The Tauranga City Council-commissioned study showed 23,775 people attended the event contributed 74,787 visitor nights to the region over the course of the week.



Digital library facilities well used during lockdown

Tauranga City Council's investment in digital resources for our libraries bore fruit during the COVID-19 lockdown. During March and April, the library's online platforms recorded an increase in downloads of e-books of 92 percent over the same period in 2019.

The library's online services include audio and ebooks as well as online learning resources and educational tools. With more than just books on offer, the library's Programming and Partnerships team held 286 events, programmes and presentations in March and April which were enjoyed by 31,198 attendees.



Upswing in use of Kopurererua Valley cycle and walkway

Tauranga City Council officially opened 6 kms of new or upgraded track in the Kopurererua Valley at the start of the financial year. This investment has created a safer and more extensive walking and cycling link between The Lakes (Tauriko) and Tauranga city centre. The project has received great community support. In the first six months since the upgrades were completed, the number of cyclists using the tracks for recreation, exercise and as a transport link each week increased by just over 100% compared to the same period in the previous year.



Shared crossings open

Tauranga's first shared road crossings for pedestrians and cyclists have been in use since February. The first four crossings opened at the intersections of Links Ave, Concord Ave and Farm St near Bayfair in Mount Maunganui. These were followed by two more shared crossings on Ngatai Rd, Otumoetai.

A shared crossing has a standard zebra-type walkway for pedestrians next to a green-painted strip for cyclists.

The new crossings are being introduced as part of a broad range of improvements to make Tauranga safer and better connected. These include widening existing pathways and the construction of low roundabouts that buses can drive over when turning.

Highlights



Durham St upgrade

Durham St and Durham Lane opened to the community last November, providing an attractive and welcoming space to match the street's new University of Waikato building.

The upgrade features 1690 plants with refreshed lighting, wooden benches, a raised road and improved pedestrian access. These enhancements are easy to see, but a lot of work also took place underground to future-proof the area. This included replacing 650m of water pipes, 300m of gas lines and 150m of stormwater pipes, as well as sewer and electrical upgrades.

Durham St is a testament to 16 months of hard work by council staff and contractors – and patience by neighbouring businesses that had fewer visitors while the works were underway.

The payoff is an inner-city space we can all be proud of.



Strengthening relationships

Tauranga City Council has invested in strengthening its relationship with local, regional and central government to facilitate Tauranga's growth. Stronger relationships among local councils will aid in aligning infrastructure and spatial planning strategies across the Bay of Plenty and central North Island.



Fresh strategic direction for transport in Tauranga

Tauranga City Council has undertaken a large range of projects over the last year to improving our transport infrastructure and reduce pressure on our roads. We complete a number of roading projects this year including the Arataki interchange and Ngatai Rd. We also made significant progress on the 15th Ave interchange, Bayfair overpass and the Te Puke Expressway. To reduce pressure on the existing road network, we also invested in public and active transport initiatives. In particular, our Kids Can Ride programme is only the second cycling service education provider in New Zealand to receive an accreditation to BikeReady – New Zealand's national cycling education programme. Kids Can Ride, which follows best-practice standards and guidelines for helping students stay safe when cycling on roads, helps over 4,000 children to improve their cycling safety each year.

Highlights



Council's glass collection service results in an increased rate of glass recycling

An estimated 3,700 tonnes of glass has been collected from Tauranga households in the first full year of Tauranga City Council's kerbside glass collection. Compared to the last full year of private glass collection (2016/17), approximately 1,900 tonnes more glass is being recycled. This is due to the residents separating glass from general waste, cleaner glass, kerbside glass sorting and an improved recycling rate from our third-party provider. Tauranga City Council's kerbside glass collection has a high rate of community support with 88 percent of respondents to our Talking Trash survey saying they were happy with the service.



Waiāri Water Supply Scheme

This major project – one of the biggest we've ever undertaken – achieved several milestones during the year. The Waiāri scheme will provide water to the Papamoa coastal strip/Te Tumu area, easing seasonal pressure on the city's supply while providing a backup for Te Puke. Construction started in March 2018 and is expected to be completed in 2022.

By June this year, about 10km out of 25km of pipe had been completed and foundations were being laid for the facility where water will be taken from the Waiāri stream and pumped uphill to a treatment plant.

A contract for building this plant was expected to be awarded later this year, with construction to begin soon after.



Vital Updates survey helps us to understand our community better

This year we completed our first Tauranga focused research project, Vital Update - Tauranga, in partnership with TECT, the Acorn foundation and Bay Trust. We set out to better understand our residents' wants, needs and aspirations for their suburb and for our city. The findings have reiterated some things that we already know – that people want to protect our beautiful environment and that traffic is an issue – but it has also helped us gain a deeper understanding of who makes up our communities. We now have data on a suburban level and insights from our harder to reach residents, including Māori, rangatahi (youth), kaumātua (ageing population), disabled people and their carers, ethnic communities and newcomers, and people experiencing homelessness. This gives us the ability to use the data to commit support and resources to make a positive change in the areas of our city that need it the most.

Challenges

Harington St Transport Hub

This year we decided to stop building the troubled Harington St Transport Hub and explore ways to recover costs for ratepayers.

Council approved a budget of \$29 million for the 550-car park building in 2017, and work began in June 2018. Construction was well underway when seismic problems were identified in mid-2019. Some \$19 million had already been spent when the difficult decision was made to stop work on the basis that fixing the seismic problems would be 'throwing good money after bad'.

The council's position is that we were entitled to rely upon the professional expertise of the building designer and the design peer reviewer. We are taking legal advice about recovering as much money as possible and we are evaluating the future of the site, including the possibility that the basement could form part of a future development.



Bella Vista

Major developments at Bella Vista included the prosecution of parties associated with the failed development, the removal of 16 houses from the site, the beginning of the sale process, and a report into the role of staff at the subdivision.

In December, we sought 'registrations of interest' from developers in order to obtain the best possible return for ratepayers on the open market. The subdivision is being sold as one package so the buyer can build a retaining wall to suit their plans. The lack of a suitable retaining wall is one reason why the council evacuated the properties and later bought them from affected homeowners.

We paid \$14 million for the properties. This was partially offset by a \$10.55 million insurance payout, and the sale is part of efforts to recover more money for ratepayers. Earlier this year we prosecuted some people who were involved with the subdivision, including the developer. The outcome of this prosecution has yet to be decided. We have also undertaken an employment investigation into the role of council staff at Bella Vista. We are in the process of implementing the recommendations from this investigation.

Challenges



COVID-19 pandemic and lockdowns

The impact of the COVID-19 global pandemic has been strongly felt in Tauranga. Although New Zealand has not suffered the death toll or negative health consequences to the extent of some other countries, our lockdowns and the flow on impact for our communities and economy has been substantial and is expected to be long-lasting.

Tauranga City Council has suffered a substantial reduction in revenue due to a lower than anticipated rates collection, reduced user fees and charges during lockdown and reduced development contributions due to slower development. This has negatively impacted our capacity to borrow cheaply and thereby to fund our recovery and anticipated growth.

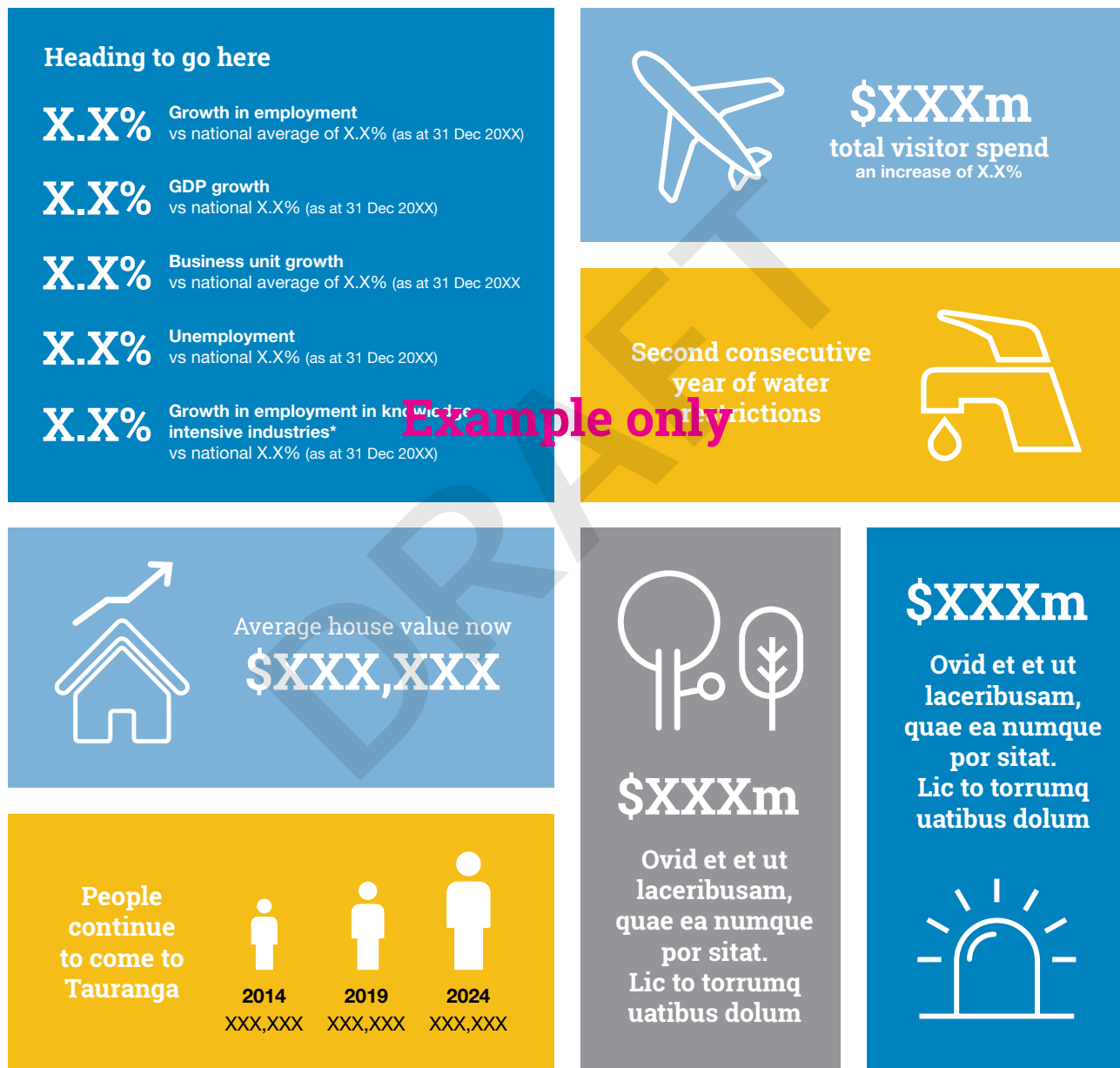
We've worked hard to ensure we can safely provide our services to the community. This has meant temporarily stopping some services and closing down some facilities, moving services online where possible, working from home and conducting council meetings online.

To help soften the blow of lockdown, we provided support to those businesses and community groups most in need. This included:

- a funding pool of up to \$100,000 for user fees and charges hardship exemptions, to be considered on a case-by-case basis;
- rent reductions of 50% to 100% for eligible commercial and residential organisations that lease council land, to June 30;
- a rent reduction of 100% for community organisations and sports groups that lease council land, to June 30; and
- rent relief of 100% for community organisations and 50% for commercial tenants at the Historic Village for the last three months of this financial year.

We acted quickly to put in place a number of practical measures to support the vulnerable. We provided support to local business through a 'buy local' retail campaign and a 'no place like home' hospitality campaign and free parking in the city centre. We also worked with key community groups to create a rapid response fund of over \$600,000 to support community groups caring for those people who are most in need in Tauranga.

Our performance snapshot



Heading to go here

X.X% Growth in employment
vs national average of X.X% (as at 31 Dec 20XX)

X.X% GDP growth
vs national X.X% (as at 31 Dec 20XX)

X.X% Business unit growth
vs national average of X.X% (as at 31 Dec 20XX)

X.X% Unemployment
vs national X.X% (as at 31 Dec 20XX)

X.X% Growth in employment in knowledge
intensive industries*
vs national X.X% (as at 31 Dec 20XX)



\$XXXm
total visitor spend
an increase of X.X%

Second consecutive
year of water
restrictions



Average house value now
\$XXX,XXX



\$XXXm

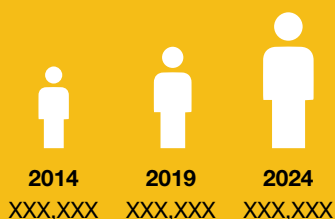
Ovid et et ut
laceribusam,
quae ea numque
por sitat.
Lic to torrumq
uatibus dolum

\$XXXm

Ovid et et ut
laceribusam,
quae ea numque
por sitat.
Lic to torrumq
uatibus dolum



People
continue
to come to
Tauranga



Financial overview

Page reserved for financial overview

DRAFT

Page reserved for financial overview

Page reserved for financial overview

DRAFT

Page reserved for financial overview

Page reserved for financial overview

DRAFT

Page reserved for financial overview

Page reserved for financial overview

DRAFT

Page reserved for financial overview

Page reserved for financial overview

DRAFT

Page reserved for financial overview

Non-financial performance

58%
of measures achieved
86 measures

33%
of measures not
achieved
49 measures (45% were
affected by COVID-19)

9%
of measures unable
to be assessed
13 measures

All targets achieved for 2 activities



Cemeteries



City Planning and
Infrastructure

We exceeded a number of our targets

465 items loaned to schools
through the Hands On
Tauranga service
Target was 275

12
exhibitions/displays of the
heritage collection
Target was 2

24 Community projects
contributed to by Project
Tauranga partners each year
Target was 8

584,632
virtual visits to our libraries
Target was 460,000

121,242
ebooks loaned
Target was 37,000

67,970
participants in programmes
Target was 23,000

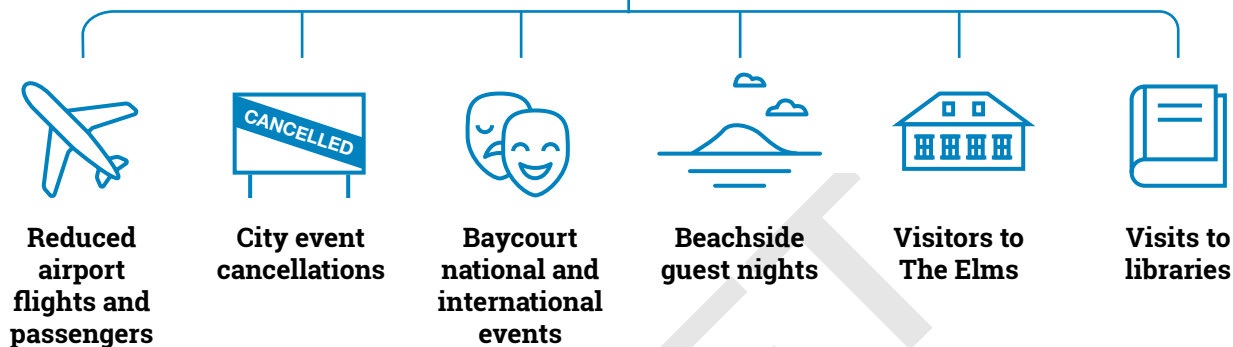
250
programmes imbedding Tauranga
heritage topics or Tikanga Maori
Target was 54

30 min
Median response time to attend a
flooding event (stormwater)
Target was ≤60 min

8,065
participants in school children's
walking and cycling programmes
Target was 5,400

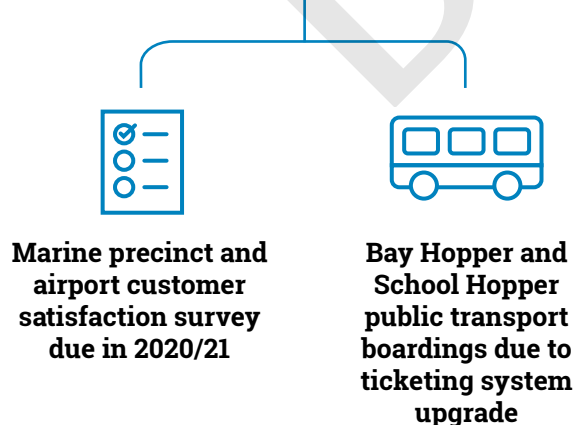
We didn't meet 33% (49) of our targets

45% were affected by COVID-19, including:

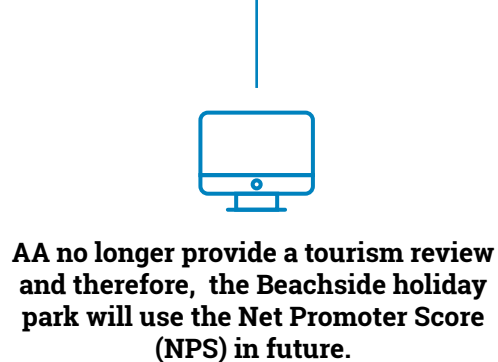


We couldn't assess 9% (13) of our targets for reasons that included

Data not yet available



Source of information no longer available



Non-financial performance summary

We achieved 58% of our non-financial performance measures

We provide a wide range of activities and services for our community, and we strive to deliver the high level of service that our community expects from us.

The Long-term Plan 2018-28 (LTP) sets our performance and 'level of service' targets, as well as the measures we use to assess them. In total, we use 148 measures for our 27 activities.

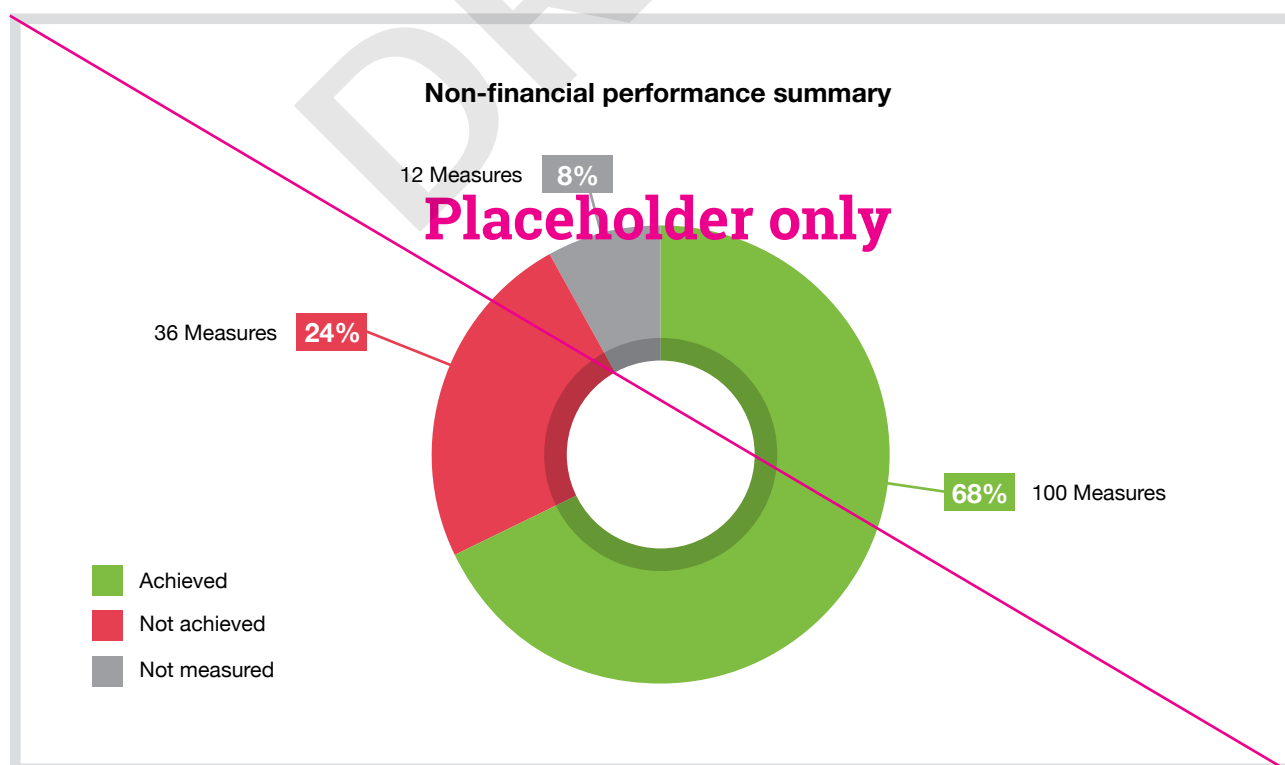
These measures vary greatly depending on the activity. For example, we use bacteriological standards as a measure for drinking water quality and perception-based measures to assess the percentage of residents who feel safe in their neighbourhood after dark.

We measure our performance throughout the year, reporting the results quarterly and annually.

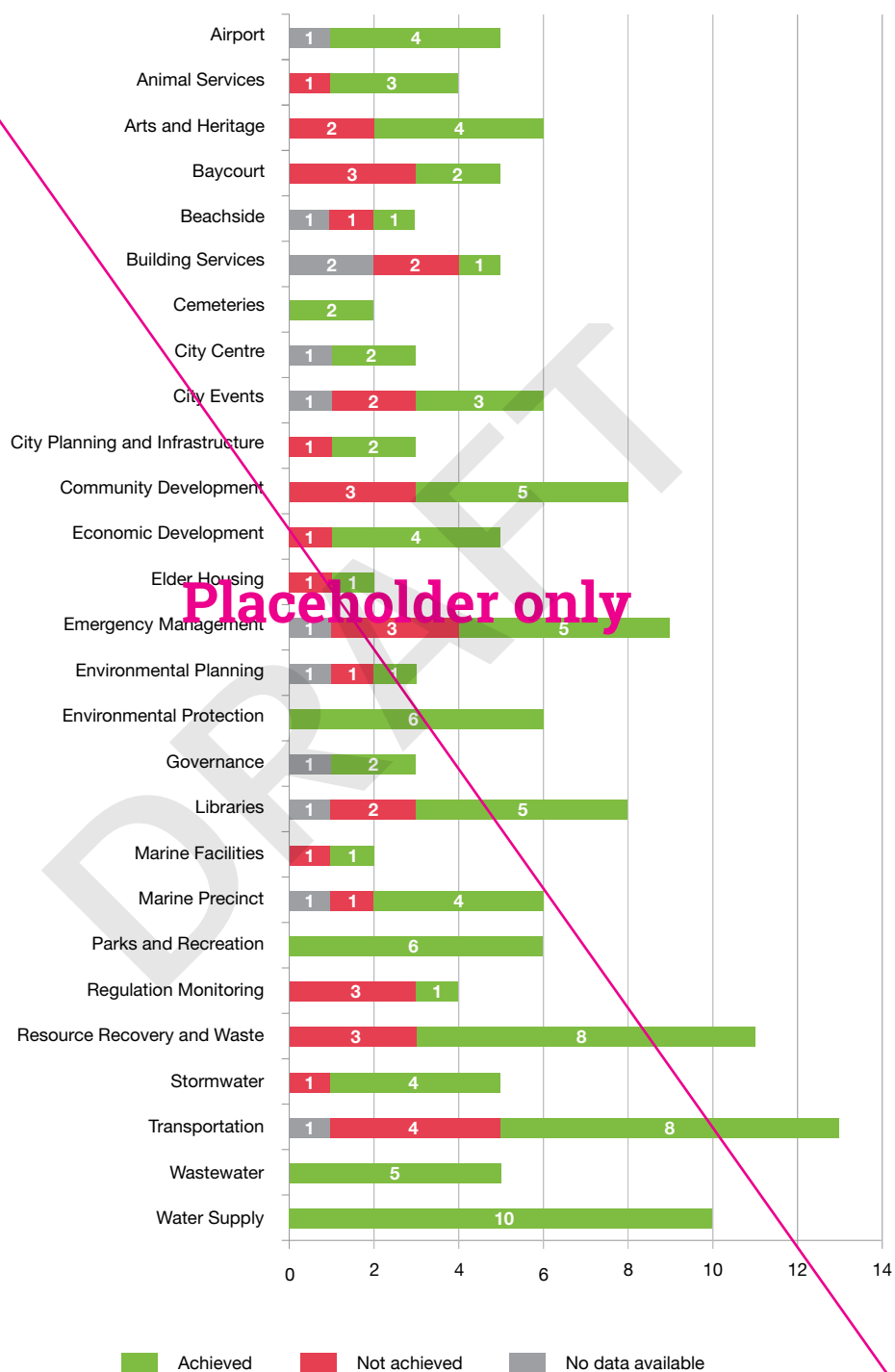
Seven measures in the LTP were changed after resolutions by the Audit, Finance, Risk and Monitoring Committee on 19 February 2019 and 27 November 2019. They relate to arts and heritage, emergency management, and resource recovery and waste. These measures are tabled separately under 'Additional measures monitored' and have been excluded from our overall performance summary.

We have measured and reported on 135 of the 148 non-financial performance measures. We were unable to report on the remaining 13 because data was unavailable (e.g. census data is released every five years) or because there was no directly comparable result from previous years.

Of the measures that have been reported, 86 (58%) are on-track and 49 (33%) are off-track. Of the 49 measures off-track, 22 measures have been affected by COVID-19.



Non-financial performance by activity



City events

Our city experienced a wide range of events over the past year, a number of which we hosted or supported. We had the privilege of hosting top quality sporting events at Blake Park, international music performances at a number of public spaces and worked hard to provide a platform for learning, engaging and entertaining through the COVID-19 crisis.

Mr G HOME exhibition

In partnership with the Tauranga Art Gallery, TCC was proud to present internationally recognised, local artist Graham Hoete (aka Mr G) in his inaugural solo exhibition, Home. Running from November 2019 to February 2020, the exhibition was a celebration of Mr G's identity and deep connection to Tauranga Moana, particularly Motiti and Matakana Islands. More than 18,000 people experienced the exhibition, including hundreds of enthusiastic primary, intermediate and secondary school students. The exhibition received a lot of praise for its education programme, which Mr G was heavily involved with; teacher feedback examples: "so wonderful to have our reo celebrated and normalised here at Te Whare Toi" and "so inspiring for my kids to see an amazing local artist".

First test match at Bay Oval

On 21 November 2019 Bay Oval successfully hosted its first international cricket test match, with the BLACKCAPS claiming victory over World Cup winners England. Bay Oval became New Zealand's ninth test venue, further cementing its place as one of the best cricket grounds in the country.

MyTauranga events in lockdown

Tauranga loves its events. From farmers markets to festivals, and everything in between, there's never been a shortage of things to do in our city. Until COVID-19.

To help local event promoters devastated by COVID-19 lockdowns and keep people entertained, we turned MyTauranga into a curated hub of online performances and workshops. These included art exhibitions, DIY workshops and interactive programs for the kids like the Auckland Philharmonic Orchestra's weekly Make and Do programme. For those missing live gigs, there were events like Pato Entertainment's One Love Garage Project which streamed performances by local and international artists from their lounges straight into ours.

From 14 April until the end of the Level Four lockdown, we listed over 150 events and over 2,122 page views. We also promoted key events through our My Tauranga Facebook page, with our posts reaching a combined audience of 129,056 people.



Calendar of events

2019



Peace day celebrations at Our Place
Double Dragon Noodle Night Markets
Papamoa Polar Plunge



Mt Maunganui Half Marathon
Junior Tough Guy and Gal
Groundswell Festival of Innovation
Turban Up Tauranga



Tauranga Marathon
Cherry Blossom Festival
Anchor AIMS Games
Tarnished Frocks & Divas
Vegan Vibes



Pasifika Festival in the Bay
Mitre10 Cup Rugby double-header
Hot Pink Walk
North Island BMX titles
Diwali
Tauranga Fringe Village
Tauranga STEM festival



Tinman Triathlon
Tauranga Arts Festival
(October – November 2019)
Papamoa Santa Parade
Weetbix Kids Tryathlon
TrustPower Christmas Parade
Orange Day Parade
Mr G: HOME (exhibition at Tauranga Art
Gallery through November to February)
BLACKCAPS vs England Test (first
international cricket Test at Bay Oval)
International Blind Cricket T20 tournament
(Blind Caps vs. Bangladesh)



Christmas in the Park
Mount Monster
TECT National Sevens
Surf Breaker Triathlon
New Year's Eve community events
(Papamoa, Tauranga city centre,
Matua and Greerton)

Calendar of events

2020

JAN

Waterpolo on the Waterfront
Tauranga Sikh Parade
Mount Festival of Multisport
Street Prints Mauao
Fat Freddy's Drop concert

FEB

Generation Homes Women's Triathlon
Cold Chisel concert
Treaty of Waitangi service
One Love Festival
Ben Harper concert
Chinese New Year Festival
Eastern Regional Surf Life Saving Championships
BLACKCAPS ODI matches x2 at Bay Oval

MAR

Marra Sprint Triathlon
Oceans – Surf Life Saving NZ Under 14 National Championships
Dinner en Blanc
Tattoo & Art Extravaganza

APR

ANZAC Day 2020 commemorations -
#standatdawn

MAY

JUN



Awards and recognition

We received the following awards and commendations during 2019/20.

Award	Association	Received for
Domestic Airport – Most Satisfied Customers	Canstar Blue	Tauranga Airport
Commercial Building Waikato/Bay of Plenty Architecture Awards	New Zealand Institute of Architects	Tauranga Airport
Establishing Welcoming Communities accreditation		
Communicating for change	NZI Sustainable Business Network Awards	Save our Pipes from Wipes campaign
Best Team of the Year Award	ALGIM Customer Experience	Tauranga City Council contact centre
Recognition of Excellence Award	Hotelscombined.com	Mount Maunganui Beachside Holiday Park
Gold Sustainable Tourism Business Award	Qualmark	
Best Ad that's not an Ad	Stop Press Award	Out Vote the Boomers campaign with Tauranga Youth Advisory Group
International Safe City Accreditation	Safe Communities Foundation NZ	Tauranga Western Bay Safer Communities Strategic Group
Best Small Venue (under 500 seats)	Entertainment Association of New Zealand Awards	Baycourt Theatre
Supreme Venue of the Year	Entertainment Association of New Zealand Awards	Baycourt Theatre

Project Tauranga

Project Tauranga is a unique programme that encourages organisations to invest in innovative, exciting projects that benefit our community, so that we can get more things done in our rapidly growing city.



Project Tauranga transforms promising ideas into successful ventures by matching our partners' strengths, values and aspirations with great projects. Partners contribute cash, goods or in-kind services – or a mixture of these. Since 2003, the programme has generated millions of dollars in funding and assistance for community projects. It has become a model for council-related philanthropic giving and has fostered a collaborative way of working that has benefits throughout the community.

Project Tauranga partners have had a busy year. They helped protect and improve access to our precious history and archaeology. Partners supported Tauranga to develop its talent and plan our city. They supported artists and art exhibitions, and they promoted and supported community events. Partners cleaned streams and estuaries and educated the children of our community about pollution. They worked to improve our beautiful environment. They

helped the homeless and helped make women and children safe. They supported sports and got more people more active more often. They have helped disabled people get to the beach and ascend Mauao. Partners have built bike tracks in schools and helped make our children safer on the roads.

In short, Project Tauranga partners have worked hard to deliver multiple projects, making Tauranga an even better place to live, work and play.

We would like to extend a warm, heartfelt 'thank you' to all of our partners for their generous support and for making a real difference.

Some of Project Tauranga's high-profile projects are highlighted, but we would like to extend a warm, heartfelt 'thank you' to all of our partners for their generous support and for making a real difference.

Images to go here

For more information visit www.tauranga.govt.nz/community/project-tauranga

Working with Tangata Whenua

Ko Mauao kei waenganui,
Tū i te ao, tū i te pō
Papaki kau ana ngā tai o
te moana o Tauranga.
Ki tai wiwi, ki tai wawa
Ki te whai ao
Ki te ao marama
Tihei Mauriora

Image to go here
possibly?

Firstly we acknowledge the deep and rich history of Tauranga Moana for all that live here and all who have ever lived here, but also for those who are yet to come. Tauranga has been a safe sheltering place for generations and will continue to be so going forward. Working with tangata whenua allows us to learn, understand and share in the amazing stories of Tauranga and to add to those through all of our communities.

The partnership between Tauranga City Council and the tangata whenua of Tauranga Moana continues to grow and develop. As with all relationships there are great times and there are challenging times and this partnership is no different. What we do value though, is the ability to work together to bring about the best opportunities for Tauranga City.

We are fortunate to have a relationship protocol in place with each of our 17 iwi and hapu partners that helps guide how we interact back and forth. We are grateful for the responsiveness of our partners, largely on a voluntary basis, to ensure we are well connected. The input of these representatives adds cultural integrity and depth to Council processes and also enables us to plan for Maori communities and their development.

Te Rangapu Mana Whenua o Tauranga Moana (RMW) is the collective body where these iwi and hapu can meet to discuss common issues and put forward feedback of a collective nature. We are careful to preserve autonomy for iwi and hapu where consensus may not exist so that each entity retains its own voice. This has brought through a stronger and clearer perspective for strategies, policies and projects that Council operates thereby enabling the Maori voice to be heard and considered at a staff level.

The inclusion of tangata whenua representatives at the Council committees have been a key step forward in actively facilitating the Maori voice at the decision-making table. This brings to life our commitment to the principles of the Treaty of Waitangi as further reinforced in the Local Government Act. The caliber of representatives has demonstrated the value add that working in partnership can bring.

Internally, our Maori Relationship Unit Te Pou Takawaenga works hard to support our councillors, staff, contractors and community partners to be well prepared to meet our commitments to our Treaty partners. With strong training and support we can give due regard to the input we receive and truly understand how that can enhance Council processes for better community outcomes.

Here are a few of the highlights achieved this past year:

Nga Kete Matauranga: Cultural Training Suite

Cultural competency across our staff is a key component of building a successful relationship with tangata whenua. With a strong commitment to have staff operating in an environment of cultural safety as well as positioning for strong understanding of kaupapa Maori concepts that can be woven into the operations of the City, we can marry up the best of both worlds. A comprehensive cultural training suite is now available to all staff including five main components:

- Te Kete Whakatau: A personable welcome and introduction to Te Pou Takawaenga and the services on offer which encourages earlier engagement and advice for staff;
- Te Kete-a-Rohe: An enhanced version of the extremely successful Cultural Connections course incorporating more interactive videos leading to stronger retention and understanding. This is important for many staff who have had limited exposure to iwi and hapu;
- Te Kete Korero: A team-based pronunciation course designed to remove language barriers and increase familiarity in Maori environments;
- Te Kete Mahi Pai: A best practice workshop on TCC toolkits, resources and guidelines for Maori engagement designed to build skills and resources that enable stronger interactions and clarity; and
- Te Kete Wananga: A tailored workshop on a marae incorporating pohiri, marae history and protocols, activity based learning and technical workshop blocks.

The combination of these offerings build experience, confidence and understanding for our staff. In turn that leads to greater efficiency with working with tangata whenua and ensures kaupapa maori concepts that will enhance the city can be incorporated into our processes.

11 Mission St

The return of this property in collaboration with the Elms Foundation and Otamataha Trust embodied the opportunity to facilitate and support greater joint interaction for community-wide benefits. At the end of the day, the Elms Foundation and Otamataha Trust have demonstrated their mutual aspirations to reflect the history of Tauranga and a willingness to build upon their relationships to support their joint progress. Our role has been to enable that relationship to continue to build and flourish. Both entities have a story to tell for our city and doing it together sets an example for the future of the community.

Iwi/hapu COVID-19 response

Nothing is ever perfect in an emergency situation but we were extremely proud of the efforts of our iwi, hapu, marae and hauora partners when the community was most at need. Each entity responded in ways unique to themselves and all were active responders on the ground. Council was pleased to facilitate support out to providers and community groups in the form of essential supplies, coordination of support and communication across sectors. Highlights included the joint management of the closure of Mauao and Matapihi Bridge, enabling Maori providers in their areas of highest experience eg facilitating support to papakainga and kaumatua/kuia groups and also the ability to refer the hardest to reach to well-connected providers in the community. Nga mihi aroha ki a koutou katoa.

DRAFT

03

Civic Leadership

Te whiri mātārae



DRAFT

Our Mayor and Councillors

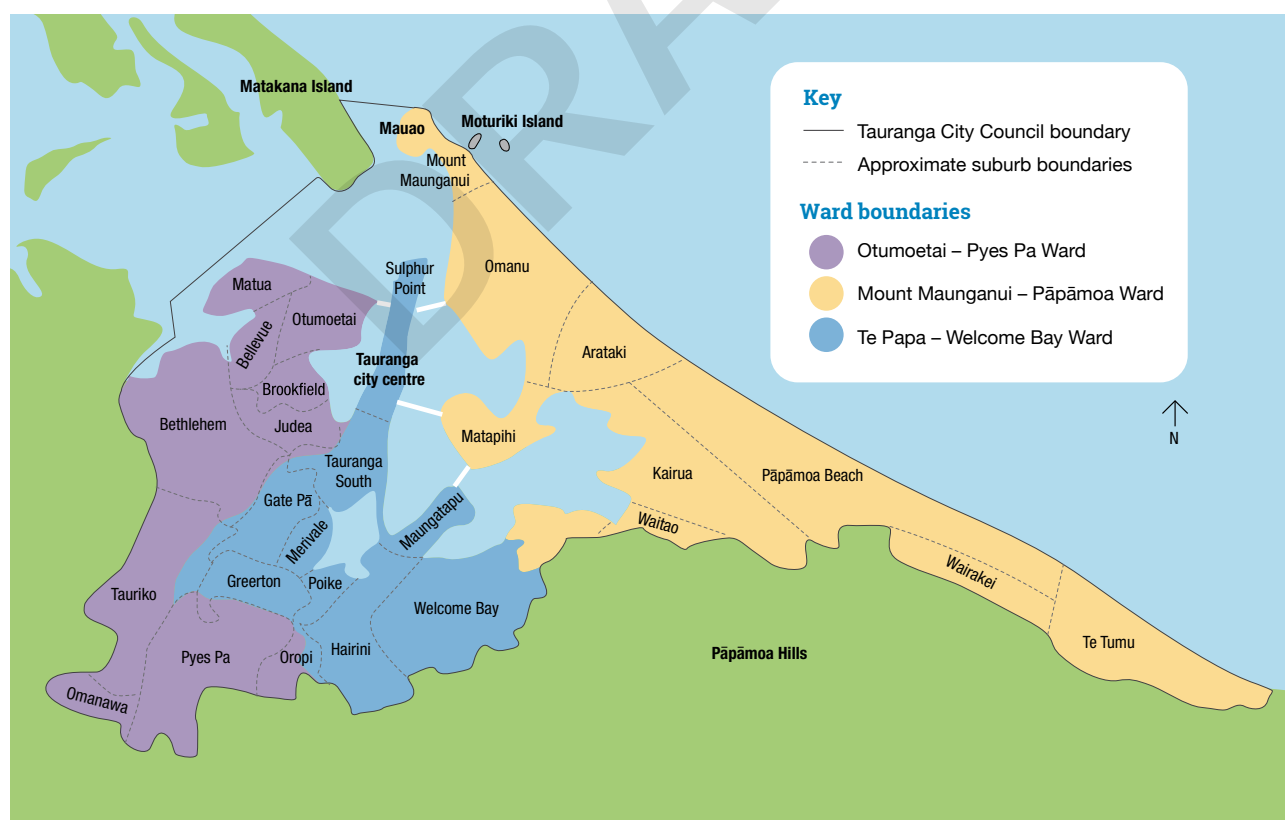
Tauranga has a mayor and 10 councillors. Collectively, they are known as elected members.

Four of the councillors are elected 'at large' to represent the city as a whole and the remaining six are elected to represent one of three wards:

- two councillors for the Te Papa/Welcome Bay ward;
- two councillors for the Otumoetai/Pyes Pa ward; and
- two councillors for the Mount Maunganui/Pāpāmoa ward.

Local-government elections are held throughout New Zealand every three years on the second Saturday in October, with the next being scheduled for 2022. The last election was held on 12 October 2019 using the Single Transferable Vote (STV) electoral system.

Elections are conducted under the provisions of the Local Electoral Act 2001, the Local Electoral Regulations 2001 and the Local Government Act 2002.



Mayor

Tauranga City



Mayor Tenby Powell
027 205 3945
tenby.powell@tauranga.govt.nz

Councillors

Te Papa/Welcome Bay Ward



Cr. Bill Grainger
027 415 5545
bill.grainger@tauranga.govt.nz



Tina Salisbury
027 343 4810
tina.salisbury@tauranga.govt.nz

Councillors

Mount Maunganui/Pāpāmoa Ward



Cr. Steve Morris
021 519 941
steve.morris@tauranga.govt.nz



Cr. Dawn Kiddie
027 425 0722
dawn.kiddie@tauranga.govt.nz



Cr. Larry Baldock
021 864 833
larry.baldock@tauranga.govt.nz



Cr. Jako Abrie
027 343 9547
jako.abrie@tauranga.govt.nz

Councillors

At large (city-wide)



Cr. Heidi Hughes
021 671 584
heidi.hughes@tauranga.govt.nz



Cr. Andrew Hollis
027 343 2550
andrew.hollis@tauranga.govt.nz



Cr. Kelvin Clout
027 222 3771
kelvin.clout@tauranga.govt.nz



Cr. John Robson
021 443 703
john.robson@tauranga.govt.nz

How we govern

The role of Council

Tauranga City Council is a representative democracy. Our role is to determine the public interest and prioritise services and activities for the good of the city and its people. Under the Local Government Act 2002, our roles are:

- to enable democratic local decision-making and action by, and on behalf of, communities
- to promote the social, economic, environmental and cultural well-being of communities in the present and for the future.

The council's chief executive is responsible for administration of the council.

We perform our statutory roles, functions and objectives through a corporate and civic governance structure that comprises:

- the Council (mayor and councillors);
- a chief executive; and
- an executive leadership team.

The elected Council weighs up the issues facing our growing city and ensures that ratepayers' money is allocated to priority areas and spent in the most effective way. This means balancing the needs of the community against the needs of individuals and taking into account the long- and short-term implications of decisions.

Together, the mayor and councillors form the 'Council' governing body. This is a public statutory body constituted under the Local Government Act 2002. Control of day-to-day operations is delegated to the chief executive, while corporate performance is monitored through reports to Council, the community, and this annual report.

Council decisions

The Council is recognised as a single entity. The mayor and councillors only have the authority to make group decisions, when they are acting as 'Council'. At Council and committee meetings, reports from council staff are submitted, with recommendations for elected members to consider.

Depending on the nature of the issue, a committee may have delegated authority to make resolutions that will be implemented by council staff.

If a committee does not have the appropriate delegated authority, the committee will either refer, or make a recommendation to Council for determination.

Delegating decision-making

The purpose of the Council is to make decisions on all non-delegable and non-delegated functions and powers.

The powers that the Council cannot legally delegate include:

- the power to make a rate
- the power to make a bylaw
- the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan
- the power to adopt a long-term plan, annual plan, or annual report
- the power to appoint a chief executive
- the power to adopt policies required to be adopted and consulted on under the LGA 2002, in association with the long-term plan or developed for the purpose of the local governance statement
- all final decisions required to be made by resolution of the territorial authority/Council, pursuant to relevant legislation (for example, the approval of the City Plan or City Plan changes as per section 34A Resource Management Act 1991).

Council has chosen not to delegate the power to compulsorily acquire land under the Public Works Act 1981.

Council meetings

Council and committee meetings generally take place in the council's main building at 91 Willow Street in the city centre. Council and committee meetings are live-streamed through YouTube and our website. The meetings are open to the public, though Council may exclude the public if there is a need for confidentiality. All Council and committee meetings are carried out in accordance with standing orders. Refer to [pages 37-39](#) for details of mayor and councillor involvement in the various committees.

Council's meeting schedule, agendas and minutes are available on our website.

The mayor's role, as chair of council meetings and the leader of council, is crucial in managing effective relationships with the chief executive and upholding good governance. Key roles include presiding at Council meetings and maintaining orderly conduct.

Code of conduct

The Code of Conduct (the code) provides guidance on the standards of behaviour expected from the mayor and councillors.

The objective of the code is to enhance:

- the effectiveness of the Council in meeting its statutory responsibilities for good local government of Tauranga
- the credibility and accountability of the Council within its community
- mutual trust, respect and tolerance between all elected members and between elected members and management
- engagement with the community in a professional and respectful manner.

The code applies to councillors and those appointed to the governance structure of Council in their dealings with:

- each other
- the chief executive
- all staff employed by the chief executive on behalf of the Council
- the public.

The code also covers the disclosure of information received in their capacity as elected members; and information that members receive in their capacity as elected members and information which impacts on the ability of the local authority to give effect to its statutory responsibilities.

The code sets-out the mayor's and councillors' roles and responsibilities, and outlines the steps to be followed when making and investigating allegations of breaches of the code.

During 2019/20, there was one code of conduct complaint made against the mayor. At a meeting on 24 March 2020, the Council concurred with the findings of an independent investigation that found there was a breach of the code. A letter of censure was sent to the mayor and the mayor was requested to send letters of apology to two councillors.

The code requires elected members to complete a declaration of interest at least annually. These are recorded in a public Register of Interest.

How you can have your say

There are many ways to have your say on the governing of Tauranga City Council. You can:

- vote for the mayor and councillors every three years through the local government election
- arrange to speak in the public forum section of a Council or committee meeting
- contact the mayor and councillors
- connect with us on our social media channels, including Facebook, Twitter, Instagram, and YouTube
- make submissions on plans, projects or notified consents that are being advertised or consulted on.

Our Significance and Engagement Policy recognises that community information sharing, consultation and participation are vital for effective decision-making. We are committed to engaging our residents, stakeholders and council staff in the development of policies, plans and services for the community.

The mayor and councillors' fees and expenses

Under schedule 7 of the Local Government Act 2002, the Remuneration Authority (the Authority) determines the mayor's salary and makes a separate determination on the total size of the councillors' remuneration pool. This is based on factors including population size. The councillors decide how the pool will be split between them, while considering additional responsibilities for certain positions. In the past, councillors have opted not to be paid the whole amount in the pool. However, the Authority has since ruled that the full amount must be paid to councillors.

In May 2020, new legislation was introduced in response to COVID-19 which allows the Authority to reduce the remuneration in some circumstances for up to six months.

The remuneration changed on 17 June 2020 as a result of changes to the governance structure and the appointment of a new deputy mayor on 2 June 2020. The new remuneration has also been reduced temporarily from 9 July 2020 to 6 January 2021 in response to COVID-19.

The Authority also sets maximum amounts for allowances and expenses that can be claimed and approves the mayor and councillor expenses rules.

Up-to-date remuneration and expenses rules and claim forms are available on our website at www.tauranga.govt.nz/council/about-your-council/governance/mayor-and-councillors-remuneration.

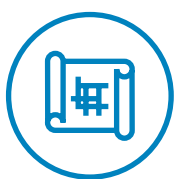
As stated by the Authority:

In undertaking its duties, the authority is obliged to have regard to the need to minimise potential for behaviour distortion, maintain fair relativity with other levels of remuneration elsewhere, be fair to both mayors and councillors, and ratepayers, and attract and retain competent persons.

Information about these expenses in 2019/20 can be found in Note 43 of the Financial Section.

How we govern

The council's committee structure was established in October 2019. The committees, their membership and their terms of reference are as follows:



Urban Form and Transport Development Committee

Chairperson: Cr Baldock

Deputy chairperson: Cr Hughes

Members: The mayor, all councillors and tangata whenua representative Te Pio Kawe

Terms of reference: Develops a vision and pathway for the future of the city and shapes and manages sustainable, vibrant and interactive communities. Particular areas of focus include land availability for housing, and transport outcomes to support the growth of the city and sub-region. Also includes resilience and the development of the City Plan.



Policy Committee

Chairperson: Cr Morris

Deputy chairperson: Cr Kiddie

Members: The mayor, all councillors and tangata whenua representative (to be appointed)

Terms of reference: Develops the framework that shapes the direction of the city and sub-region. Includes the development of the long-term and annual plans, policies and bylaws. Also approves Council submissions to other organisations, changes to service delivery under Section 17A reviews and Council Controlled Organisations' Statements of Intent and letters of expectation.



Projects, Services and Operations Committee

Chairperson: Cr Clout

Deputy chairperson: Cr Abrie

Members: The mayor, all councillors and tangata whenua representative Emily Gudsell

Terms of reference: Monitors, reviews and enables the progress of the council's activities, projects and services. Monitors operational performance for three waters, transport/road closures, community services and facilities; and oversees economic development, regulation and compliance, project reporting and monitoring.



Finance, Audit and Risk Committee

Independent chairperson: Bruce Robertson

Deputy chairperson: Cr Robson

Members: The mayor and all councillors and Tangata Whenua Representative Dr Wayne Beilby

Terms of reference: Ensures risk management, internal controls and financial management practices, frameworks and processes are robust, appropriate and safeguard the council's financial and non-financial assets. Monitors council's financial and non-financial performance, manages the treasury, develops the annual report, external and internal financial control and reporting, identifies and manages council's significant risks and manages legal risks.



Chief Executive's Performance Committee

Chairperson: Mayor Powell

Deputy chairperson: Deputy Mayor Tina Salisbury

Members: All councillors

Terms of reference: To ensure that the council is being managed responsibly to deliver the expected performance. Reviews the chief executive's performance. Negotiates terms and conditions of the chief executive's employment, including any performance agreement measures and annual remuneration in accordance with the chief executive's employment agreement.



City Plan Hearings Committee

Chairperson: Cr Morris

Deputy chairperson: Cr Baldock

Members: Two councillors to be appointed

Terms of reference: To enable effective decision-making through hearings and recommendations to council with regard to city and private plan changes, as referred to the committee by council, subject to compliance with the requirement of the Resource Management Act 1991.



Regulatory Committee

Chairperson: Cr Morris

Deputy chairperson: Cr Robson

Members: Cr Abrie, Cr Grainger and Cr Hollis

Terms of reference: To conduct hearings and make decisions of a quasi-judicial nature on regulatory matters and matters arising from the exercise of council's enforcement functions, through specific hearings and decision-making including (but not limited to) dog control matters, gambling, any hearings under the Local Government Act 1974 and 2002. Also considers and approved temporary road closures. It does not have the power to hear matters relating to the sale and supply of alcohol or RMA.



District Licensing Committee

Terms of reference: to consider applications and matters as set out in the Sale and Supply of Alcohol Act 2012. Hears and/or determines matters of a quasi-judicial nature in accordance with the Sale and Supply of Alcohol Act 2012. Undertakes all functions, duties and obligations as set out in the Sale and Supply of Alcohol Act 2012 relevant to the District Licensing Committee.

District Licensing Committee 1: Commissioner Murray Clearwater

District Licensing Committee 2: Commissioner Mary Dillon

District Licensing Committee 3: Commissioner David Stewart

District Licensing Committee 4: Commissioner Beverley Edlin



Tangata Whenua / Tauranga City Council Committee

Independent chairperson: Huikakahu Kawe

Deputy chairperson: Mayor Powell

Tauranga City Council members: Cr Abrie, Cr Clout, Cr Grainger, Cr Hughes and Deputy Mayor Salisbury

Tangata whenua members: Matire Duncan, Hayden Henry, Puhirake Ihaka, Whitiara McLeod, Buddy Mikaere and Irene Walker

Terms of reference: Rapua te huarahi whānui hei ara whakapiri i ngā iwi e rua i te whakaaro kotaki / Seek the broad highway that will unite the two peoples toward a common goal.

Role and scope

- To forge an ongoing effective and meaningful partnership between the council and tangata whenua.
- To facilitate meaningful understanding of future impacts on key issues affecting tangata whenua and Māori that council can influence.

Functions and key tasks

- To bring to the other partner's attention issues / concerns in respect of existing strategy or policy.
- To exchange information of mutual interest.
- To discuss new initiatives, approaches and directions.
- To agree agenda topics for the next three meetings.

Partners

Council and “ngā hapū me ngā iwi o Tauranga Moana” representing tangata whenua within the council rohe (boundaries). Tangata whenua representatives are to be those with signed hapū protocols. One of the six tangata whenua representatives is to be a kaumātua. Kaumātua representation is to have the ability to be shared between two kaumātua if required.



Wastewater Management Review Committee

Chairperson: Cr Clout

Deputy chairperson: Matire Duncan (Nga Potiki)

Members: Cr Abrie, Cr Hughes, Cr Morris, Whitiara McLeod (Nga Te Rangi), Carlton Bidois (Ngati Ranginui) and Erana Brewerton (Nga Potiki)

Purpose: To ensure wastewater operations are in accordance with the Wastewater Management Review Committee Management Plan.

Of the committee's eight members, four are councillors, two are appointed as representatives of the Ngāti Ranginui and Te Runanga o Nga Te Rangi Iwi Trust, and two represent Ngā Potiki Resource Management Unit.

There are also a number of joint committees, advisory groups and panels which include our mayor and councillors:

- SmartGrowth Leadership Group (Joint Committee)
- Bay of Plenty Civil Defence Emergency Management Group – Joint Committee*
- Regional Transport Committee (Joint Committee)
- Te Maru o Kaituna (Kaituna River Authority)
- Waiāri Kaitiaki Advisory Group
- Dive Crescent Governance Group
- Ngā Poutiriao o Mauao (Mauao Joint Administration Board)
- Event Funding Panel
- Temporary Road Closure Committee
- Tauranga City Council / Western Bay of Plenty District Council Joint Governance Committee (to be reviewed)
- Joint Road Safety Committee
- Airport Advisory Group
- Council Controlled Organisations Group
- Community Match Funding Panel

Mayor and councillor appointments to other external organisations and internal working groups include:

- Local Government New Zealand
- Public Transport Committee (Bay of Plenty Regional Council)
- Tauranga Moana Advisory Group (Bay of Plenty Regional Council)
- Tauranga Western Bay Safer Communities
- Creative Communities Tauranga Funding Panel

Mayor and councillor attendance at Council meetings and committee meetings for the period 1 July 2019 to 30 June 2020

July 2019 to September 2019												
Committee	Total Meetings	Mayor Powell	Baldock	Brown	Clout	Curach	Grainger	Mason	Robson	Molloy	Morris	Stewart
Council	9	9	9	9	9	9	9	9	9	9	9	8
Finance, Audit & Risk	2	2	2	2	2	2	2	2	2	2	2	2
Policy	4	4	4	4	4	4	4	4	4	3	4	4
Projects, Services & Operations	1	1	1	1	1	1	1	1	1	1	1	1
Tangata Whenua/TCC	1	0	1	0	1	0	0	0	0	1	0	1
TCC/WBOPDC Joint Governance	1	1	0	0	1	0	0	0	0	0	0	0
Temporary Road Closure	2	0	0	0	0	2	0	0	0	2	0	0
Urban, Form & Development	2	2	2	2	2	2	2	2	2	2	2	2
Wastewater Management Review	1	1	0	0	1	1	0	0	0	0	1	0
Meetings	23	20	19	18	21	21	18	18	18	20	19	18

TOTAL - October 2019 to June 2020												
Committee	Total Meetings	Mayor Powell	Abrie	Baldock	Clout	Grainger	Hollis	Hughes	Kiddie	Morris	Robson	Salisbury
Council	20	19	19	20	20	17	20	18	20	20	20	20
Finance, Audit & Risk	6	6	6	5	5	4	5	5	6	6	6	6
Policy	8	8	8	8	8	5	8	7	8	7	8	8
Projects, Services & Operations	3	3	3	3	3	2	3	3	2	3	3	3
Regulatory	2	1	1	1	1	1	2	1	1	2	2	1
Tangata Whenua/TCC	2	2	2	1	2	0	1	2	1	1	0	2
Urban Form & Transport Development	4	3	4	4	4	2	4	4	4	3	4	4
Wastewater Management Review	1	0	1	0	1	0	0	1	0	1	0	0
Meetings	46	42	44	42	44	31	43	41	42	43	43	44

Shows where a councillor is not a formal voting member of this committee.

Attendance is included where non-members have attended committee meetings.

04

Our Organisation

Te āhua o te kaunihera



DRAFT

Organisational leadership

Our executive team is led by our chief executive and the general managers of six groups:

- Strategy & Growth
- Corporate Services
- Community Services
- Infrastructure
- People & Engagement
- Regulatory & Compliance

We employ many skilled people who are passionate about our city and its future. Within the six groups there are 40 teams with 710 full-time equivalent (FTE) employees working to deliver quality services and projects.

Executive team

Our executive team has consisted of a chief executive and six general managers – one for each of the groups mentioned at left.

Chief Executive

Marty Grenfell

General Manager Strategy & Growth

Christine Jones

General Manager Infrastructure

Nic Johansson

General Manager Community Services

Gareth Wallis

General Manager Regulatory & Compliance

Barbara Dempsey

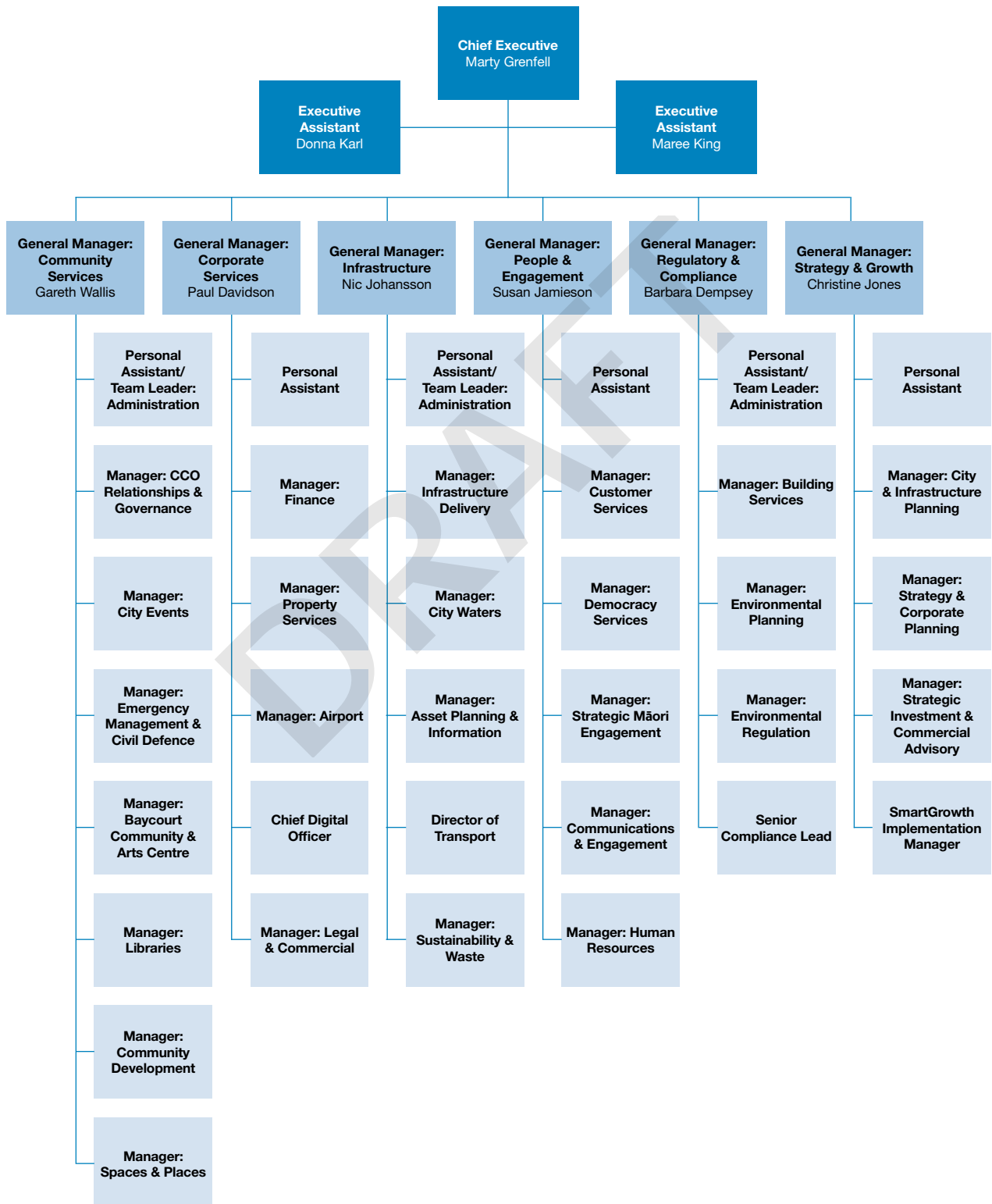
General Manager People & Engagement

Susan Jamieson

General Manager Corporate Services

Paul Davidson

Organisational structure



Our stakeholders

We primarily engage with our stakeholders in three ways:

- Responding to requests for information and services
- Participating in multi-stakeholder relationships
- Conducting our own engagement activities that are related to a strategy, project or issue.

During 2019/20, we engaged with our stakeholders across a range of issues and projects. These included the issues most relevant to them relating to the second year of the Long-term Plan 2018-28, as well as other locally significant issues.

We need to engage with many stakeholders. We partner with regional and national organisations as well as central government. We value our relationship with tangata whenua and recognise the importance of working with them. We also engage with ratepayers, customers, visitors to the city, businesses, suppliers and the media.

Some stakeholders told us that our engagement approach was not always consistent, and a recent external review of several projects reinforced this feedback.

We acknowledge that we can improve in this area and have provided resources to develop and implement a better way of engaging with our stakeholders.

PARTNERS Regional and national	COMMUNITY Groups and volunteers	GOVERNMENT	EMPLOYEES and their representatives	VISITORS
<ul style="list-style-type: none"> • Contract management • Account management relationships • Regular engagement through site visits 	<ul style="list-style-type: none"> • 1:1 meetings • Focus groups and workshops 	<ul style="list-style-type: none"> • Formal meetings • Briefings • Networks • Correspondence and events • 1:1 meetings 	<ul style="list-style-type: none"> • Staff briefings and on-site meetings • Newsletters and email updates • Engagement survey • Intranet • Interviews • Performance reviews 	<ul style="list-style-type: none"> • Events • Website • Published information • Social media
Provide shared knowledge, cultural experiences and resources	Build trust and bridges to local communities through services	Provide funding opportunities, services, planning direction, legislation and networks	Are central to the success of our business, providing valuable knowledge, skills and labour	Provide economic benefit, generate employment opportunities and financial viability
Provide advocacy, leadership, cultural vibrancy and resources in line with policy and legislation	Provide support and partnership	Provide partnerships, networks and local strategies	Provide an engaging and enriching work experience where people are treated fairly, work flexibly and develop their careers	Provide quality products, services and facilities

SUPPLIERS	MEDIA	BUSINESS	RESIDENTS	RATEPAYERS
<ul style="list-style-type: none"> Contract management Account management relationship Regular engagement through site visits 	<ul style="list-style-type: none"> Interviews Media releases Briefings Social media 	<ul style="list-style-type: none"> Focus groups and workshops 1:1 meetings Social media Website 	<ul style="list-style-type: none"> Annual report Annual and long-term plans Public forums Public meetings Publications Social media Website Resident surveys 	<ul style="list-style-type: none"> Rates notices Annual report Annual and long-term plans Community meetings Publications Social media Website
Provide good value and quality products and services	Build and protect reputation and raise awareness of our services and facilities	Build capacity and drive the economy in our community	Provide guidance, values, engagement and feedback	Provide guidance, values, engagement and feedback
Provide equitable access to opportunities in line with policy and legislation	Provide access to social, environmental, economic and governance information	Promote business growth through investment and partnerships	Provide civic leadership representation, services and facilities	Generate sustainable growth and return to the community

CUSTOMERS	IWI AND HAPŪ
<ul style="list-style-type: none"> Customer experience and satisfaction measurements Customer care and service Website Publications Fact sheets 	<p>Build trust and bridges to local communities</p> <p>Provide funding opportunities, service planning, direction and networks</p>
Provide us with feedback, utilise services and products	Provide partnerships, networks and local strategies

Developing our people

We have focused on growing our people's leadership capability, as well as activities and learning opportunities that support our growth and performance as a council.

Our COVID-19 response has meant we need to re-look at how we invest in developing our people, while continuing to build a high-performance organisation. We see this as both a challenge and an opportunity, and we are looking to use our employees' existing skills and experience to develop in-house learning options.

Two key activities include:

- refreshing our performance and development framework
- surveying staff to measure internal perceptions of council performance and leadership effectiveness.

Teams are planning to improve on key performance areas.

Development opportunities from the past year include:

- Leadership training, with topics including senior leadership, communicating powerfully, leading development/performance conversations, management essentials, etc.
- Cultural Connections, in which new employees learn about our city and region's history, local iwi and hapū, and the cultural richness of our whenua
- Health and safety courses aimed at keep our people and community safe, focusing on leadership, risk management, roles, responsibilities, designing controls, etc.
- Developing an e-learning suite for staff
- Compliance learning and professional development aimed at maintaining the technical competence of our staff.

Staff turnover (%)

2017/18	14%
2018/19	12%
2019/20	10%

Total staff salary and wages spent on training and development (%)

2017/18	2.8%
2018/19	2.6%
2019/20	2.5%

Managing risk

We continued to manage risk throughout our organisation. We are committed to integrating the systematic and proactive management of risks into the way we do business at all levels. Risk management contributes to economic, environmental and social outcomes.

The mayor, councillors and staff all take responsibility for managing risk. We provide resources to help meet our responsibilities around risk, much of which are managed by the Legal and Commercial division.

Risk management

We continuously identify, analyse, evaluate, treat, monitor and review risks under a framework consistent with standard AS/NZS ISO 31000:2009.

These activities are managed in corporate risk registers that are reviewed by the mayor, councillors and executive team.

These registers highlight our strategic risks and our overall risk level – information that can be shared with teams and managers. Creating awareness of risk and a commitment to addressing it helps to foster a proactive risk-management culture.

Information about corporate risk is provided quarterly to the executive team and the Finance, Audit & Risk Committee.

Business continuity

This used to be part of our emergency management and civil defence function. In 2019/20, we started managing this function alongside risk. Business continuity provided vital support to our organisation as we faced COVID-19 challenges.

Internal audit

Prior to 2018/19, we brought in external providers to do our internal audits. This year we established a dedicated resource for internal auditing. The Finance, Audit & Risk Committee approves our internal audit plan and receives the results of internal audits.

Finance, Audit & Risk Committee

The Finance, Audit & Risk Committee ensures that we manage risk appropriately. It was established in March 2019, superseding the previous Audit, Finance, Risk and Monitoring Committee.

The committee comprises the mayor and all councillors. The committee has been chaired by an independent chair, Bruce Robertson, since February 2020.

External audit

Our external auditor is Audit New Zealand (Audit NZ). In 2018, this organisation audited our long-term plan (a process undertaken every three years) and our annual results. The Long-term Plan 2018-28 received an unmodified audit opinion on 28 June 2018, meaning the auditor was satisfied it met statutory requirements.

The 2019 interim audit focused on our internal control environment and systems for financial and non-financial information. This audit commended our council for the positive changes we had made to our risk management processes and noted the high priority and visibility of the Finance, Audit & Risk Committee.

The final audit of the year-end results provided assurance that our financial statements accurately reflected our financial position.

Health, safety and wellbeing

Although progress has been affected by the COVID-19 pandemic, this has been a successful year in terms of health and safety management. This was measured by the increased capability of our people, better control of risk, and improvements to injury/illness data.

Highlights

Priority risk management

We continued our Priority Risk project this year. This project identifies, evaluates and communicates risks that could cause death or permanent ill-health.

This project helps us:

- Understand our most critical risks
- Set minimum risk-control standards across our organisation for priority risks
- improve our risk management knowledge and capability
- make operational improvement plans
- inform decision-making and discussions about our appetite for risk.

Wellbeing

The Mental Health Awareness Week 2019 was a resounding success. Several employees shared their personal mental health stories through intimate videos, encouraging their colleagues to speak up about their own mental health problems.

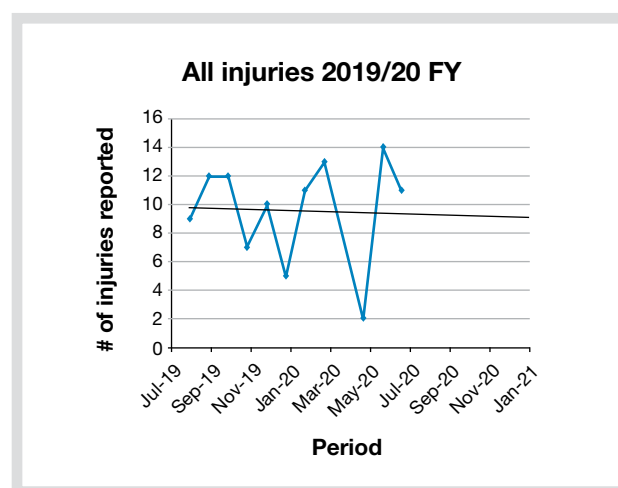
The Tauranga City Council Wellbeing Working Group ran workshops to help people explore the 'Five Ways to Wellbeing', and how to integrate them into their day-to-day lives. Shared breakfast sessions were organised for all employees as an opportunity to hear from colleagues who had experienced mental health problems.

Asbestos

We completed our Asbestos Management Plan in September 2019. This work included asbestos surveys of all our physical assets. A framework was developed to help our teams manage asbestos risks.

Injuries and illness

Our injury and illness rates continued to remain low, and to trend downwards. This was a result of improved health and safety management.



Due diligence

Our Health, Safety and Wellbeing team worked with Simpson Grierson on a one-day due diligence workshop for our councillors and chief executive.

The workshop covered their legislative obligations and included scenario-based training exercises.

Occupational health

Our people's health is of paramount importance, and plays a vital role in ensuring we can provide effective services for our community. We partner with Waikato Occupational Health Services to meet our occupational health needs.

Our annual health monitoring had to be postponed because of COVID-19 physical distancing requirements. However:

- Four of our crematorium workers were tested to ensure their blood mercury levels were within acceptable levels
- 60 staff were seen by the occupational health nurse for a general check-up
- Six workstation ergonomic assessments were completed.

Near-miss reporting

We recorded 309 near miss events – another downward trend. Near-miss reporting can help identify safety problems before they cause accidents, and we will be encouraging such reporting over the coming year. The introduction of a smartphone reporting app will help with this.

Training our people

Our people completed 334 health and safety training courses, in comparison with 412 courses the previous year.

Eighty-six employees completed a half-day course covering health and safety risk management fundamentals.

Eight teams of people leaders completed the Health and Safety Leadership for People Leaders programme.

COVID-19

- Our Health, Safety and Wellbeing team worked remotely to support our essential service teams during all COVID-19 alert levels, including assessing the risks of activities and control plans
- We sourced and distributed personal protective equipment (PPE) and personal hygiene supplies
- We implemented physical distancing controls in our buildings
- We developed COVID risk management plans to allow for a safe return to the workplace

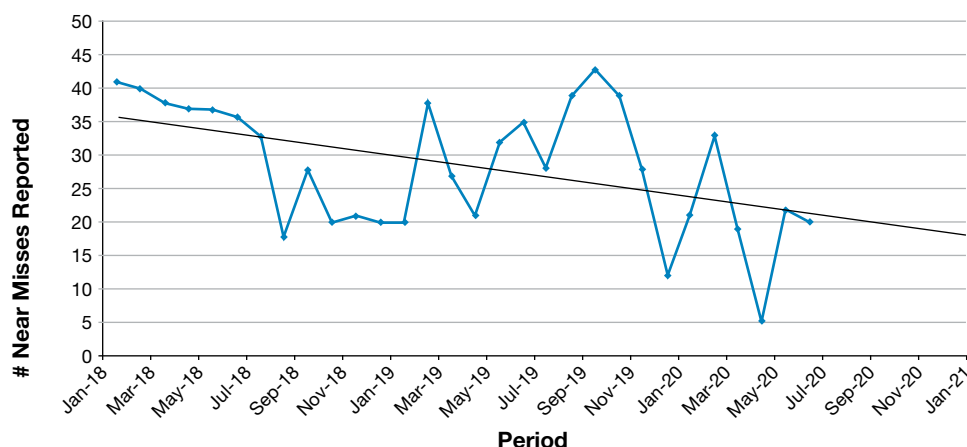
Worker participation and engagement

Our 45 trained health and safety representatives make up four working groups that represent different parts of our organisation. These groups provide an opportunity to work on shared projects and discuss common issues or share lessons they have learned.

We held 35 working group meetings during the year. These helped us find ways to improve our health and safety performance.

Kylie Brown, the chairperson of the Wellbeing Working Group, received the 2019 Te Waka Taumata o Tauranga employee recognition award for services to health, safety and wellbeing.

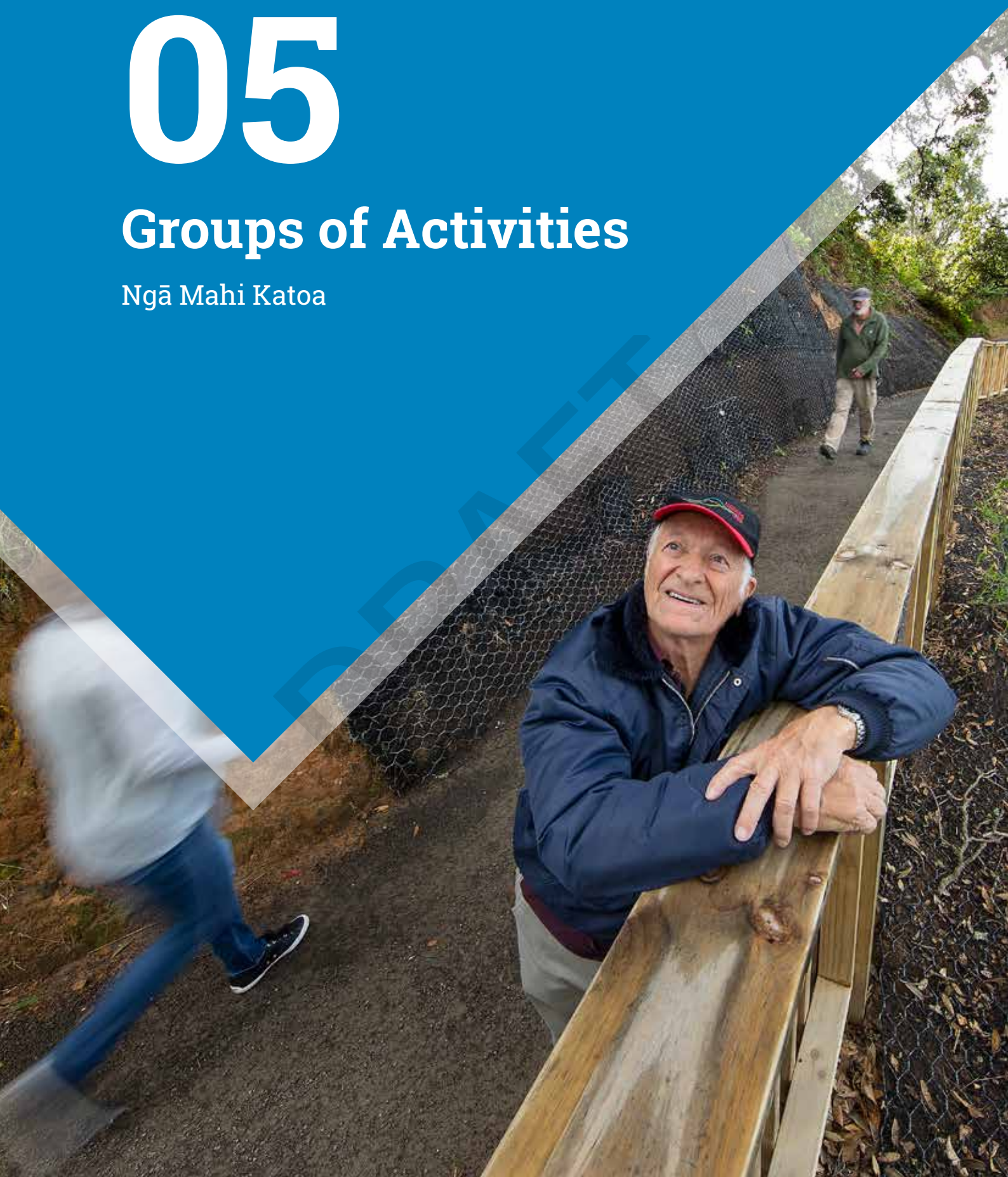
Near Miss Reporting 2017/18 FY, 2018/19 and 2019/20 rolling



05

Groups of Activities

Ngā Mahi Katoa



DRAFT

Groups of activities

This section outlines all of the activities of the Council and explains what we do, what we achieved, how we performed and what it cost.

This section is divided into two groups of activities: **Delivery (including Governance)** and **Corporate**

Delivery

This group of activities includes all council activities that predominantly have an 'on-the-ground' service delivery function. These include:

Airport	XXX
Animal Services	XXX
Arts and Heritage	XXX
Baycourt	XXX
Beachside Holiday Park	XXX
Building Services	XXX
Cemeteries	XXX
City and Infrastructure Planning	XXX
City Centre	XXX
City Events	XXX
Community Development	XXX
Economic Development	XXX
Elder Housing	XXX
Emergency Management	XXX
Environmental Planning	XXX
Environmental Protection	XXX
Governance	XXX
Libraries	XXX
Marine Facilities	XXX
Marine Precinct	XXX
Parks and Recreation	XXX
Regulation Monitoring	XXX
Resource Recovery and Waste	XXX
Stormwater	XXX
Transportation	XXX
Wastewater	XXX
Water Supply	XXX

Corporate

This group of activities includes corporate services that predominantly assist management of the 'delivery' activities and general operations of the council.

Corporate services	XXX
--------------------	-----

This is made up of the following services:

- Asset Planning and Infrastructure
- Communications
- City Development
- City Waters Support
- Civic Complex
- Customer Service
- Digital Services
- Executive
- Finance
- Fleet Management
- Infrastructure Delivery
- Insurance
- Legal and Risk
- People and Capability
- Property Management
- SmartGrowth
- Strategy
- Treasury

Community outcomes

We're working to manage Tauranga's growth and to deliver a city with heart, great spaces and real opportunities. Refer to the icons in this document to see which community outcomes we're working to achieve through each activity.



Protects and enhances the natural environment



Is well planned, with a variety of successful and thriving compact centres



Attracts businesses, people and visitors



Is inclusive, safe, resilient and healthy



Has predictable travel times and transport choice

Performance measures

The following icons have been used to indicate the status of each activity's performance measures:



Achieved



Not achieved



Not measured

Annual residents survey

Many of the performance measure results rely on council's annual residents survey (previously known as the community perceptions survey). The residents survey measures residents' perceptions of various aspects of services that council provides. It looks at residents' satisfaction with various council services, facilities and perceptions about aspects of living, working and playing in Tauranga. Results identify progress towards key performance indicators.

The results of the survey are based on community perceptions following 600 telephone interviews undertaken with Tauranga residents. The survey has a margin of error of +/- 3.9% at the 95% confidence level.

You can find the current and previous years' survey results at
www.tauranga.govt.nz/council/council-documents/strategies-plans-and-reports/reports

Airport



What we do

We provide a high-quality airport which meets Tauranga's air connectivity needs, both domestically and internationally.

How does this affect you?

The airport connects Tauranga with the rest of the country and the world. This provides social and economic benefits.

The airport enables scheduled air services, recreational aviation, and aviation education in Tauranga by working with airlines, educators, service and maintenance providers.

The airport is self-funded by generating income from commercial operations. The Airport Master Plan ensures strong strategic plans are in place for the future aviation requirements of Tauranga.

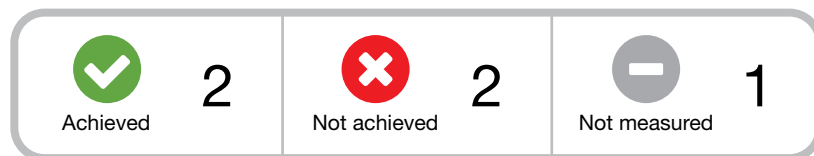
Highlights in 2019/20











- 1 We won Canstar Blue's 2020 Most Satisfied Customers Award for domestic airports. We received a five-star rating for overall satisfaction, waiting areas and communication, as well as four stars for facilities, parking and ease of check-in. Tauranga outsourced all other domestic airports including the main centres of Auckland, Christchurch and Wellington.
- 2 We finished upgrading our terminal, providing 3,800 square metres of floor space which has received great feedback from the public while being highly functional for staff.
- 3 Alongside the upgrade, the rental car complex expanded, with two new 150 square metre tenancies added. This provides more car parking for new operators moving to the airport.

SIGNIFICANT CAPITAL PROJECTS				
	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
New fire truck	911	0	911	The fire truck was ordered and deposit paid in the 2019 year, with an approved \$1.2m increase in budget. The final cost was lower than expected. The truck was delivered during the 2020 financial year.
Rental car depot expansions	825	200	625	Council approved additional budget for this project during the year. The cost will be offset by an increase in rental car depot income
Create Staff Carparks	379	0	379	This was approved unbudgeted expenditure in 2020 to reduce staff use of the public car park. The cost will be offset by an increase in parking revenue.
New hangar lease sites	12	270	(258)	The project has been carried over to the 2021 year.
Apron Resurfacing	0	320	(320)	The project was delayed and has been carried over to the 2021 year.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - AIRPORT					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	0	0	0	0	
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	18	18	36	18	
Fees and charges	6,519	7,947	7,324	(623)	Revenue below budget due to the COVID-19 lockdown and subsequent reduction in scheduled flights with the flow-on effect of a reduction in parking revenue. Also reflects the discount on commercial leases due to COVID-19.
Internal charges and overheads recovered	175	178	266	88	Higher working capital and activity cash balance, resulting in higher interest revenue.
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	
Total Sources of Operating Funding (A)	6,712	8,143	7,626	(517)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	2,758	2,361	3,594	1,233	Higher than budget as a result of increased fire rescue service costs and unbudgeted OLS study on port crane extensions.
Finance Costs	469	764	647	(117)	Lower than expected finance costs due to postponement of capital works and lower interest rates.
Internal Charges and Overheads applied	575	669	482	(187)	Internal charges are below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	5	5	
Total Applications of Operating Funding (B)	3,802	3,795	4,728	933	
Surplus/(Deficit) of Operating Funding (A-B)	2,910	4,349	2,898	(1,451)	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - AIRPORT					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	7,525	(1,092)	(2,567)	(1,475)	Loan balance reduced by utilisation of activity cash balance, offset by cost of additional capital spend during the year.
Gross proceeds from the sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	7,525	(1,092)	(2,567)	(1,475)	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	8,685	854	2,434	1,580	Spend on the fire truck occurred in 2020 with budget sitting in 2019. There were some additional unplanned capital projects commenced or completed during the year.
- to replace existing assets	179	471	87	(384)	Largely due to postponement of Apron Resurfacing project, which is now planned to be done during the 2021 financial year.
Increase/(Decrease) in reserves	1,571	1,931	(2,190)	(4,121)	Decrease in reserves largely due to utilisation of some of the activity cash balance to reduce the loan balance.
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	10,435	3,256	331	(2,925)	
Surplus/(Deficit) of Capital Funding (C-D)	(2,910)	(4,348)	2,898	1,451	
Funding balance ((A-B)+(C-D))	0	0	0	0	



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide an airport that caters for scheduled commercial flights and enables growth in traveller numbers.	Number of passengers through the airport each year.	 476,000	396,000	 389,000	Prior to COVID-19, passenger numbers were on track to exceed 500k and further growth was forecast.
	Number of flight movements through the airport each year.	 64,000	62,000	 53,926	Flight numbers dropped significantly as a result of COVID-19 travel restrictions. Prior to lockdown, quarterly flight numbers exceeded target.
We will provide an airport that meets the safety requirements of CAA rules and regulations.	Level of compliance with the Civil Aviation Authority rules and regulations.	 100%	100%	 100%	Annual surveillance audit was completed with no adverse findings.
We will provide an airport that accommodates private and general aviation operators, and non-scheduled commercial aviation users including charter and emergency flights.	Runways and aprons are operational and compliant.	 100%	99%	 100%	All runways were operational and compliant, with the exception of closures for airport night works and high-crane lifts around the city at night.
We will provide airport customers with fit-for-purpose airport facilities.	Customer satisfaction with airport facilities as measured by point of user survey.	 Not measured	90-100%	 Not measured	This was not undertaken. Survey will be completed in next financial year.

Challenges

Challenges for 2019/20 included:

- in late-2019, the carpark expansion project meant car parks were often full.
- a coordinated approach between builders, architects, tenants and the project management team was required to prevent disruptions to operations or passengers during the construction upgrade.
- we developed a safety management system to meet new CAA requirements. This was certified fit-for-purpose in December.

Looking ahead

- Air travel demands have changed with COVID-19. Our team will continue working closely with airlines to ensure the air travel needs of our community are catered for as well as possible.
- The runway will be re-sealed over seven weeks in early-2021. The work will be carried out at night to ensure the airport remains fully operational.

Animal Services



What we do

We ensure safe interactions between animals and people. Specifically, we manage legislation and associated policy to ensure we have a safe environment in which animals, animal owners and the wider community live harmoniously.

How does this affect you?

We promote an environment in which people and animals can interact without fear or intimidation.

Highlights in 2019/20

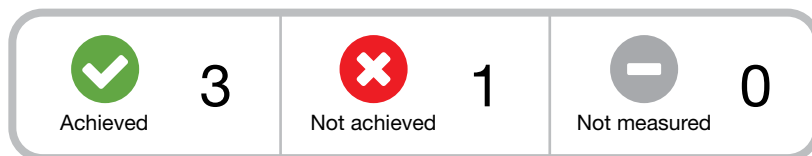
- 1 We developed and implemented a dog awareness programme that:
 - successfully provided bite-prevention education to over 1600 school children
 - provided dog events such as the mud run, recycled dogs (an event for adopted dogs) and dog in the pool.
- 2 We oversaw a reduction in the number of roaming dogs and the lowest impound, animal attack and euthanasia numbers in years.
- 3 We reviewed the Dog Management Bylaw 2008, introduced compulsory neutering of menacing and adopted dogs, and redefined the control areas.
- 4 For the first time, we've been able to use DNA comparison to remove aggressive dogs from our community and prosecute their owners.









SIGNIFICANT CAPITAL PROJECTS

	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
Develop reception area and accommodation block at animal shelter	0	1,354	(1,354)	Capital spend has been postponed to assess the needs of the animal pound going forward. Capital spend is projected to commence in the 2021/22 financial year.
Pound extension and refurbishment	2	269	(267)	Capital spend has been postponed to assess the needs of the animal pound going forward. Capital spend is projected to commence in the 2021/22 financial year.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - ANIMAL SERVICES					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	248	269	267	(2)	Minor variance.
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	1,219	1,421	1,171	(250)	Under collection in user fees driven by assumptions of the number of dog registrations not being realised and a budgeting error regarding the user fee for 2019/2020.
Internal charges and overheads recovered	10	10	58	48	Interest earned on working capital higher than budgeted due to postponement of significant capital works.
Local authority fuel tax, fines, infringement fees, and other receipts	84	88	0	(88)	There was no fine revenue for this financial year.
Total Sources of Operating Funding (A)	1,561	1,787	1,496	(291)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	1,062	1,075	943	(132)	Staff vacancies and savings in software costs are the main contributors to underspend in this area.
Finance Costs	30	52	27	(25)	Lower than expected interest costs due to postponement of capital works.
Internal Charges and Overheads applied	582	652	551	(101)	Internal charges are below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	0	0	
Total Applications of Operating Funding (B)	1,674	1,779	1,521	(258)	
Surplus/(Deficit) of Operating Funding (A-B)	(113)	8	(25)	(33)	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - ANIMAL SERVICES					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	341	26	8	(18)	Cash balance deficit is offset by lower debt levels due to postponement of capital works.
Gross proceeds from the sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	341	26	8	(18)	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	1,695	26	8	(18)	Capital spend postponed and is projected to commence in the 2021/22 financial year.
- to replace existing assets	0	14	6	(8)	Capital spend postponed and is projected to commence in the 2021/22 financial year.
Increase/(Decrease) in reserves	(1,467)	(6)	(31)	(25)	Cash reserve deficit higher than budgeted due to lower revenue.
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	228	34	(17)	(51)	
Surplus/(Deficit) of Capital Funding (C-D)	113	(8)	25	33	
Funding balance ((A-B)+(C-D))	0	0	0	0	



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide an effective dog registration process that supports a safe community.	Known dogs are registered.	 96%	98%	 96%	Target was not achieved. Planned drive to enforce unregistered dogs identified in Q2 was hindered by COVID-19, as inspectors were prevented from conducting some planned visits. The owners of unregistered dogs located through this process were issued with \$300 infringements
We will provide a prompt response time to animal behavioural issues.	All urgent animal requests are responded to within 30 minutes where there is an ongoing risk to safety.	 99%	98%	 98%	We achieved this measure by responding to 98% of acts of aggression where there was ongoing risk
We will provide dog management and behavioural education to the community.	Number of school visits.	 10	6+	 6	We achieved this goal with 6 schools visited. No visits were conducted during Q3 due to COVID-19, so this affected results
We will provide dog management and behavioural education to the community.	We will deliver educational programmes as requested.	 100%	100%	 100%	We achieved this goal by delivering bite prevention programmes to 6 non-school groups and organisations

Challenges

In 2019/20:

- parts of the city experienced dog attacks on other domestic pets during a two-month period. After some excellent field work and support from the community, we determined that three clusters were occurring independently within a similar time frame. The dogs were identified and either contained or impounded, with one owner facing numerous charges.
- we experienced a high turnover in technical support staff, with COVID-19 delaying recruitment. This placed an increased workload on the remaining technical support officer and the wider team.

Looking ahead

In 2020/21, we will focus on:

- the neutering programme for menacing dogs.
 - 26% of dogs classified as menacing have not been neutered. Many of these were classified before the change in our bylaw, which now requires their neutering.
- reinstating a programme for dogs which have been unregistered for two or more years.
 - The dogs will be seized and impounded, requiring the owners to register their dogs for them to be released. Dogs that haven't been registered within seven days can be assessed for suitability for adoption and disposed of.
- we will redefine our education programme in light of COVID-19.
 - In addition to our focus on primary schools, we will include presentations to pre-school groups, given their vulnerability to dog attacks.
 - We will increase interaction with dog owners by conducting evening dog walks in late-spring through summer, while also seeking other opportunities to interact.
 - We will help owners have a better understanding of their obligations when it comes to controlling their dogs in off-leash areas – for example, by helping them understand that, although they have a lovely dog, people may not want that dog to approach them.
- last year we started a programme to enforce dog microchipping. To help owners meet their obligations, we are installing Eftpos at the pound and have started 'Microchip Mondays', when owners can bring their dogs to the pound and get them chipped for \$22.

Arts and Heritage



What we do

The provision of arts and heritage preserves and promotes the history and cultural identity of our city. It also provides tourism opportunities, and encourages creative people to feel connected to Tauranga. The Arts and Heritage activity manages the Tauranga Heritage Collection (THC), helps fund and support the Tauranga Art Gallery, provides a funding grant to The Elms, and manages a relationship agreement with Creative Bay of Plenty. It also identifies opportunities for Council support of arts and heritage, with a strong focus on building on our strengths and competitive advantage.

How does this affect you?

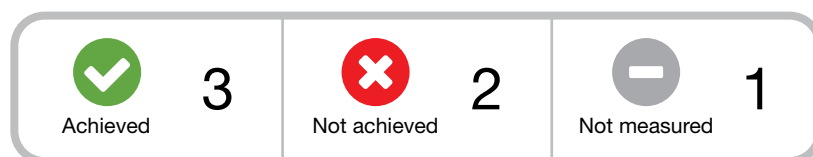
These initiatives contribute to the sense of community, mana, pride and identity of the region. Arts and heritage activities attract visitors to our city, and the creative economy contributes \$46.3 million in gross domestic product annually, or 0.7% of the Western Bay sub-region's GDP.













Highlights in 2019/20

- 1 Our Tauranga Heritage Collection website went live, with over 5000 viewable items loaded within the first six months. It has already proven useful to researchers. Two recent examples of this were an enquiry by Nga Potiki a Tamapahore Trust seeking images and a map for interpretation panels, and an enquiry by a nationally-recognised furniture historian for imagery.
- 2 In collaboration with local partners, we supported the Tauranga Heritage Collection's 50th Anniversary 2020 exhibition; THC Exhibition - Te Whakaata I te Matapihi - Glimpses; Kowhai gallery exhibition titled "Kaikauhoe"; Ruth Espin Collection Fashion design display; Tongan language week exhibition and the Vintage Garden Party at Brian Watkins House.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - ARTS AND HERITAGE					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	2,700	2,627	2,650	23	
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	83	85	110	25	Grant is received from Creative NZ based on population.
Fees and charges	0	0	0	0	
Internal charges and overheads recovered	0	0	0	0	
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	
Total Sources of Operating Funding (A)	2,783	2,711	2,760	49	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	2,605	2,498	2,470	(28)	Delayed delivery of the heritage collection digitisation project, partly offset by delayed timing of a quarterly funding payment to Creative BOP.
Finance Costs	1	2	0	(2)	
Internal Charges and Overheads applied	176	201	173	(28)	Internal charges below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	0	0	
Total Applications of Operating Funding (B)	2,782	2,701	2,643	(58)	
Surplus/(Deficit) of Operating Funding (A-B)	1	10	117	107	



TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - ARTS AND HERITAGE					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	32	0	1	1	
Gross proceeds from the sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	32	0	1	1	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	0	0	1	1	
- to replace existing assets	80	0	0	0	
Increase/(Decrease) in reserves	(47)	10	117	107	Operational carry forward related to the delayed delivery of the heritage collection digitisation project.
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	33	10	118	108	
Surplus/(Deficit) of Capital Funding (C-D)	(1)	(10)	(117)	(107)	
Funding balance ((A-B)+(C-D))	0	0	0	0	



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will facilitate, support and advocate for the arts in Tauranga including management of relationships with Creative Bay of Plenty, Tauranga Art Gallery, and The Elms.	Percentage of users satisfied with the services provided by Creative Bay of Plenty	 Not measured	50%	 Not measured	<p>Creative BOP has no separate customer satisfaction measurement in place. This is an old measure that has been replaced by our Net Promoter Score (NPS), following a resolution of the Audit, Finance, Risk and Monitoring Committee on 19 February 2019.</p> <p>See below table: Additional measures monitored.</p>
	Percentage of residents that agree that there is a culturally rich and diverse arts scene in Tauranga.	 42%	50%	 45%	Not met. This score remains consistent with the previous four years
	The Elms continues to operate as a "must see" visitor destination in Tauranga with increasing visitor numbers.	 14,264	13,200	 10,267	Not achieved. Cancellations equated to 2,191 visitors over the COVID-19 lockdown period
We will provide a museum collection which is available to the community, whilst safeguarding historical and culturally important items.	Number of enquiries from the community that receive advice and / or assistance regarding the preservation or protection of artefacts / taonga and access to the collection.	 114	12	 62	We significantly exceeded our target. The new website has over 5000 viewable items and has already proven useful to researchers
	The number of items loaned to schools through the Hands On Tauranga service.	 629	275	 465	Demand for handling and sharing items amongst students has been reduced due to school closures
	The frequency number of exhibitions / displays of the Heritage Collection.	 8	2	 12	<p>Highlights for the year include Tauranga Heritage Collection (THC) 50th Anniversary 2020 exhibitions; THC exhibition Te Whakaata I te Matapihi - Glimpses, Kowhai gallery exhibition – titled "Kaikauhoe"; Ruth Espin Collection Fashion design display; Tongan language week exhibition and the Vintage Garden Party at Brian Watkins House</p>

Additional measures monitored

The below tabled measures were changed from the 2018-28 LTP following a resolution of the Audit, Finance, Risk and Monitoring Committee on 19 February 2019. The level of service has not changed. These measures are not included in non-financial performance summary figures.

ADDITIONAL MEASURES MONITORED					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will facilitate, support and advocate for the arts in Tauranga including management of relationships with Creative Bay of Plenty, Tauranga Art Gallery, and The Elms.	Services provided by CBOP are recommended by users and the sector. This is indicated by a net promoter score (NPS) increasing or consistent.*	 +4	+9	 +10.5	Survey was not conducted for Q3 or Q4 due to COVID-19. An updated survey will be undertaken by Creative BOP in August 2020

Challenges

In 2019/20:

- our Tauranga Heritage Collection digitalisation programme was delayed
- workloads increased with minimal staffing resources
- our Hands-on Tauranga service to schools was interrupted by COVID-19.

Looking ahead

In 2020/21, we will continue:

- uploading the collection to our digital platform to provide better access to our heritage artefacts and taonga
- building common connections to our history and our stories, through collaboration with local and regional heritage sectors.

Baycourt



What we do

We manage and operate Baycourt to bring to life a comprehensive programme of arts and cultural events for everyone in our community.

Baycourt:

- provides a premier facility and a hub for the performing arts in Tauranga, with an auditorium, conference/hospitality spaces, and a ticket office
- focuses on building performing arts capabilities and taking our expertise into the community to grow, enrich and support arts and culture in our city
- contributes to the vibrant arts and culture of our city by entertaining our residents, growing and supporting local practitioners and showcasing national and international product
- provides a comprehensive, fully-functional venue with up-to-date facilities and expertise, that meets the diverse needs of a wide variety of events.

How does this affect you?

Baycourt is available for use by the community.

Our performing arts venue grows and supports local practitioners, while showcasing national and international productions. It provides a balanced and diverse programme of live performances for local residents that enriches, engages and contributes to a vibrant city.

Highlights in 2019/20

- 1 We were named Best Small Venue (under 1000 seats) and Supreme Venue of the Year at the Entertainment Venues Association NZ awards, which are the premier awards for New Zealand venues. We were acknowledged for the quality of our service to both audiences and hirers.
- 2 We launched “Made in Tauranga”, bringing artists to Tauranga to work with our community on creations that are inspired by our city. This included “Lookout”, a show performed by students from Papamoa Primary School on the roof of the Bongard Centre. The show explored the future of the city through the eyes of eight-year-olds.
- 3 We launched the “Tauranga Teen Techs” training programme, bringing together students from schools across our city to learn about technical theatre production. The programme aimed to develop the next generation of theatre technicians by creating pathways to working backstage in theatre production.
- 4 We piloted a new consortium of regional arts venues, partnering with venues in Hamilton, New Plymouth and Hastings. The partnership focuses on touring high quality New Zealand theatre to regional audiences, touring 3-4 productions each year. The first show to be presented as part of this consortium was Winding Up, from Auckland Theatre Company. Whilst the show was delayed due to COVID-19, the work will now be presented in September 2020.











SIGNIFICANT CAPITAL PROJECTS

	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
Baycourt building and equipment renewals & capital works	238	168	70	Dressing room accessibility and fire alarm installation project budgets were carried forward for completion in the 2020 FY. There was additional unbudgeted capital spend of approx \$18k for digital signage.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - BAYCOURT					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	1,571	1,700	1,914	214	
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	675	705	547	(158)	Revenue below budget as a result of COVID-19 and the cancellation/postponement of events.
Internal charges and overheads recovered	0	0	0	0	
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	
Total Sources of Operating Funding (A)	2,246	2,405	2,461	56	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	1,481	1,553	1,494	(59)	Reduced technical maintenance costs and stock purchases as a result of COVID-19 and the temporary closure of Baycourt.
Finance Costs	43	61	51	(10)	
Internal Charges and Overheads applied	412	483	402	(81)	Internal charges below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	0	0	
Total Applications of Operating Funding (B)	1,936	2,098	1,947	(151)	
Surplus/(Deficit) of Operating Funding (A-B)	310	307	514	207	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - BAYCOURT					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	308	45	112	67	Higher than anticipated during the LTP due to delayed capital programme delivery.
Gross proceeds from the sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	308	45	112	67	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	272	15	82	68	Dressing room accessibility and fire alarm installation project budgets were carried forward for completion in the 2020 FY.
- to replace existing assets	163	160	156	(4)	
Increase/(Decrease) in reserves	182	177	388	211	Depreciation reserve is higher than budget due to a higher depreciation expense.
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	617	352	626	274	
Surplus/(Deficit) of Capital Funding (C-D)	(309)	(307)	(514)	(207)	
Funding balance ((A-B)+(C-D))	0	0	0	0	



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
Provide a comprehensive and fully-functional performing arts venue, which is for use by the community and to attract world-class performers to our city.	Number of patrons that attend shows / events.	 51,787	70,000	 34,264	Target not met. Ticketed attendance for the full year was 34,264, representing a 34% drop on attendance from the previous year. This is primarily due to COVID-19, which saw all performances from March to June cancelled. Q4 is typically the busiest period for Baycourt
	Percentage of usage that is: a) commercial b) community	 a) 25% b) 75%	a) 35-45% b) 55-65%	 a) 17% b) 83%	Target not met. Trend throughout the year saw community events and local utilisation dominate the programme. During Q4, only one event was held due to COVID-19 and border restrictions; resulting in 100% community usage
	Level of satisfaction based on monthly survey of hirers to Baycourt.	 100%	80-85%	 100%	Target met. Feedback from hirers remained strong throughout the year, both formally through the survey, and informally through debrief meetings
Increase the national awareness of Baycourt as a performance venue among the industry and audiences, and provide a diverse programme of events to appeal to local audiences, and visitors from New Zealand and overseas.	The amount of national and international events held at Baycourt.	 46	55-60	 22	Programme severely impacted by COVID-19, venue closure and ban on public gatherings, which reduced number of national and international events
	The number of event days that Baycourt is occupied using booking information and total possible available days.	 73%	72-75%	 51%	Result not met. Baycourt remained closed for public performances at alert levels 4, 3 & 2. Baycourt reopened at level 1

Challenges

In 2019/20:

- COVID-19 significantly affected our business, with the venue closed to the public at Alert Levels 4, 3 and 2. The restrictions on public gatherings meant all programming between March and June was cancelled or postponed. Ticketed attendance was strongly affected, with annual attendance down by 35%. Revenue from both commercial and community venue hire was also strongly affected. With restrictions on gatherings lifted, Baycourt must reschedule events around existing bookings in 2020/21.
- Baycourt contributed to industry advocacy on behalf of arts and events promoters / hirers, as part of our EVANZ membership. Hirers of Baycourt depend on revenue from funding and ticket sales. Although both revenue streams were critically affected by COVID-19, we worked to support the recovery of our arts and culture sector.
- before COVID-19, Baycourt community and commercial hirers created a lot of demand for our spaces. Although this has not yet returned to pre-COVID levels, challenges remain to ensure the venue can support the growth of the local performing arts sector, while being available for national events.

Looking ahead

In 2020/21, we will continue:

- reviewing the “Friends of Baycourt” membership programme, having taken administration of the programme in-house earlier this year. We plan to launch a refreshed membership programme in Q2 next year. This will look to build connections between audiences and artists at Baycourt, while developing opportunities for young people.
- building on the success of the “Made in Tauranga” project, with professional theatre group ‘Massive Company’, to be based in Tauranga from February. This will help develop new work with people aged 15-20. We might commission a new work through this programme, based on the stories of Tauranga Moana.
- investing in equipment to enable professional-quality live streaming and filming of events. Known as ‘Studio Baycourt’, this new offering will provide hirers with access to equipment and in-house expertise to respond to the high demand to reach audiences digitally.
- dealing with the effects of the ongoing border restrictions and financial downturn on venue utilisation in Q1 and Q2.



Beachside Holiday Park

What we do

We provide camping sites and accommodation (cabins, onsite caravans) with an onsite visitor information centre at the base of Mauao.

How does this affect you?

We provide quality accommodation in one of Tauranga's prime spots, encouraging tourism and creating a social atmosphere in the northern part of Mount Maunganui. This commercial activity generates revenue for Council.

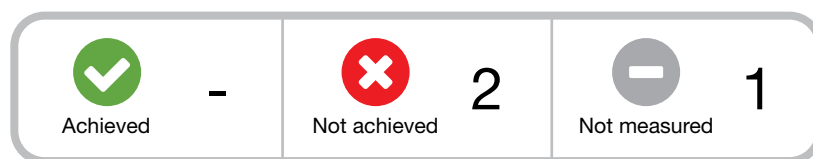
Highlights in 2019/20







- 1 For the first time, we achieved a Recognition of Excellence award from HotelsCombined.
- 2 For the fourth consecutive year, we achieved a Gold Sustainable Tourism Business award, while retaining our 4 Star plus Holiday Park Grade.
- 3 We completed a kerb and channeling project throughout the park.

SIGNIFICANT CAPITAL PROJECTS				
	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
Beachside Holiday Park facilities improvements	11	386	(375)	Works were further delayed during the 2020 financial year, due to statutory processes and COVID-19. The budget has been carried over to the 2021 financial year.
Various capital renewals	201	335	(134)	Some renewals were aligned with the dining room extension and park improvements projects, so were also delayed. The remaining budget has been carried into the 2021 to enable the works to be completed.
Kerb and channelling throughout park	118	80	38	The project went slightly over budget as some additional kerb and channelling works were carried out to mitigate flooding in the park.
Beachside dining room extension	52	302	(250)	Works on this project were delayed due to COVID-19. The work is planned to go ahead during the 2021 year and the 2020 budget carried over to the 2021 financial year.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - BEACHSIDE HOLIDAY PARK					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	0	0	0	0	
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	1,774	1,943	1,811	(132)	Revenue below budget as a result of the COVID-19 lock-down.
Internal charges and overheads recovered	4	4	6	2	
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	
Total Sources of Operating Funding (A)	1,778	1,947	1,817	(130)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	933	947	1,026	79	Slightly above budget due to higher staff, operating and repairs and maintenance costs as a result of increased occupancy pre COVID-19.
Finance Costs	156	201	133	(68)	Lower than expected finance costs due to postponement of capital works.
Internal Charges and Overheads applied	230	269	226	(43)	Internal charges below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	0	0	
Total Applications of Operating Funding (B)	1,319	1,418	1,385	(33)	
Surplus/(Deficit) of Operating Funding (A-B)	459	529	432	(97)	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - BEACHSIDE HOLIDAY PARK					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	459	38	240	202	Increase in debt higher than LTP budget as a result of additional improvement projects added during Annual Plan process.
Gross proceeds from the sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	459	38	240	202	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	647	211	220	10	Slightly higher than budget as some projects had been budgeted for in prior years.
- to replace existing assets	156	349	201	(148)	Less than budgeted due to postponement of capital projects.
Increase/(Decrease) in reserves	115	8	252	243	Higher than budget due to delay in renewal projects.
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	918	568	672	105	
Surplus/(Deficit) of Capital Funding (C-D)	(459)	(530)	(432)	97	
Funding balance ((A-B)+(C-D))	0	0	0	0	



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide a range of accommodation options for visitors to the region.	Number of Guest Nights.	 78,921	72,000	 67,950	Visitor numbers were affected by the COVID-19 lockdown. Travel restrictions coincided with the shoulder season, including Easter and school holidays
We will provide accommodation meeting visitor expectation.	TripAdvisor reviews: maintain 90% approval rating.	 80%	90%	 78%	Over the past 12 months we received eight reviews to give us an overall score of 78% for the year
We will provide accommodation meeting visitor expectation.	AA Tourism review: maintain 90% approval rating.	 Not measured	90%	 Not measured	AA no longer provides tourism reviews. This measure will be replaced with a Net Promoter Score (NPS) in future reporting

Challenges

In 2019/20:

- adapting our processes to comply with strict COVID-19 protocols for guests and cleaning.
- finding places for larger camper vehicle and tent sizes.
- staff retention during the off-season.

Looking ahead

In 2020/21, we will be:

- extending our facilities by creating a lounge and dining room to meet growing demand and make our guests' stays more enjoyable.
- looking to add more accommodation, while installing bigger and longer sites to keep up with the changing dimensions of camper vehicles.

Building Services



What we do

We ensure that new and existing building developments are safe and compliant.

We provide technical advice and consent decisions efficiently and within compliance timeframes, providing quality outcomes to support residential and commercial building development across the city.

Our activity ensures Council implements the Building Act 2004, Building Code, and associated legislation, and ensures all building projects meet these requirements.

Our overall aims are to support development in Tauranga, to provide efficient and effective services to customers, and to encourage best practices in building design and construction to provide assurance to consumers.

How does this affect you?

We ensure all building work in the city is completed correctly, so people can use buildings without endangering their health.

Highlights in 2019/20

- 1 We maintained International Accreditation New Zealand (IANZ) accreditation for the Building Consent Authority (BCA).
- 2 In August 2019, a structural review resulted in the Compliance team moving to work with Building Services.
- 3 We received confirmation from Ministry of Business, Innovation and Employment (MBIE) that we are no longer required to provide 6-monthly reports in relation to the failed Bella Vista development.











SIGNIFICANT CAPITAL PROJECTS

	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
Building capital works	201	110	91	Replacement of out in the field units within the Building team.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - BUILDING SERVICES					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	5	5	273	268	Building Compliance which is a partially rate funded function was transferred into Building Services during the 2019/2020 financial year as the result of an organisational restructure.
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	12,766	13,478	11,106	(2,372)	Building consent numbers were lower than anticipated and this was exacerbated by the COVID-19 lockdown. Pool inspection revenue was also lower than budget due to a council decision to not charge for existing pools.
Internal charges and overheads recovered	18	18	1	(17)	No interest earned on working capital due to cash deficit.
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	
Total Sources of Operating Funding (A)	12,789	13,502	11,380	(2,122)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	8,145	8,323	8,370	47	An organisational restructure resulted in vacancies being temporarily filled by contractors at a higher cost than a full time employee. This was somewhat offset by savings in administration costs.
Finance Costs	140	158	231	73	
Internal Charges and Overheads applied	3,269	3,716	3,148	(568)	Internal charges are below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	0	0	
Total Applications of Operating Funding (B)	11,554	12,198	11,749	(449)	
Surplus/(Deficit) of Operating Funding (A-B)	1,235	1,304	(369)	(1,673)	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - BUILDING SERVICES					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	161	0	201	201	Reflects replacement of field units within the Building team.
Gross proceeds from the sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	161	0	201	201	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	161	0	201	201	Reflects replacement of field units within the Building team.
- to replace existing assets	0	0	0	0	
Increase/(Decrease) in reserves	1,235	1,304	(369)	(1,673)	Cash reserve deficit higher than budgeted due to lower revenue.
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	1,396	1,304	(168)	(1,471)	
Surplus/(Deficit) of Capital Funding (C-D)	(1,235)	(1,304)	369	1,673	
Funding balance ((A-B)+(C-D))	0	0	0	0	



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide technical advice and consent decisions within substantive timeframes.	Percentage of building consent applications processed within substantive timeframes.	 98%	97%	 95%	Transition to working from home resulted in processing delays
	Carrying out of building inspections (on average).	 7-10 days	4 days	 7-10 days	Staff shortages mean the waiting time for inspections is greater than desired. Recruitment is taking place to fill the vacancies.
	Mean elapsed working days to granting building consent applications.	 33 days	30 days	 34 days	We are reviewing and improving our processes to reduce the elapsed working days.
We will provide customers with project advice.	Customers are satisfied with service provided.	 Not measured	85- 86%	 Not measured	In 2018/19, we started using an online point-of-contact survey called 'Ask Me' for collecting and acting on customer feedback.
	Customers for large-scale commercial and residential building projects are satisfied with direct customer liaison services.	 Not measured	85- 86%	 Not measured	Ask Me provides real-time data and has superseded our previous surveys.

Challenges

In 2019/20:

- Tauranga's continuing growth creates demand for our services.
- it has been difficult to reduce inspection waiting times due to resourcing and industry demands.
- we have found it difficult to recruit suitably-qualified staff to fill vacancies.

Looking ahead

In 2020/21:

- we are working towards introducing virtual inspections to help meet demand and assist with inspection waiting times.
- we expect to see more and more intensification and complex developments as Tauranga grows. We will be focusing on internal training and recruitment to ensure our team can meet the challenge of these complex consents.
- we want to develop our relationships with our stakeholders and community. We will be holding forums with key stakeholders to help meet the needs of those parts of our sector where people are having difficulty achieving compliance.

Cemeteries



What we do

Cemeteries are part of Tauranga's essential infrastructure.

Our focus is to provide burial, cremation and chapel services, while maintaining active cemeteries. We also aim to be financially self-sustainable.

Our activity occurs at Pyes Pa Cemetery and Crematorium, along with five older denominational cemeteries in the Avenues.

We generate revenue from burial and cremation fees, and by selling plots at Pyes Pa Cemetery.

Our activity is managed to ensure the Council meets its requirements under the Burial and Cremations Act 1964. We do not manage the Mission Cemetery, as this is managed as a historic reserve by Parks and Recreation.

There is planning for the future provision of memorials.

How does this affect you?

We provide an efficient and supportive cemetery and cremation service.

Highlights in 2019/20

- 1 Three new staff completed training and grew into their new roles after the retirement of a senior staff member with 30 years of loyal service.
- 2 We stayed connected as a team and provided services through COVID-19 restrictions.
- 3 A new cremator arrived to replace a model which was installed in 1966.
- 4 Our office has a new look that is more customer/staff friendly.





SIGNIFICANT CAPITAL PROJECTS

	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
Miscellaneous renewals	19	25	(6)	Minor variance.
New cremator and cremator improvements	420	385	35	Purchase costs for the new cremator higher than anticipated.
Convert cremator to natural gas and put in gas line	1	80	(79)	Budget carried forward to 2021 FY. Delayed delivery as a result of border restrictions associated with COVID-19.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - CEMETERIES					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	0	0	0	0	
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	962	1,017	796	(221)	Lower than budget as a result of COVID-19 restrictions around mass gatherings and chapel hire.
Internal charges and overheads recovered	11	11	10	(1)	
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	
Total Sources of Operating Funding (A)	973	1,028	806	(222)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	610	547	536	(11)	
Finance Costs	49	77	219	142	Higher debt servicing costs as a result of a land purchase in 2019 financial year.
Internal Charges and Overheads applied	182	214	178	(36)	Internal charges below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	0	0	
Total Applications of Operating Funding (B)	841	838	933	96	
Surplus/(Deficit) of Operating Funding (A-B)	132	190	(127)	(318)	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - CEMETERIES					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	114	563	83	(480)	
Gross proceeds from the sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	114	563	83	(480)	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	113	561	81	(479)	Construction of new loop road deferred until 2022 financial year.
- to replace existing assets	401	26	439	413	Delivery of the new cremator project was deferred from 2019 to 2020.
Increase/(Decrease) in reserves	(267)	168	(564)	(731)	Delayed delivery of renewal projects resulted in a delayed decrease to the depreciation reserve. Cash reserve balance less than budgeted due to reduced revenue.
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	247	755	(44)	(798)	
Surplus/(Deficit) of Capital Funding (C-D)	(133)	(192)	127	318	
Funding balance ((A-B)+(C-D))	0	0	0	0	



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide well-maintained cemeteries and memorial gardens for the community.	Cemetery sites are to pass audit for the following criteria; gardens, turf, litter, mulch, structures and edging.	 96%	86%	 97%	Sites have surpassed targets for each quarter
We will provide appropriate services for burial, cremation and lounge facility.	Non-denominational burial and cremation services are provided 6 days per week under normal operating conditions. Christmas Day, Boxing Day, Good Friday, Easter Monday and ANZAC Day are excluded.	 Achieved	Achieved	 Achieved	Business-as-usual operations require regular maintenance of cemetery sites. This has been carried out as expected

Challenges

In 2019/20:

- our biggest challenge was having a new team conduct the crematorium operation and cemeteries maintenance.
- COVID-19 restrictions delayed the installation of the new cremator and rose gardens until the end of the financial year.

Looking ahead

In 2020/21:

- we are looking forward to a new and larger cremator being installed, allowing both cremators to run off natural gas instead of diesel. Staff will be trained to ensure we continue to provide quality services.
- the nursery buildings and some trees on the new cemetery plot will be removed.
- we will work on orchard maintenance and the elimination of noxious weeds.

City and Infrastructure Planning



What we do

We are responsible for preparing the Tauranga City Plan, plan changes, and implementation issues within the requirements of the Resource Management Act 1991, Special Housing Areas. We also provide technical input into the SmartGrowth partnership.

We provide policy and technical advice to Council on national, regional, sub-regional and local planning and growth management.

We monitor national, sub-regional and local population and land-use trends so that good information is available for Council policy development and decision-making.

We are responsible for transport, water supply, wastewater and stormwater planning for Tauranga, including the structure planning of new urban growth areas and input into local Waka Kotahi NZTA projects. This includes the funding of this infrastructure through the development, review and implementation of the Council's Development Contributions Policy.

How does this affect you?

We promote the sustainable management of Tauranga's resources for our communities. We take an integrated land-use and infrastructure approach to managing the city's growth.

Highlights in 2019/20

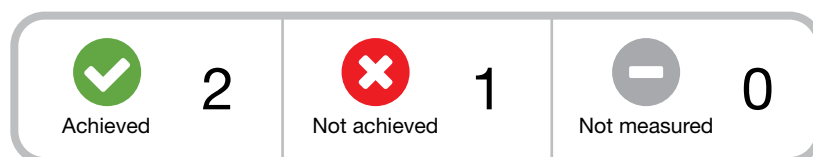
- 1 We completed the Urban Form and Transport Initiative (UFTI) project. This is a milestone for agreeing on an integrated land use and transport vision for the sub-region. It has the support of all SmartGrowth Partners and central Government - especially NZTA. UFTI acts as a programme business case for the sub-region that will enable access to government funding for transport projects.
- 2 Commencement of the Transport System Plan project, which will turn UFTI's vision into reality by developing the detail of transport investments in key parts of the transport network, such as the 15th Ave/Turret Rd area and the Hewletts/Hull/Totara congestion points.
- 3 The progress made on the Te Papa business case and spatial plan for intensification has been a real highlight. The business case was adopted and final adjustments are being made before it goes to the NZTA board with the UFTI business case in August. Consultation on the broader spatial plan was completed, allowing the project to be finalised in the next few months. The project will enable changes to Tauranga's intensification and urban form, while supporting social housing redevelopment, reduced carbon emissions and different types of transport.







SIGNIFICANT CAPITAL PROJECTS

	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
Computer equipment and software	72	0	72	Transportation related software for modeling for growth.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - CITY AND INFRASTRUCTURE PLANNING					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	4,237	4,822	5,535	713	Additional rates required to fund shortfall resulting from reduced user fees along with increases in operating expenditure.
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	1,626	638	286	(352)	Reduced income from Te Tumu and Tauriko West planning offset by unbudgeted revenue from NZTA subsidy relating to UFTI.
Internal charges and overheads recovered	0	0	0	0	
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	
Total Sources of Operating Funding (A)	5,863	5,460	5,821	361	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	6,522	4,267	7,731	3,464	Additional costs approved via either the annual plan or council resolution relating to Transport Network Plan, Te Papa Intensification & UFTI.
Finance Costs	84	138	122	(16)	
Internal Charges and Overheads applied	1,498	1,692	1,476	(216)	Internal charges below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	0	0	
Total Applications of Operating Funding (B)	8,104	6,097	9,329	3,232	
Surplus/(Deficit) of Operating Funding (A-B)	(2,241)	(638)	(3,508)	(2,871)	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - CITY AND INFRASTRUCTURE PLANNING					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	1,425	638	2,147	1,509	Opex funding of Transport network plan as approved by Council.
Gross proceeds from the sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	1,425	638	2,147	1,509	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	0	0	72	72	Transport related software purchase.
- to replace existing assets	0	0	0	0	
Increase/(Decrease) in reserves	(816)	0	(1,433)	(1,433)	
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	(816)	0	(1,361)	(1,361)	
Surplus/(Deficit) of Capital Funding (C-D)	2,241	638	3,508	2,871	
Funding balance ((A-B)+(C-D))	0	0	0	0	



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will develop and review the City Plan, including public consultation, to guide the growth of the City and the provision of land able to be developed for the next ten years.	Percentage of building consents approved for new dwellings that will be located in the zone(s) where permitted (refer City Plan zones).	 100%	100%	 100%	All building consents approved for new dwellings were located in the zone(s) where permitted
We will deliver and monitor a planning framework for the city that provides sufficient development capacity to accommodate ongoing growth.	Compliance with the National Policy Statement for Urban Development Capacity which require 3, 10 and 30 years of development capacity and infrastructure capacity to be provided/identified along with additional buffers.	 Not achieved	Short-term compliance achieved	 Short-term compliance achieved	Dwelling projections were revised down in late-2019, after 2018 Census results revealed that there was a lower proportion of unoccupied dwellings, and a higher number of people per dwelling than previously assumed in growth projections. Short- to medium-term projections were further-reduced in early-2020 to acknowledge the effects of COVID-19. We expect this reduction to be followed by a period of higher-than-projected growth, offsetting the reduction and returning to projected levels by 2031. This means short-term compliance can be achieved, but medium- to long-term compliance will require more housing capacity.
We will provide a Development Contributions Policy which enables collection of development contributions to fund growth related capital expenditure.	All building consent, resource consent and service connection applications are assessed for development contributions as well as invoiced and collected as appropriate.	 100%	100%	 100%	All consents were assessed for development contributions and invoiced accordingly. Staff are receiving more applications to defer payment of development contributions, and this affects collection timeframes.

Challenges

In 2019/20:

- Unfavourable decisions from the Maori Land Court and Maori Appellate Courts on applications made by TTK14 to enable access into Te Tumu through their land have delayed urbanisation of this area and the provision of much-needed homes.
- Natural hazards provisions in the Regional Policy Statement present unresolved challenges to our greenfield and intensification plan changes. This is affecting our ability to provide development capacity for our growing city.
- A heavy workload is creating budgeting and resourcing challenges and affecting the team's wellbeing.

Looking ahead

In 2020/21:

- we will be notifying plan changes for greenfield and intensification growth and related issues such as flooding and earthworks.
- we will start a full City Plan review in earnest.
- we are looking to complete the first stage of the transport system plan (the system operating framework) and move on to specific investigations and business cases for key parts of the transport network which are under pressure. This will occur alongside finalising the long-term NZTA-led business case for transport improvements in Tauriko, which will support urbanisation in areas like the Tauriko Business Estate and Tauriko West.

DRAFT

City Centre



What we do

The city centre is the commercial heart of Tauranga, providing employment and other economic activity. It encourages a sense of pride and ownership for residents.

We are focused on maximising the city centre's contribution to the local economy. We want to create a vibrant city centre that is a great place to work, live, learn and play.

How does this affect you?

A successful city centre produces environmental, economic, and social benefits by enabling the interaction of people for business, cultural and social activities.

Success can be measured by:

- attracting more people to the city centre more often, and for longer
- attracting investment into the city centre through private development
- businesses migrating to the city centre.

Highlights in 2019/20

- 1 We formed the Urban Spaces team and took-over responsibility for delivering city centre streetscape projects previously managed by the Heart of the City team.
- 2 We started construction for the Wharf St upgrade, which is scheduled for completion this summer.
- 3 We completed the Durham St upgrade and learnt lessons that will be taken on board to improve the design and delivery of future streetscape projects.

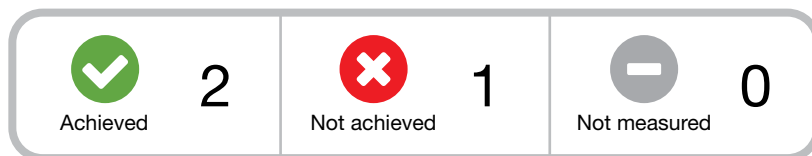
SIGNIFICANT CAPITAL PROJECTS







	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
Civic Heart	1,822	2,394	(572)	Costs related to The Strand Extension, Wharf Street and Elizabeth Street projects transferred to Parks & Recreation activity.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - CITY CENTRE					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	2,065	2,314	530	(1,784)	Lower than budgeted rates requirement due to expenditure transferred to Parks & Recreation activity as a result of reorganisation.
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	0	0	0	0	
Internal charges and overheads recovered	0	0	0	0	
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	
Total Sources of Operating Funding (A)	2,065	2,314	530	(1,784)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	977	934	2	(932)	Payments now applied to Parks & Recreation activity.
Finance Costs	441	729	475	(254)	Interest costs below budget as streetscape capital expenditure has been transferred to Parks & Recreation activity.
Internal Charges and Overheads applied	387	436	0	(436)	Internal charges now applied to Parks & Recreation activity.
Other Operating Funding applications	0	0	0	0	
Total Applications of Operating Funding (B)	1,805	2,099	477	(1,622)	
Surplus/(Deficit) of Operating Funding (A-B)	260	215	53	(162)	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - CITY CENTRE					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	3,775	3,435	1,823	(1,612)	Increase in debt lower than budgeted due to streetscape projects transferred to Parks & Recreation activity.
Gross proceeds from the sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	3,775	3,435	1,823	(1,612)	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	3,775	3,435	1,822	(1,613)	Streetscape project budgets transferred to Parks & Recreation activity.
- to replace existing assets	0	0	0	0	
Increase/(Decrease) in reserves	260	215	54	(161)	Depreciation reserve lower than budgeted as capital projects have been transferred to Parks & Recreation activity.
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	4,035	3,650	1,876	(1,774)	
Surplus/(Deficit) of Capital Funding (C-D)	(260)	(215)	(53)	162	
Funding balance ((A-B)+(C-D))	0	0	0	0	

Previously, City Development activity was included under this Activity Area Plan, but for the 2019-28 LTP it now gets reported under Corporate Services so the comparatives have been moved under that Activity Area Plan.



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will facilitate and support investment in the Tauranga City Centre to attract new businesses, by being the main point of contact for parties wanting to develop or invest in the City Centre.	Employee count in city centre.	 18,023	13,892	 17,967	Information provided by Infometrics shows we had less people employed in the city centre compared to 2018/19. The city centre is defined as between Marsh St and Eleventh Ave.
	Business count in city centre.	 2,604	2,537	 2,700	We had more businesses in the city centre (between Marsh St and Eleventh Ave).
	Percentage of occupied buildings at ground level.	 Not measured	91%	 75%	Occupancy was based on a survey of tenancies between Monmouth and 2nd Avenue and on the eastern side of Cameron Rd only.

Challenges

In 2019/20:

- the main challenges facing our team involved resetting projects and re-establishing our work programme after internal restructure. This involved engaging with the community, councillors and other stakeholders to re-confirm the programme and associated budgets and timeframes.

Looking ahead

In 2020/21, we will:

- deliver the confirmed Urban Spaces programme, including key projects such as the Wharf St upgrade and Elizabeth St upgrade.
- confirm the future Urban Spaces programme through the Long-term Plan 2021-31 process.

City Events



What we do

We work with the events industry to support the creation of distinctive Tauranga events to share with the world.

We strongly value events that are safe, smokefree, support accessibility and work towards zero waste.

Priority is given to events that reflect a healthy lifestyle, showcase Tauranga's distinctive landscapes, are vibrant, and are culturally diverse.

How does this affect you?

Economic and social benefits include:

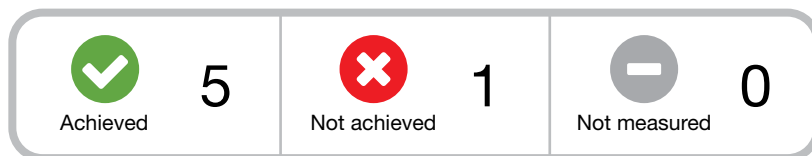
- encouraging visitors to our city
- driving regional GDP growth
- addressing seasonal variations in event numbers
- contributing to a sense of community pride, identity and belonging
- providing entertainment and recreational opportunities
- driving participation in sporting and cultural activities.









Highlights in 2019/20





- 1 Tauranga was announced as one of six New Zealand host cities for the ICC Women's Cricket World Cup, with five pool matches and one semi-final to be held at Bay Oval. This world-class tournament will be supported through our Major Event Fund and TECT's Community Events Fund. It is expected to generate 9000 visitor nights and inject more than \$1.8 million of tourism spending into the city. The tournament has been delayed until 2022 because of COVID-19.
- 2 with Tauranga Art Gallery, we were proud to host internationally-recognised, local artist Graham Hoete (aka Mr G) in his inaugural solo exhibition, Home. Running from November 2019 to February 2020, the exhibition was a celebration of Mr G's identity and deep connection to Tauranga Moana, particularly Motiti and Matakana Islands. More than 18,000 people visited the exhibition, including hundreds of enthusiastic primary, intermediate and secondary school students. The exhibition was praised for its education programme.
- 3 on 21 November, Bay Oval hosted its first international cricket test match, when the Black Caps beat World Cup winners England. Bay Oval became New Zealand's ninth test venue, cementing its place as one of the best cricket grounds in the country.
- 4 Tauranga hosted many great sports, arts, music, cultural and festival events. The growth in quantity and variety seems to be a highlight year-on-year for our city. The sold-out concerts in some of our beautiful parks were a highlight this year, such as One Love Festival, Cold Chisel and Ben Harper.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - CITY EVENTS					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	2,800	2,962	2,722	(240)	Lower than budgeted rates requirement due to reduced operating expenditure and overheads.
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	0	0	15	15	
Fees and charges	0	0	23	23	Unbudgeted external recoveries to cover additional expenditure across various events.
Internal charges and overheads recovered	0	0	0	0	
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	
Total Sources of Operating Funding (A)	2,800	2,962	2,760	(202)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	2,262	2,352	2,223	(129)	Below budget due to various COVID-19 related reasons such as the cancellation of ANZAC Day public events.
Finance Costs	(4)	(4)	1	5	
Internal Charges and Overheads applied	538	610	532	(78)	Internal charges below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	0	0	
Total Applications of Operating Funding (B)	2,796	2,958	2,756	(202)	
Surplus/(Deficit) of Operating Funding (A-B)	4	4	4	0	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - CITY EVENTS					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	0	0	0	0	
Gross proceeds from the sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	0	0	0	0	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	0	0	0	0	
- to replace existing assets	0	0	0	0	
Increase/(Decrease) in reserves	4	4	4	(0)	
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	4	4	4	(0)	
Surplus/(Deficit) of Capital Funding (C-D)	(4)	(4)	(4)	0	
Funding balance ((A-B)+(C-D))	0	0	0	0	



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will invest in and attract major events to Tauranga that meet the objectives of the Major Events Fund.	Number of visitor nights as a direct result of Major Events Fund investment.	 83,846	70,000	 110,579	Target met. Result remains unchanged from Q3 due to all Q4 major/ legacy events being cancelled as a result of COVID-19, i.e. Sand to Surf, Pacific Rim Gymnastics Championships, National Jazz Festival
	Contribution of the major events to regional GDP.	 \$5,359,825	\$7M	 \$7,303,249	Target met and exceeded in Q3. Event economics is used to conduct pre-event analysis for all major and legacy events. Post-event analyses are only carried out for selected events
	Addressing seasonal variation i.e. numbers (%) of events held between April and November.	 56%	65%	 47%	Not met. Unchanged from Q3 due to all Q4 major/legacy events being cancelled as a result of COVID-19, i.e. Sand to Surf, Pacific Rim Gymnastics Championships, National Jazz Festival. If these events had occurred, we were still unlikely to meet the target, due to fewer off-peak major events occurring than anticipated
We will provide safe and successful Council-led events including ANZAC Day commemorations, New Year's Eve activity, Winter Night Winter Lights, significant Civic functions etc.	Customers are satisfied or very satisfied (via survey) with the Council-delivered event they attended.	 Not measured	82.5%	 96.7%	Survey undertaken at four New Year's Eve community event sites. Of the 218 respondents, over 99% were either satisfied (24.47%) or very satisfied (75.18%) with the delivered events.

PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide events which attract youth.	The number of youth events held in the city on public open space.	 45	>10	 59	Target met. We significantly exceeded our target, holding 59 youth events. Approx. 12 events were cancelled due to COVID-19. We source this from the Ungerboek event booking system
We will ensure booking and facilitation of all events on public open space is as event-friendly and enabling as possible.	Customers are satisfied or very satisfied (via survey) with the booking and facilitation services provided by the City Events Team.	 100%	85%	 92%	Target met. Survey was undertaken later than normal, post-Alert Level 1. The industry is in a challenging position due to COVID-19, due to some event organisers cancelling events and for financial reasons

Challenges

In 2019/20:

- the quantity, scale and complexity of events is growing. This presents challenges for the event approval process (event facilitation) and for resourcing.
- the effects of COVID-19 and the subsequent closure of the events industry during Alert Levels 4, 3 and 2 was an extremely challenging time. Our industry was one of the first to be affected and one of the last to come back online. The team worked with event organisers to reschedule or cancel events held on Council's public open space. Staff worked to minimise the short-term financial affects.
- the event funding framework closed just four months into the financial year (October 2019) when funds were exhausted. We still supported 70+ events (on par with the previous year) and allocated \$925,787 in event grants and support services (21% more than the previous year).

Looking ahead

In 2020/21:

- a focus for the year will be supporting the events industry as it moves into a post-COVID recovery phase, and through any future changes to the alert levels.
- we will be introducing a centralised, cloud-based grants software and data management service, called SmartyGrants, to manage event funding administration. Benefits will include high-quality data management and auditing processes. A centralised funding portal will allow our customers to track all funding requests across any SmartyGrants funding body – including ourselves and TECT, which also recently subscribed to the software.

Community Development



What we do

We are responsible for improving 'social outcomes'.

We do this by:

- educating and supporting community organisations and internal teams
- working as a conduit between the community and Council processes
- facilitating collaboration
- building capacity
- connecting people, organisations and communities.

We also manage the Historic Village, which provides a platform for community collaboration.

We work with communities to help them recognise their strengths, identify the issues they want to address, and find sustainable solutions that work for them.

We encourage and facilitate collaboration between communities, our council and other organisations to ensure the most effective use of resources and to find innovative solutions to community problems.

How does this affect you?

We empower communities to participate in decision-making, become involved in policies that affect them, make decisions, and work towards self-reliance.

These activities help build strong, resilient, sustainable communities that celebrate our people and what they do.

In short, we drive positive social outcomes for our communities.

Highlights in 2019/20

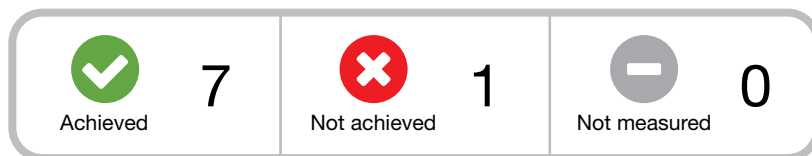
- 1 We provided support to Welcome Bay Community Centre (WBCC) with governance training and completion of a new strategic plan. We are currently supporting WBCC with a community plan for the wider Welcome Bay area.
- 2 Vital Update research was completed with over 5000 responses to help inform our understanding of the needs, aspirations, and wellbeing indicators for our city. This provided insight into six priority populations: Māori, youth, ageing people, ethnic communities, and people who are disabled or homeless.
- 3 We completed the Kāinga Tupu homelessness strategy, action plan, and COVID-19 recovery plan with wide community participation. A mayoral taskforce was established to support this work.
- 4 The Tahatai Coast School bike track was completed.
- 5 Tauranga achieved reaccreditation as an international safe community and gained formal accreditation as an 'Established Welcoming Community'.
- 6 The Tauranga Western Bay Safer Communities strategic plan review was completed. The strategy focuses on injury prevention, crime prevention, violence prevention, community wellbeing and addiction-related harm. Focus areas are determined by community feedback and statistical evidence.
- 7 We are building relationships with ethnic organisations and youth service providers while making new connections with schools.
- 8 We established a 'universal design' working group to make things more usable for disabled people. A great example can be seen in the eight accessible picnic tables in high-use parks and reserves.







SIGNIFICANT CAPITAL PROJECTS					
	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020	
Historic Village upgrade infrastructure and seismic upgrade	888	845	43	Overspend offset by underspend in the Historic Village renewals project.	
Historic Village new capital	245	250	(5)	Minor variance.	
Historic Village land sales	(438)	0	(438)	Unbudgeted land sale to TECT for The Kollektive.	
Historic Village renewals	212	554	(342)	Underspend partly offset by overspend in Infrastructure Upgrades project. Unspent renewals budget carried forward to 2021 and reassigned for delivery of Complex 1 Venue Upgrade.	











DRAFT

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - COMMUNITY DEVELOPMENT					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	3,628	4,385	3,597	(788)	Rates requirement less than budget due to lower than budgeted expenditure on housing related initiatives and other programmes.
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	0	0	128	128	Unbudgeted grant and sponsorship income received for Welcoming Communities and Safer Communities programmes.
Fees and charges	1,084	1,128	690	(438)	Historic Village lease revenue below budget due to upgrade works affecting availability of properties, as well as overhead relief provision for community groups as a result of COVID-19.
Internal charges and overheads recovered	(65)	(66)	0	66	No interest earned on working capital as cash reserve in deficit.
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	
Total Sources of Operating Funding (A)	4,647	5,447	4,415	(1,032)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	4,101	4,250	3,422	(828)	Some projects and collaborative initiatives not fully delivered due to resource deployment to the COVID-19 response. Partly offset by \$100k contribution to WBOP for Rapid Response Fund. Consultancy costs related to investigation, feasibility studies and collaboration lower than anticipated due to cancellation of housing-related initiatives.
Finance Costs	105	194	311	117	Interest costs higher than budgeted due to a greater portion of capital expenditure being funded through loans rather than the depreciation reserve.
Internal Charges and Overheads applied	794	899	769	(130)	Internal charges below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	10	10	
Total Applications of Operating Funding (B)	5,000	5,343	4,512	(831)	
Surplus/(Deficit) of Operating Funding (A-B)	(353)	104	(97)	(201)	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - COMMUNITY DEVELOPMENT					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	1,834	526	248	(278)	Lower debt due to delay of Historic Village building upgrades from programme set out in 2018-28 LTP.
Gross proceeds from the sale of assets	0	0	438	438	Unbudgeted Historic Village land sale to TECT for The Kollektive.
Lump sum contributions	0	1	0	(1)	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	1,834	527	686	159	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	2,165	880	1,131	251	Historic Village overspend offset by underspend against renewals projects.
- to replace existing assets	266	576	212	(364)	Historic Village renewals underspend partly offset by overspend in Infrastructure Upgrades project. Unspent renewals budget carried forward to 2021 and reassigned for delivery of Complex 1 Venue Upgrade.
Increase/(Decrease) in reserves	(950)	(825)	(754)	71	Decrease in depreciation reserve lower than budgeted due to delayed renewals programme delivery at the Historic Village.
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	1,481	630	589	(41)	
Surplus/(Deficit) of Capital Funding (C-D)	353	(104)	97	201	
Funding balance ((A-B)+(C-D))	0	0	0	0	



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will facilitate social outcomes by working with other organisations, and coordinate approaches to enable community-led initiatives and community capacity building.	Projects funded via the Community Development Match Fund are successfully implemented in accordance with the funding agreements.	 100%	90-95%	 95%	All projects are either successfully implemented or on track and being monitored. With only a small amount of funding available, only three Match Fund grants were made
	Community projects contributed to by Project Tauranga partners each year.	 10	8	 24	Tahatai Coast School Bike track (Higgins, Brian Perry Civil, Placemakers, Harrison Grierson), Street Prints Mauao (Cooney Lees Morgan and Officemax), Pedal Papamoa (Powerco), Travel Safe (Powerco), Play in the Bay (Cooney Lees Morgan), Art Gallery support (Cooney Lees Morgan), Smart Seeds (GHD), Creative BOP (Simpson Grierson), Stream and Estuary Clean up (Downer), Hartford Ave The Rock gardens (Downer), Mosque support (RCP), Acorn Foundation (Lellman Warne and Craigs IP), Tank Banner (Graincorp Liquid Fuels and Fuel Agency), A Night Before Xmas (McLeods), Night Shelter security (Nutech) and many more
	Capacity-building advice and support provided to at least two community organisations each year.	 7	Achieved	 Achieved	Supported Welcome Bay Community Centre developing a community plan to support Vital Update research. Provided leadership mentoring to the Taumata Trust through SocialLink. Helped lead development of the Kāinga Tupu strategy to represent provider views. Led the development of the COVID-19 recovery plan on homelessness

PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide a well maintained and managed Historic Village as a community facility, available for commercial and community tenancies and as a function and events venue.	Number of annual visitors.	 250,479	200,000	 214,556	Target met. Annual foot traffic lower than 2018/19 due to COVID-19 closures, but still well above target
	Occupancy rate of village leasable village space.	 94%	95%	 95%	Tenancy occupancy remained steady without losing tenants as a result of COVID-19. Rent relief was granted to tenants for the last quarter at a cost of \$80,000 in revenue
	Occupancy rate of village hireable venue space.	 14%	35%	 8%	Target not met. Venue occupancy was down on 2018/19 due to COVID-19. Bookings were increasing by June, despite being one venue down (Village Hall) due to upgrade works
We will ensure Tauranga residents feel safe and well connected in their communities.	Percentage of Graffiti removed within 48 hours.	 95%	98-100%	 98%	Target achieved. The number of reported graffiti jobs was down for the quarter due to the community adhering to lockdown. Obscene graffiti was removed as promptly as possible during this period, often within 2 hours of being reported. Normal services resumed on 30 April
	Percentage of residents who feel safe in their local neighbourhoods after dark.	 78%	55%	 73%	Achieved. We measure this from our annual residents' survey

Challenges

In 2019/20:

- COVID-19 affected core projects such as Project Tauranga and the Community Match Fund.
- the growth of work programmes is beyond the capacity of our Community Development advisors' team.
- we lacked funding to support the growth of the Community Development work programme.
- ensuring we are getting the greatest value out of the advisory groups, to provide positive engagement, critical thought and valuable insight.

Looking ahead

In 2020/21, we will:

- support our community with COVID-19 recovery efforts.
- focus on the following strategic priorities: Safer Communities, Welcoming Communities, Age Friendly City, Youth Action Plan, Kāinga Tupu homelessness strategy.
- use an 'outcome indicators framework' to measure how much we are helping Tauranga's communities.
- make our beaches and Mauao more accessible with 'trail riders' and the installation of the city's first fully-adaptive bathroom.
- host an Instep Young Leaders breakfast in September.
- investigate youth employment and retention in Tauranga.
- support community-led, awareness-raising initiatives focusing on the social harms of methamphetamine on whānau.
- review the Western Bay of Plenty Welcoming Communities Action Plan 2018-2020 with community stakeholders and develop a new action plan for 2021-2023.



Economic Development

What we do

The Economic Development activity is funded through a targeted commercial rate. Council's role is largely as a facilitator, working through contractual relationships with organisations such as Priority One and Tourism Bay of Plenty. Key activities include:

- attracting visitors, investors, businesses and skills
- skills development
- support for emerging innovation.

How does this affect you?

Where there is a clear case for providing support, we invest on behalf of commercial ratepayers to enable wealth creation and job opportunities and to help our economy become more competitive and resilient.

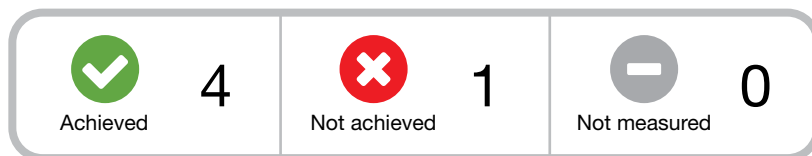
This creates returns for the whole community, and to Council, by increasing our rating base.











Highlights in 2019/20

- 1 Secured significant government funding for our labour market strategy, including the establishment of a local job and skills hub, education to employment strategy and Katikati digital hub
- 2 Supported the development/establishment of key projects affecting sustainable regional development, including UFTI and Toi Kai Rawa Trust (as a regional entity championing Māori economic development), and carbon reduction projects such as hydrogen infrastructure and regional ferries
- 3 Delivered or progressed key sub-regional projects such as the Young Innovator Awards, Groundswell Innovation Festival, Canvas Careers Expo and Studio I, in difficult times and when significant resources were needed elsewhere.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - ECONOMIC DEVELOPMENT					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	0	0	0	0	
Targeted Rates	4,240	5,105	4,390	(715)	Less targeted rates required to fund lower operating costs.
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	0	0	0	0	
Internal charges and overheads recovered	0	0	0	0	
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	
Total Sources of Operating Funding (A)	4,240	5,105	4,390	(715)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	4,104	4,953	4,245	(708)	Costs for Mount Visitor Centre not realised due to timing differences combined with higher recoveries..
Finance Costs	5	5	5	(0)	
Internal Charges and Overheads applied	128	145	138	(7)	
Other Operating Funding applications	0	0	0	0	
Total Applications of Operating Funding (B)	4,237	5,103	4,388	(715)	
Surplus/(Deficit) of Operating Funding (A-B)	3	2	2	0	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - ECONOMIC DEVELOPMENT					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	(2)	(2)	0	2	
Gross proceeds from the sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	(2)	(2)	0	2	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	0	0	0	0	
- to replace existing assets	0	0	0	0	
Increase/(Decrease) in reserves	1	0	2	2	
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	1	0	2	2	
Surplus/(Deficit) of Capital Funding (C-D)	(3)	(2)	(2)	0	
Funding balance ((A-B)+(C-D))	0	0	0	0	



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide improved alignment of residents' skills with business needs, leading to maintained or improved levels of labour force participation.	Gross Domestic Product per Employee in the city.	 \$77,841	\$77,500	 \$94,976	Employment growth in lower-productivity industries outstripped that in higher-productivity industries
	Ratio of working population to non-working population.	 1:1.88	1:1.98	 1:1.98	Achieved (a lower ratio is a better result)
	Knowledge-intensive employment level.	 20,351	19,500	 20,855	Achieved
	Knowledge Intensive Employment per employee.	 28%	30%	 28%	Not achieved. Employment growth in lower-skilled industries has outstripped that in higher-skilled industries
We will work collaboratively with Tourism Bay of Plenty and the tourism sector to increase visitor expenditure at a faster rate than Tauranga's gross domestic product.	Increased visitor spend - international and domestic.	 \$845m	\$775M	 \$804M	International and domestic visitor spend has exceeded targets. Visitor spend grew until February 2020, but COVID-19 restrictions later saw visitor numbers and spend drop

Challenges

In 2019/20:

- COVID-19: The coronavirus created social and economic disruption and the full scale of the economic impact is still uncertain. The Western Bay's strong economy pre-COVID should put us in a good position to recover more quickly than other regions and there are opportunities that should be taken to ensure the region is well-positioned to build a better, more-resilient and sustainable future economy.
- Labour market: Strong job growth and tight labour market pre-COVID, with many businesses and industries reliant on sourcing talent from overseas. Although there will be a short-term increase in unemployment, our key sectors still forecast strong employment growth in the medium to long-term. This means education, skills development and job matching are our most important challenges if we are to lift household incomes and address equity issues in regional prosperity.
- Sustainable growth planning: Addressing constraints in availability of industrial land (also residential) and development of robust plans oriented to the placement of industry to help local businesses grow, to attract new businesses and to consider environmental and sustainability objectives.

Looking ahead

In 2020/21, we will look to:

- partner with SmartGrowth and central government on the back of UFTI, to create a combined approach to high-value economic development that can be further developed to positively influence other well-beings
- implement a Tauranga Moana job and skills hub to connect the region's jobseekers, employers, training providers and employment services. The hub is being created to help employers understand and plan for their upcoming workforce needs and match local people to opportunities
- develop the Western Bay's innovation ecosystem, aligning growth businesses, local talent, education providers and capital networks to grow businesses in the area. This will provide increased productivity and higher incomes for our community.



Elder Housing

What we do

We provide 246 elder housing units in nine Tauranga and Mount Maunganui villages, providing long-term affordable accommodation for low-income tenants over the age of 65.

In 2017, we reviewed how the service is governed, funded and delivered to best meet the needs of our communities.

We consider the best outcome for our tenants would be to have the elder housing portfolio owned and managed by approved community housing providers, as they can enable new tenants to access rent subsidies and wraparound social services.

How does this affect you?

We aim to provide a high standard of living for all residents, and this includes affordable housing for our ageing population.

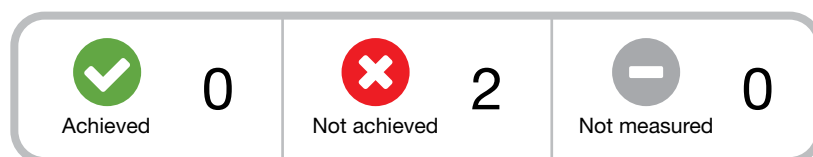
Highlights in 2019/20





- 1 Completed refurbishments in which we upgraded and modernised 35 of our elder housing units. We want incoming residents to feel good about their new long-term accommodation, and be able to be independent and self-sustaining.
- 2 Improved our services with a new contractor. Jobs are being completed faster and we have more positive feedback from tenants. This has been such a success that other councils are approaching us to research our service delivery model.

SIGNIFICANT CAPITAL PROJECTS				
	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
Miscellaneous renewals	680	300	380	Expenditure more than budget due to the timing of renewal works, mainly comprising of the refurbishment of housing units. Completion of this work is dependent on vacancy rates and availability of contractors.
Air conditioning upgrades	183	306	(123)	The underspend is due to delays caused by COVID-19. The unspent budget for this project has been carried forward to future years.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - ELDER HOUSING					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	0	0	0	0	
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	1,738	941	1,840	899	LTP budgets included the disposal of all Elder Housing Villages by January 2020, which did not occur.
Internal charges and overheads recovered	(11)	(11)	23	34	Interest earned on activity investment not budgeted in LTP.
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	
Total Sources of Operating Funding (A)	1,727	930	1,863	933	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	1,228	760	1,442	682	LTP budgets included the disposal of all Elder Housing Villages by January 2020, which did not occur.
Finance Costs	4	4	201	197	Interest expense on working capital as cash reserve in deficit.
Internal Charges and Overheads applied	246	285	249	(36)	Internal overheads are below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	1	1	
Total Applications of Operating Funding (B)	1,478	1,050	1,893	843	
Surplus/(Deficit) of Operating Funding (A-B)	249	(120)	(30)	90	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - ELDER HOUSING					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	0	0	183	183	Improvements capex that was not budgeted in LTP.
Gross proceeds from the sale of assets	0	24,049	(134)	(24,182)	LTP budgets included the disposal of all Elder Housing Villages by January 2020, which did not occur.
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	0	24,049	49	(23,999)	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	0	0	183	183	Improvements to housing units not budgeted in LTP.
- to replace existing assets	378	154	680	526	Actual more than budget due to timing of the renewal works.
Increase/(Decrease) in reserves	(129)	(275)	(844)	(569)	Cash reserve balance less than budgeted due to unscheduled repairs and maintenance.
Increase/(Decrease) of investments	0	24,049	0	(24,049)	LTP budgets included the disposal of all Elder Housing Villages by January 2020, which did not occur.
Total Applications of Capital Funding (D)	249	23,928	19	(23,909)	
Surplus/(Deficit) of Capital Funding (C-D)	(249)	121	30	(90)	
Funding balance ((A-B)+(C-D))	0	0	0	0	



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide self-funded Elder Housing Units (246 units), maintained to standard (healthy, safe, secure).	Responded within two hours to all urgent or building health and safety issues.	 100%	95%	 80%	Due to COVID-19 restrictions, our contractor was not able to meet timeframes on certain work orders
We will provide effective management of units and tenancies to ensure use of the Elder Housing units is maximised.	Percentage of occupancy of Elder Housing units (habitable time).	 97%	99%	 95%	This figure is cumulative throughout the year as units become available. 95% units were occupied at the time of this report. Vacant units were a result of delays in renovations between tenancies, due to COVID-19

Challenges

In 2019/20:

- during the COVID-19 lockdown, our property specialists checked in on tenants with regular phone calls. We received positive feedback about this.
- we produced an elder tenancy booklet and provided it to tenants to provide useful advice while helping them make connections and gain support from the wider community.
- we successfully re-roofed Block F at Pitau Village. This required moving four tenants into temporary accommodation for 10 days while others stayed with family. This project was completed on time and budget just before lockdown began.

Looking ahead

In 2020/21, we will:

- be upgrading our elder housing to bring it in line with the central government's latest standards for landlords – including electrical upgrades and Healthy Homes improvements
- support our tenants, Elder Committee and wider council through processes and decisions for the elder portfolio divestment project
- continue with several projects to improve property management processes. These include: recording lease areas and making them available for wider viewing on our Smartzoom digital mapping service; providing annual statements and invoices to tenants; invoicing through our new SAP system; and working on our service level agreements.



Emergency management

What we do

We ensure a coordinated emergency response during civil defence emergencies and business continuity incidents. We ensure that critical service delivery is provided to the community during crises or emergencies. We ensure that residents are aware of the natural hazards in their community and how to prepare for and recover from emergencies associated with those hazards. Our activities coordinate development of the city's and community's ability to recover quickly from disasters.

How does this affect you?

We increase community awareness, understanding, readiness, resilience and participation in emergency management.

We:

- reduce the risks from natural hazards
- ensure an effective response capability during and after emergencies
- ensure recovery as quickly as possible from emergencies.

Highlights in 2019/20




- 1 Supported the western operational zone Emergency Operations Centre (EOC) activation for two months with 37 staff, many of whom had had only foundational on-line training. This activation saw the creation of the first 'virtual' EOC, with staff using Microsoft Teams software to work together from home
- 2 Initiated a comprehensive tsunami risk management project for the Mount Maunganui-Te Tumu coastline, which includes updating hazard models, updating the local evacuation plan, improving community education and awareness, and installing a string of voice-over-sirens
- 2 Established a blueprint/action plan for the next two to three years, including the recruitment of key staff to be able to undertake the resumed responsibilities for Civil Defence Emergency Management (CDEM) within Tauranga, as part of meeting the expectations of the Bay of Plenty CDEM Group Partnership Agreement.













SIGNIFICANT CAPITAL PROJECTS







	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
Tsunami vertical evacuation structures	(9)	200	(209)	No capital spend incurred as current VES investment is being reconsidered in line with ongoing policy work at a national level.
Emergency public alerting project	60	1,800	(1,740)	Project delayed due to border restrictions and international supply chain delays as a result of COVID-19. Budget carried forward for delivery in 2021.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - EMERGENCY MANAGEMENT					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	1,870	2,548	1,576	(972)	Reduced rates requirement due to lower than budgeted operating expenditure and finance costs.
Targeted Rates	75	77	88	11	
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	0	0	43	43	Unbudgeted recovery for NZ Response Team storage costs and recovery of costs for TCC staff assisting Whakatane District Council with the Whakaari/White Island response.
Internal charges and overheads recovered	0	0	0	0	
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	
Total Sources of Operating Funding (A)	1,945	2,624	1,707	(917)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	1,237	1,529	1,140	(389)	Below budget due to vacancies in the Emergency Management team and reduced maintenance and education costs associated with deferred delivery of the Emergency Public Alerting project.
Finance Costs	285	545	120	(425)	Interest costs lower than budgeted due to reprioritisation of capital programme from that set out in 2018-28 LTP.
Internal Charges and Overheads applied	399	449	391	(58)	Internal charges below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	0	0	
Total Applications of Operating Funding (B)	1,921	2,522	1,651	(871)	
Surplus/(Deficit) of Operating Funding (A-B)	24	102	56	(46)	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - EMERGENCY MANAGEMENT					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	2,260	4,893	54	(4,839)	Increase in debt lower than budgeted due to reprioritisation of the capital programme and deferred delivery of the Emergency Public Alerting project.
Gross proceeds from the sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	2,260	4,893	54	(4,839)	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	2,260	4,893	54	(4,839)	Lower than budgeted due to reprioritisation of the capital programme and deferred delivery of the Emergency Public Alerting project.
- to replace existing assets	0	0	0	0	
Increase/(Decrease) in reserves	24	102	56	(46)	Increase in depreciation reserve lower than budgeted due to deferred delivery of the capital programme.
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	2,284	4,995	110	(4,885)	
Surplus/(Deficit) of Capital Funding (C-D)	(24)	(102)	(56)	46	
Funding balance ((A-B)+(C-D))	0	0	0	0	





	3		4		2
Achieved		Not achieved		Not measured	

PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide an Emergency Operations Centre (EOC) to ensure an effective emergency response.	Percentage of roles that have been identified and staffed for 24 hour operation of the EOC.	 86%	85%	 88%	New staff have been recruited for the EOC. The EOC structure will be the right size for Tauranga's risk profile during the next financial year
	Percentage of these staff that are trained to an appropriate level set by the Joint Committee of the Bay of Plenty Civil Defence Emergency Management Group.	 38%	85%	 32%	No training was available from November 2019 due to the CDEM Group supporting the Whakaari eruption and COVID-19 responses. 37 staff were involved with COVID-19. Newly recruited staff have undertaken on-line training, excluding a face-to-face intermediate course which this performance measure is based on.
We will provide community education initiatives increase public awareness and preparedness.	Number of emergency management community initiatives delivered.	 8	8	 8	Eight initiatives were delivered by Emergency Management Bay of Plenty
	Percentage of residents that know they need to be self-reliant in the event of a major civil defence emergency.	 88%	95%	 84%	This is measured in our annual residents survey. 607 residents answered this question, compared to 590 in 2018/19. Target yet to be achieved over previous three years.
	Percentage of residents living in a tsunami evacuation zone who know that they live in the evacuation zone.	 55%	60%	 Not measured	This is an old measure that has been replaced following a resolution of the Audit, Finance, Risk and Monitoring Committee on 19 February 2019 and does not change the level of service identified. See below table: Additional measures monitored.
	Percentage of residents living in a tsunami evacuation zone who know where their safe location is and how to get there.	 46%	45%	 Not measured	This is an old measure that has been replaced following a resolution of the Audit, Finance, Risk and Monitoring Committee on 19 February 2019 and does not change the level of service identified. See below table: Additional measures monitored.

PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide critical services during and after emergencies.	Business continuity and crisis management arrangements are tested.	 Not achieved	Twice Annually	 Not Achieved	Business continuity training and awareness was incorporated into the Business Impact Analysis Review. Due to the COVID-19 pandemic response, all other formal training was delayed. More training will be undertaken in 2020. An incident management team (Covid Planning Team) was formed and supported throughout our COVID-19 response. A targeted training requirement was identified
We will provide community support through planned arrangements.	Number of community led or staffed civil defence centres available for communities to evacuate to.	 6	6	 6	Six civil defence centres: <ul style="list-style-type: none"> • Trustpower Baypark • Mount Maunganui RSA • Club Mount Maunganui • Tauranga Citizens Club • Greerton Marist Sports Club • Tauranga Racecourse
	Number of communities supported by community response plans (CRPs).	 3	5	 4	Otumoetai, Bethlehem, Welcome Bay and Papamoa CRPs are currently being co-developed. Contact initiated with Mount Maunganui. Initial discussions held with Tamapahore, Maungatapu and Mangatawa marae

Additional measures monitored

The below tabled measures were changed from the 2018-28 LTP following a resolution of the Audit, Finance, Risk and Monitoring Committee on 19 February 2019. The level of service has not changed. These measures are not included in non-financial performance summary figures.

PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide community education initiatives increase public awareness and preparedness.	Percentage of residents that have an emergency preparedness kit.	 55%	50%	 48%	This is measured in our annual residents survey. Percentage of residents has dropped from 55% in 2018/19 to 48% this year
	Percentage of residents that have an emergency preparedness plan.	 46%	46%	 54%	This is measured in our annual residents survey. Percentage of residents with an emergency preparedness plan has increased by 8% on previous 2018/19 result

Challenges

In 2019/20:

- The Bay of Plenty group has been busy working on response and recovery since 9 December 2019, due to the Whakaari/ White Island eruption and COVID-19. This has curtailed training courses, our ability to train staff and our ability to meet performance targets. It has also hindered the achievement of detailed planning for the implementation of the Bay of Plenty Civil Defence Emergency Management Group Partnership Agreement, which became effective on 1 July 2020
- The response to COVID-19 highlighted that our Emergency Operations Centre (EOC) staffing roster has too many overlaps with council essential service roles. This required a significant number of un-trained staff to be inducted into the EOC to sustain a two-month activation. Improving EOC staffing and training will be a key focus for the next year.

Looking ahead

In 2020/21, we will:

- initiate a resilience-based approach to emergency management that is a shared responsibility between council, communities, businesses and individuals
- strengthen connections between and with traditional and non-traditional partners and stakeholders
- collaborate with them to design and develop the capabilities and interoperability needed for our communities to effectively respond to and recover from emergencies
- ensure we integrate Council's emergency management procedures and systems to keep things simple
- develop a city-wide risk profile to better understand and manage our city's risks (hazards, vulnerability, exposure and ways to prevent and mitigate).

Environmental planning



What we do

We enable sustainable growth and development throughout the city, creating quality environmental outcomes by effectively implementing the Tauranga City Plan and associated resource management legislation.

Such legislation includes the Resource Management Act 1991 (RMA) and the Housing Accords and Special Housing Areas Act 2013 (HASHAA).

This is achieved through the efficient delivery of resource consent (and related) decisions, by assessing building consent applications under the RMA, and by providing technical advice to internal and external customers.

How does this affect you?

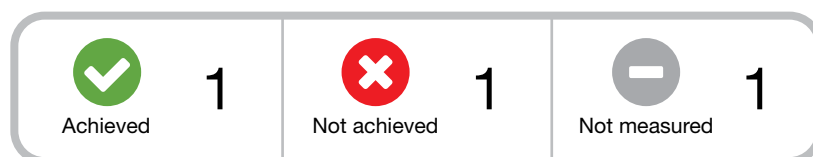
We ensure city development and growth occurs effectively and efficiently, and is consistent with our community's expectations.







Highlights in 2019/20

- 1 A major highlight was our team's performance during COVID-19 restrictions, particularly Level 4. Throughout this time, business largely continued as usual, with the exception of fewer site visits and face-to-face meetings. We also held our first-ever consent hearing through an online platform (Microsoft Teams).
- 2 We were successful in our recruitment efforts during the second half of the financial year.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - ENVIRONMENTAL PLANNING					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2019
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	1,014	1,332	2,065	733	Lower than anticipated revenue from resource consents and monitoring has increased rates requirement for the financial year.
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	2,318	2,408	1,848	(560)	Anticipated increases in resource consent numbers not realised for the year due to lower activity in the construction industry which was exacerbated by the COVID-19 lockdown. Site inspections and responses to incidents for monitoring were also reduced over lockdown.
Internal charges and overheads recovered	0	0	0	0	
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	5	5	Fines relating to new monitoring function which was not budgeted within this activity during the LTP.
Total Sources of Operating Funding (A)	3,332	3,739	3,918	179	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	2,126	2,403	2,760	358	An organisational restructure resulted in the Monitoring function being transferred into this activity from Environmental Protection bringing significant employment costs not budgeted in the LTP. In addition to this, unfilled vacancies in the consenting function have been filled by contractors at a higher cost than a full time employee.
Finance Costs	2	2	(5)	(7)	
Internal Charges and Overheads applied	1,201	1,332	1,161	(171)	Internal charges are below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	185	185	
Total Applications of Operating Funding (B)	3,329	3,736	4,101	365	
Surplus/(Deficit) of Operating Funding (A-B)	3	3	(183)	(186)	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - ENVIRONMENTAL PLANNING					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2019
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	0	0	185	185	
Gross proceeds from the sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	0	0	0	0	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	0	0	0	0	
- to replace existing assets	0	0	0	0	
Increase/(Decrease) in reserves	3	3	2	(1)	
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	3	3	2	(1)	
Surplus/(Deficit) of Capital Funding (C-D)	(3)	(3)	183	186	
Funding balance ((A-B)+(C-D))	0	0	0	0	



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide efficient planning services that are technically robust, and that meet the community's expectations about decisions made and the quality of information supplied.	Percentage of planning consent applications processed within statutory timeframes.	 87%	98%	 90%	Target not met, although increasing compared to 2018/19 result. We have improved our performance through efficiencies in team processes and filled four vacant senior roles, which has driven improvements and provided essential resources.
	Percentage of building consent applications that have planning reviews completed within 10 working days.	 Not measured	95%	 Not measured	Environmental planners met the 10-working-day timeframe for record-keeping during certain periods. We expect improved performance due to newly-filled roles.
	Percentage of planning consent applications subject to successful objection or appeal.	 0%	5%	 0%	The Environment Court upheld one appeal against a Council decision. The appellants have lodged an appeal with the High Court.

Challenges

In 2019/20:

- throughout June we noticed a spike in application numbers, which could have resulted from lower-than-normal application numbers during lockdown.
- we had difficulty throughout the year with under-resourcing and management of high application numbers.
- we spent more time managing complaints from our community, which are steadily increasing.
- our team spent additional time implementing updated natural hazards data and information.

Looking ahead

In 2020/21:

- under our revised team structure, which now includes development engineers, we will focus on professional development and business improvements through reviews, updates and introducing new processes. This will allow us to provide a better and more efficient service for our customers.
- we will be supporting numerous plan changes, including a city-wide plan change.
- a new role of principle planner will give us the ability to focus on technical Resource Management Act issues internally, allowing development planners to focus externally on serving developers. This will allow the team to better-focus on solving problems and sharing knowledge with our community.

Environmental protection



What we do

We ensure public spaces are used appropriately by everybody, and that activities occurring on private property are neighbourly and safe.

We ensure compliance with legislation, policies and consents by engaging with the public and other key stakeholders.

This is achieved by considering applications, investigating complaints, educating, advising, reporting, negotiating, and undertaking enforcement action.

Our activities relate to building compliance, earthquake-prone buildings, unsafe buildings, swimming pool fencing, commercial food premises, the sale of alcohol, noise monitoring, hazardous substances, sediment monitoring, and City Plan and resource consent compliance.

How does this affect you?

Our activities contribute to the health, safety and wellbeing of our community. They promote a safe and healthy environment through effective regulation of legislation.

Highlights in 2019/20

- 1 Our team structure changed – we now have a technician, and potential to expand monitoring of small-scale sediment and erosion sites.
- 2 We developed an Alcohol Licensing Manual for new inspectors.
- 3 We worked with the Bay of Plenty Regional Council to monitor the area around Whareroa Marae.
- 4 Our team had many successes with district licensing committee hearings.

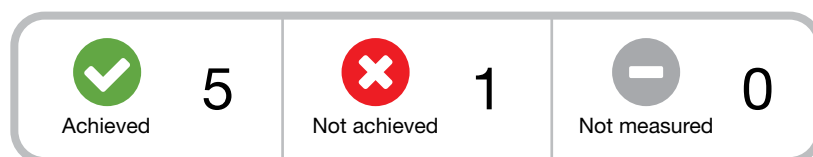
SIGNIFICANT CAPITAL PROJECTS













	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
Environmental protection business solution system	0	200	(200)	Project has been re-prioritised to ensure integration and alignment with other whole of council information technology processes.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - ENVIRONMENTAL PROTECTION					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	2,250	2,423	2,362	(61)	Rate funding requirements are lower than budgeted due to reduced operational expenditure per below.
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	1,700	2,003	736	(1,267)	Compliance and Monitoring functions generating user fee revenue were transferred from this activity and into Building Services and Environmental Planning during the year. Lower than anticipated applications for food control plans and liquor licences due to the COVID-19 lockdown period and resulting down turn in hospitality industry also contributed to lower user fee collection.
Internal charges and overheads recovered	0	0	0	0	
Local authority fuel tax, fines, infringement fees, and other receipts	2	2	1	(1)	
Total Sources of Operating Funding (A)	3,952	4,428	3,099	(1,329)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	2,422	2,694	1,634	(1,060)	Compliance and Monitoring functions were transferred from this activity and into Building Services and Environmental Planning during the year taking a significant portion of staff related costs. Further savings on software charges relating to a system that was not implemented contribute to this underspend.
Finance Costs	39	83	2	(81)	Lower than expected interest costs due to postponement of capital works.
Internal Charges and Overheads applied	1,485	1,648	1,438	(210)	Internal charges are below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	12	12	
Total Applications of Operating Funding (B)	3,946	4,425	3,086	(1,339)	
Surplus/(Deficit) of Operating Funding (A-B)	6	3	13	10	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - ENVIRONMENTAL PROTECTION					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	1,208	0	12	12	
Gross proceeds from the sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	1,208	0	12	12	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	1,200	0	0	0	
- to replace existing assets	30	0	0	0	
Increase/(Decrease) in reserves	(16)	4	25	21	
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	1,214	4	25	21	
Surplus/(Deficit) of Capital Funding (C-D)	(6)	(4)	(13)	(9)	
Funding balance ((A-B)+(C-D))	0	0	0	0	

Previously, Regulation Monitoring was included under this activity but now has its own activity area plan.



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will undertake audits of all food premises registered with Tauranga City Council.	Percentage of Council verified premises resulting in justified food handling complaints.	 1%	≤2%	 <1%	The number of justified complaints relating to food handling was very low.
We will undertake regulation and monitoring of all alcohol licensed premises within our City.	Percentage of night inspections carried out on high-risk premises (taverns and nightclubs).	 100%	100%	 <1%	38 inspections were conducted. No after-hours monitoring inspections were carried out.
We will undertake noise monitoring to ensure community amenity is protected from excessive and unreasonable noise.	Percentage of noise complaints resulting in an Excessive Noise Direction being issued, and seizure of equipment.	 <1%	≤9%	 <1%	6.7% (104) of all noise complaints made (1550) resulted in an Excessive Noise Direction notice being issued. Of all complaints, 0.4% (4) resulted in equipment being seized. 10 seizures of equipment were not conducted as police were unable to attend.
We will ensure all private pools barriers within Tauranga City are safe and compliant.	Percentage of properties with compliant pool fencing.	 93%	40%	 98%	Of the properties attended, we have achieved 98% compliance. Most of the 55 non-compliant pools are awaiting re-inspection, having failed a first inspection or awaiting confirmation of access.
We will provide monitoring of resource consents to ensure conditions are complied with and existing buildings remain safe.	Percentage of closed building and planning investigations made compliant through non-enforcement action.	 100%	90%	 99%	Staff have educated and worked with customers to the point that no enforcement action has been required.
	Percentage of closed building and planning investigations made compliant through enforcement action.	 0%	10%	 1%	7 incidents required enforcement action, of which 3 were abatement notices, 2 were infringements and 2 were notices to fix.

Challenges

In 2019/20 we:

- conducted no Food premise visits over lockdown, this create a significant backlog of work to catch up on scheduled inspections
- were involved with more Liquor Licensing hearings, creating an increase in our workload
- experienced challenges achieving positive outcomes through non-enforcement methods such as education, advice, voluntary compliance through informal directives, and facilitating agreements between conflicting parties
- had difficulty managing noise complaints through the lockdown period, as no on-site monitoring was allowed.

Looking ahead

In 2020/21:

- we need to drastically reduce the number of overdue food premise verifications (consents), while developing ways to stop the build-up of verification numbers happening again
- we would like to investigate moving all alcohol applications online
- we will implement initiatives to improve customer satisfaction for complaints received between 11pm and 5am.

DRAFT



Governance

What we do

The Governance team ensures all Council meetings (committees, hearings, formal meetings and workshops) are accessible and clear to the public. We provide support and advice to the mayor and councillors, including administering their costs and activities.

Our services ensure that all requirements for good governance are met. We manage all election processes and various submission processes.

How does this affect you?

We ensure Council activity, governance arrangements and processes are effective, open and transparent for our community.

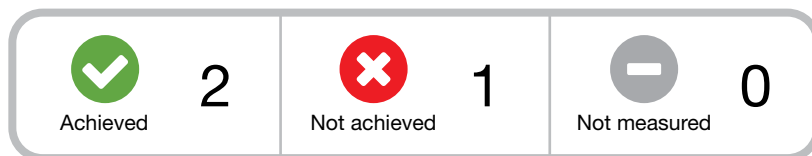
We also ensure community participation in local decision-making processes by providing for participation in Council governance bodies, meetings, and consultation/submission processes.







Highlights in 2019/20

- 1 The local government elections in October 2019 were held using the Single Transferable Voting (STV) electoral system. Voter turnout exceeded 40% - a higher turnout than previous elections.
- 2 We developed and supported an induction and training programme for the new mayor, five first-term councillors and five returning councillors.
- 3 We introduced a paperless agenda system for the incoming Council after the introduction of a new automated committee management system and associated programme.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - GOVERNANCE					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	2,675	2,912	3,469	557	Rates above budget due to higher than budgeted expenditure.
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	14	219	213	(6)	Minor variance.
Internal charges and overheads recovered	0	0	0	0	
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	
Total Sources of Operating Funding (A)	2,689	3,130	3,682	552	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	1,912	2,265	2,925	660	An organisational restructure resulted in increased employee costs not budgeted for in the LTP. A compulsory increase to Elected Member salaries at the direction of the Remuneration Authority also contributed to overspend. Tauranga City Council's share of the cost of the 2019 election has increased substantially from the last election due to the increase in postage costs, the processing costs for single transferable vote (STV) being higher than the first past the post (FPP) method and the Bay of Plenty Regional Council (BOPRC) Tauranga Constituency not been contested. As there was no BOPRC election in their Tauranga Constituency the costs of printing and postage of the voting documents were not shared as usual and as a result the costs have increased for both TCC and the DHB and decreased for the BOPRC.
Finance Costs	0	0	0	0	
Internal Charges and Overheads applied	774	866	755	(111)	Internal charges are below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	0	0	
Total Applications of Operating Funding (B)	2,686	3,130	3,680	550	
Surplus/(Deficit) of Operating Funding (A-B)	3	0	2	2	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - GOVERNANCE					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	0	0	0	0	
Gross proceeds from the sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	0	0	0	0	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	0	0	0	0	
- to replace existing assets	0	0	0	0	
Increase/(Decrease) in reserves	3	0	2	2	
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	3	0	2	2	
Surplus/(Deficit) of Capital Funding (C-D)	(3)	0	(2)	(2)	
Funding balance ((A-B)+(C-D))	0	0	0	0	



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide agendas and minutes within required timeframes.	Agendas available on Council's website within the statutory timeframe of two clear working days before the meeting.	 100%	100%	 100%	All public agendas uploaded to the Council website by end of business two working days before a meeting.
	Minutes of Council and Committee Meetings are provided within seven days to the Chairperson / Deputy Chairperson for comments following the relevant meeting.	 Not measured	90-95%	 28%	A number of additional meetings in this quarter have negatively affected this result.
	Minutes of all public meetings are available within 14 days of a meeting at which they are confirmed.	 Achieved	90-95%	 100%	Minutes are confirmed at the following meeting.

Challenges

In 2019/20 we:

- Were challenged to establish platforms and protocols for remote meetings during the COVID-19 crisis. During this time, we successfully held council and committee meetings while continuing to live-stream our meetings
- Introduced a new automated committee management system at the same time as the local-body elections, which strained our staff resources.

Looking ahead

In 2020/21:

- a representation review will be undertaken for the 2022 elections. This will include decisions on councillor numbers, whether Māori wards will be established, and whether councillors will be elected through wards or at large (city-wide)
- we will continue to develop the full potential of our new agenda management system.



Libraries

What we do

Libraries provide a recreational and cultural amenity for people all ages in our neighbourhoods and city centre.

Access to the libraries' services and collections provides educational opportunities, supports literacy and encourages lifelong learning, research and innovation. Computer and skills training provide value for our community. Local history preserves and provides access to Tauranga's story.

How does this affect you?

Libraries provide a recreational and cultural amenity that contributes to vibrant and engaged communities in the city centre and neighbourhood centres.

The key focus areas are:

- Digital technologies enabling our community
- Physical spaces which are welcoming and accessible
- Collections which reflect our diversity
- Community programmes that support learning, literacy and digital skills.

Highlights in 2019/20

1 Our team worked on identifying unacceptable customer behaviour and ways to manage it. We were pleased to re-open under Alert Level 2. This involved contact tracing, physical distancing, altered library layouts, and free holds. We adapted rules and procedures daily, as we learnt more about what worked and how people behaved. Our team dealt with thousands of returned items and many happy/anxious/resentful/grateful customers.

2 We digitised 11,062 historic images and over 11,838 archival files in preparation for our new online heritage platform, which is due to launch in late-2020. A phenomenal amount of work goes into preparation for digitisation, particularly on rehousing and metadata. This is a huge credit to our team! We're excited for our customers to see this work once our new digital heritage platform is launched.

3 A collection of foreign-language fiction for adults was established. Welcoming Communities helped us identify languages that would most benefit our migrant community. The collection, based in Tauranga library, continues to grow and is beginning to attract attention from borrowers at our other branches.

4 The new role of mātanga taonga tuku iho Māori (Māori heritage specialist) has contributed to the development of Māori collections guidelines and a draft archives policy. Historical Māori Land Court minute books for Tauranga have been made available for digital access in libraries – a major benefit for iwi researchers who have attended workshops with us.

5 The new position of mātanga hōtaka hapori Māori will contribute to a focus on programmes that engage with Māori and promote understanding of Māori culture and te reo Māori.

6 Our Programmes and Partnerships team showed innovation by redesigning programmes to remove barriers to participation. We ran a wider breadth of programmes and continued to run engaging programming over the lockdown period using Facebook and online content.

7 Lockdown dramatically increased usage of many of our electronic items. Most notably, our two eBook platforms reached significant new highs, as people were unable to access the print collection. Although usage has since eased, it remains higher than the pre-lockdown period and we are optimistic that more users are aware of what is on offer and will incorporate these items into their regular reading habits.

















8 We are now offering Beamafilm, a library-only streaming platform that includes a range of movies and documentaries.

SIGNIFICANT CAPITAL PROJECTS				
	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
Library stock	1,043	1,093	(50)	Fewer library stock purchases as a result of COVID-19 and the temporary closure of libraries.
Mount Maunganui library carpark	413	290	123	Overspend due to change in scope of project to include a new sewer line connection and footpath.
Library buildings renewals	5	535	(530)	Mobile library vehicle replacement delayed as a result of COVID-19. Budget carried forward for delivery in 2021 FY.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - LIBRARIES					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	10,246	11,694	9,730	(1,964)	Reduced rates requirement due to lower than budgeted operating expenditure, overheads and finance costs.
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	8	8	2	(6)	
Fees and charges	493	503	310	(193)	Below budget as a result of COVID-19 and the temporary closure of libraries.
Internal charges and overheads recovered	0	0	0	0	
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	
Total Sources of Operating Funding (A)	10,747	12,205	10,042	(2,163)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	5,775	6,042	5,939	(103)	Costs associated with the new central library project lower than budgeted pending Council decision. Partly offset by additional staff costs.
Finance Costs	620	1,343	530	(813)	Reduced interest costs due to deferral of the New Central Library capital project.
Internal Charges and Overheads applied	2,575	2,959	2,484	(475)	Internal charges below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	21	21	17	(5)	
Total Applications of Operating Funding (B)	8,991	10,365	8,970	(1,395)	
Surplus/(Deficit) of Operating Funding (A-B)	1,756	1,840	1,072	(768)	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - LIBRARIES					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	4,092	16,912	139	(16,773)	Less debt than anticipated due to the delayed delivery of capital projects.
Gross proceeds from the sale of assets	0	0	0	0	
Lump sum contributions	267	1,933	0	(1,933)	Capital contribution related to new central library deferred in line with capital spend.
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	4,359	18,845	139	(18,706)	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	4,295	18,842	46	(18,796)	Budget for a new central library deferred pending Council decision on capital programme priorities.
- to replace existing assets	1,596	1,725	1,543	(182)	Deferral of the mobile library vehicle replacement project to 2021, partly offset by an overspend on the Mount Maunganui library carpark.
Increase/(Decrease) in reserves	224	117	(379)	(496)	Reduction in depreciation reserve due to deferred delivery of the capital programme.
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	6,115	20,684	1,211	(19,473)	
Surplus/(Deficit) of Capital Funding (C-D)	(1,756)	(1,839)	(1,072)	768	
Funding balance ((A-B)+(C-D))	0	0	0	0	



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide technologies to enable customers to connect with information, help themselves to information and participate in the digital society.	Virtual visits total.	 507,147	460,000	 584,632	Virtual use of libraries continued during lockdown
	Public Internet Sessions plus public Wi-Fi logins.	 125,102	75,000	 121,834	Well above target. Internet increased with our offer of one-hour free use
	E-books loans.	 70,975	37,000	 121,242	Usage of e-books increased over lockdown
We will provide buildings that are safe, welcoming spaces and collections reflecting the diverse and changing needs of the community for learning and creative recreation. The Libraries network is accessible to everyone in Tauranga.	Visits to Central Library.	 333,756	385,000	 257,252	COVID-19 lockdown affected the last two quarters, in addition to difficulty parking and accessing the CBD being mentioned in customer complaints
	Visits to Community Libraries.	 Not measured	541,000	 353,503	Below target. Visits were not increasing, and COVID-19 lockdown affected the last two quarters
	Percentage of population who use the library in residents survey.	 64%	68%	 64%	64% of our surveyed population use libraries. This doesn't account for the numbers of people using our online services and eBooks, which has exceeded our targets
We will provide programmes and events which support learning, literacy and digital skills, delivered in libraries and in the community. Programmes help build a greater sense of cultural awareness and diversity within the wider Tauranga community.	Number of participants in programmes.	 34,627	23,000	 67,970	We had a record number of views digitally during lockdown
We will provide materials that tell the story of Tauranga and the region ensuring they are collected, preserved and made accessible for current and future research. Working with tangata whenua as partners.	Number of programmes imbedding Tauranga heritage topics or Tikanga Māori.	 86	54	 250	Well above target, as we increased the Māori culture content in our school visits and holiday programmes

Challenges

- The lack of public space for study demands and running programmes is an ongoing challenge.
- COVID-19 had a significant impact on the publishing industry, which disrupted supply chains and delayed publication dates. Our great relationships with major and local suppliers, as well as the hard work of our staff, meant we were able to redirect funds where necessary and ensure the supply of electronic and printed resources was maintained.

Looking ahead

In 2020/21:

- We are negotiating with a local company to deliver a new mobile library, having researched what can be achieved, contacted other libraries about their mobile services, and surveyed our customers.
- We intend to increase programme diversity and identify outreach and partnership opportunities so that our libraries continue to be vibrant and welcoming spaces. We will also focus on content for Māori, heritage, community diversity, literacy and digital literacy programmes.
- Despite a reduced book budget, our primary aim will be to provide our community with a collection that meets their leisure, information and research needs. Marketing and public awareness of the breadth of resources on offer will play a key role in this.
- We will go live with our Heritage and Research Digital Archives Online Platform in December 2020. We will honour Te Ao Māori, the gifting of the name, the kaumatua, the journey we have embarked on and everyone involved in putting this together. This will be weaved through the essence of what we are communicating, while welcoming our community and key stakeholders into the next part of this journey – building awareness, collaborating and enriching our heritage collections together.

Marine facilities



What we do

We provide facilities including boat ramps and wharfs, while leasing land and commercial premises in marine areas such as Sulphur Point and Marine Park.

This encourages outdoor activity and helps residents enjoy the marine environment. It contributes to the Tauranga lifestyle and supports local marine-based entities.

How does this affect you?

Our safe and well-maintained marine facilities meet the needs of both the fixed and visiting populations of our city.

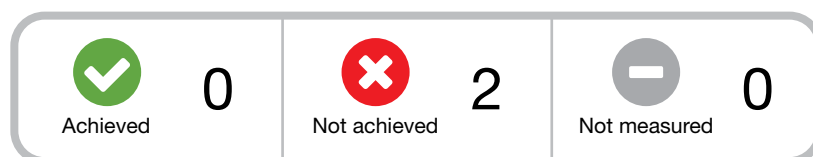
Highlights in 2019/20





- 1 Investigated the potential for a ferry service between the central city, Mount Maunganui and Omokoroa.
- 2 Started work on a Marine Facilities development plan to provide strategic guidance on future developments.
- 3 Worked with our maintenance contractor to ensure all marine facilities could immediately open for public use when we moved from Alert Level 3 to 2.

SIGNIFICANT CAPITAL PROJECTS				
	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
Marine asset renewals	246	879	(633)	Strand sea wall repairs and wharf renewals have been deferred pending engineers condition assessments and development of a masterplan for waterfront assets.
Marine Precinct land sales	(942)	0	(942)	Land sales occurred later than budgeted.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - MARINE FACILITIES					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	200	1,482	1,290	(192)	Rates requirement less than budget due to a funding decision made to create a lower operating funding surplus.
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	540	552	534	(18)	Fees and charges lower than budgeted due to decreased activity resulting from COVID-19.
Internal charges and overheads recovered	(502)	(513)	23	536	Actuals included under Finance Costs as cash balance is in deficit.
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	
Total Sources of Operating Funding (A)	238	1,521	1,847	326	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	547	577	731	153	Higher than budgeted repairs and maintenance costs.
Finance Costs	97	148	658	510	Above budget due to interest charged on deficit cash balance.
Internal Charges and Overheads applied	204	234	205	(29)	Internal overheads are below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	41	41	
Total Applications of Operating Funding (B)	848	960	1,635	675	
Surplus/(Deficit) of Operating Funding (A-B)	(610)	561	212	(349)	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - MARINE FACILITIES					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	10	1,148	(892)	(2,040)	Additional debt repayment due to changes to programme phasing of Marine Precinct land sales.
Gross proceeds from the sale of assets	0	0	942	942	Above budget due to changes of programme phasing of Marine Precinct land sales.
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	10	1,148	50	(1,099)	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	11	1,148	9	(1,139)	Dive Crescent public pontoon walkway and marine berths project deferred pending completion of waterfront masterplan.
- to replace existing assets	2,040	1,659	246	(1,413)	Waterfront renewals work deferred pending completion of waterfront masterplan.
Increase/(Decrease) in reserves	(2,651)	(1,098)	7	1,106	Variance resulting from the below budget expenditure on renewals projects.
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	(600)	1,709	262	(1,447)	
Surplus/(Deficit) of Capital Funding (C-D)	610	(561)	(212)	349	
Funding balance ((A-B)+(C-D))	0	0	0	0	



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide quality, accessible marine recreation opportunities.	Percentage of residents satisfied with accessibility to boat ramps and associated parking.	 73%	95%	 76%	This was measured in our annual residents' survey. The response rate for this measure was low, with only 134 residents providing feedback over the year.
We will provide boat ramps and commercial berths.	Percentage of commercial users satisfied with boat ramps and berths, and recreational users satisfied boat ramps.	 100%	95%	 75%	Several facilities need renewal or are nearing the end of their lives. The creation of the Marine Facilities development plan in 2021 will help direct when and what we will do to improve them

Challenges

In 2019/20:

- our biggest challenge was the lack of strategic planning for the operation and development of marine facilities. We plan to address this with the Marine Facilities development plan in 2021/2022
- we struggled with lack of enforcement options when our facilities were used without Council consent.

Looking ahead

In 2020/21, we will:

- focus on creating the Marine Facilities development plan. This will provide a roadmap for developing marine facilities in the harbour area between the Cross Rd boat ramp and Elizabeth St. We will engage with stakeholders on what marine facilities they would like to see provided, and when. We will engage with users of Fisherman's Wharf to develop a scope of work for providing new wharf facilities in the area.
- work with stakeholders on identifying improvements to some marine facilities before the start of a possible ferry service between the central city, Mount and Omokoroa.

Marine precinct



What we do

The Tauranga Harbour Marine Precinct is a project to provide a purpose-built marine servicing facility at Sulphur Point. The precinct provides a base for boat building and refit businesses in Tauranga and will be managed by Council under the Vessel Works brand.

How does this affect you?

We aim to provide one of the best marine precinct facilities in the country. It will offer an efficient 'one stop shop' service for people from the Bay of Plenty and other parts of New Zealand, supporting quality lifestyles and the local marine business economy.

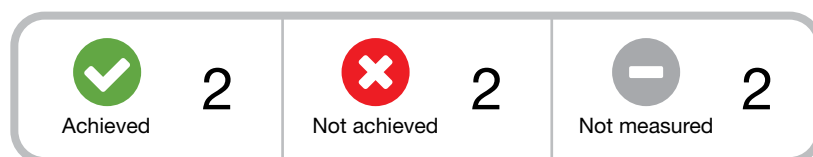
Highlights in 2019/20













- 1 Within a short time of starting operation, the precinct built an international reputation as a destination for full-service marine fit-outs.
- 2 The hardstand was used more than in 2018/19, generating significant income for the local marine sector.
- 3 Super Yacht Coatings, an onsite business, started construction of its work shed. This shed will be large enough to accommodate the travel-lift and vessels undergoing work.

SIGNIFICANT CAPITAL PROJECTS				
	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
Marine Precinct offloading wharf	2	600	(598)	Project phasing changed due to stakeholder consultation. The unspent budget for this project has been carried forward to future years.
Marine Precinct office construction	9	400	(391)	Project phasing changed due to stakeholder consultation. The unspent budget for this project has been carried forward to future years.
Marine Precinct renewals	315	570	(255)	The underspend is due to delays caused by stakeholder consultation and COVID-19. The unspent budget for this project has been carried forward to future years.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - MARINE PRECINCT					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	0	0	0	0	
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	634	885	1,167	282	Above budget on hardstand fees, recoveries and lease revenue.
Internal charges and overheads recovered	0	0	0	0	
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	
Total Sources of Operating Funding (A)	634	885	1,167	282	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	472	485	1,374	889	Higher than budgeted, reflecting elevated workload and additional contract managers fees.
Finance Costs	0	0	670	670	Above budget due to interest charged on deficit cash balance.
Internal Charges and Overheads applied	186	217	171	(46)	Internal overheads are below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	0	0	
Total Applications of Operating Funding (B)	658	702	2,215	1,513	
Surplus/(Deficit) of Operating Funding (A-B)	(24)	183	(1,048)	(1,231)	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - MARINE PRECINCT					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	0	0	164	164	Capital expenditure on development of facilities.
Gross proceeds from the sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	0	0	164	164	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	0	0	164	164	Budget in LTP was captured under Marine Facilities.
- to replace existing assets	0	0	315	315	Budget in LTP was captured under Marine Facilities.
Increase/(Decrease) in reserves	(24)	183	(1,363)	(1,545)	Cash reserve balance was lower than budgeted due to higher operating costs.
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	(24)	183	(884)	(1,066)	
Surplus/(Deficit) of Capital Funding (C-D)	24	(183)	1,048	1,231	
Funding balance ((A-B)+(C-D))	0	0	0	0	



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide the marine industry with access to efficient and reliable large / heavy vessel lifting and hardstand facilities.	Average annual hardstand occupancy.	 30%	40%	 64%	Target achieved. Our current annual occupancy has doubled our 2018/19 result (30%)
	Number of vessels lifted per annum.	 43	65	 46	The number of vessels lifted throughout the year has decreased, however we have seen an increased trend in average hardstand occupancy
We will provide the marine industry with access to quality vessel berthing facilities that are well utilised and fit for purpose.	Percentage of wharf and berth infrastructure that is assessed as being in "good" or better condition.	 85%	85%	 Not measured	Wharf berth infrastructure is under repair. Awaiting survey from Tonkin & Taylor
	Average annual berth occupancy.	 69%	>65%	 53%	Occupancy has been affected by repair works on Bridge Wharf
We will provide the fishing industry with access to fish and ice loading facilities that are readily accessible, fit for purpose and commercially viable.	Percentage of customers satisfied with fish and ice loading facilities.	 Not measured	80%	 Not measured	Not measured. Proposed wharf extension will enhance facilities for the fishing fleet. Advisory group meetings are underway
	Percentage of bookings that can be accommodated.	 100%	60-65%	 100%	We have been able to accommodate all bookings

Challenges

In 2019/20, we:

- operated under stringent environmental conditions, continually working onsite with people to look after the environment
- worked hard to provide a safe environment for users and staff by continually reviewing relevant information and taking steps with our online community to develop a safety culture
- ensured communication was effective by working closely with our customers.

Looking ahead

In 2020/21:

- We will focus on attracting new and returning visitors to our facility, city and region
- Our community has shown interest in further developing the precinct. We plan to review the vision for the precinct with the local marine sector and plot a course for the future
- We intend to finish safety improvements to our working wharf, Bridge Wharf, in a few months' time.

Parks and recreation



What we do

We protect and enhance natural areas in Tauranga, promoting an awareness of nature and encouraging activity in our city's excellent network of parks and open spaces. These spaces include neighbourhood reserves, passive reserves and sports fields.

How does this affect you?

By planning and providing a network of open spaces, we encourage more people to be more active, more often. We meet changing community needs while protecting and enhancing our natural areas and biodiversity.

Highlights in 2019/20

- 1 We worked with the five Bay of Plenty councils to coordinate the return of sport to our region after the COVID-19 lockdown. This included changing normal seasonal dates and working with our contractor to ensure sports fields were ready to be used quickly.
- 2 Our staff worked with our community and provided support by: building a shared sports storage facility at Mount Sports Club for regular Blake Park users; resurfacing shared netball and tennis courts; installing a new grass wicket block at Alice Johnson Oval; creating a new pump track at Arataki Park; and providing turf for a third hockey field.
- 3 We were pleased to complete the development of Oceandowns Reserve, providing two new fields and a playground to meet increasing demand.
- 4 We completed a conservation plan for Monmouth Redoubt – a fantastic historical site within the city centre.
- 5 We completed new play areas at the Scout, Holcombroke and Hartford Ave reserves. We also completed two new reserves after land purchases, providing better open space areas for residents.
- 6 We worked with community groups suffering financially from COVID-19 to ensure that some necessary services and activities were able to continue. This work is ongoing – it will require innovation and, due to limited land availability, the possible use of shared spaces by community organisations.

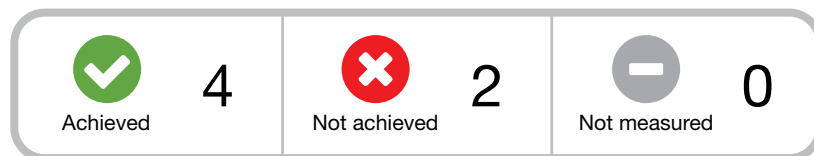
SIGNIFICANT CAPITAL PROJECTS				
	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
Oceandowns Reserve	1,463	1,444	19	Overspend due to discovery of a midden and unexpected rubbish on the fields.
Open Space level of service land purchase - Growth	1,399	18,175	(16,776)	Budget carried forward to 2021 due to complexities associated with land purchases.
Mauao base track repairs	326	2,526	(2,200)	Alternative base track remediation works completed at a lower cost than the permanent solution budgeted during 2018-28 LTP.
Council contribution for redevelopment of Merivale community centre	242	1,110	(868)	Budget carried forward to 2021 due to delays associated with COVID-19 and delays in additional external funding applications by the Merivale Community Centre Trust.
Kulim Park development	(98)	1,821	(1,919)	Project rephased due to community consultation and design revisions. Budget carried forward for construction expected to commence early 2021.
Spaces & Places coastal structures	106	585	(479)	Programme rephased due to the need to finalise designs of the Turret Road seawall renewal. Budget carried forward to 2021.
Omanawa Falls formal track establishment and carpark development	110	1,811	(1,701)	Staff have been working closely with Ngāti Hangarau on the various aspects of the proposal to improve access at Omanawa Falls. Construction budget carried forward to 2021.
Wairoa active reserve	354	2,180	(1,826)	Budget carried forward to 2021 due to complexities associated with land purchase.
Streetscape projects	1,709	2,256	(547)	The Strand Extension project (in partnership with BOPRC) delayed due to COVID-19 and an extended programme for refurbishment of Regional House. Budget carried forward to progress this project and the Elizabeth Street streetscape project in 2021.
Miscellaneous Parks projects	2,520	4,780	(2,260)	Capital adjustment less various capital programme deferrals.
Renewal projects	2,335	2,369	(34)	Minor variances across the renewals programme.













TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - PARKS AND RECREATION					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	36,593	39,870	41,672	1,802	Additional rates required to fund staff and suppliers, including expenditure transferred from City Centre activity to Parks & Recreation.
Targeted Rates	132	148	145	(3)	
Subsidies and grants for operating purposes	68	69	59	(10)	
Fees and charges	991	1,128	1,238	110	BVL revenue over budget as a result of higher than budgeted contributions to the depreciation reserve and recoveries of maintenance costs.
Internal charges and overheads recovered	0	0	0	0	
Local authority fuel tax, fines, infringement fees, and other receipts	652	800	850	50	Higher interest on BVL loan due to increase in loan balance.
Total Sources of Operating Funding (A)	38,436	42,016	43,964	1,948	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	24,300	24,086	27,289	3,202	Above budget due to the transfer of staff costs and other operating expenses from City Centre activity to Parks & Recreation. Other increased costs include public toilet maintenance across the city and design cost write offs associated with Mauao Base Track and Kulim Park projects. Partly offset by underspend in the renewals grant to BVL due to delays associated with COVID-19. BVL projects have been reprioritised and the remaining 2020 budget has not been carried forward.
Finance Costs	5,434	6,751	6,787	35	Lower than budgeted interest costs due to delayed capital programme delivery; offset by increased interest on BVL loan.
Internal Charges and Overheads applied	3,399	3,903	3,781	(122)	Internal charges below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	34	34	
Total Applications of Operating Funding (B)	33,133	34,741	37,891	3,150	
Surplus/(Deficit) of Operating Funding (A-B)	5,303	7,276	6,073	(1,202)	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - PARKS AND RECREATION					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	1,505	1,505	1,438	(67)	Below budget due to lower than anticipated levels of growth in Tauranga.
Increase/(Decrease) in debt	12,780	17,164	4,641	(12,523)	Less debt than anticipated due to rephasing delivery of capital projects.
Gross proceeds from the sale of assets	880	0	1,654	1,654	Unbudgeted land sales, including Te Pahou Reserve.
Lump sum contributions	691	(1)	119	120	Capital contribution received from BOPRC for The Strand Extension project, transferred from City Centre activity.
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	15,856	18,668	7,852	(10,816)	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	10,147	24,907	1,889	(23,018)	Below budget due to programme rephasing associated with land purchase in Te Tumu, Western Corridor and Tauranga Infill & Papamoa urban growth areas.
- to improve level of service	12,941	16,958	6,287	(10,671)	Below budget due to programme rephasing associated with land purchase at McLaren Falls and Western Corridor. Programme on coastal structures waiting on finalised designs of the Turret Road seawall renewal. Fraser Street Reserve Development and Monmouth Redoubt upgrades deferred to 2021 FY.
- to replace existing assets	2,784	2,416	2,291	(125)	Minor underspends across the renewals programme.
Increase/(Decrease) in reserves	(4,713)	(18,337)	3,459	21,797	Programme rephasing of the delivery of growth and renewals projects has resulted in higher than budgeted reserve balances.
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	21,159	25,944	13,927	12,018	
Surplus/(Deficit) of Capital Funding (C-D)	(5,303)	(7,276)	(6,073)	1,202	
Funding balance ((A-B)+(C-D))	0	0	0	0	

BVL Rates funding of \$4.0 million in 17-18 LTP budget was shown under Corporate Services FIS has now been moved under Parks & Recreation.

Hockey Turf Rates funding of \$57K in 17-18 LTP budget shown under Corporate Services FIS has now been moved under Parks & Recreation.



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide a network of open spaces, parks, and playgrounds for the use of residents and visitors to the city.	Percentage of residential households that are within 500m of an open space.	 91%	90%	 91%	While the target was achieved, we foresee this being harder to maintain in future years as the city grows - some of the new subdivisions do not have reserves
We will provide a network of playgrounds enabling a variety of experiences for all age groups. Playgrounds can be targeted at young children, older children or can be exercise equipment for both adults and children.	Percentage of residential households that are within 500m of a playground.	 68%	65-70%	 60%	Target not met. As the city grows, some new subdivisions do not have a reserve
We will provide high quality coastal and reserve land and structures, including removing encroachments.	Removal of 20 coastal encroachments from public land each year.	 23 completed	20	 0	A number of re-encroachments were resolved along the coastal strip. New encroachments were underway on the Harbour Esplanade Reserves starting at Forrester Drive, however planning and engagement was interrupted by COVID-19, which resulted in no resolutions this year
	The amount of Parks land protected in the City Plan as a Special Ecological Area that is restored.	 65%	65%	 71%	Target met despite planting being delayed by dry ground conditions and COVID-19
We will provide a well-maintained street garden network.	All street gardens* (excluding annual (bedding) gardens) for which Council is responsible are maintained regularly (reported via the number of maintenance visits each year and the total area maintained each year). *Note: Additional areas of street gardens are vested to Council as new subdivisions are developed, so the total area is not within Council's direct control.	 92%	86%	 100%	This is a contract performance measure and is combined with other measures in a contract key performance indicator. The contract specifications for this level of service are stringent and we receive very few complaints about street gardens
	Minimum size of street gardens in new subdivisions (there is no maximum size).	 Achieved	45m ²	 Achieved	Staff continue to work with developers to achieve this

Challenges

In 2019/20:

- We suffered from more arson and vandalism, including a large fire at The Strand play area and a very high volume of graffiti. Also, during lockdown, some swing seats were stolen.
- We have found it challenging to maintain playground safety within budget allowances, as the requirement for safe surfaces has been increasing annually. This may be due to age or environmental factors causing an increase in material breakdown.
- The lockdown meant large areas of open space throughout the city were not fully maintained for many weeks. We have staged a maintenance programme to improve these areas to contract standards.
- We have been balancing the demands of sporting codes for active reserve spaces with the maintenance needed to keep the fields in a good condition. This requires users to coordinate, and to accept that the best fields should not be used for regular training.

Looking ahead

In 2020/21:

- Our staff will start engaging with our community about two new playgrounds that are intended to be installed under the annual plan.
- We are looking forward to our renewal programme and making improvements to assets around the city, especially coastal boardwalks.
- We will continue with programmes including the restoration of special ecological areas such as Matahoroa Gully.
- We will develop a new approach to utilising our active reserves network to meet the changing needs of our users, including the completion of a feasibility study for the development of a shared sporting facility at Gordon Spratt Reserve.
- We will continue to work closely with the community on several projects – for example, with the Whare Manaakitia Trust on the development of the new community centre in Merivale.

Regulation monitoring



What we do

We enforce legislation, ensure a consistent application of city bylaws, and educate people about their responsibilities. We also respond to social behaviour incidents and promote road safety through daily patrols of areas including the city centre.

How does this affect you?




We improve community wellbeing by ensuring that public nuisance is minimised and our environment is protected.









Highlights in 2019/20

- 1 We successfully used CCTV to monitor and enforce illegal parking at Tauranga Primary School. Ensuing media reports generated over 100 positive social media comments on this approach.
- 2 We patrolled Papamoa Beach targeting illegal and dangerous vehicle use, alongside police, Fisheries NZ staff, and surf life savers.
- 3 We secured MBIE funding of \$183,000 for responsible camping initiatives involving education, enforcement patrols, improved signage, communications, the installation of six new smart bins, and the cleaning of facilities.
- 4 We received a \$150,000 government grant for freedom camping initiatives. It went towards education, information, enforcement, monitoring, and infrastructure development such as signage, rubbish collection and recycling stations. It helped ensure additional facilities and services are in place to support our community and minimise the impact on our environment.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - REGULATION MONITORING					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	676	707	278	(429)	Rates requirement less than budgeted due to receipt of unbudgeted grants and lower expenditure.
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	0	0	212	212	Grant received from MBIE to contribute towards expenses relating to Freedom Camping enforcement and monitoring.
Fees and charges	30	32	44	12	Minor variance
Internal charges and overheads recovered	0	0	0	0	
Local authority fuel tax, fines, infringement fees, and other receipts	65	66	59	(7)	Minor variance
Total Sources of Operating Funding (A)	771	805	593	(212)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	(415)	(480)	(552)	(72)	Savings related to unfilled staff vacancies .
Finance Costs	2	2	0	(2)	
Internal Charges and Overheads applied	1,174	1,273	1,136	(137)	Internal charges are below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	256	256	Due to a review of doubtful debts based on an assessment of the impacts of COVID-19.
Total Applications of Operating Funding (B)	761	795	840	45	
Surplus/(Deficit) of Operating Funding (A-B)	10	10	(247)	(257)	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - REGULATION MONITORING					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	0	0	0	0	
Gross proceeds from the sale of assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	0	0	0	0	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	0	0	0	0	
- to replace existing assets	0	0	0	0	
Increase/(Decrease) in reserves	10	10	(247)	(257)	Reduction in reserves in order to fund the doubtful debts provision.
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	10	10	(247)	(257)	
Surplus/(Deficit) of Capital Funding (C-D)	(10)	(10)	247	257	
Funding balance ((A-B)+(C-D))	0	0	0	0	

	0		4		0
Achieved		Not achieved		Not measured	

PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will monitor traffic and parking bylaw and related legislation, taking an education approach to raise awareness in the community, or enforcement where appropriate.	Respond to all parking complaints within 24 hours.	 93%	96%	 92%	We received 1941 complaints, of which 1784 were attended to within 24 hours. Q1-Q3 were below target due to resourcing restrictions. During the COVID-19 lockdown complaints decreased by 56%. Our officers were not on active duty, which meant complaints were triaged by phone.
	Attend school patrols at least 8 times per month.	 74%	96%	 47%	Target does not allow for school holidays; hence we did not meet this measure for Q1-Q3. Q4 was impacted due to Alert Level 4. No school patrols took place during Alert Level 3 and 2 due to low attendance.
We will monitor the Freedom Camping Bylaw.	Daily patrols of key designated and prohibited Freedom Camping sites.	 Not achieved	Achieved	 57%	Target does not incorporate the reduction in patrols during off peak season (Apr-Oct) which impacted Q1, Q2 & Q4 targets. 190 proactive patrols completed. No patrols conducted during lockdown.
	All complaints about freedom camping are investigated.	 100%	100%	 93%	On target for Q1-Q3. During lockdown, 17 complaints were not attended to by the contractor. Bylaws officers contacted customers to advise of reduced ability to attend. A total of 252 complaints were received for this year.

Challenges

In 2019/20:

- We were unable to buy and use licence plate recognition technology because of factors affecting city centre vibrancy and general growing pains.
- We saw a steady increase in the numbers of people rough sleeping and homeless in our city, especially with the impact of COVID-19. Our Bylaws team have struggled to manage the complaints linked to this problem and provide support to people in need.
- Excluding the lockdown period (Alert Levels 4, 3 and 2), we received 4.7% more service requests/complaints.

Looking ahead

In 2020/21, we will:

- be working to secure more funding from MBIE to help manage the peak freedom camping season
- continue to explore international best practices and technologies for parking enforcement which improve compliance
- continue working closely with departments and agencies on the Parking Strategy and Kāinga Tupu: Growing Homes (Western Bay of Plenty homelessness strategy).

DRAFT

Resource recovery and waste



What we do

We help the council and our community improve their sustainability performance. We contribute to the protection of public health and the environment by managing the collection and disposal of the community's waste. We focus on:

- reducing, recovering, recycling and reusing waste within the city
- reducing energy consumption and carbon emissions within council operations
- applying the latest proven, cost-effective waste and sustainability approaches
- collecting data and other information to enable effective decision-making
- ensuring waste is transported to approved waste facilities for treatment, recovery and/or disposal
- providing comprehensive sustainability and waste programmes
- supporting council activities that improve sustainability
- achieving outcomes from the 2016 Waste Management and Minimisation Plan (WMMP)
- implementing Council's corporate Energy Management Action Plan
- refreshing our corporate sustainability framework
- achieving and maintaining Council's Certified Emissions Measurement and Reduction Scheme (CEMARS) certification
- contributing to the development and implementation of a city-wide environmental strategy.

How does this affect you?

Our activity protects the health of Tauranga's people and environment.

Highlights in 2019/20









- 1 We provided a kerbside glass collection service that exceeded our target of 6000 tonnes of glass recycled (6304 tonnes).
- 2 We improved health and safety at our transfer stations.
- 3 We worked with our contractors and other service providers to ensure that waste services were provided to our community during the COVID-19 lockdown.
- 4 We received MBIE funding for a further six waste and recycling units for freedom-camping locations.
- 5 We approached the private sector about kerbside waste collection and litter services, and waste facility upgrades.
- 6 Before lockdown, we had a great year implementing our waste behaviour change programmes by:
 - signing up 13 new businesses to the Resource Wise Business programme
 - providing funding to Good Neighbour, which diverted 462 tonnes of food waste from landfill, redistributing it to 60 local charities and providing over 1.3 million meals
 - educating 4,148 students on waste minimisation.















SIGNIFICANT CAPITAL PROJECTS				
	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
Miscellaneous renewals	154	171	(17)	Transfer station renewal projects all completed within budget.
Transfer station improvements	25	100	(75)	Changes to the programme phasing of stormwater improvement projects has resulted in unspent funds being carried forward to 2021.
General resource recovery and waste projects	207	247	(40)	Planned upgrade works at Te Manuka transfer station completed within budget.
Kerbside waste facilities upgrade	0	201	(201)	Waste facilities upgrade rephased to align with the new contract for the lease of the facilities and investigate any opportunities arising from these.



TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - RESOURCE RECOVERY AND WASTE					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	3,248	3,555	2,805	(750)	Rates requirement less than anticipated in the LTP as a result of changes to the funding of the set up costs for kerbside collection, reduction in internal costs and finance costs.
Targeted Rates	1,248	1,444	1,760	316	Glass collection target rate reviewed and adjusted to cover the costs of providing the service.
Subsidies and grants for operating purposes	967	482	532	50	Unbudgeted grant funding received resulting in revenue being higher than anticipated.
Fees and charges	1,295	1,453	1,724	271	Sale of rubbish bags higher than anticipated, this is offset by higher contract and disposal costs.
Internal charges and overheads recovered	0	0	0	0	
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	
Total Sources of Operating Funding (A)	6,758	6,934	6,821	(113)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	5,522	5,474	5,489	15	On target, with increased rubbish contract costs offset by savings.
Finance Costs	310	430	363	(68)	Expenditure less than budget as result of changes in the phasing of the capital programme and the decrease in interest rates.
Internal Charges and Overheads applied	791	904	788	(116)	Internal charges are below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	0	0	
Total Applications of Operating Funding (B)	6,623	6,809	6,640	(169)	
Surplus/(Deficit) of Operating Funding (A-B)	135	126	181	56	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - RESOURCE RECOVERY AND WASTE					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	435	604	261	(343)	Debt movement less than planned due to the change in phasing of the the capital programme.
Gross proceeds from the sale of assets	0	0	0	0	
Lump sum contributions	0	0	60	60	Unplanned revenue as a result of successful funding application.
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	435	604	321	(283)	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	696	2,629	327	(2,301)	Changes in phasing of the capital works programme as part of the development of the 2020 Annual Plan resulted in a reduction in the 2020 capital works programme.
- to replace existing assets	263	178	154	(24)	Renewals completed within budget.
Increase/(Decrease) in reserves	(389)	(2,077)	20	2,097	Changes in the capital works program has had an impact on the reserve movements together with reduced need for the Waste Levy Reserve funds.
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	570	729	502	(228)	
Surplus/(Deficit) of Capital Funding (C-D)	(135)	(126)	(181)	(55)	
Funding balance ((A-B)+(C-D))	0	0	0	0	



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide a rubbish collection service to all residential properties in urban and rural-residential areas.	Percentage of residents that are satisfied with what happens on rubbish collection day.	 79%	83%	 77%	This is measured in the annual residents' survey. Our current result dropped from 2018/19 (79%). Target has not been met for the last two years
We will provide transfer stations, and maintain closed landfill sites.	Transfer stations provide customers with a 7 day service for refuse and green waste facilities and free access to a recycling centre (except on Good Friday and Christmas Day).	 Achieved	Achieved	 Not achieved	Transfer stations were closed to the public during COVID-19 (alert levels 2- 4)
	Number of abatement notices / infringements issued in relation to closed landfill resource consents.	 Nil	Nil	 Nil	The BOP Regional Council has undertaken field inspections at both closed landfills and issued field sheets indicating compliance
Provision of behaviour change programmes across community target community behaviours and reduction of waste to landfill.	Number of new businesses engaging in Resource Wise Business programme per annum.	 14	12	 13	Pre-COVID, businesses were engaged and prioritising waste minimisation. Post-COVID, businesses are trying to get back on their feet and re-establish themselves. The programme is currently on-hold (contract ended 30 June 2020). We are working on a new approach to make the programme more effective. Target was increased from 12 to 15 following a resolution of the Finance, Risk and Monitoring Committee on 27 November 2019. Although not reported on, this new target was not achieved.

PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
Provision of behaviour change programmes across community target community behaviours and reduction of waste to landfill.	Number of new schools / pre-schools / education facilities engaged in Resource Wise Schools programme per annum.	 144	35	 53	Target met. This measure has been replaced from the 2018-28 LTP following a resolution of the Finance, Risk and Monitoring Committee on 27 November 2019. The updated measure is "Number of students taught within pre-schools/schools/ education facilities for the Resource Wise Schools programme per annum". See below table: Additional measures monitored.
	Number of waste reduction workshops delivered via Resource Wise Community per annum.	 17	10	 11	Annual target achieved. Workshops were delivered online as opposed to in-person over the fourth quarter due to COVID-19
	Average amount of waste sent to landfill per capita / per annum based on current operating environment (figures for Year 4 onwards reflect proposed introduction of rates-funded system).	 564.5kg	575kg	 523kg	Total waste to landfill trending down, as 4,000 tonnes less was sent through the transfer station over COVID-19. We are likely to see a spike in 2020/21 if the city is operating as usual
We will take action to address Council's own sustainability impacts.	Milestones achieved as per Council's EECA agreement.	 Milestone 4 achieved	Milestone 3 achieved	 Milestone 4 achieved	Target achieved. Drafting report for Milestone 5
	Completed actions from the corporate Energy Management Action Plan.	 In Progress	Identified actions for 19/20 implemented	 In progress	Data collection underway. 4 projects complete, 9 projects on track, 2 projects cancelled, 2 projects delayed, 7 projects not started
	Achievement of CEMARS certification.	 In Progress	Certification achieved	 In progress	In progress. Audit completed and awaiting formal certification
We will enable the community to take action to address sustainability impacts.	Number of sustainability education opportunities delivered / supported.	 45 (Waste) 128 (City Waters)	45	 49 (waste) 56 (City Waters)	Waste – delivering to Resource Wise. City Waters - delivering to Waterline Plan

PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
Provision of behaviour change programmes across community target community behaviours and reduction of waste to landfill.	Number of new schools / pre-schools / education facilities engaged in Resource Wise Schools programme per annum.	New measure	8,400	 4,148	Target not met due to COVID-19
	Number of waste audits conducted for businesses for the Resource Wise Business programme per annum	New measure	30	 13	Audits were not able to be conducted during COVID-19 as businesses were closed. We will reschedule these audits in the coming months, allowing businesses time to re-establish

Challenges

In 2019/20:

- We ensured waste services continued during lockdown, including council and private waste collection and transfer stations. Our team worked remotely to ensure business carried on as usual during this challenging period.
- Our Resource Wise Schools waste education programme was placed on hold when our auditing contractor decided not to extend their contract. Although not ideal, this created an opportunity to evaluate and improve the programme's long-term efficiency and sustainability.
- Before lockdown, our waste minimisation programmes were affected by COVID-19 as schools limited onsite services and businesses shifted their priorities. This had a negative effect on our targets and ability to hold community workshops.

Looking ahead

In 2019/20:

- Our team will help develop a city-wide sustainability framework. We will establish our position on climate change, complete the council's greenhouse gas footprint, and develop and implement an action plan for reducing our greenhouse gas emissions.
- We will evaluate and improve the way we deliver our Resource Wise programmes to save money and achieve our waste minimisation targets.
- We will seek the approval of recommendations for future kerbside waste services.
- We will work on improving our city's recycling and composting rates, reducing the amount of waste sent to landfill, and reducing the cost of waste disposal.

Stormwater



What we do

We manage infrastructure to receive, treat and dispose of stormwater through a network of soakage systems, pipes, open drains, ponds and 'secondary flow paths' (paths the water will take if it can't go through the main system).

This minimises the risk of flood damage and mitigates the adverse effects on the harbour and waterways from stormwater runoff.

Our activities mainly focus on the quality and quantity aspects of stormwater. We also work to minimise the risk of flood damage through education and the planning and provision of infrastructure. We aim to improve the quality of stormwater discharging into the harbour and other coastal/river environments.

How does this affect you?

We provide all residential, commercial and industrial properties in Tauranga with an efficient stormwater system. We protect public health and safety by disposing of stormwater in an environmentally acceptable way that meets the challenges of population growth. We manage stormwater in a long-term sustainable way, while acknowledging and respecting the values tangata whenua place in water resources.

Highlights in 2019/20

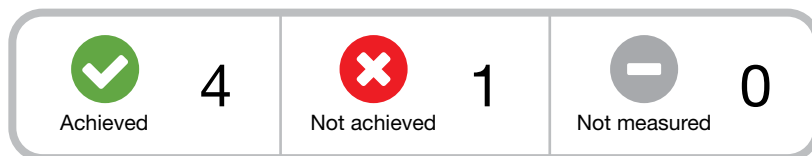
- 1 We worked on projects in the Matua, Welcome Bay and Kaitemako catchments to open up overland flowpaths, which are paths the water will take if it can't go through the main system. We also studied other parts of the city where future projects could achieve this. One key project aims to make the depth and speed of stormwater flows safer for our communities.
- 2 We worked on implementing the Te Ara o Wairakei Landscape Plan to enhance the 10km stormwater reserve between Pacific View Rd in Papamoa and the Te Tumu boundary, including Taylor Reserve. This involved the construction of 8.5km of new tracks/cycleways, extensive track widening, boardwalk and culvert crossings, an upgraded bridge, 21 seats, 60 entrance and wayfinding signs, 75 trees and almost 300,000 plants.
- 3 We continued implementing a stormwater minor works programme to address frequent/nuisance flooding around the city.
- 4 We worked on developing a long-term flood mitigation strategy for a Mount north catchment, from Adams Ave to Salisbury Ave, which often floods. This area is vulnerable to bad weather and the effects of climate change (storm surges, rising sea level, and rising groundwater). We are modelling some ideas for addressing these problems.
- 5 We worked on Plan Change 27 to help manage the effects of heavy rain. The aim is to allow construction and redevelopment without increasing flood risk. Rules will be added to the City Plan addressing what and how people can build in overland flow paths, floodplains and flood-prone areas, and to manage surfaces in new developments that are impervious to water. So far, work has involved developing and testing proposed rules, and updating flood maps.











SIGNIFICANT CAPITAL PROJECTS				
	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
Stormwater recovery programme bulk fund	4,019	6,246	(2,227)	Delays in geotech investigations as a result of the COVID-19 lockdown resulting in budget underspent and carried forward to future years.
Pyes Pa West growth projects	583	1,476	(893)	Delayed developer related progress resulting in changed priorities and under delivery on budgets.
Papamoa/Wairakei stream stormwater capital projects	4,165	317	3,848	Budget brought forward from future years due to an accelerated delivery programme, resulting in overall reduction in programme costs.
Stormwater other level of service projects	1,492	6,034	(4,542)	Underspend relating to the Stormwater reactive reserve is due to the number of applications received, consistent with the fund policy parameters.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - STORMWATER					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	21,817	24,911	22,246	(2,665)	Lower rates requirement due to lower finance costs and corporate overheads.
Targeted Rates	200	294	234	(60)	Timing difference in resilience targeted rate recovery compared to anticipated LTP recoveries.
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	28	29	35	6	
Internal charges and overheads recovered	0	0	0	0	
Local authority fuel tax, fines, infringement fees, and other receipts	5	5	0	(5)	
Total Sources of Operating Funding (A)	22,050	25,239	22,515	(2,724)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	6,538	6,821	7,079	258	Higher modeling costs contributing to the variance to LTP budget.
Finance Costs	7,029	8,935	7,102	(1,834)	Lower than anticipated interest rates, along with reduced capital delivery and therefore borrowings have resulted in lower finance costs.
Internal Charges and Overheads applied	2,536	2,933	2,556	(377)	Internal charges are below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	24	24	
Total Applications of Operating Funding (B)	16,103	18,689	16,761	(1,929)	
Surplus/(Deficit) of Operating Funding (A-B)	5,947	6,550	5,754	(796)	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - STORMWATER					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	198	198	Partner subsidy relating to stormwater specific growth projects not anticipated in the LTP.
Development and financial contributions	3,562	3,562	5,293	1,731	Additional development contributions revenue relating to Tauriko Business estate LDC.
Increase/(Decrease) in debt	8,511	11,980	4,475	(7,505)	Less debt than anticipated due to changes in programme phasing of capital projects.
Gross proceeds from the sale of assets	48	0	305	305	Contribution from land sales not budgeted in LTP.
Lump sum contributions	0	0	817	817	Represents recovery from developers yet to be billed.
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	12,121	15,542	11,088	(4,454)	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	6,236	8,281	4,978	(3,303)	Difference relating to the programme phasing of the delivery of Pyes Pa and Tauriko West growth projects.
- to improve level of service	11,135	14,062	5,564	(8,498)	Difference relating to the programme phasing of the Stormwater bulk fund & reactive reserve.
- to replace existing assets	200	208	42	(166)	Difference relating to the programme phasing of the reticulation and residential renewals of stormwater assets.
Increase/(Decrease) in reserves	496	(459)	6,258	6,717	Reserves required to fund capital have reduced in line with the rephasing of the programme.
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	18,067	22,092	16,842	(5,250)	
Surplus/(Deficit) of Capital Funding (C-D)	(5,948)	(6,550)	(5,755)	795	
Funding balance ((A-B)+(C-D))	0	0	0	0	

Stormwater levy Rates funding of \$2.4 million in LTP 2018-28 budget was shown under Corporate Services FIS has now been moved under Stormwater. The other side of this adjustment has been reclassified under Increase/Decrease in reserves as opposed to Increase/Decrease in debt.



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide a conveyance and treatment network to effectively manage stormwater and to deliver safety to persons.	The number of habitable floors that were affected by flooding events per 1,000 properties.	 Nil	≤1	 0.15	We had few events and the system performed as expected this year
We will provide a timely response to a flooding event.	Median response time to attend a flooding event.	 30 mins	≤60 min	 30 min	We continue to be above target and consistent with previous years
	Resolution of problem.	 1 hr, 50 mins	≤8 hr	 2hr, 13 min	
We will provide satisfaction to our customers.	Number of complaints received about the performance of the stormwater network per 1,000 properties.	 2.35	≤2	 3.05	87 requests for service this year – 90% were during rain events
We will provide a stormwater system that avoids impact on the environment.	Council's stormwater compliance with resource consents for discharge from its stormwater system measured by the number of: <ol style="list-style-type: none"> 1) abatement notices; 2) infringement notices; 3) enforcement orders; 4) convictions received in relation to those resource consents 	 Nil	Nil	 Nil	Target met

Challenges

In 2019/20:

- As the city continues to grow, we face the challenge of servicing new (greenfield) areas and existing (brownfield) areas
- We paused our planting works within the Palm Beach West section of the Te Ara o Wairakei Landscape Plan after residents expressed concern about the nature and extent of the planting. We are engaging with the community to develop a planting plan that meets the requirements of the overarching consent. We will report to Council in mid-2021 about this engagement, and the pause will continue until then.
- Compliance with stormwater regulation and consent is a challenge across the city because of the affects of growth on stormwater quality from our industrial and urban environments. These challenges are likely to increase with new legislation, such as the healthy waters package.

Looking ahead

In 2020/21:

- We will continue our minor works programme and the implementation of a stormwater depth/speed project.
- We will continue developing a next-generation contract and engaging with the market for maintenance services.
- We will continue developing and implementing the Te Ara o Wairakei Cultural Plan. This will include placing cultural motifs on signs and seats along the reserve and, later this year, placing interpretation panels that depict the cultural significance of the area.
- We will seek feedback from our community on changes for Plan Change 27 when it is notified in late-2020.

Transportation



What we do

We manage Tauranga's transportation network, improving road safety and ensuring people enjoy easy access to different modes of transport.

We improve, operate and maintain local roads (including streetlights, bridges, footpaths, traffic signals, sumps, berms, bus shelters, parking buildings and parking machines), and monitor crash statistics to identify problem areas and determine solutions.

We help make the transport network more resilient by identifying the affects of land use, growth and development on the network and parking resources while identifying areas for upgrades or control.

Our walking, cycling and education projects encourage greater use of more sustainable transport modes.

How does this affect you?

We contribute to the efficient and safe movement of people on the local transport network, providing better transport choices and connecting communities.

Highlights in 2019/20


- 1 We obtained funding from local and central government for our area-wide walking and cycling programme. This will help provide cycling routes and facilities over the next 10-20 years.
- 2 We installed 7000 lights to complete the first phase of an LED streetlight upgrade, which is part of a national initiative.
- 3 The Travel Safe "Kids can Ride" education programme became the second council programme in New Zealand to gain accreditation to Bike Ready, which is the national cycle skills education programme and which includes best-practice standards and guidelines.
- 4 We worked to make it safer and easier for people to walk, bike and catch buses along Domain Rd, while improving the full length of this road to better cope with the number of vehicles travelling along this corridor. Stage 2 of these works occurred in 2019/2020 and involved improved street lighting, the installation of underground services, new kerbing, footpaths, pavement resurfacing, traffic signals, signalised pedestrian/cyclist crossing, and changes to the roundabout to encourage safer speeds.





SIGNIFICANT CAPITAL PROJECTS











	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
Minor safety improvements	1,067	1,500	(433)	Underspend as a result of delays caused by the COVID-19 lockdown. Planning has been completed on a number of projects and the unspent funds have been phased into future years to complete these safety improvements.
Reseals	1,919	3,351	(1,432)	Project expenditure less than budget due to contractor resourcing issues and the COVID-19 lockdown occurring during the height of the resealing season. Underspend has been carried forward and additional resources contracted to complete the work.
Pavement rehabilitation	1,616	1,726	(110)	Underspend is as a result of delays due to COVID-19 shutdown meaning the programme of works was not fully completed at year end.
Domain Road upgrading	2,331	6,815	(4,484)	Project delayed by stormwater issues and the COVID-19 lockdown. New Zealand Transport Agency (NZTA) funding approved for the balance of the project costs during the year and since work resumed after the shutdown good progress has been made. The unspent funds have been rephased into future years to complete the works.
Eastern corridor	1,064	5,200	(4,136)	Underspend due to lack of external funding to progress with the Papamoa East Interchange, which is linked to the development of the Te Tumu land. Underspend rephased into future years.
Western corridor	3,599	6,100	(2,501)	Budget is for land acquisition to develop the Western Corridor Ring Road, and has been phased into future years as the positioning of the road is still under investigation.
Public transport infrastructure	423	2,025	(1,602)	Project programme changes relating to the proposed park and ride, bus infrastructure upgrades and the Realtime bus information system have all attributed to this underspend. Unspent funds have been rephased into future years to complete the projects.
15th Avenue, Turret Road and Fraser Street upgrades	1,696	1,600	96	Project progressing well completion due late 2020. Slight overspend due to additional contract costs incurred during COVID-19 lockdown.
Traffic signals	102	1,269	(1,167)	The underspend relates to traffic signals planned on Cameron Road. These projects have now been incorporated into the Te Papa Spatial Framework, and the delivery is dependent on the Frameworks timeline for interventions.
New transportation model	560	1,062	(502)	Resourcing issues have lead to the delay in this project, and the unspent funds have been carried forward to the 2021 year.
City centre projects	905	1,025	(120)	Underspend while awaiting a decision on the location of the City Centre Bus interchange.
Cycle action plan	4,232	6,626	(2,394)	Underspend due to finalising the location of the Arataki bus interchange for the Arataki Multi Modal project.
Minor Renewal Works (Streetlights, Kerb & Channel, Signs & Footpaths)	1,244	1,433	(189)	Minor underspend as a result of delays due to the COVID-19 lockdown.
Harington Street carpark	(15,205)	11,492	(26,697)	Physical works have ceased, due to structural design faults and costs incurred have been written off.
Coastal erosion protection	534	1,300	(766)	Stakeholder engagement relating to the final design of the work on Chapel Street has taken longer than planned and the unspent funds have been phased into future years.
Roading land sales	(882)	(143)	(739)	Land sales have exceeded budget as sales planned in 2019 were finalised this financial year.
Streetlight upgrading to LED	2,217	2,300	(83)	Project on track and ready to move on to the next stage in 2021.











TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - TRANSPORTATION					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	22,059	26,053	23,313	(2,740)	General rates required reduced during the 2020 Annual Plan process; this was achieved by updating the timing of capital projects and the favourable decrease in interest rates reducing interest and depreciation costs.
Targeted Rates	200	376	234	(142)	
Subsidies and grants for operating purposes	4,393	4,722	4,774	52	Operating grants on track.
Fees and charges	4,143	7,251	3,502	(3,749)	Revenue is significantly less than budget due to Harington Street carpark not being in operation in the 2020 year as planned, and parking fees not being charged during the COVID-19 alert levels 2 through 4.
Internal charges and overheads recovered	16	16	34	18	Internal recoveries higher than budgeted.
Local authority fuel tax, fines, infringement fees, and other receipts	1,376	1,406	1,572	166	Increases in infringement fees and other charges resulted in income being more than stated in LTP.
Total Sources of Operating Funding (A)	32,187	39,824	33,429	(6,395)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	15,604	16,853	17,485	632	Expenditure more than planned in Year 2 of the LTP as a result of a review of the Transport team and the transfer of the road cleaning contract to the Transport activity.
Finance Costs	5,936	8,545	5,993	(2,552)	Lower than budgeted interest costs due to delayed capital programme delivery and lower interest rates.
Internal Charges and Overheads applied	5,314	6,128	5,228	(900)	Internal charges below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	52	52	Due to a review of doubtful debts based on an assessment of the impacts of COVID-19.
Total Applications of Operating Funding (B)	26,854	31,526	28,758	(2,768)	
Surplus/(Deficit) of Operating Funding (A-B)	5,333	8,299	4,671	(3,629)	



TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - TRANSPORTATION					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	29,046	34,249	8,075	(26,174)	NZTA subsidies significantly less than budgeted as a result of anticipated funding not being approved for a number of key projects, the change in timing of projects, delays due to COVID-19, third party approvals and dependencies.
Development and financial contributions	6,175	5,795	8,625	2,830	Developer Contributions more than budgeted due to growth in residential and commercial development being higher than anticipated.
Increase/(Decrease) in debt	23,732	32,450	(1,653)	(34,103)	Less debt than anticipated due to the delayed delivery of capital projects.
Gross proceeds from the sale of assets	11,892	46	1,307	1,262	Opportunity arose to sell surplus land, resulting in revenue exceeding what was budgeted.
Lump sum contributions	640	40	1,364	1,324	Contributions were received were not anticipated when the LTP was developed.
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	71,485	72,579	17,718	(54,861)	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	2,406	(10,748)	1,971	12,719	The LTP included a capital adjustment credit of \$15m reflecting the delivery challenges of a large capital programme. Delivery of growth projects was lower than planned due to delays in obtaining the resource consent to access the Te Tumu growth area in order to develop the Papamoa East Interchange and a delay in funding for the Domain Road upgrade .
- to improve level of service	49,791	59,613	4,081	(55,531)	Work programme serverly impacted by COVID-19 and setbacks with regard to achieving funding from NZTA have resulted in less projects being delivered than planned.
- to replace existing assets	8,713	8,514	5,732	(2,781)	The renewals programme was delayed due to the COVID-19 lockdown which happened during the roading maintenance season, and contractor resourcing issues.
Increase/(Decrease) in reserves	15,908	23,501	10,604	(12,897)	Depreciation lower than planned due to reduced delivery of the capital works programme. An additional reduction in reserves in order to fund the doubtful debts provision.
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	76,818	80,879	22,389	(58,490)	
Surplus/(Deficit) of Capital Funding (C-D)	(5,333)	(8,299)	(4,671)	3,628	
Funding balance ((A-B)+(C-D))	0	0	0	0	

	6		4		3
Achieved		Not achieved		Not measured	

PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide an efficient transport network, minimising all-day congestion.	Average speed across key parts of the transport network* (freeflow speed = 59km/hr).	 35km/hr	25km/hr	 37km/hr	<p>In 2016/2017, we created a new way to measure congestion.</p> <p>We compared average speed through 18km of our key routes at peak times, against the average speed during night free flow conditions (when traffic can move uninterrupted except for red lights and intersections).</p> <p>To get our sample, we compared the peak traffic speed with the free-flow speed over a seven-day period in March 2017.</p> <p>Each year we compare our average speed over the same seven-day period in March against the result we recorded in 2017, to see if we are moving faster or slower through these key routes.</p> <p>Our results show that we are traveling slightly faster than our 2017 baseline measure and above our yearly target.</p>
	Duration of peak across the transport network* (where traffic is travelling at 50% of freeflow speed of 59km/hr).	 260 mins	360min	 147min	<p>We measure this by calculating traffic speeds through the same routes as the measure above (we use the same seven-day period in March as well).</p> <p>Through the week-long period we measure the time the routes are congested i.e. moving half as fast as they would under free-flow conditions.</p> <p>This year we saw well defined am and pm weekday peaks. Between the peaks, it was busy but not congested. We also saw no weekend congestion</p>

PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide opportunities for walking, cycling and bus travel, and encourage increasing awareness of sustainable transport initiatives, including school walking / cycling programmes.	Proportion of people journey to work via: 1) a vehicle as the driver 2) a vehicle as a passenger 3) walking/jogging 4) cycling 5) bus 6) didn't go to work or not stated 7) Worked from home	 1) 60% 2) 2% 3) 1% 4) 1% 5) 2% 6) 27% 7) 6%	1) 58% 2) 1-2% 3) 3% 4) 4% 5) 6% 6) 23-25% 7) 5-6%	 1) 46% 2) 2% 3) 2% 4) 5% 5) 3% 6) 20% 7) 8%	We take this data from our annual perceptions monitor. The data shows a decrease in the numbers of people driving vehicles to work (48%) which is the primary outcome. There was a decrease in people that do not work (20%) and an increase in those that chose to work from home. Bus boarding was lower than targeted (discussed below).
	Number of public transport boardings per annum (Bay Hopper).	 1.65m (88%)	2.16m	 n/a	Due to COVID-19, operations were reduced, and the changeover of ticketing systems meant boarding data was not recorded. BOPRC provides this data
	Number of public transport boardings per annum (School Hopper).	 435k (78%)	642k	 n/a	Due to COVID-19, operations were reduced, and the changeover of ticketing systems meant boarding data was not recorded. BOPRC provides this data
	Number of participants in school children's walking and cycling programmes.	 5,900	5,400	 8,065	Kids Can Ride Bike Ready cycle instructors have trained 3575 year 5 and 6 students despite losing 2.5 months of instruction due to COVID-19. Additional participants have been gathered through attendance at school Travel Safe programmes promoting walking and/or cycling (earlier data was based on class numbers rather than per head)
	Number of participants in adult cycling programmes.	 500	300	 332	Working in partnership with Sport Bay of Plenty and Cycling NZ, 332 adults attended Cycle Skill and Ride Leader training workshops. In addition, 1108 adults rode through pit stops on Go by Bike Day and about 200 Tauranga/ Western Bay businesses took part in the Aotearoa Bike Challenge

PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide a well-maintained and fit-for-purpose road and footpath network, and well-utilised and available city centre parking.	Average quality of ride of the sealed road network as measured by Smooth Travel Exposure.	 Not measured	91-92%	 90%	Quality of ride is one of the factors used as a measure to reflect the general condition of the road pavement. The score is within acceptable limits
	Percentage of footpaths that fall within the level of service standard for the condition of footpaths set out in the asset management plan (less than or equal to 1.5m of grade 4 or 5 faults per km of footpath).	 98%	98-100%	 95%	A full footpath survey was conducted in 2019 using a specially adapted vehicle. This new method was a significant advance, and provided a schedule of the faults identified. This survey will be carried out every two years and repairs to the footpaths will continue with a focus on grade 4 and 5 faults (faults most likely to be trip hazards). About 1800 faults were repaired during the year
	City centre parking occupancy levels: 1) On-street 2) Off-street 3) Car park buildings	 1) 95% 2) 90% 3) 85%-100%	80%-85% 85%-95% 85%-95%	 n/a n/a 28%	COVID-19 had a profound effect on city parking availability, especially during Alert Levels 4 and 3. Occupancy rates have been climbing steadily since AL2, but are still lower than pre-COVID levels
	The percentage of the sealed local road network that is resurfaced.	 2.5%	4%	 2%	Persistent wet weather in the early part of the season hampered productivity. Later in the summer, the contractor had resource shortages and equipment breakdowns, resulting in significantly reduced outcomes. The contractor overcame resource concerns and has extended the programme in 2020/21 to complete the backlog
	The percentage of customer service requests relating to roads and footpaths responded to within seven calendar days.	 86%	82%	 93%	Our contractor achieved 93% response within 7 days. Most of these service requests were attributed to hazards on the road or potholes

PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will identify and respond to safety issues, through education and engineering solutions.	<p>The change from the previous financial year in the number of people fatalities and serious injury crashes on the local road network, expressed as a number.</p> <p>Decreasing the number of people injured or killed in crashes across the city (the number refers to a 5-year rolling average for all roads within the city boundary (State Highways & Local Roads).</p>	 274	175	 193	<p>Number of people killed/seriously injured on all roads (including state highways) decreased on average by 3.0 per year. Local road crashes increased on average by 2.4 per year.</p> <p>Note that data is for calendar years. Comparison is between 2014-2018 and 2015-2019.</p> <p>The 2018/19 result should be corrected to 179, as per current data from NZTA's Crash Analysis System</p>

Challenges

In 2019/20:

- We introduced temporary safety improvement measures to help the Arataki community with disruptions caused by Waka Kotahi Baylink works, the introduction of additional Regional Council bus services, and a delayed decision regarding the bus interchange. Although significant effort was put into community engagement activities, the outcomes did not meet some of the local community's expectations.
- Environmental impacts continued to present challenges. These included the collapse of the road near the Oropi Stream bridge, subsidence in the Poike Road area, footpath and water pipe failures, and coastal erosion requiring remedial works in the rail bridge underpass area of Sulphur Point.
- Loss of key personnel and staffing constraints resulted in project delays and an increased workload for remaining staff. Recruitment for roles that have been vacant for over six months has been placed on hold.
- Speed management concerns across the city continue to be felt by our community. People often confuse the responsibilities of police with Council in respect to speeding. With increasing numbers of vehicles and constraints on road policing, there is no quick fix.
- We are working to align our cycle plan programme with other council initiatives including the Te Papa Spatial Plan, the Transport System Plan and the Urban Form and Transport Initiative, to ensure the interdependencies and funding constraints are well understood. The effort to achieve this has delayed the cycle plan route process.

Looking ahead

In 2020/21:

- We are working with Waka Kotahi to align with the Road to Zero government strategy by identifying areas on our roading network where the most cost-effective road safety outcomes can be achieved.
- To improve safety in accordance with government policy, we will review city speed limits, in consultation with our community.
- Pending Council endorsement, we will complete the LED street lights initiative by July 2021. Waka Kotahi will fund 85% of Phase 2.
- We will look to make Totara St safer for people who walk and cycle, while keeping the wider area functioning for freight and commuter traffic. We will engage with our community as we introduce a safe interim option and work on a longer-term solution.
- We will seek feedback from our community on changes for Plan Change 27 when it is notified in late-2020.

Wastewater



What we do

We provide a network of infrastructure to manage sewage, protecting public health and the natural environment.

We collect wastewater from all connected properties in Tauranga and transport it to two treatment plants. The wastewater is treated through wetlands and ultra violet disinfection before being discharged into the ocean.

The Southern Pipeline, which was completed this year, allows for future development in the southern area of Tauranga. The Te Maunga Waste Water Treatment Plant is being upgraded to accommodate the additional load from the Southern Pipeline.

How does this affect you?

We ensure that wastewater is safely removed from every connected property in Tauranga. We ensure that effluent returned to the environment is high quality, meets community expectations and meets environmental standards.

Highlights in 2019/20











- 1 We maintained and operated facilities 24/7 through the pandemic.
- 2 We commissioned the Te Maunga dewatering plant, enabling the decommissioning of Pond 1 as an active sludge pond, in April 2019. This completed the first stage of our bio solids strategy. The plant is working well and meeting all targets.
- 3 We worked on addressing the poor condition of the landward and marine sections of the wastewater outfall. This outfall cannot withstand the pressures required to deliver the consented maximum rate, and is under further pressure from flows caused by growth. We are reviewing the future of the marine section and upgrading the landward section to build resilience and address the risk of failure.

SIGNIFICANT CAPITAL PROJECTS				
	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
Southern pipeline	983	1,000	(17)	Minor variance
Te Maunga WWTP upgrade and outfall pipeline	14,472	17,106	(2,634)	Physical works for the upgrade of the effluent flume bypass have been rephased due to delays in the pipe manufacturing process, with unspent budget moved into future years.
Wastewater main rehabilitations	3,437	4,749	(1,312)	Budget underspend mainly relates to Cheyne Road wastewater main rehabilitation due to a procurement delay as a result of the COVID-19 lockdown.
Matapihi wastewater mains and connections	(1,025)	1,390	(2,415)	Reversal of previous years accrual resulting in variance from budget to actuals.
Reticulation renewals	652	1,800	(1,148)	Part of the budget utilised for wastewater rehabilitation project, unutilised budget carried forward to future years.
Wastewater pumpstations improvements	1,370	2,239	(869)	Opal Drive pump station and Kennedy Road pump station improvements projects have been phased into future years.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - WASTEWATER					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	0	0	0	0	
Targeted Rates	26,908	29,375	29,239	(136)	Relates to changes in overall building consent numbers between actuals and LTP assumptions.
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	1,979	2,116	1,794	(322)	Resulting from the programmed phasing of capital expenditure.
Internal charges and overheads recovered	(44)	(45)	70	115	Largely interest received on working capital due to higher than anticipated reserves balances.
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	
Total Sources of Operating Funding (A)	28,843	31,446	31,103	(343)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	14,923	13,159	12,804	(356)	Below budget due to timing adjustments including that of the delivery of the Te Maunga Programme.
Finance Costs	6,530	7,440	7,320	(120)	Variance mainly relates to the programme phasing between some wastewater mains projects.
Internal Charges and Overheads applied	3,753	4,335	3,782	(553)	Internal charges are below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	6	6	Due to a review of doubtful debts based on an assessment of the impacts of COVID-19.
Total Applications of Operating Funding (B)	25,206	24,935	23,912	(1,023)	
Surplus/(Deficit) of Operating Funding (A-B)	3,637	6,511	7,191	680	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - WASTEWATER					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	9,102	10,052	9,641	(411)	Relates to changes in overall building consent numbers between actuals and LTP assumptions.
Increase/(Decrease) in debt	17,056	2,108	3,562	1,454	Reflects changes in the mix and phasing of the capital programme.
Gross proceeds from the sale of assets	0	0	0	0	
Lump sum contributions	0	0	491	491	Represents recovery from developers yet to be billed.
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	26,158	12,160	13,694	1,534	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	27,225	8,693	15,054	6,361	Mainly relating to project phasing adjustments as well as delivery of Te Maunga Programme.
- to improve level of service	2,431	1,177	1,284	108	Variance mainly relates to phasing adjustments between some wastewater mains projects.
- to replace existing assets	5,979	3,912	3,553	(359)	Difference relates to the programmed rephasing of reticulation renewals.
Increase/(Decrease) in reserves	(5,839)	4,889	993	(3,896)	Lower depreciation reserve in 2020 mainly relating to lower capital delivery in the 2018 and 2019 financial years. An additional reduction in reserves in order to fund the doubtful debts provision.
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	29,795	18,671	20,885	2,215	
Surplus/(Deficit) of Capital Funding (C-D)	(3,637)	(6,511)	(7,191)	(680)	
Funding balance ((A-B)+(C-D))	0	0	0	0	



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide a reliable, well-maintained wastewater system that is available to all serviced zones.	The number of dry weather sewage overflows from council's sewerage system per 1,000 connections.	 1.63	≤2	 1.40	Target achieved. 79 complaints from 56,569 connections
	Compliance with council's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices; b) infringement notices; c) enforcement orders; and d) convictions, received by council in relation those resource consents	 Nil	Nil	 Nil	None for all properties
We will provide emergency response to sewage overflows, to minimise risk of safety to persons or damage to property.	Sewage overflow attendance time, time for service personnel reach the site.	 25 mins	≤60 min	 26 min	Attendance time remains constant with previous year
	Sewage overflow resolution time.	 2 hrs, 59 mins	≤8 hr	 3 hrs, 08 min	We have had a small increase in the time it took us to resolve problems this year
We will provide satisfaction to our customers.	The number of complaints / 1,000 connections received by council about: sewage odour, system faults, blockages and response to issues.	 3.94	≤10	 5.07	Target achieved

Challenges

In 2019/20:

- Providing the expected level of service for an expanding city that is distant from treatment plants was (and continues to be) a challenge for our team.
- Maintaining all services during a pandemic was a challenge.
- More than a third of the Wastewater Management Review Committee (WWMRC) in 2019/20 were new members, and it was a challenge to help them gain a good understanding of the many issues facing the wastewater network and outlet system. This will enable future discussions around service levels, the timing of infrastructure upgrades and cultural / environmental requirements.

Looking ahead

In 2020/21:

- We will undertake major works on the Te Maunga wastewater treatment plant, including upgrading the landward section of the wastewater outfall to address its poor condition and provide extra capacity. We will continue with the marine outfall review to confirm a long-term approach for the marine section.
- We will complete the design for a new bioreactor at Te Maunga.
- We will finalise alignments for the Western and Eastern corridors.
- We will undertake final desludging of Pond 1 in response to consent requirements.
- The Wastewater Management Review Committee (WWMRC) will:
 - finalise the Environmental Mitigation and Enhancement Fund (EMEF) policy manual to enable applications to the fund to resume
 - approve the five-yearly monitoring, upgrade and technology review report
 - make recommendations on the 30-year wastewater management plan that will feed into the Long-term Plan 2021-31
 - make recommendations on the future use of Pond 1.

Water Supply



What we do

We provide Tauranga residents and businesses with constant, adequate, sustainable, high-quality potable water.

Water is a primary resource for living, economic activity and firefighting.

Among other activities, we:

- manage water supply catchments, protect source water, abstract raw water from source streams and produce potable water of suitable quality and quantities
- distribute potable water to the point of supply where it meets flow, pressure and quality standards
- efficiently operate and maintain council water assets with a replacement cost above \$300 million
- plan and provide infrastructure in time to meet future water supply requirements for our growing city.

We also educate our community about water, wastewater and stormwater conservation, and about ways to source water in an environmentally acceptable way that acknowledges and respects the values tangata whenua place on water resources.

How does this affect you?

We provide a high-quality, efficient, affordable and reliable water supply system that protects public health and meets the needs of our residential, commercial and industrial customers.

We plan for our customers' futures by providing sustainable long-term solutions to the challenges of population growth on water volumes and our water supply network.

Highlights in 2019/20

- 1 Water demand continued to increase in response to growth. We supplied a record high of nearly 16 million cubic metres of water, up about 6% on the previous year.
- 2 The Water Supply Bylaw was updated alongside a new Large Water User Policy, under which we assess on a range of factors anyone applying for more than 15 cubic metres of water per day
- 3 We provided essential water services during the COVID-19 lockdown without any problems.











SIGNIFICANT CAPITAL PROJECTS











	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
Water renewals	3,102	5,126	(2,024)	Nearly half of the underspend is due to the installation programme of reservoir roof membranes, which is weather dependent. Budget carried forward to next year
Waiari new water supply system	47,074	33,739	13,335	Budget brought forward from future years as programme physical delivery rephased.
Eastern corridor	3,218	1,028	2,190	Poplar Lane Reservoir budget brought forward.
Reservoir development: water supply Welcome Bay	478	2,327	(1,849)	Extended engagement with wider stakeholders and legal mediation have resulted in changes to the phasing of the programme delivery, with budgets now rephased into future years.
Reservoir seismic upgrade and renewals	1,563	2,508	(945)	Underspend due to the delivery of Pyes Pa booster pump station and Tauriko Business Estate Catchment D being rephased.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - WATER SUPPLY					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	0	0	0	0	
Targeted Rates	23,175	25,523	26,077	554	Additional revenue due to volumetric water consumption being higher than budget.
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	1,294	2,076	194	(1,882)	No forestry income due to a combination of low international log prices and detailed engagement with stakeholders over timing of the harvest.
Internal charges and overheads recovered	1	2	122	120	Largely interest received on working capital due to higher than anticipated reserves balances.
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	
Total Sources of Operating Funding (A)	24,470	27,601	26,393	(1,208)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	9,963	11,024	12,026	1,002	Additional repairs and maintenance costs caused by the occurrence of significant mains breaks.
Finance Costs	2,432	3,110	4,346	1,236	Higher finance costs caused by the increase in the Waiari programme budget.
Internal Charges and Overheads applied	3,222	3,605	3,306	(299)	Internal charges are below budget as outlined in the Corporate Services activity.
Other Operating Funding applications	0	0	0	0	
Total Applications of Operating Funding (B)	15,617	17,739	19,678	1,939	
Surplus/(Deficit) of Operating Funding (A-B)	8,853	9,862	6,715	(3,147)	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - WATER SUPPLY					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	8,135	10,386	5,880	(4,506)	Reduced building consents and a timing difference in the expected start of development contribution collections for Waiari Water treatment plant has resulted in reduced revenue.
Increase/(Decrease) in debt	1,128	3,243	(126)	(3,369)	Reflects changes in the mix and phasing of the capital programme.
Gross proceeds from the sale of assets	702	0	(6)	(6)	
Lump sum contributions	1	(1)	660	661	Capital contribution from developers for work completed in the 2020 financial year.
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	9,966	13,628	6,408	(7,219)	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	22,948	53,056	50,800	(2,256)	Phasing as well as overall programme cost difference mainly around Waiari programme delivery costs.
- to improve level of service	1,645	3,158	491	(2,667)	Budgets relating to reservoir seismic upgrades rephased to next year mainly because of delays in procurement.
- to replace existing assets	5,953	5,009	4,138	(870)	Part of the variance is relating to delays in land sales due to engagement and arbitration process.
Increase/(Decrease) in reserves	(11,727)	(37,733)	(42,307)	(4,574)	Reflects changes in the mix and phasing of the capital programme. Transfers to the depreciation reserve have been impacted by lower than budget capital expenditure in the preceeding two years.
Increase/(Decrease) of investments		0	0	0	
Total Applications of Capital Funding (D)	18,819	23,490	13,123	(10,367)	
Surplus/(Deficit) of Capital Funding (C-D)	(8,853)	(9,862)	(6,715)	3,148	
Funding balance ((A-B)+(C-D))	0	0	0	0	



PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide a water supply network across the city, delivering safe drinking water that meets with drinking water standards (bacteria and protozoal) and customer expectations around clarity, taste, odour, water pressure and continuity of supply.	The extent to which council's drinking water supply complies with: a) part 4 of the drinking-water standards (bacteria compliance criteria); and b) part 5 of the drinking-water standards (protozoal compliance criteria)	 100% for both	100% for both	 100% for both	We achieved bacterial compliance. The Protozoal compliance is assessed annually based on a five-yearly survey. The Oropi water Treatment Plant survey has been completed and submitted to the drinking water assessor. We also publish bacterial compliance on our website at http://www.tauranga.govt.nz/council/water-services/water-supply/water-testing-and-reports
	The percentage of residents who are aware of ways they can conserve water and have taken steps to do so.	 86%	≥ 80%	 85%	82% of residents are aware of ways to conserve water at home and work, with 85% of those indicating that they have taken steps to conserve water in the past year
We will manage the average consumption of drinkable water.	The percentage of real water loss from council's networked reticulation system (includes real losses through leaks in the network, non-revenue water and apparent losses through metering inaccuracies or water theft).	 18%	≤ 18%	 17.3%	Achieved. This is determined annually, and the reported percentage is for the 2018/19 period
	Annual peak demand in litres per capita per day.	 415	≤ 450	 397	Achieved. This is based on a total population of 146,100. Water restrictions were in place between 23 January and 24 March 2020
	The average consumption of drinking water per day per resident within the city based on water leaving the water treatment plants in litres per capita per day.	 306	≤ 330	 299	Achieved. This is for the year's consumption and based on a population of 146,136 supplied with water

PERFORMANCE MEASURES					
Level of service	Performance measures	2018/19 result	2019/20 target	2019/20 result	Comments
We will provide an efficient response to faults and complaints.	Median Fault response time for urgent call-out is less than 60 minutes.	 26 mins	≤ 60 min	 26 min	Achieved
	Median Fault response time for urgent call-out is resolved in less than 8 hours.	 2 hrs, 32 mins	≤ 8hr	 2 hours 26 min	Achieved
	Median Fault response time to non-urgent call outs is less than 18 hours.	 4 hrs, 51 mins	≤ 18hr	 4 hours 17 min	Achieved
	Median Fault response time to non-urgent call outs is resolved in less than 3 days.	 19 hrs, 19 mins	≤ 72hr	 16 hrs 49 min	Achieved
	Number of complaints / 1000 connections in relation to water quality (clarity; taste; odour), water pressure or flow, continuity of supply or in relation to Council's response to these issues.	 4.6	≤ 10	 5.13	Achieved (57,993 water connections, 267 complaints received)

Challenges

In 2019/20:

- We banned sprinklers from 23 January to 24 March 2020 because of a dry and particularly hot summer. It was the third summer in a row we had done this. Summer water restrictions are likely to continue until the new water supply scheme, Waiāri, is online.

Looking ahead

In 2020/21, we intend to:

- make progress with the Waiāri Water Supply Scheme, which is due for completion in September 2022
- continue with plans to optimise water supply during the next two summers, until the Waiāri scheme is completed
- plan and prepare for a new City Waters long-term maintenance contract, to be implemented in July 2021
- prepare a strategy for renewing two water-take consents, which are due for renewal in 2026
- ensure we adapt to changes such as the creation of a new national water regulator under Taumata Arowai – The Water Services Regulator Bill.

Corporate Services

What we do

Corporate Services predominately provides internal support to the organisation. These internal activities assist in the effective and efficient delivery of all council services and include:

- Asset Planning and Infrastructure
- Communications
- City Development
- City Waters Support
- Civic Complex
- Customer Service
- Digital Services
- Executive
- Finance
- Fleet Management
- Infrastructure Delivery
- Insurance
- Legal and Risk
- People and Capability
- Property Management
- SmartGrowth
- Strategy
- Takawaenga Maori Unit

How does this affect you?

We support activities and services that affect you directly.

Highlights in 2019/20

- 1 Our customer service activity won two Association of Local Government Information Management (ALGIM) awards:
 - Our customer service team took the number one spot ahead of 78 other councils to win Best Customer Service Team of the Year. This award recognises aspects of team leadership, morale, development, performance and the quality of customer service delivered within the organisation and to the community.
 - Our customer service activity was extremely busy, receiving over 2,000 Net Promoter Score customer responses throughout the year, with an average customer satisfaction rating of 56 – meaning ‘excellence’.
- 2 After 22 years, our finance activity updated its platform to a new strategic finance system, called SAP. This was a major undertaking, involving a large team across the business – particularly within finance and digital services.
- 3 Our people and capability team introduced an employee engagement survey to measure perceptions of Council performance, employee experience and leadership capability. This provides us with some great data, allowing teams to focus on developing plans to influence better outcomes in their own activity areas.
- 4 For our Takawaenga Māori unit:
 - This year has seen another step forward for Council's relationships with tangata whenua, demonstrating the potential for greater collaboration and value when we work closely together.
 - This trust was reinforced with the transfer of Mission St to the Otamataha Trust, enabling the Elms Foundation to further progress partnership with tangata whenua in our community.

5

For our asset planning and information activity:

- Completing a nine-yearly comprehensive review of the Infrastructure Development Code.
- Completing draft renewals strategies and budgets for all asset renewals activities (water supply, wastewater, stormwater, transportation, sustainability and waste, spaces and places and property).
- Achieving 90%+ level for data accuracy and confidence through an assessment by WSP on the accuracy and completeness of our 3Waters mains asset data and information.

SIGNIFICANT CAPITAL PROJECTS				
	2019/2020 Actual \$000's	2019/2020 Budget \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
Various land purchases	2,068	10,188	(8,120)	This budget enables strategic land purchases to be made as they become available. Low value spend reflects lack of suitable strategic properties in 2020.
Various land sales	(1,137)	(800)	(337)	Above budget as a result of the Council decision in the prior year to defer several sales into 2020 financial year.
Civic Complex renewals	135	272	(137)	The underspend is mainly due to delays caused by COVID-19. The unspent budget for this project has not been carried forward to future years.
Bella Vista site remediation	1,994	0	1,994	Variance is due to the phasing of the remediation work for the Bella Vista properties.
Security portfolio	27	500	(473)	Funds redirected to new Finance System project. Focus on security is ongoing and will be included in 2021 capital programme.
Mount Visitor Information Centre	39	486	(447)	Deferral for capital works to 2022. Work within 2021 will be limited to consideration of options to meet investment objectives and then design development from concept through to detailed design. No physical works anticipated in 2021.
Human resource system upgrade/replacement	0	340	(340)	Project rephased to 2022 to align with new Finance System project.
Health and safety risk control bulk fund	272	300	(28)	Minor underspend has been carried forward to 2021
Collaboration, communication, mobility and devices	1,933	4,563	(2,630)	Small amount of underspend has been carried forward to 2021 for on going Skype for Business project. Remaining underspend was redirected to new Finance System project.
Civic building IT Infrastructure	0	1,612	(1,612)	Underspend was redirected to new Finance System project.
Customer Service, self service and channel management	897	910	(13)	Minor savings.
Information management, insights, reporting and analytics	827	1,010	(183)	Underspend was redirected to new Finance System project.
Maintain business as usual IT	1,172	1,968	(796)	Underspend was redirected to new Finance System project.
Core platform upgrade, efficiency and replacement (ERP)	7,951	2,235	5,716	Accelerated timing of new Finance System project. The overspend has been offset by savings in various other IT projects.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - CORPORATE SERVICES					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	(9,175)	44,844	43,968	(874)	
Targeted Rates	0	(15,186)	(14,317)	867	
Subsidies and grants for operating purposes	3	44,849	40,489	(4,360)	Relates to Corporate Treasury.
Fees and charges	10,496	1,227	12,939	11,712	Provisioning to cover new leaky buildings legal claims and an adjustment to doubtful debts based on an assessment of the impacts of COVID-19
Internal charges and overheads recovered	70,237	75,734	83,079	7,345	
Local authority fuel tax, fines, infringement fees, and other receipts	1,795	7,487	(2,678)	(10,165)	
Total Sources of Operating Funding (A)	73,356				
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	43,609				
Finance Costs	(8,687)				
Internal Charges and Overheads applied	33,818				
Other Operating Funding applications	200				
Total Applications of Operating Funding (B)	68,940				
Surplus/(Deficit) of Operating Funding (A-B)	4,416				

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2019/20 - CORPORATE SERVICES					
	2018/2019 LTP \$000's	2019/2020 LTP \$000's	2019/2020 Actual \$000's	2019/2020 Variance \$000's	Key Variance Explanations for 2020
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	3,970	(21,569)	15,729	37,298	
Gross proceeds from the sale of assets	4,567	833	1,137	304	
Lump sum contributions	1	0	0	0	
Other dedicated capital funding	0	0	0	0	
Total Sources of Capital Funding (C)	8,538	(20,736)	16,866	37,603	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	7,916	(22,361)	16,499	38,860	
- to replace existing assets	3,956	4,693	1,953	(2,741)	
Increase/(Decrease) in reserves	1,081	4,419	(4,263)	(8,682)	
Increase/(Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	12,953	(13,249)	14,189	27,438	
Surplus/(Deficit) of Capital Funding (C-D)	(4,415)	(7,487)	2,677	10,164	
Funding balance ((A-B)+(C-D))	0	0	0	0	

** Activities that make up Corporate services currently include: Asset Planning & Information, City Development, City Waters Support Services, Civic Complex, Communications, Customer Service, Digital Services, Executive, Finance, Fleet Management, Infrastructure Delivery, Insurance, Legal & Risk, People & Capabilities, Property Management, Smartgrowth, Strategy, Te Tumu and Treasury.

Previously, City Development activity was included under the City Centre Activity Area Plan but for the Long-term Plan 2018-28, it now gets reported under Corporate Services, so the comparatives have also been moved.

Challenges

- Our activities faced significant challenges this year, particularly around maintaining momentum through COVID-19. The ability and resilience of teams to transition to working remotely during the lockdown period, while adapting to and maintaining business-as-usual activities, was particularly demanding and required an innovative response at times.
 - Our customer services team supported various external organisations with outbound welfare calls to vulnerable members of the community.
 - We refocused digital services to support our organisation with the shift to working remotely through delivery of computer hardware and troubleshooting staff IT issues
 - Many staff from our organisation, including our communications and Takawaenga teams, supported the Western Bay Emergency Operation Centre by helping to manage the welfare needs of people who had been caught out or isolated – e.g. homeless, foodbanks – while providing essential communications to communities ensuring they stayed coordinated and connected during Alert levels. The EOC operated in a virtual environment seven days a week throughout the lockdown period.
- Our infrastructure delivery and finance activities have been working through some significant challenges this year:
 - The original draft annual plan was created in a pre-COVID world. During lockdown, it was clear we needed to revise our annual plan budget and find ways to restrict the proposed rates increases, while still providing essential services and building new infrastructure.
 - Before adopting the revised annual plan, Council's financial situation fluctuated due to COVID-19. This delayed the decision-making process on whether to send projects out to the contracting industry for construction. This has largely been resolved with the adoption of a capital programme. However, COVID has still delayed projects being sent out to market.
 - Managing risk on projects is becoming more difficult post-lockdown. We are responding to this by engaging earlier with contractors to identify risks through procurement methods, and more robust reviews of risks before awarding contracts.

Looking ahead

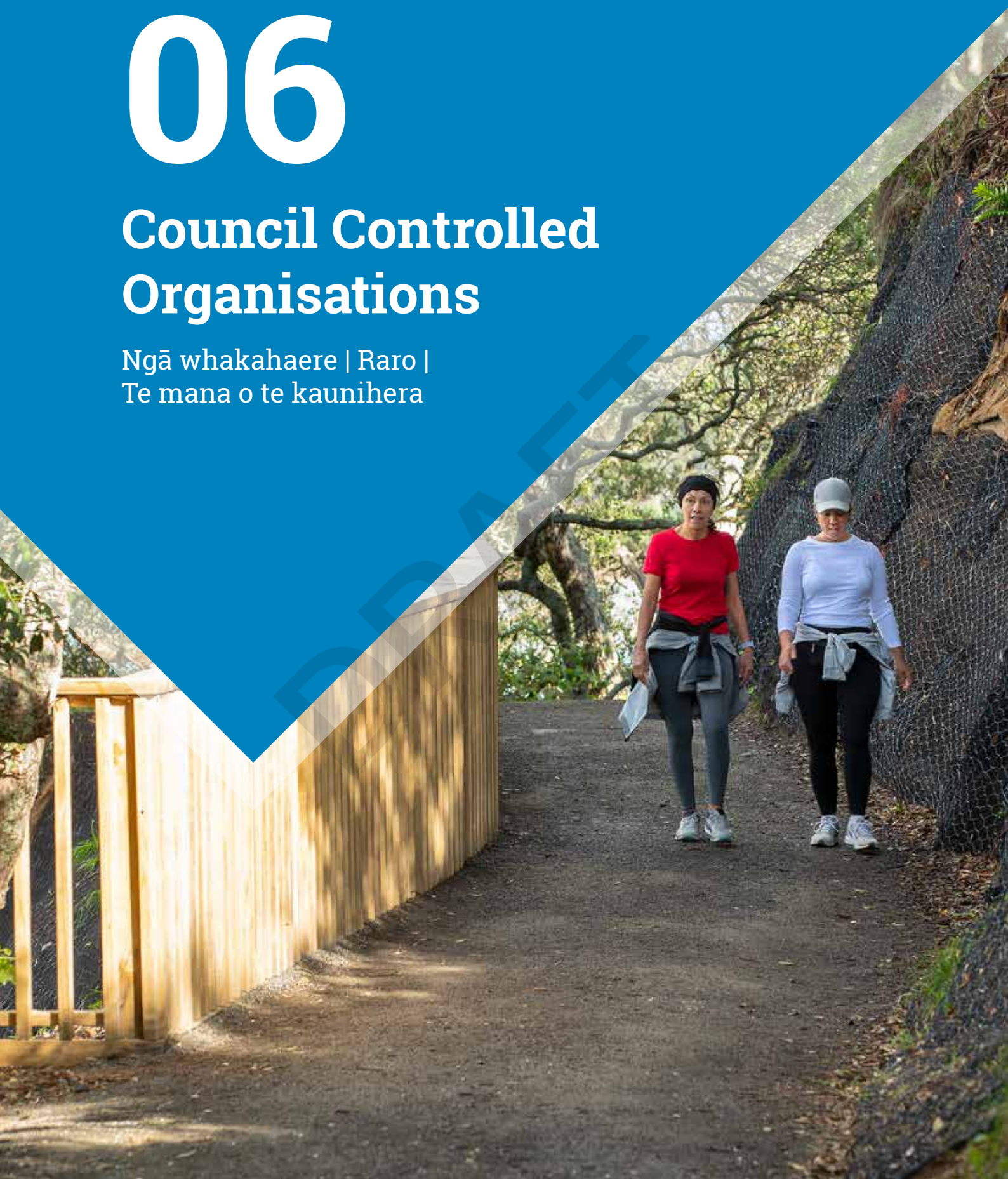
- A number of our corporate service activities will be getting ready for the 2021 long-term plan (LTP).
- Our communications and engagement team will be finding ways to improve the way we communicate and listen to communities. They will use a new engagement framework that moves their focus from engaging on projects to engaging with communities.
- Our asset planning and information people will finalise our 2021-31 asset management plans for water supply, wastewater, stormwater, transportation, sustainability and waste, spaces and places and property.
 - We will start mapping capital projects for LTP planning and communication purposes.
 - We are also excited to launch the new Tauranga Moana manhole cover, which was designed by local artist Whare Thompson.
- Our customer service team will develop people-centric standards and initiatives that improve organisational 'customer culture' to ensure a responsive, compassionate and consistent experience for our community. This will include a virtual meeting system in which customers can book digital meetings with staff from our website, as an alternative to face-to-face or phone conversations. The team is also working with others to establish a central hub where people can obtain advice from multiple external agencies.
- Our Takawaenga Māori Unit will build the capacity of iwi and hapū to help ensure they can meet the increasing requirements for engagement and involvement.
 - The unit's cultural training suite, Nga Kete Matauranga, has been prioritised to help bring understanding into everything we do as a council. Dedicated and more frequent training and support will embed Maori competency into our ways of working.

DRAFT

06

Council Controlled Organisations

Ngā whakahaere | Raro |
Te mana o te kaunihera



DRAFT

Council-controlled organisations

Council-controlled organisations (CCOs) give a local authority the opportunity to engage people with the right skills and experience to focus on operating a business or other undertaking on behalf of the local authority.

The council has established several CCOs to achieve certain objectives for Tauranga. The council supports the CCOs, which manage facilities and/or deliver services on behalf of the council and the community.

The CCOs include:

- Bay Venues Limited (BVL)
- Western Bay of Plenty Tourism and Visitors Trust, trading as Tourism Bay of Plenty (TBOP)
- Local Government Funding Agency Limited (LGFA)
- Bay of Plenty Local Authority Shared Services (BOPLASS)
- Tauranga Art Gallery Trust (TAGT).

The CCOs each have an approved statement of intent which includes set targets. The following section describes each of these organisations, what they do, how they have performed, and what they have achieved over the past year.

More information

The CCOs' statements of intent and annual reports are available on their websites:

- www.bayvenues.co.nz
- www.bayofplentynz.com
- www.lgfa.co.nz
- www.boplass.co.nz
- www.artgallery.org.nz

Bay Venues Limited



What we do

- Bay Venues Limited (BVL) manages recreation and community facilities on behalf of Tauranga City Council, and is 100% owned by the council.
- BVL's mandate is to manage and operate venues within the company's portfolio, providing a high standard of sport, recreation, event and exhibition facilities, programmes and services to the residents of Tauranga and visitors to the area.
- There are 24 venues in the Bay Venues network. These include ASB Baypark, Mount Hot Pools, University of Waikato Adams High Performance Centre and Baywave, plus a number of community centres, halls and community pools.

Our highlights for 2019/20

Baywave: remediation and rejuvenation project

Baywave was closed for four weeks during July/ August 2019 for regular maintenance along with some structural repair work, preparation of a new production bore and introduction of a new waterplay feature for our younger customers. Work included significant tiling of the pools, painting, changing room upgrade, remediation on the basement plant room, adding slip-resistant floor surfaces, and roofing repairs. This significant asset management project was completed on time and under budget. We have received very positive customer feedback on the outcomes, in particular the new pirate-themed aqua-play feature and refreshed look of the facility.

Bay Dreams 2020

Over 30 national and international acts took to four stages at Trustpower Baypark on 2 January, attracting 30,000 people. A significant amount of the site is dedicated to a 4,500-person camping village, large food court, and areas for amusement and relaxation. Bay Dreams is the largest music event in Tauranga, and it brings significant tourism and economic benefits to the city. An economic report prepared by Fresh Info for Bay Venues and Creative Bay of Plenty after the 2019 event found that Bay Dreams brought 25,000 visitors to Tauranga, over 95% of whom were domestic visitors. These visitors spent money on a wide range of goods and services, including accommodation, food and beverage, retail, activities and transport. The total net benefit to Tauranga from the 2019 event was \$4.10 million. The report also found that most residents felt proud to host the event and felt it made Tauranga a more enjoyable place to live. Visitors agreed, with the majority saying it improved their perception of Tauranga as a place to live and visit.

Customer satisfaction:

Each year we survey around 1300 customers to gauge their level of satisfaction with BVL and their

customer experience. This year we achieved outstanding results in our survey. Customers were surveyed across the following facilities and programmes: Baywave, Mount Hot Pools, Clubfit, BayKids, BayActive, UoW Adams Centre of High Performance Sport. The three top performing facilities were Mount Hot Pools (91% overall satisfaction), Clubfit (92%) and the University of Waikato Adams Centre for High Performance Sport (100%). Baywave was the most improved facility year-on-year; with an 11% growth in overall satisfaction (from 74% in FY19 to 85% in FY20) and a 11% growth in satisfaction with cleanliness (from 69% in FY19 to 80% in FY20). The new aquaplay station proved very popular, with 87% of respondents who use this new equipment either satisfied or very satisfied.

Challenges for 2019/20

For an organisation whose core purpose is managing public venues, almost two months of facility closures was always going to be challenging. However, we managed this professionally and efficiently, with all facilities back open within one week of the Alert Level 2 announcement with contact tracing and social distancing protocols in place.

The challenges of staff working from home required our information and communications technology (ICT), management and communications team to establish systems, guidelines and processes rapidly to adapt to the new working environment. Our staff remained engaged with our daily communications, explored projects to undertake during lockdown and were keen to resume services within our facilities. Financially, the closures meant our end of year result was down \$1.047 million, with utilisation across our network down between 22-30% for the year. The post-lockdown bounce-back has been rapid, with strong utilisation numbers over the last six weeks of the financial year and some days outperforming 2019 numbers.

Pricing review

Our submission to the Annual Plan included the results of a full price review across our venues and facilities. The purpose of the review was two-fold – firstly to simplify what is an overly complex pricing structure with a multitude of pricing variations between facilities within the same network, and secondly to go some way towards recovering the increasing cost of running community facilities from their users. As a result of COVID-19 and the financial challenges to communities, we restricted price increases to the consumer price index (CPI). This provides short-term relief for users, but does not reflect the true cost of operating the network. In future years, Council will need to determine the appropriate balance between user-pays and ratepayer subsidisation of community facilities.

Development of community facilities

The results of the council's Community Needs Assessment in 2019 aligned with our strategic review. It found that some of our community facilities are no longer appropriate for a rapidly growing city with a diverse demographic, as they lack the flexibility to cater for various-sized groups with different needs. Funding for new community facilities can be contentious and harder to justify than funding for new hard infrastructure, particularly for a high-growth city like Tauranga. As we move towards the Long-term Plan 2021-2031, we will need to work with Council on a strategy and investment plan for creating new social infrastructure and replacing some of the existing network.









Looking ahead for 2020/21

Greerton Aquatic & Leisure Centre upgrade and remediation

This centre was opened nearly half a century ago as an outdoor swimming pool facility, and has received little investment since, apart from the addition of a roof some 20 years ago. The centre's proximity to growth areas mean the demand is significantly increasing. Therefore, a capital and renewals project start towards the end of the 2021 financial year to improve the entrance, front area and changing rooms (as well as their number). We will also introduce recreation and leisure amenities into the pool area and work on general maintenance and renewal projects. The facility will close for eight weeks during winter and we will engage with our regular users well in advance to ensure they can access facilities elsewhere.

Approach to the Long-term Plan 2021-31 (LTP)

Work is already underway on the LTP. We will work with Council on a 'whole-of-city' approach to social infrastructure during the LTP planning process. Tauranga's population continues to grow, and we need to ensure people have access to sport, entertainment, leisure and recreation opportunities.

PERFORMANCE MEASURES				
Activity	Target	Weighting	Status	Comments
Health and safety	Declining trend in facility-related incidents measured from previous year.	10%	 Achieved.	Incidents continue to trend downwards. We recorded 144 in 2018/19 and 139 in 2019/20. This is primarily due to the reduction in aqua play issues, and increased work on eliminating slips at our aquatic facilities.
Asset management	Asset management: rated on zero major service disruptions exceeding 4 hours due to asset maintenance of operational deficiencies.	10%	 Achieved.	There have been no such disruptions exceeding four hours during the year.
People	Turnover of permanent staff trending downwards, measured from previous year.	10%	 Achieved.	Staff turnover for the year was 24.3%. Turnover improved significantly because of COVID-19. The variance year-on-year had COVID not occurred would have been smaller but still achieved.
Customer satisfaction	85% of respondents in annual customer survey are satisfied or higher with the overall customer experience received.	20%	 Achieved.	The survey used different methodology from previous years due to COVID-19. We were able to obtain feedback from six of our business areas, with 89% of customers 'satisfied' or 'very satisfied'.
Community outputs	Meet at least 85% of the 34 performance objectives and measures within our contract with council for the supply of community facilities and services.	20%	 Achieved.	We completed all the actions/activities in Schedule A of our contract. The utilisation outcome was not achieved because COVID-19 forced the closure of all our community spaces.
Financial	Revenue – achieve \$20,547,000.	10%	 Not achieved.	Revenue: \$18,605,000 Pre-COVID forecast was \$19,698,000.
	Earnings before interest, tax, depreciation and amortization (EBITDA) – achieve \$221,000.	10%	 Not achieved.	EBITDA: -(\$918,000) Pre- COVID forecast was \$140,000.
Return on investment	Council fee for service per user ratio is trending downwards.	10%	 Achieved.	Return on investment was \$1.49 for every \$1 invested, which was 22% behind last year's result of \$1.22. This was due to the closure of Baywave in July/August 2019, and 9-week COVID closure of our community facilities.

FINANCIAL PERFORMANCE		
	2020 Actual \$000's	2019 Actual \$000's
Revenue	22,908	22,510
Expenditure	27,470	26,612
Surplus/(Deficit)	(4,562)	(4,102)
Tax Benefit/(Expense)	2,551	882
Net Surplus/(Deficit) After Tax for Year	(2,011)	(3,220)

INCOME DERIVED FROM COUNCIL		
	2020 Actual \$000's	2019 Actual \$000's
Debt Servicing Grant	550	520
Operational Grant	2,692	2,767
Renewal Funding Grant	4,103 [^]	2,437*
Total Council Derived Income	5,724	5,724

* 2019 further renewal funding grant of \$980,000 is recognised in income in advance.

[^] 2020 renewal funding grant includes rehabilitation expense funding of \$241,000 and \$980,000 recognised by BVL as income in advance in the previous year.



Tourism Bay of Plenty (TBOP)

What we do

- The Western Bay of Plenty Tourism and Visitor Trust, trading as Tourism Bay of Plenty (TBOP), supports the council's vision to support community wellbeing in order to provide a higher standard of living for all.
- This CCO is owned by Tauranga City Council and Western Bay of Plenty District Council.
- TBOP takes the leading role in sustainable growth of the Western Bay of Plenty visitor economy and management of the destination.
- TBOP's vision is to 'share our love of the Bay of Plenty with the world' and our mission is 'to grow the visitor economy for the benefit of our community'.

Our highlights for 2019/20

TBOP officially opened the new Tauranga i-SITE on The Strand in November. The customer experience is improved by well-designed layout and functionality, and the location offers greater accessibility to domestic and international visitors, as well as locals. A highlight in the Visitor Sales & Service department was the approval of Provincial Growth Fund funding for Te Tomokanga, the visitor information hub to be located in Coronation Park, Mount Maunganui.

The new bayofplentynz.com website was launched on 14 March 2020, providing improved functionality and inspiration for future visitors.

In May 2020, the 'No Place Like Home' campaign was launched, encouraging locals to explore the coastal Bay of Plenty and share their love of this place with their visiting friends and family. The campaign was runner-up for a marketing award and received an additional \$15,000 media advertising as a result. The 'No Place Like Home' campaign will continue throughout the coming financial year.

We invited Conscious Travel founder and international regenerative tourism thought-leader Anna Pollock to the coastal Bay of Plenty in March 2020 to launch our three-year

strategy, Te Hā Tāpoi | The Love of Tourism 2019-2022. While here, Anna led several events with stakeholders, industry, and our community to help our region better understand the concepts of conscious travel and regenerative tourism. Anna became stuck in New Zealand due to COVID-19- border closures. This meant that Anna was able to play a significant role in guiding our industry through some of the challenges of the pandemic and work with national agencies on a 'reimagination' project for New Zealand's tourism industry.

Challenges for 2019/20

Whakaari/White Island erupted on 9 December 2019. TBOP staff were integrally involved in the response efforts in the hours, days and weeks after this tragedy. During this period, our business-as-usual activity had to be almost completely halted. Our priorities shifted to ensuring those visitors most closely affected received the care and support they required. Some of this work continued in the following months, with our team helping with communications, impact analysis, and ongoing support. Consequently, other work was put on hold or delayed until the 2020-21 financial year.

The 2020 COVID-19 pandemic impacted global tourism on an unprecedented scale. The Aotearoa New Zealand Government's swift action to mitigate the risk of the spread of the virus by placing the country into lockdown saw the tourism industry grind to a halt. The timing of this, so soon after the Whakaari/White Island eruption, has brought additional challenges to our ability to complete business-as-usual activity.

While domestic tourism has restarted (as of 14 May), the nationwide lockdown meant eight weeks without income for tourism-related businesses. Domestic tourism has not returned to pre-COVID-19 levels and the international borders (air and sea) remain closed, prolonging the impact. These conditions mean that the regions of Aotearoa New Zealand are largely competing for the same limited pool of potential domestic visitors. The limited market and amplified need for domestic tourism have added further challenges. The effects of COVID-19 on tourism will continue to have an impact for the next few years.




Looking ahead for 2020/21

TBOP is a Destination Management Organisation (DMO). Destination management is a holistic approach to managing all aspects of a destination that contribute to a visitor's experience. In turn, it creates a regenerative tourism industry that benefits the local community and supports environmental, economic, social, and cultural values.

In the wake of Whakaari/White Island eruption and COVID-19 pandemic, it is even more important to support and help grow the capability of operators and increase the supply of tourism product. Product and capability development will be a key focus for 2020-21, including identifying and assisting in the development of indigenous cultural experiences. Key developmental areas include health and safety, customer service, digital marketing, and environmental regeneration.

Given international borders remain closed without a timeframe as to when they may reopen, our immediate focus is on the domestic and local markets. Our marketing campaigns and operations will continue to be directed to these markets while maintaining a presence in the international space to maintain awareness.

An additional focus will be furthering the development of Te Tomokanga. The 2020-21 financial year will see the completion of the detailed design and commencement of site investigations, subject to the national i-SITE review and market conditions.

PERFORMANCE MEASURES		
2019/20 Target	Status	Comments
Work within the approved budget and business plan.	 Achieved.	TBOP has met all budget and business plan targets. Total income for the year was under budget. However, expenses were also under budget with an overall saving of \$2,108.
Planning and reporting requirements are met.	 Achieved.	TBOP met all planning and reporting requirements in relation to our key performance measures and the requirements of Tauranga City Council, Western Bay of Plenty District Council and Whakatāne District Council.
Strategic and business plan objectives and performance measures are met.	 Achieved.	<p>Of the 65 measures used to assess performance, TBOP achieved 53. Of the remaining, 5 were not achieved and 7 were put on hold or changed due to the Whakaari/White Island eruption and/or the COVID-19 pandemic.</p> <p>Of the 65 measures used to assess performance, TBOP achieved 53. Of the remaining, 5 were not achieved and 7 were put on hold or changed due to the Whakaari/White Island eruption and/or the COVID-19 pandemic.</p> <p>Visitor economy</p> <p>The COVID-19 pandemic has had a significant impact on the tourism industry overall, and on Te Moananui ā Toi the Coastal Bay of Plenty visitor economy. The visitor economy was growing before the pandemic.</p> <p>Visitor spend year ending January 2020 (pre-COVID-19)</p> <ul style="list-style-type: none"> - In the year ending January 2020, total visitor spend in Te Moananui ā Toi the Coastal Bay of Plenty grew 8.3% to \$1,121 million, higher than the June 2020 target of \$1,108 million. This level of growth exceeds that of the national visitor economy (3.6% growth over the same period). - TBOP undertakes activities to support the growth of the domestic visitor economy in the region. These include campaigns, public relations activity and social media. Domestic visitor spend in Te Moananui ā Toi the coastal Bay of Plenty grew 6.3% to \$870 million in the year ending January 2020. This is stronger than the targeted level of 3.7% and the national average of 1.3%. - TBOP also undertakes activities to support the growth of the international visitor market, including promoting the Coastal Bay of Plenty brand internationally via partnership marketing with Tourism New Zealand and eXplore Central North Island. In the year ending January 2020, international visitor spend in the coastal Bay of Plenty grew by 16.0% to reach \$250 million. This level of growth exceeded the target of 5.3% growth for the year, and was considerably stronger than the national growth rate of 7.0%. <p>Travel restrictions and other control measures put in place due to the pandemic have resulted in decreased visitation and spend, meaning the visitor economy targets for the year have not been achieved.</p> <p>Visitor spend year ending June 2020 (impact of COVID-19)</p> <ul style="list-style-type: none"> - Total visitor spend in Te Moananui ā Toi the Coastal Bay of Plenty decreased 7.1% to \$1,017 million (\$91 million short of the June 2020 target of \$1,108 million). In comparison, total visitor spend in New Zealand decreased 12.3% in the same period. Te Moananui ā Toi the Coastal Bay of Plenty has experienced less impact thus far due to having less reliance on the international visitor market than some other key New Zealand destinations. - Domestic visitor spend in Te Moananui ā Toi the Coastal Bay of Plenty decreased 7.5% to \$802 million in the year ending June 2020. - International visitor spend in Te Moananui ā Toi the Coastal Bay of Plenty decreased 5.6% to \$15 million the year ending June 2020.

PERFORMANCE MEASURES		
2019/20 Target	Status	Comments
		<p>Tauranga residents' perceptions of tourism</p> <p>A Net Promoter Score® is used to measure the likelihood of Tauranga residents promoting Tauranga as a holiday destination. Scores range from -100 to +100 and any positive score is considered a good score. Tauranga received a Net Promoter Score of +27 for 2019/20, indicating a reasonable level of satisfaction and affinity with Tauranga as a holiday destination. However, this result falls short of the goal of +40 and last year's result of +39. It's important to note that the final wave of data collection occurred in May 2020 and perceptions may therefore have been affected by the COVID-19 pandemic.</p> <p>Global sentiment of Te Moananui ā Toi the Coastal Bay of Plenty</p> <p>The Tourism Sentiment Score™ is an index ranging from -100 to +100. It measures overall perceptions of the tourism offering in Te Moananui ā Toi the Coastal Bay of Plenty by 'scraping' online conversations. A very good score of +56 was achieved for the year ending December 2019, achieving the goal for the year of a score of +55. For comparison, the score of +56 is slightly lower than the median score achieved by a group of comparative destinations (+60; comparative destination set includes Coromandel, Northland, Nelson, Noosa and Bundaberg).</p>

FINANCIAL PERFORMANCE		
	2020 Actual \$000's	2019 Actual \$000's
Revenue	2,954	3,063
Expenditure	2,953	3,053
Net Surplus/(Deficit) for Year	1	10

INCOME DERIVED FROM COUNCIL		
	2019 Actual \$000's	2019 Actual \$000's
Operational Grant	1,721	1,628
Service Delivery Contract	493	493
Other	-	38
Total Council Derived Income	2,214	2,159






*Note that the 2019/20 financial statements are not finalised or audited








Quality of life










Benchmarking, Monitoring & Evaluation







KRA 1: Protects and enhances the natural environment



The visitor economy enhances the quality of life, by providing an enhanced visitor experience and increased amenity for visitors and residents alike.

Strategic Priority	Success Characteristic	Performance Measures	Data Source	Baseline	2019-2020 Goal (June 2020)	Update June 2020	Status	2020-2021 Goal (June 2021)	2021-2022 Goal (June 2022)
ALL	Implement a Destination Management strategy ensuring the balance of economic growth with the social, cultural and environmental well-being of the community.	Visitor spend growth.	MBIE Regional Tourism Estimates.	\$1,082 (to June 2019).	\$1,108m (to June 2020).	\$1,017m (YE June 2020), representing a decrease of 7% from YE June 2019. This is \$91m below the YE June 2020 target. Travel restrictions imposed due to the COVID-19 pandemic have resulted in decreased visitation and spend since March 2020. Coastal BOP was seeing strong growth of visitor spend prior to this (up 8% to \$1,121m in YE Jan 2020).	 Not achieved	\$1,157m (to June 2021).	\$1,207m (to June 2022).
		Implementation of VES 2018-2028.	TBOP Six Month and Annual Reports.	Year 1 of VES 2018-2028 completed.	Implement Year 2 of VES 2018-2028.	Implemented Year 2 of VES, which was the first year of Laying the Foundations (2019-2021).	 Achieved	Implement Year 3 of VES 2018-2028.	Implement Year 4 of VES 2018-2028.
		Implementation of Te Hā Tapoi The Love of Tourism 2019-2022.	TBOP Six Month and Annual Reports.	Completed Te Hā Tapoi The Love of Tourism 2019-2022 identifying next steps.	Commence year 1 implementation.	Implemented year 1 of Te Hā Tapoi The Love of Tourism 2019-2022.	 Achieved	Continue with year 2 implementation.	Continue with year 3 implementation.
		Support investigation of alternative funding mechanisms.	Report from investigation.	Possible Funding Mechanisms for Tourism report completed by Fresh Info October 2017.	Support investigation of alternative funding mechanisms.	Delayed as the Tauranga City Council Long Term Plan process is now commencing in August 2020.	 Not achieved	Support investigation and implementation of alternative funding mechanisms.	Support investigation and implementation of alternative funding mechanisms.
		Develop methods for monitoring the impact of tourism on place and people.	Results from implementation of methods.	Identification of gaps in currently available data.	Implement developed methods for monitoring the impact of tourism on our people and place and assess outcomes to determine remaining gaps in information.	Using multiple sources to measure impact of industry and continuing to evaluate other possible options to fill gaps and/or provide more robust and reliable information.	 Achieved	Implement developed methods for monitoring the impact of tourism on our people and place and assess outcomes to determine remaining gaps in information.	Implement developed methods for monitoring the impact of tourism on our people and place and assess outcomes to determine remaining gaps in information.

Strategic Priority	Success Characteristic	Performance Measures	Data Source	Baseline	2019-2020 Goal (June 2020)	Update June 2020	Status	2020-2021 Goal (June 2021)	2021-2022 Goal (June 2022)
Connect with residents	Measure and maintain community social licence with measurement of resident satisfaction and likelihood to recommend the area to others to visit (Net Promoter Score).	Tauranga City Council residents' satisfaction.	TCC Residents' Survey - Explanations and notes			The final wave of data collection was conducted in May 2020 and perceptions may therefore have been impacted by COVID-19. Full year results are based on a sample size of n=645, with an associated error margin of +/-4%.			
			1. Tauranga is a quality destination for visitors and businesses.	"1. Score of 77% (2018). (% agree, scores of 7 - 10)"	1. Target score: 77%.	Results for 2019/20 provide a score of 66% agree, below the target of 77%.	 Not achieved	1. Target score: 78%.	1. Target score: 79%.
			2. The tourism sector has a positive impact on the community.	"2. Score of 72% (2018). (% agree, scores of 7 - 10)"	2. Target score: 72%.	Results for 2019/20 provide a score of 76% agree, above the target of 72%.	 Achieved	2. Target score: 73%.	2. Target score: 74%.
		Whakatāne residents' satisfaction.	3. Likelihood to recommend Tauranga as a holiday destination to friends and family.	3. Score of +40 (2018).	3. Target score: +40.	The result for 2019/20 is +27, below the target of +40.	 Not achieved	3. Target score: +41.	3. Target score: +42.
			Councils' resident satisfaction surveys.	New measure so no current data.	Measures to be confirmed.	"Measures confirmed, added questions to Whakatāne DC Residents' Survey. Results from May/June 2019: 1. The tourism sector has a positive impact on the community: Score of 75% (% agree, scores of 7 - 10)"	 Achieved	"Measures to be confirmed. Will update with targets for following years."	"Measures to be confirmed. Will update with targets for following years."
		Western Bay residents' satisfaction.	Councils' resident satisfaction surveys.	New measure so no current data.	Measures to be confirmed.	2. Likelihood to recommend Whakatāne as a holiday destination to friends and family: Score of +50.	 Achieved	"Measures to be confirmed. Will update with targets for following years."	"Measures to be confirmed. Will update with targets for following years."
			Outcomes of research with residents.	Focus groups with residents undertaken.	Continue to implement PR and communications initiatives.	"Measures confirmed, added questions to Western BOP DC Residents' Survey. Results from 2019/20 iteration. Sample size of n=708, margin of error +/-4%. 1. The tourism sector has a positive impact on the community: Score of 72% (% agree, scores of 6-10)"	 Achieved	Continue to implement PR and communications initiatives.	Continue to implement PR and communications initiatives.
		Further develop the Connect with Residents programme.	Programme implementation and outcomes.	Focus groups with residents undertaken.	Review, refine and continue to implement the Connect with Residents programme.	2. Likelihood to recommend Western BOP as a holiday destination to friends and family: Score of +13.	 Achieved	Continue to implement PR and communications initiatives.	Review, refine and continue to implement the Connect with Residents programme.

Strategic Priority	Success Characteristic	Performance Measures	Data Source	Baseline	2019-2020 Goal (June 2020)	Update June 2020	Status	2020-2021 Goal (June 2021)	2021-2022 Goal (June 2022)
Enhance the visitor experience	Measure visitor satisfaction and likelihood to recommend the region to others and use feedback to enhance the visitor experience.	Maintained or improved visitor satisfaction levels over time.	Destination Think! Tourism Sentiment Index.	Tourism Index Score: +55 YE June 2018.	Target Tourism Index Score: +55 or above.	The Tourism Sentiment Index Score for YE Dec 2019 is +56, 1 point above the target score of +55.	 Achieved	Target Tourism Index Score: +56 or above.	Target Tourism Index Score: +56 or above.
			Explore additional methods to measure visitor satisfaction.	New measure so no current data.	Identify or create other potential methods to measure visitor satisfaction and develop baseline.	Visitor satisfaction survey delayed due to Whakaari/White Island eruption. Will pick up next financial year in order to implement in the 2020/21 summer season depending on travel allowances at the time.	 Not achieved	Continue to implement methods and/or track visitor satisfaction.	Continue to implement methods and/or track visitor satisfaction.
		Implement Visitor Experience Plan.	TBOP Six Month and Annual Reports.	Visitor Sales & Service Review completed.	Commence Phase 1 implementation.	Phase 1 of Visitor Experience Plan reviewed and implemented.	 Achieved	Continue with Phase 2 implementation.	Continue with Phase 3 implementation.
		Implement Visitor Information Services customer survey.	To be determined.	New measure so no current data.	Determine best approach and implement.	Explored two options for a customer survey. In process of evaluating options, with a view to implement the best fit program in the second half of 2020. Delayed due to the Whakaari/White Island eruption and COVID-19 pandemic.	 Not achieved	Continue to implement methods and/or track performance.	Continue to implement methods and/or track performance.
	Provide fit-for-purpose Visitor Information Services.	Visitor Information Services customer survey (when implemented) and TBOP Six Month and Annual Reports.	Visitor Information Services customer survey (when implemented) and TBOP Six Month and Annual Reports.	New location for Tauranga i-SITE approved.	Provide fit-for-purpose Visitor Information Services.	Tauranga i-SITE operating from new location, with services aligned to provide consistent, high quality, fit for purpose visitor information services. Continually reviewing, i.e., engaged with other i-SITE managers to share knowledge and experience, looking into options to better service domestic market due to international border closures.	 Achieved	Provide fit-for-purpose Visitor Information Services.	Provide fit-for-purpose Visitor Information Services.
		Funding for Te Tokomanga.	Funding avenues.	Te Tokomanga PGF funding application submitted December 2018.	Detailed design approved for build.	Tauranga City Council delayed detailed design until next financial year, subject to funding being re-confirmed in Council's Annual Plan.	 Not achieved	Commence build of Te Tokomanga.	Operate from Te Tokomanga.
		Relocate the Tauranga i-SITE.	To be determined.	New location for Tauranga i-SITE approved.	Tauranga i-SITE location secured.	The Tauranga i-SITE was relocated to The Strand and fully functional at Alert Level 1 (with some extra hygiene measures kept in place due to the COVID-19 pandemic).	 Achieved	Operate from Tauranga i-SITE.	Operate from Tauranga i-SITE.
		Assess need for other touchpoints.	To be determined.	Visitor Sales & Service Review confirmed model for visitor touchpoints.	Identification of need for other visitor information services touchpoints.	Identified touchpoints needed: Livechat, Bayfair presence, kiosk opportunities at major events. To be implemented next financial year.	 Achieved	Commence design and set up for other touchpoints.	Review and refine as necessary.
	Connect the destination experience with the region's Place DNA™ and target markets.	Implementation of Te Hā Tapoi The Love of Tourism 2019-2022.	TBOP Six Month and Annual Reports.	Completed Te Hā Tapoi The Love of Tourism 2019-2022 identifying next steps.	Commence year 1 implementation.	Implemented year 1 of Te Hā Tapoi The Love of Tourism 2019-2022, involving identifying products and experiences aligned with DNA™. DOC wall in i-SITE to be updated to feature iconic local wildlife.	 Achieved	Continue with year 2 implementation.	Continue with year 3 implementation.

Strategic Priority	Success Characteristic	Performance Measures	Data Source	Baseline	2019-2020 Goal (June 2020)	Update June 2020	Status	2020-2021 Goal (June 2021)	2021-2022 Goal (June 2022)
Grow capability and increase supply	Identify and promote tourism experiences and products which support Te Moananui ā Toi the Coastal Bay of Plenty's Place DNA™.	Implementation of Te Hā Tāpoi The Love of Tourism 2019-2022.	TBOP Six Month and Annual Reports.	Completed Te Hā Tāpoi The Love of Tourism 2019-2022 identifying next steps.	Commence year 1 implementation.	Implemented year 1 of Te Hā Tāpoi The Love of Tourism 2019-2022, involving promoting products and experiences aligned with DNA™, sharing the Coastal BOP Brand Storybook with operators via workshops, meetings, and communications activity.	 Achieved	Continue with year 2 implementation.	Continue with year 3 implementation.
	Collaborate with Māori to identify and promote tourism experiences that feature Māori culture and assist in the product development of indigenous cultural experiences, via an MOC with Iwi.	Hapū and Iwi relationships developed and a Memorandum of Commitment (MOC) with Iwi established.	Feedback from Hapū and Iwi.	Building relationships with Iwi.	MOC with Iwi upheld.	Two signed MOCs upheld, 1 pending, and another in discussion with an Iwi outside of Tauranga Moana. However, whilst the goal is the same, the focus from here on in will be building relationships with Iwi/Hapū.	 Achieved	MOC with Iwi upheld.	MOC with Iwi upheld.
		New product development or enhancement of existing product/s.	New or enhanced product/s.	1 new product development.	1 new product development or enhancement of existing product.	Goal exceeded with 12 new cultural tourism experiences launched over the YE June 2020, and product enhancements made by 15 existing operators. Using a kaupapa-Māori based framework, the Tauranga Moana roopū had a wānanga to establish values/principles and to see what type of collective was suitable for them.	 Achieved	1 new product development or enhancement of existing product.	1 new product development or enhancement of existing product.
	Establish and maintain passion groups for development to align experiences with target markets.	Development of passion groups throughout Te Moananui ā Toi the Coastal Bay of Plenty.	Passion groups outcomes.	Passionography research completed.	3 passion groups meetings	1 passion group meeting held, focussed on 'Surfers and Beach Lovers'. The COVID-19 pandemic interrupted plans for further meetings. Given the current landscape, reviewed passionography plan for 2021 taking into account domestic visitor focus.	 Not achieved	3 passion groups meetings	3 passion groups meetings
	Provide leadership to Councils and the sector and support the tourism industry to be environmentally responsible to protect the sub-region for current and future generations.	Develop 'tourism with purpose' initiatives.	New or enhanced 'tourism with purpose' initiatives.	New measure so no current data.	Identify and support opportunities for new 'tourism with purpose' initiatives.	Has been difficult to find the right fit with local organisations which has delayed this activity. However, several potential tourism with purpose products have been identified. TBOP will look to issue an RFP working with Bay Conservation Alliance, to encourage existing operators to bring one of these to reality in the year ahead. Supported initiatives by sharing stories about social enterprises and environmentally focused events via TBOP marketing avenues.	 Not achieved	Identify and support opportunities for new 'tourism with purpose' initiatives.	Identify and support opportunities for new 'tourism with purpose' initiatives.
		Support implementation of and promote the TIA Tourism Sustainability Commitment within industry.	List of operators who have signed TIA Tourism Sustainability Commitment.	A total of 25 operators have signed the TIA Tourism Sustainability Commitment as of September 2018.	Industry support the TIA Tourism Sustainability Commitment.	A total of 33 tourism organisations in Coastal BOP support the TIA Tourism Sustainability Commitment as of June 2020.	 Achieved	Industry support the TIA Tourism Sustainability Commitment.	Industry support the TIA Tourism Sustainability Commitment.

Strategic Priority	Success Characteristic	Performance Measures	Data Source	Baseline	2019-2020 Goal (June 2020)	Update June 2020	Status	2020-2021 Goal (June 2021)	2021-2022 Goal (June 2022)
Grow capability and increase supply	Provide leadership to Councils and the sector and support the tourism industry to be environmentally responsible to protect the sub-region for current and future generations.	Increased awareness of Tiaki Promise among visitors.	To be determined.	New measure so no current data.	Explore and implement opportunities to increase awareness of Tiaki Promise.	i-SITE staff uniforms display Tiaki Promise. Staff share Tiaki Promise messaging with visitors enquiring about outdoor activities.	 Achieved	Review and refine strategies.	Review and refine strategies.
		Explore potential options for understanding environmental regeneration and implement any suitable options.	To be determined.	New measure so no current data.	Explore potential options for understanding and measuring environmental regeneration.	Explored options and identified Green Destinations certification as first step in this process. This will measure environmental sustainability. As part of this submitted TBOP application to top 100 sustainable destinations competition. Have identified three potential frameworks to move to measuring regeneration following this.	 Achieved	Implement suitable options or measures (if any).	Continue to implement suitable options or measures (if any).

Quality of economy




Benchmarking, Monitoring & Evaluation









KRA 2: Attracts Business, People and Visitors









Grow the tourism industry and increase visitor spend in Te Moananui ā Toi |The Coastal Bay of Plenty.


Attract visitors and new investment and create employment opportunities, contributing to a higher standard of living for all.

Support the development of tourism in Te Moananui ā Toi |The Coastal Bay of Plenty and enable investment.

Strategic Priority	Success Characteristic	Performance Measures	Data Source	Baseline	2019-2020 Goal (June 2020)	Update June 2020	Status	2020-2021 Goal (June 2021)	2021-2022 Goal (June 2022)
ALL	Domestic market: Increasing domestic visitor spend.	Increase domestic visitor spend by an average of 3.7% per annum.	MBIE Monthly Regional Tourism Estimates for domestic visitors.	\$834m (to April 2019).	Increase by 3.7% per annum.	Domestic visitor spend was \$802m in the YE June 2020, a decrease of 7.5% compared to YE June 2019. This does not meet the goal of 3.7% growth per annum. Coastal BOP was seeing good levels of growth of domestic visitor spend prior to COVID-19 (up 6.3% to \$870m in YE Jan 2020). Travel restrictions imposed due to the COVID-19 pandemic have resulted in decreased visitation and spend since March 2020.	 Not achieved	Increase by 3.7% per annum.	Increase by 3.7% per annum.
	International market: Increasing international visitor spend.	Increase international visitor spend by an average of 5.3% per annum.	MBIE Monthly Regional Tourism Estimates for international visitors.	\$230m (to April 2019).	Increase by 5.3% per annum.	International visitor spend was \$215m in the YE June 2020, a decrease of 5.6% compared to YE June 2019. This does not meet the goal of 5.3% growth per annum. Coastal BOP was seeing good levels of growth of domestic visitor spend prior to COVID-19 (up 16% to \$250m in YE Jan 2020). Travel restrictions imposed due to the COVID-19 pandemic have resulted in decreased visitation and spend since March 2020.	 Not achieved	Increase by 5.3% per annum.	Increase by 5.3% per annum.
	Cruise market: Increase the cruise sector spend.	Increase cruise sector spend by an average of 3.4% per annum.	MBIE Tourism Satellite Account.	\$66m (to June 2018).	Increase by 3.4% per annum.	The tail end of the cruise sector was affected by the COVID-19 pandemic (with 7 fewer ships and approximately 30,000 fewer passengers than expected) and this will have impacted spend. Spend information will be available later in 2020.	 Not achieved	Increase by 3.4% per annum.	Increase by 3.4% per annum.

Strategic Priority	Success Characteristic	Performance Measures	Data Source	Baseline	2019-2020 Goal (June 2020)	Update June 2020	Status	2020-2021 Goal (June 2021)	2021-2022 Goal (June 2022)
Target the right visitors at the right times with the right messages	Collaborate with strategic partners to drive visitation during off-peak seasons.	Develop methods to understand current visitation patterns and profiles.	Identifying or developing methods to understand current visitation patterns and profiles.	Information wants and needs identified.	Identify or develop methods to understand track visitation patterns and profiles.	Have identified high, shoulder and off-peak seasons, an idea of daily activity and impact of cruise and events, regional hot spots based on spend activity, and key access points for drive market. Additional methods scoped and will be implemented in 2020/21 where possible.	 Achieved	Review and refine methods and monitor.	Review and refine methods and monitor.
		Understand optimum visitor levels.	Creation of calendar of visitation patterns.	Scoped information needs and sources.	Create calendar of visitation patterns.	Have indicative calendar of visitation patterns using monthly spend data (MBIE). Additionally, indicative daily spend data provides a more granular view (Marketview Tourism Dashboard).	 Achieved	Keep calendar of visitor patterns up to date.	Keep calendar of visitor patterns up to date.
		Utilise passionography to redefine marketing plans and activities.	Identifying or developing methods to understand optimum visitor levels.	New measure so no current data.	Identify or develop methods to understand optimum visitor levels.	Approximately 50% of accommodation providers registered with the MBIE Accommodation Data Programme which will provide indication of capacity and occupancy and allow insight into optimum visitor levels. Calls being made to remaining providers to encourage participation. This Programme is a MBIE initiative and we are working to their timetable.	 Not achieved	Review and refine methods and track.	Review and refine methods and track.
		Develop regional brand stories and story themes based on our Place DNA™, and identify storytellers and influencers to help share those stories.	Activation of campaigns using market propositions.	Passionography research completed.	Utilise passionography to redefine marketing plans and activities.	Local campaign informed by passionography research is well underway. A domestic campaign which is fully focussed on niche markets and evolving our brand has been briefed and agency engaged.	 Achieved	Continue implementation of marketing strategies.	Continue implementation of marketing strategies.
		Develop a new website with online visitor sales & services capability.	Activation of campaigns using story themes.	New measure so no current data.	Undertake Brand Storybook research, and develop story theme, and identify storytellers and influencers.	The StoryBook is completed. Tactical activity is completely focused on storytelling, including using local operators as storytellers, and Place DNA™ is being used in all communications. The next step is the roll out of the Brand Storybook to the wider industry.	 Achieved	Continue implementation of story theme strategies.	Continue implementation of story theme strategies.
		Assess the trade model to best align to target markets.	New website developed.	Researched visitor preferences and determined new website needed.	Develop new website with online visitor sales & services capability.	New website launched in March 2020. Online visitor sales & services functionality in progress but not yet implemented. Delayed due to the Whakaari/White Island eruption and the COVID-19 pandemic.	 Not achieved	Review and refine website as needed.	Review and refine website as needed.
		Support of Major Events Strategy and other initiatives during shoulder seasons.	Changes to trade model and feedback from trade partners.	Current trade model.	Review and refine trade model to ensure it continues to align with target markets.	Achieved goal to review and refine trade to align with target markets. However, direct marketing was put on hold from April 2020 due to COVID-19 whilst all borders are closed. Markets could look quite different once borders open thus another review may be required in the coming months.	 Achieved	Review and refine trade model to ensure it continues to align with target markets.	Review and refine trade model to ensure it continues to align with target markets.
			Bi-annual meetings between TCC Major Events and TBOP Go-to-market team identifying key events for collaborative marketing.	Bi-annual meetings between TCC Major Events and TBOP Go-to-market team identifying key events for collaborative marketing.	Bi-annual meetings between TCC Major Events and TBOP Go-to-market team identifying key events for collaborative marketing.	Attended more than two meetings with TCC events team. Event promotion via digital channels achieved.	 Achieved	Bi-annual meetings between TCC Major Events and TBOP Go-to-market team identifying key events for collaborative marketing.	Bi-annual meetings between TCC Major Events and TBOP Go-to-market team identifying key events for collaborative marketing.

Strategic Priority	Success Characteristic	Performance Measures	Data Source	Baseline	2019-2020 Goal (June 2020)	Update June 2020	Status	2020-2021 Goal (June 2021)	2021-2022 Goal (June 2022)
Grow capability and increase supply	Implement VES 2018-2028 and Te Hā Tāpoi The Love of Tourism 2019-2028 to grow the visitor economy and enable public and private investment decisions.	Implementation of VES 2018-2028 and Te Hā Tāpoi The Love of Tourism 2019-2022.	TBOP Six Month and Annual Reports.	Completed Te Hā Tāpoi The Love of Tourism 2019-2022 identifying next steps.	Implement year 2 of VES and year 1 of Te Hā Tāpoi The Love of Tourism 2019-2022.	Implemented year 1 of Te Hā Tāpoi The Love of Tourism 2019-2022 and year 2 of VES. Visitor economy was growing (at a rate above the national average) prior to the COVID-19 pandemic. TBOP has participated in discussions with stakeholders regarding hotel investment, a local ferry, and other infrastructure projects.	 Achieved	Continue with next year of implementation.	Continue with next year of implementation.
		Participation in BOC RGS Implementation Committee.	Participation in BOC RGS Implementation Committee.	Previous participation.	Participate in BOC RGS Implementation Committee.	BOPRC disestablished the committee, therefore participation no longer required.	 Not achieved	Participate in BOC RGS Implementation Committee.	Participate in BOC RGS Implementation Committee.
	Work with council staff to advocate for enablement of tourism product opportunities and to ensure public buildings and spaces are designed and planned through a destination management lens.	Tourism opportunities identified.	To be determined.	New measure so no current data.	Identify opportunities and connect with applicable council staff members.	Working in conjunction with Council staff and Ngāti Hangarau on the Omanawa Falls project. Visited the Falls with Council staff and elected members followed by hui and plan moving forward. Submission for TIF funding in conjunction with TCC and Veros.	 Achieved	Continue to work with council staff.	Continue to work with council staff.
		New or revamped public buildings and spaces are designed and planned through a destination management lens.	To be determined.	New measure so no current data.	Identify opportunities and connect with applicable council staff members.	This is a long-term process. Two projects identified to date and applicable Council staff are being engaged with: (1) Working with BOP Regional Council on Papamoa Hills Regional Park; and (2) Planning for storyboarding concepts around Pilot Bay with TCC.	 Achieved	Continue to work with council staff.	Continue to work with council staff.
	Advocate for and facilitate opportunities for investment in tourism that will increase the number of new tourism experiences.	Gaps and opportunities identified.	Track progress of opportunities identified and actioned.	New measure so no current data.	Actions taken to advocate for and facilitate any identified opportunities (if applicable).	Presented to Fullers Ferry alongside Priority One to encourage continued investment / development. Worked through next steps for hotel development attraction & coordinated approach moving forward. Working with BayStation on product concepts for their new land acquisition.	 Achieved	Actions taken to advocate for and facilitate any identified opportunities (if applicable).	Actions taken to advocate for and facilitate any identified opportunities (if applicable).
	Assist existing, new and potential tourism operators with mentoring and support to develop capability and sustainability.	Growth in number of export-ready operators.	Track number of export-ready operators	At least 15 export-ready operators in the region (January 2019).	2 new export-ready operators.	Two new International Products were recognised, however one closed their doors during the COVID-19 pandemic. The next step will be on development and restart for all tourism businesses firstly within the domestic market (due to international border closures), when time is right, preparing the right product for the international market.	 Not achieved	2 new export-ready operators.	2 new export-ready operators.
		Tourism operators supported to maintain Qualmark status.	Qualmark.	58 Qualmark operators (January 2019).	Host 1 Qualmark workshop for operators.	Qualmark workshop held for cruise operators prior to the 2019-2020 cruise season.	 Achieved	Host 1 Qualmark workshop for operators.	Host 1 Qualmark workshop for operators.
		Tourism operators supported to develop capability.	Number of tourism operators being assisted with mentoring and support.	11 operators in Tauranga Moana Roopu - the goal of market-ready by 30 Sept 19. 6 expected to be ready.	Organise 3 x industry capability building workshops	Hosted workshop with Anna Pollock and ran 10+ capability building workshops across the region throughout the financial year, thus exceeding goal of 3 workshops.	 Achieved	Organise 3 x industry capability building workshops.	Organise 3 x industry capability building workshops.







Strategic Priority	Success Characteristic	Performance Measures	Data Source	Baseline	2019-2020 Goal (June 2020)	Update June 2020	Status	2020-2021 Goal (June 2021)	2021-2022 Goal (June 2022)
Grow capability and increase supply	Identify and support the development of infrastructure to manage visitor growth, via mapping the region's natural and built assets to identify infrastructure and experience gaps and opportunities.	Map regional infrastructure and experiences to identify gaps.	Identified infrastructure needs and experience gaps (if any) and support of development.	New measure so no current data.	Map of regional infrastructure and experiences developed, and gaps identified.	Project to map regional infrastructure and experiences is underway. This project was put on hold due to the Whakaari/White Island eruption and COVID-19 and therefore started months later than originally planned. Data sources have been scrapped and information collated, products and experiences have been categorised. Expected delivery date for map (phase one) is end of August.	 Not achieved	Keep map current and advocate for development where needed.	Keep map current and advocate for development where needed.





Sound City Foundations







Benchmarking, Monitoring & Evaluation

KRA 3: Is Well Planned, with a Variety of Successful and Thriving Compact Centres

Collaborate with residents, councils and other agencies.

Strategic Priority	Success Characteristic	Performance Measures	Data Source	Baseline	2019-2020 Goal (June 2020)	Update June 2020	Status	2020-2021 Goal (June 2021)	2021-2022 Goal (June 2022)
Insights and leadership	Provide leadership for tourism and support sustainable economic growth with effective leadership and implementation of the VES 2018-2028 and Te Hā Tapoi The Love of Tourism 2019-2022.	Implementation of VES 2018-2028.	TBOP Six Month and Annual Reports.	Year 1 of VES 2018-2028 completed.	Implementation of Year 2 of VES 2018-2028.	Implemented year 2 of VES, providing leadership and support for the tourism industry.	 Achieved	Implementation of Year 3 of VES 2018-2028.	Implementation of Year 4 of VES 2018-2028.
		Form and engage a Leadership Advisory Group.	To be determined.	New measure so no current data.	Continue to engage with leaders as needed.	Have continued to engage with leaders, however the formation of the Leadership Advisory Group was delayed due to the COVID-19 pandemic. Review of Terms of Reference for Leadership Advisory Group post COVID-19. Chair engagement underway.	 Not achieved	Continue to engage with leaders as needed.	Continue to engage with leaders as needed.
		Implementation of Te Hā Tapoi The Love of Tourism 2019-2022.	TBOP Six Month and Annual Reports.	Completed Te Hā Tapoi The Love of Tourism 2019-2022 identifying next steps.	Commence year 1 implementation.	Implemented year 1 of Te Hā Tapoi The Love of Tourism 2019-2022, providing leadership and support for the tourism industry.	 Achieved	Continue with year 2 implementation.	Continue with year 3 implementation.
	TBOP will provide research insights to forecast the visitor economy and provide demand management of infrastructure and city services.	Tourism forecasts and other capacity measures.	Tourism forecasts and other capacity measures.	2018-2028 forecasts.	Updated forecasts and development of measures.	Forecasts 2018-2028 and visitation patterns data shared with stakeholders. Forecasts have not been updated due to uncertainty caused by COVID-19. This is on hold until 2020-2021, dependent on market conditions.	 Not achieved	Continued implementation of research and insights projects.	Continued implementation of research and insights projects.
		Councils' feedback.	To be determined.	Successful participation in last round of annual planning with Councils.	Participation in annual planning with Councils.	Participated in annual plan process with Council.	 Achieved	Participation in annual planning with Councils.	Participation in annual planning with Councils.
	Share insights with tourism stakeholders to help with their decision making.	Sharing of useful insights with tourism stakeholders.	Industry Engagement Survey.	Tourism forecasts (2018-2028) shared with interested parties.	Continue to share useful insights.	Continuing to share available data with Councils, operators and other stakeholders to help with decision making. This includes sharing the weekly spend figures for Coastal BOP since the start of the COVID-19 pandemic to provide an indication of impact and recovery - sharing with Councils, Priority One and the Tauranga Chamber of Commerce.	 Achieved	Continue to share useful insights.	Continue to share useful insights.

Strategic Priority	Success Characteristic	Performance Measures	Data Source	Baseline	2019-2020 Goal (June 2020)	Update June 2020	Status	2020-2021 Goal (June 2021)	2021-2022 Goal (June 2022)
Partnerships & Collaboration	Develop and maintain partnerships with other organisations and stakeholders (including but not limited to Iwi, EDAs and neighbouring RTOs) to identify and leverage opportunities.	Implement Stakeholder Engagement & Communications Plan.	Councils' feedback – TBOP Six Month and Annual Reports.	Stakeholder Engagement & Communications Plan completed.	Year 1 implementation of plan.	Implemented year 1 of Stakeholder Engagement & Communications Plan, involving increased reach and frequency of engagement with stakeholders and industry.	 Achieved	Year 2 implementation of plan.	Year 3 implementation of plan.
		Work with the Industry Advisory Group (IAG) to understand current landscape, capacity, gaps and opportunities.	Industry Engagement Survey.	3 x IAG meetings held in YE June 2019.	2 x meetings of IAG per year.	Reviewed plans in place for more regular industry engagement within passionography workshops, the breakfast connect programme, industry forums, and one on one meetings instead of the IAG. The IAG provided a voice for a very limited number of industry businesses and did not provide a full and complete landscape picture for TBOP.	 Not achieved	2 x meetings of IAG per year.	2 x meetings of IAG per year.
			Track progress of opportunities identified and actioned.	New measure so no current data.	Actions taken to progress any identified opportunities (if applicable).	Breakfast Connects developed as an opportunity to bring businesses together for networking. 5 Breakfast Connect meetings have been held.	 Achieved	Actions taken to progress any identified opportunities (if applicable).	Actions taken to progress any identified opportunities (if applicable).
		Provide opportunity for industry stakeholders to build networks.	Hosting of events.	Hosted 2 x networking events in YE June 2019.	3 x networking events per year.	Held more than three networking events, including 2 forums and 5 breakfast connects. The most recent industry forum was held at Hotel Armitage on Thursday 25th June. Updated on post COVID-19 marketing activity and future domestic campaign plans. Tourism NZ Domestic Campaign presentation from Bjoern Spreitzer.	 Achieved	3 x networking events per year.	3 x networking events per year.

Strategic Priority	Success Characteristic	Performance Measures	Data Source	Baseline	2019-2020 Goal (June 2020)	Update June 2020	Status	2020-2021 Goal (June 2021)	2021-2022 Goal (June 2022)
Governance best practice	Prudent management of risk and financial control, and compliance to regulatory and Code of Conduct frameworks.	Manage P&L to budget.	Auditors' Report.	Auditor's Report 2018-2019: Achieved.	Manage P&L to budget.	Budget achieved, any loss of income due to the COVID-19 pandemic has been offset by reduction in expenses.	 Achieved	Manage P&L to budget.	Manage P&L to budget.
		Code of Conduct compliance.	TBOP Six Month and Annual Reports.	TBOP Six Month and Annual Reports: Achieved.	Code of Conduct compliance.	TBOP Six Month and Annual Reports: Achieved.	 Achieved	Code of Conduct compliance.	Code of Conduct compliance.
		Compliance and regulatory obligations met.	Councils' feedback.	TBOP Six Month and Annual Reports: Achieved.	Compliance and regulatory obligations met.	All compliance and regulatory obligations have been met.	 Achieved	Compliance and regulatory obligations met.	Compliance and regulatory obligations met.
		Enterprise Risk Management Policy adherence.	Board confirmation.	TBOP Six Month and Annual Reports: Achieved.	Enterprise Risk Management Policy adherence.	All Enterprise Risk Management obligations have been met.	 Achieved	Enterprise Risk Management Policy adherence.	Enterprise Risk Management Policy adherence.
		Maintain good working relationships with Council staff and elected members, observing the 'no surprises' principle.	Councils' feedback.	TBOP Six Month and Annual Reports: Achieved.	No surprises principle maintained.	No surprises principle maintained.	 Achieved	No surprises principle maintained.	No surprises principle maintained.
		Aim for best effort cost recovery through revenue growth opportunities and cost management strategies.	TBOP Six Month and Annual Reports.	TBOP Six Month and Annual Reports: Achieved.	Aim for best effort cost recovery through revenue growth opportunities and cost management strategies.	Budget achieved, TBOP Six Month and Annual Reports also achieved.	 Achieved	Aim for best effort cost recovery through revenue growth opportunities and cost management strategies.	Aim for best effort cost recovery through revenue growth opportunities and cost management strategies.

Local Government Funding Agency (LGFA)



What we do

- The LGFA provides funding to participating local authorities.
- The LGFA borrows funds and lends them on to local authorities at lower interest margins than those local authorities would pay to other lenders.

Our highlights for 2019/20

- Our net operating gain was \$606,000 over budget for the 12-month period at \$10.62 million (unaudited).
- The total number of participating councils is now 67 with the following three councils joining the LGFA over the past year:
 - Kaikoura District Council
 - Carterton District Council
 - Taranaki District Council
- Our market share of all loans provided to New Zealand councils was estimated at 86%.
- Savings to councils are estimated to be in the range of -4 to 10 basis points, depending on the term of borrowing.
- We increased outstanding bonds as at 30 June 2020 to \$11.66 billion (including \$800 million of treasury stocks).
- The Reserve Bank of New Zealand (RBNZ) added LGFA bonds to the large-scale asset purchase programme on 6 April 2020. As at 30 June, the RBNZ had purchased \$1.004 billion of LGFA bonds.
- LGFA shareholders approved a change to the Foundation Policy covenant relating to net debt / total revenue for councils with a single "A" minimum credit rating at a special general meeting on 30 June 2020.




- LGFA lending base margin increased by 10 basis points to 20 basis points for debt maturing May 2020, and later. Amended net debt/ total revenue:
 - 300% 30 June 2021
 - 300% 30 June 2022
 - 295% 30 June 2023
 - 290% 30 June 2024
 - 285% 30 June 2025
 - 280% 30 June 2026 onwards

Challenges for 2019/20

- Maintaining required issuance volumes in uncertain global market.
- Growing asset base but shrinking margins.

Looking ahead for 2020/21

- We are planning to lend to approved CCOs from July 2021 onwards.
- Allow reporting and testing of covenants on a consolidated group basis.
- We are expecting a further five councils to join over the next 12 months.

PERFORMANCE MEASURES		
2019/20 target	Status	Comments / result for 12-month period to 30 June 2020
LGFA net interest income for the period to June 2020 will be greater than \$17.88 million	 Achieved.	\$18.28 million
Total lending to participating local authorities at 30 June 2020 will be at least \$9, 790 million	 Achieved.	\$10.899 million
LGFA's annual issuance and operating expenses (excluding AIL) for the period to 30 June 2020 will be less than \$6.28 million	 Achieved.	\$6.26 million

FINANCIAL PERFORMANCE		
	2020 Actual \$000's	2019 Actual \$000's
Revenue	370,220	361,080
Expenditure	359,597	349,880
Net Surplus/(Deficit) for Year	10,623	11,200

Bay of Plenty Local Authority Shared Services (BOPLASS)



What we do

- BOPLASS was established by the nine local authorities in the Bay of Plenty / Gisborne region to foster collaboration between councils in the delivery of services, particularly back-office or support services.
- BOPLASS investigates, develops and delivers shared services and joint procurement on behalf of the participating councils, maximising cost savings and developing opportunities for sharing of services.
- The shareholding councils are: Bay of Plenty Regional Council, Gisborne District Council, Kawerau District Council, Opotiki District Council, Rotorua District Council, Taupo District Council, Tauranga City Council, Western Bay of Plenty District Council and Whakatane District Council.

Our highlights for 2019/20

BOPLASS has been able to remain on target during the various stages of the alert levels and has delivered against all financial and performance measures.

Although adjustments naturally had to be made to some business operations, the unprecedented impact of COVID-19 highlighted BOPLASS' effective administration systems, with the ability of staff to immediately transition to working remotely. They have been able to continue operations almost seamlessly while still progressing projects and collaborating with our constituent councils and the greater local government community.

A very good outcome was achieved by BOPLASS in the placement of councils' infrastructure insurance into the international markets. Due to the tightening capacity within the London markets BOPLASS investigated alternative options by completing presentations into other markets. The resultant competitive tension assisted in creating a very good outcome for the group with favourable rates and terms achieved for all councils.


Challenges for 2019/20

Some of the projects BOPLASS was involved with were brought forward during the lockdown to ensure we were able to assist councils with some of their challenges or requirements during this time. BOPLASS assisted councils with:


- Establishing expanded video conferencing options to ensure council meetings could continue and remote working staff had full connectivity within their organisations. The increased video conferencing capacity and managed service proved to be tremendously helpful in keeping councils connected.
- Media Monitoring services were significantly increased, with the BOPLASS supplier circulating essential daily COVID-19 updates and summaries to councils (at no cost).
- Health and Safety management meetings were held weekly, providing an opportunity for sharing of pandemic planning information between the councils and the collective development of protocols as the alert levels changed.



Looking ahead for 2020/21

We will further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.

PERFORMANCE MEASURES		
2019/20 Target	Status	Comments
<p>Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.</p> <p>Manage and/or renegotiate existing contracts.</p> <p>Contracts are reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.</p>	 Achieved	<p>Contracts negotiated and/or renewed for:</p> <p>Internal Audits – Following a review by BOPLASS councils, the Internal Audit Services agreement has been renewed with KPMG. The collective arrangement provides competitive pricing for these services but also enables the sharing of internal audit information and insights across the group.</p> <p>Video Conferencing Services – Video conference services with Canon and Zoom enhanced and expanded to deliver desktop and meeting room services to participating councils.</p> <p>Specific project undertaken to increase capacity, create additional meeting rooms and ensure licences were available to all councils/users during the pandemic.</p> <p>GIS software and services –</p> <ul style="list-style-type: none"> • FME • Geocortex Essentials • Geocortex Analytics • X-Tools • NZ Archaeological Association • RetroLens <p>Contracts renegotiated and renewed – no alternative suppliers.</p> <p>Print Media Copyright Agency (PMCA) – Collective contract and requirements reviewed and renewed with PMCA – the sole NZ provider of print and media copyright services.</p> <p>ESRI Enterprise Licensing Agreement – Core GIS software used in all BOPLASS councils. BOPLASS Enterprise Agreement renewed with no increases in cost to councils. No alternative provider in NZ.</p> <p>N3 – Purchasing group (previously known as GSB) membership negotiated by BOPLASS. Councils achieving significant savings on membership costs and trade pricing through the group scheme. Sole NZ provider.</p> <p>Vertical Horizonz – Renegotiated Health and Safety training contract for a further two-year period with the same terms, conditions, and costs.</p> <p>BOPLASS Limited Annual Report for the Year Ended 30 June 2020 9</p> <p>Inter-Council Network – High-speed fibre network providing connectivity to and between BOPLASS councils.</p> <p>Significant cost savings through renegotiation of some contracts, utilisation of newer technologies, and design changes. Multiple contracts and suppliers.</p> <p>Media Monitoring services – iSentia reappointed as media monitoring provider to the BOPLASS councils following a review process undertaken by councils' communication managers. This service has provided significant value to the councils this year with the BOPLASS provider providing daily COVID-19 media summaries covering all essential information from NZ and international media.</p>

PERFORMANCE MEASURES		
2019/20 Target	Status	Comments
<p>Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.</p> <p>Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.</p> <p>A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.</p>	 Achieved	<p>The new procurement initiatives which have been investigated during the year are as follows:</p> <p>Tender Facilitation – BOPLASS led a competitive process for the appointment of a facilitator to manage a collective procurement process on behalf of BOPLASS, Waikato LASS, MW LASS and Hawke's Bay councils. Grant Thornton NZ Ltd were appointed.</p> <p>Regional LiDAR Capture 2020–2025 – Working in conjunction with Land Information NZ, a tender process was run to appoint a provider for LiDAR capture across the Bay of Plenty region. Aerial Surveys Ltd were appointed to complete a region-wide five-year plan for LiDAR capture. The data will be used by councils to create highly accurate 3D terrain and surface models of the land, which are vital for flood modelling purposes and mapping water flows.</p> <p>Infrastructure Insurance – Securing councils' insurance cover requires a new procurement process to be undertaken every 12-months, with a variety of insurers and underwriters engaged, to negotiate favourable terms and competitive pricing. This year BOPLASS represented a collective group of NZ councils for direct placement into the London markets for councils' infrastructure insurance. Options for placements into the Asian markets were also explored. Through this competitive process and the aggregated approach, BOPLASS councils were able to achieve rates with an average 20% discount compared with each council securing individual policies. A new contract was established with a mix of Lloyds' syndicates.</p> <p>Standards NZ – BOPLASS engaged with Standards NZ to host a single BOPLASS portal to allow all councils to access the full Standards catalogue at significantly reduced pricing. BOPLASS councils were using differing forms of access/licences with not all councils having access to the same range of Standards data. The collective agreement has meant a broader range of catalogues are available to all councils and at a lower cost than individual arrangements. This has enabled better utilisation of Standards and negated expensive individual subscriptions.</p> <p>Accounts Payable Automation Software – Following presentations from vendors on workflow automation for the BOPLASS councils, Esker were selected as the preferred solution for the implementation of Accounts Payable automation software.</p> <p>FME Server – GIS software. Reviewed options for multiple councils to participate in shared procurement of this software rather than purchasing individual licences. BOPLASS currently manages shared procurement of the FME Desktop software on behalf of councils.</p> <p>Human Resources Information Systems – BOPLASS undertook an investigation into opportunities for the collective procurement of an HR information system and the development of a standardised platform across the councils. It was agreed for the BOPLASS councils to review options available under the All of Government purchasing.</p> <p>Insurance Brokerage and Risk Management Services – BOPLASS led a procurement project on behalf of BOPLASS, Waikato LASS, MW LASS and Hawke's Bay councils for the appointment of an insurance broker. The collective approach to the tender delivered considerable value, including savings in fees and premiums, but also an opportunity to share best practices and further align insurance programmes across the regions. Aon NZ Ltd were appointed as broker by all participating LASS and councils.</p>
<p>Provide support to BOPLASS councils that are managing or investigating Shared Services projects.</p> <p>BOPLASS to provide 0.25 FTE resource and expertise to assist councils in Shared Services developments and projects.</p> <p>Resource assignment measured from project job tracking.</p>	 Achieved	<p>0.6 FTE provided through BOPLASS staff engagement committed directly to support of council shared service projects or individual council support – measured by fortnightly timesheets.</p> <p>Support provided to councils in development of the following services:</p> <p>Robotic Process Automation (RPA) – BOPLASS is leading a project to review opportunities for RPA services to be developed collectively and shared across participating councils. RPA provides an opportunity for the automation of repeatable processes that can run without intervention. A presentation of existing services has been completed and options for developing a centre of excellence are being explored as a means of supporting collaborative development and the efficient use of design/development expertise. This project is ongoing.</p> <p>Treasury Staff – Meetings have been coordinated by BOPLASS for councils' treasury staff and finance representatives to be provided information from senior economists on New Zealand and international economies. This has been proven to be particularly valuable given the current international and NZ economic turmoil.</p> <p>Sustainable Public Procurement – BOPLASS Councils are participating in this project in conjunction with the Sustainable Business Network and Toi Ohomai. The collective approach provides opportunity for local government procurement policies and practices to become better aligned with national objectives of sustainability and identify where improvements might be made. BOPLASS has engaged with MBIE to ensure the scope and goals align with central government procurement strategies.</p>

PERFORMANCE MEASURES		
2019/20 Target	Status	Comments
<p>Provide support to BOPLASS councils that are managing or investigating Shared Services projects.</p> <p>BOPLASS to provide 0.25 FTE resource and expertise to assist councils in Shared Services developments and projects.</p> <p>Resource assignment measured from project job tracking.</p>		<p>Debt Recovery Services – Partnering with MW LASS and being provided as a shared service, BOPLASS councils have access to Debt Management Central to provide specialised local government debt recovery services. Several councils have now begun using this shared service.</p> <p>Inter-Council Network (ICN) – Review, redesign and renegotiation of suppliers and services. The ICN is a shared service high capacity fibre network connecting the majority of BOPLASS councils. A review of ICN contracts was undertaken to deliver further cost reductions and improved capacity.</p> <p>Zoom Video Conference Services – Zoom video conference services were established and implemented as a shared service option for BOPLASS councils providing for centralised account management and shared infrastructure for participating councils.</p> <p>Civil Defence Emergency Management GIS Group – GIS data and tools are now an integral part of a Civil Defence response and the BOPLASS councils have formed a group to work collaboratively on CDEM initiatives. This approach is largely made possible due to all councils using the same core GIS systems aligned through BOPLASS contracts.</p> <p>Standardisation of Insurance Valuations – Support was provided to councils in establishing a common standard of reporting for insurance asset valuations. Developing a consistent standard and a common valuations process has been extremely beneficial to the BOPLASS infrastructure insurance programme through providing improved, consistent, and accurate data to the international markets when negotiating placements of councils' insurance.</p> <p>Inter-LASS collaboration – A number of procurement projects are underway or being investigated covering multiple LASS and benefitting from the aggregated volumes. Collaboration across the regions is driving greater efficiencies within collective projects and allows the projects to be better resourced. BOPLASS has been working particularly closely with MW LASS and Waikato LASS and has recently provided information to South Island councils investigating collective opportunities.</p> <p>Regional Waste Operator Licensing and Data Collection – Cross-regional approach to establishing a regional or cross-regional entity that would administer and enforce licensing conditions on behalf of territorial authorities. Project aims to ensure a level playing field for all waste operators in a council's area while enabling councils to collect the data necessary to prepare detailed waste assessments and inform effective identification of priority waste management and minimisation actions.</p> <p>Skype for Business inter-council communication – Project to undertake investigation, testing and resolution of issues to resolve inter-council communication use of Skype for Business.</p>
<p>Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.</p> <p>Increase usage of the Collaboration Portal by providing support and training material for new and existing users.</p> <p>Proactively market the benefits to councils.</p> <p>Number of listed projects to increase by 20% per year.</p> <p>Number of active users to increase by 20% per year.</p>	 <p>Achieved</p>	<p>Active promotion of the Mahiŋahi Collaboration Portal over the last 12 months has resulted in a 60% increase in the number of local government users with 85 new members joining.</p> <p>Ongoing development of on-boarding and training material to help increase membership and support ongoing usage. Training provided to councils to maximise usage and ensure increased uptake.</p> <p>During COVID-19 lockdowns the Mahiŋahi Collaboration Portal was marketed through SOLGM to all NZ councils' CEOs as an online collaboration tool.</p> <p>Collaboration Portal demonstrations provided to collaborative advisory groups.</p> <p>Nine additional projects added to the Collaboration Portal increasing from 39 to 48 lodged projects.</p> <p>The number of Collaboration Portal specialised channels and teams have increased by 14 over the last year with 66 channels and 6 specialised teams now registered.</p> <p>Developed a new fit-for-purpose back-up solution using DATTO to increase robustness and reliable access to shared material.</p> <p>Developed Terms of Service for the Collaboration Portal to provide governance and security for BOPLASS, member councils, and portal participants.</p> <p>BOPLASS Limited Annual Report for the Year Ended 30 June 2020 13</p> <p>Development of Azure services to further support the Collaboration Portal, including implementing multi-factor authentication of portal administrators and migration of DNS services to Azure.</p>

PERFORMANCE MEASURES		
2019/20 Target	Status	Comments
<p>Communicate with each shareholding council at appropriate levels.</p> <p>Meeting with each Executive Leadership Team.</p> <p>At least one meeting per year.</p>	 Achieved	<p>BOPLASS continues to regularly engage with our constituent councils, senior management and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders.</p> <p>Executive-level meetings held with councils. Three Operations Committee meetings held during the year with executive level input provided by all shareholding councils. Executive Leadership Team representation and attendance at one or more meetings from every council.</p>
<p>Ensure current funding model is appropriate.</p> <p>Review BOPLASS expenditure and income and review council contributions and other sources of funding.</p> <p>Performance against budgets reviewed quarterly. Company remains financially viable.</p>	 Achieved	<p>The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board.</p> <p>Council contributions levied.</p> <p>Contributions received from activities producing savings.</p> <p>Vendor rebates collected.</p> <p>Monthly and quarterly performance reviewed.</p> <p>Financial statements reported and reviewed at Board meetings.</p> <p>Financial position year end 30 June 2020: \$15,223 deficit.</p>

Additional Disclosures Impact of COVID-19

Background

Given the current environment caused by the impact of COVID-19, many local government organisations face an unprecedented level of uncertainty about the economy, future revenue and asset and liability values. We have remained cognisant of this potential impact on both BOPLASS and our shareholding councils in the preparation of the BOPLASS financial statements.

We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as health and safety measures for our people (e.g. social distancing and working from home) and continuing to engage with our suppliers and our constituent councils through video conferencing.

The impact on our business and results has not been significant and, based upon our experience to date, we expect this to remain the case. As we operate predominately in the delivery of back of office services, during COVID-19 we have found increased demand for some of our collaborative solutions and we expect this to continue.

Assumptions

While there is always a possibility of some form of commercial implication for BOPLASS, the risk is considered to be very low as the company remains focused on delivering cost-savings and collective benefits to the councils – services of key importance to our shareholders.

Despite the impact of COVID-19 on much of the New Zealand economy, there has been no change in the nature or capacity of the company's business during the 2019-20 financial year and we don't expect this to change in the future. The company has remained on target with the delivery of all projects, with BOPLASS staff able to continue to operate effectively while working remotely during the various government imposed alert levels.

During and after the lockdown periods BOPLASS was able to continue with all financial reporting and reporting against performance indicators. Governance meetings were held, and regular engagement continued with shareholding councils.

The BOPLASS financial statements have been prepared with the judgement and assumption that COVID-19 has not, and will not, have an adverse impact on the organisation's workstreams or the level of engagement from our shareholding councils. Therefore, when preparing the financial

BOPLASS Limited Annual Report for the Year Ended 30 June 2020 50

statements there has been no material adjustments made to the carrying amounts of assets and liabilities within the current or future financial years.

- BOPLASS has minimal assets and the value of those assets will not be impacted by COVID-19.
- There has been no impact from COVID-19 on the company's liquidity and we don't expect there to be future change.
- Project revenue is generated directly by councils' participation in collective contracts or projects. The core BOPLASS principle remains in place that the company will not enter into supplier contracts or commitments without first gaining agreement and financial commitment from participating councils.
- Letters of Support have been provided to BOPLASS by our shareholding councils, providing financial surety for the current and future financial year.
- The level of business for BOPLASS will continue as forecast and may, in some circumstances, create further opportunities.
- BOPLASS current and future performance targets will not be adjusted as a result of COVID-19.

Based on the circumstances described above, the financial statements have been prepared on the assumption that any impacts on BOPLASS from COVID-19 are minimal and the company will continue to operate as a going concern.

We will continue to follow the various government policies and advice, while at the same time doing our utmost to continue our operations in the best and safest way possible without jeopardising the health or wellbeing of our staff.

FINANCIAL PERFORMANCE		
	2020 Actual \$000's	2019 Actual \$000's
Revenue	1,405	1,445
Expenditure	1,420	1,456
Net Surplus/(Deficit) for Year	(15)	(11)

INCOME DERIVED FROM COUNCIL		
	2020 Actual \$000's	2019 Actual \$000's
Operational Contribution	50	50
Total Council Derived Income	50	50

Tauranga Art Gallery Trust

tauranga art gallery
teoi tauranga

What we do

- The Tauranga Art Gallery Trust (TAGT) was established in 2005 to manage and operate the Tauranga Art Gallery (TAG), ensuring a sound and innovative business.
- TAGT aims to create exceptional art experiences that engage, inspire, challenge and educate through exhibitions, public programmes and events.

Our highlights for 2019/20

We held a diverse range of exhibitions with a strong Tauranga and WBOP presence. Local artists included Kapua Joy Bennett, Kelcy Taratoa, Graham Hoete, and all contributing artists in Miles Art Awards 2020. These artists all have significant connections to the local community and much of the content in their artwork reflected this.

TAG hosted three leading Māori artists for an extensive Matariki exhibition programme: Lewis Tamihana Gardiner pounamu carving survey; Blood Water Earth international collaboration with Māori artist Louise Potiki Bryant + First Nations Santee Smith (Canada) video/ceramics, partnership with Te Uru + Auckland Arts Festival and Tauranga photographer Kapua Joy Bennett survey in partnership with TCC Libraries.

We also exhibited work by Kelcy Taratoa and Mr G (Graham Hoete). Both artists whakapapa to Tauranga Moana and they addressed the connection to their ancestral home when speaking to groups and early childhood providers.

Two standout world-class exhibitions that highlight the diverse content of our exhibition programme were 'Terminus' & 'Home'.

TERMINUS: Jess Johnson & Simon Ward

20 July - 27 October 2019

Tauranga Art Gallery was the first New Zealand venue to present this major virtual reality exhibition. With their pioneering use of virtual reality, by Tauranga-born, New York based leading contemporary artist Jess Johnson and her

collaborator Simon Ward, created a mysterious universe of alien architecture populated by humanoid clones and cryptic symbols.

This interactive show was hugely popular with the public - drawing in over 22,000 visitors, attracting national media outlets coverage in both print and television. Now touring AU and NZ.

Principal Exhibition Partner: Cooney Lees Morgan, National Gallery of Australia.

HOME: MR G

9 November 2019 - 9 February 2020

In partnership with Tauranga City Council, this exhibition by celebrated Papamoa-based artist, Mr G (Graham Hoete) showed his huge fan base a new side to his talent. His first public art gallery exhibition, while exploring the themes of home and connection drew in over 18,000 viewers. Combining portraiture with carving, street art and fine drawing, his eclectic collection of artworks resulted in a contemporary take on the photo-realist tradition.

Principal Exhibition Partner: Tauranga City Council

Challenges for 2019/20

Covid-19 shut the gallery doors for 23 March 20 May – 8 1/2 weeks.

Firstly, our visitor numbers dropped obviously from both local, national and international visitation. We had 52,895 visitors in the 2019-2020 financial; down 12% on our target of 60,000 visitors. Along with this, our donations ceased for the duration and were down 4.2% on budget.

Our education programmes ceased over the lockdown time and we had to try and get education classes created digitally and posted on our website whilst staff were working from home.

Anti-social activity in Masonic Park has escalated to more frequent violent outbursts and staff have been affected. For health and safety reasons, staff leave the building in pairs especially at night. Foot traffic is affected by this.

Looking ahead for 2020/21

Improve digital resistance: From our Covid-19 experience of providing digital classes online, this has prompted us to develop a digital platform for the gallery all the time rather than just in lockdown. We are currently developing digital solutions that will engage and grow our audience.

With the cruise ships taken out with the pandemic, we are looking to cluster with other tourist opportunities that can be promoted with our national audience.

Going forward the art gallery is focused on partnering and working with other CCOs and community organisations and business to create strong visionary outcomes that will enhance the CBD and revitalize our spaces beyond the walls of the gallery.

Year-end figures

Visitors

- Visitor numbers reached 52,895 excluding off site venues including:
 - 27,587 visitors through our collaborative exhibition with The Tauranga Heritage Collection.
- Offsite visitation reached 40,292 from 5 touring exhibitions venues, Whakatane, Whangarei, Te Awamutu, Franklin Arts Centre and The Dowse.
 - In addition, we had:
 - 50,000 engagements across our digital platform
 - 16 exhibitions delivering a broad range of genres, subjects and media
 - 6 exhibition openings and presentations for stakeholders
 - 8 Friends of Tauranga Art Gallery art events
 - 1,002 participants in our TAG Art Studios including Family Fun days and Drop in Sessions
 - 5,311 subscribers to our Gallery marketing newsletter

Education

Prior to lockdown, 7,911 students attended our education programmes. Due to COVID-19, new art initiatives were created utilising online platforms with the intention to create fun, educational resources to stay connected and engage with the community through technology.

Online projects generated include:

9 online art projects, 2 x art video workshops, a highly successful online 'Mother's Day Portrait Competition for Children', 'Beyond the Bubble Still Life Project': utilising Tauranga Art Gallery Instagram/Facebook and website platforms and 3 x At Home Materials Lists.

We had 5 different community groups visit the gallery:

Kura Kaupapa:	8 groups visited from 4 different kura, a total 168 children
Huria Marae:	2 after school art groups visited with a total 20 learners
Young Professionals:	2 booked tertiary groups visits with a total of 33 students
ESOL school groups:	2 groups from Tahatai Coast School with a total of 40 children
ECE providers:	15 groups visiting from 9 different ECE centres, a total of 138 children

FINANCIAL PERFORMANCE		
	2020 Actual \$000's	2019 Actual \$000's
Revenue	1,458	1,540
Expenditure	1,396	2,094
Net Surplus/(Deficit) for Year	62	(555)

INCOME DERIVED FROM COUNCIL		
	2020 Actual \$000's	2019 Actual \$000's
Operational Grant	976	943
Collection curation service contract	-	3
Sponsorship	40	4
Total Council Derived Income	1,016	950

*Note that the 2019/20 financial statements are not finalised or audited.

07

Financials

Pūrongo Pūtea



DRAFT

Financials

Introduction to financial section	XXX
Financial prudence	XXX
Rating base information	XXX
Funding impact statement - Whole of Council	XXX

Financial statements

TCC (Group) Statement of Comprehensive Revenue and Expense	XXX
TCC (Group) Statement of Financial Position	XXX
TCC (Group) Statement of Movements in Equity	XXX
TCC (Group) Statement of Cash Flows	XXX

Notes to the financial statements

Note 1: General accounting policies - for the year ended 30 June 2020	XXX
Note 2: Rates	XXX
Note 3: Revenue from Exchange and Non Exchange Transactions	XXX
Note 4: Fees and Charges	XXX
Note 5: Grants and Subsidies	XXX
Note 6: Finance Revenue	XXX
Note 7: Depreciation by groups of activity	XXX
Note 8: Personnel Expenses	XXX
Note 9: Finance Expenses	XXX
Note 10: Other Expenses	XXX
Note 11: Assets Vested to Tauranga City Council	XXX
Note 12: Development Contributions	XXX
Note 13: Grants and Subsidies Capital Expenditure Contributions	XXX
Note 14: Other Capital Expenditure Contributions	XXX
Note 15: Other Gains	XXX
Note 16: Provisions Expense	XXX
Note 17: Other Losses	XXX
Note 18: Assets Vested to Other Parties	XXX
Note 19: Income Tax Expense / (Benefit)	XXX
Note 20: Deferred Tax Asset / (Liability)	XXX

Financials

Notes to the financial statements

Note 21: Cash and Cash Equivalents	XXX
Note 22: Debtors and Other Receivables	XXX
Note 23: Derivative Financial Instruments	XXX
Note 24: Non Current Assets Held For Sale	XXX
Note 25: Other Financial Assets	XXX
Note 26: Investment in Associate	XXX
Note 27: Other Investments - Current Portion	XXX
Note 28: Other Council Investments	XXX
Note 29: Investment Properties	XXX
Note 30: Property Plant and Equipment	XXX
Note 31: Intangible Assets	XXX
Note 32: Forestry Assets	XXX
Note 33: Payables and Deferred Revenue	XXX
Note 34: Employee Entitlement Liabilities	XXX
Note 35: Deposits Held	XXX
Note 36: Revenue in Advance - Developer Contributions and Other	XXX
Note 37: Borrowings	XXX
Note 38: Provisions	XXX
Note 39: Reconciliation of Net Surplus / (Deficit) After Tax to Net Cash Flow from Operating Activities	XXX
Note 40: Events Occurring After Balance Date	XXX
Note 41: Capital Commitments and Operating Leases	XXX
Note 42: Contingencies	XXX
Note 43: Remuneration of Chief Executive, Key Management Personnel, Mayor and Elected Members	XXX
Note 44: Severance Payments	XXX
Note 45: Related Party Transactions with Subsidiaries and Associates	XXX
Note 46: Financial Instruments	XXX
Note 47: Capital Management	XXX
Note 48: Explanation of major variances against budget and current year	XXX
Note 49: Statement of Reserves	XXX

Introduction to financial section

The financial section contains the core financial information required by the Local Government Act 2002 and the Financial Reporting and Prudence Regulations 2014.

The section includes:

- Financial Prudence Benchmarks
- Rating base information
- Whole of Council Funding Impact Statement (FIS)
- Financial Statements
- Notes to the Financial Statements

The Financial Prudence Benchmarks are produced in accordance with the Financial Reporting and Prudence Regulations 2014. Their purpose is to disclose the Council's financial performance in relation to various benchmarks that are also presented by other councils.

In 2019 all benchmarks were met.

The Sewerage and Water rates collected and Water by Meter Revenue were higher than budgeted.

Rating Base information is included that explains the basis on which rates are set and trends over recent years.

The whole of Council Funding Impact Statement (FIS) prepared in accordance with the Financial Reporting and Prudence Regulations 2014 provides the full year results compared to budget and the prior year in a format that shows revenue and expenditure categorised as either operational or capital sources and applications of funds. Depreciation expense is excluded from operational application of funds. Under the Funding Impact Statement presentation, depreciation is included in the movement of reserves as a source of capital funding.

Following on from the whole of Council Funding Impact Statement, the **Tauranga City Council Group Financial Statements** are presented in accordance with the Local Government Act 2002, which also includes the requirement to prepare the accounts in accordance with New Zealand Generally Accepted Accounting Practice, and the new Public Benefit Entity requirements. **The Financial Statement of Comprehensive Revenue and Expense** presents operational and capital revenue and expenditure in a different format to the Funding Impact Statement. Operating expenditure includes depreciation and some non cash expenses such as provisions for doubtful debts.

Depreciation is a non cash operating expense which recognises the use of an asset over the year. Because over time assets will wear out and require replacement, depreciation of assets should be recognised as a cost of operation. Council does not always have to pay the full cost of replacement of assets so it does not fully fund (through rates and user fees and charges) the costs of depreciation e.g. for replacement of Road assets which are funded 50% by the New Zealand Transport Agency. Non funded depreciation is \$5m in Transportation.

The Statement of Financial Position shows what Tauranga City Council owns (its assets) and what it owes (its liabilities) at the end of the financial year. This statement shows a snapshot of Tauranga's net worth (assets less liabilities) at a point in time.

This statement is supported by a **Statement of Movements in Equity** which shows how the net worth of the organisation has moved over the year, and a **Statement of Cashflows** which records the transactions of Council for the year that have involved movements in cash and therefore explains the balance of cash at year end.

The notes to the accounts explain the items in the financial statements in more detail.

Financial prudence

Annual Report disclosure statement for the year ending 30 June 2019

The purpose of this statement is to disclose the councils financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions used in this statement.

Base figures used in the benchmark calculations are attached in a table at the end of this section.

Rates Affordability Benchmarks

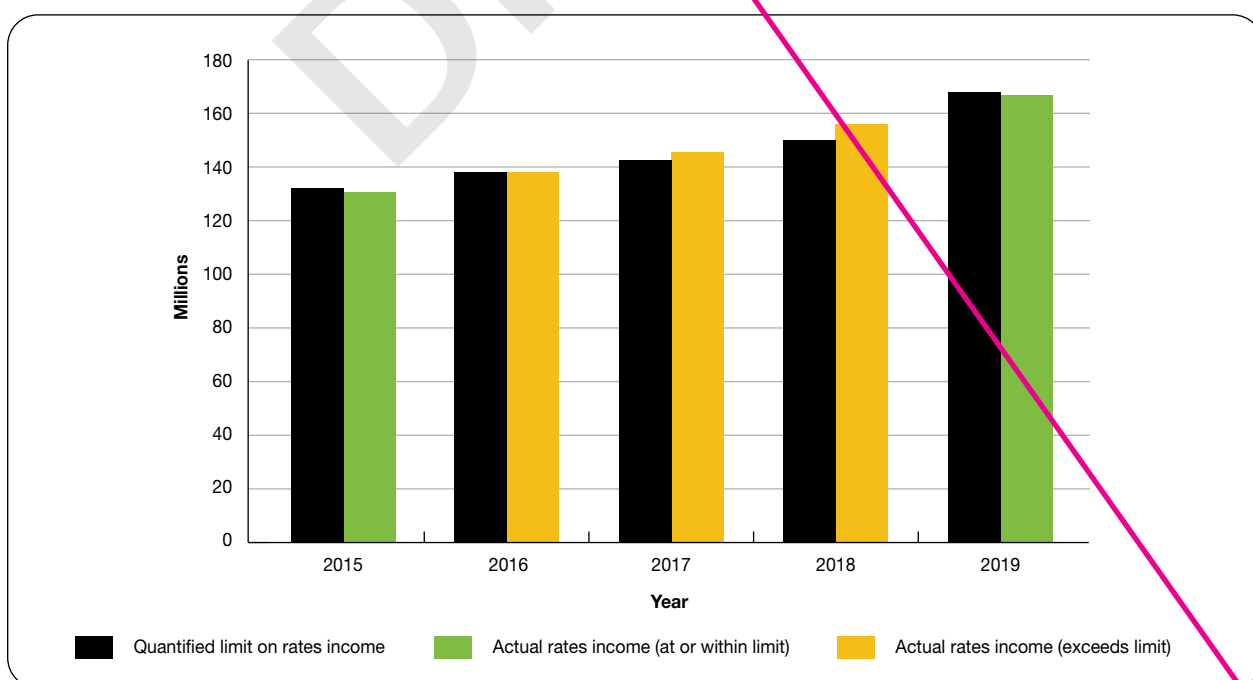
The Council meets this benchmark if:

- Its actual rates income for the year equals or is less than each quantified limit on rates; and
- Its actual rates increases for the year equal, or are less than each quantified limit on rates increases

Rates Income Affordability Benchmark

Quantified Limit on Rates

The total rates requirement for each year of the long term plan will be no more than shown in the adopted Long Term Plan for that year. The following graph compares Council's actual rates income with a quantified limit on rates contained in the Financial Strategy included in Council's Long Term Plan.



* For 2016, 2017 and 2018, where actual rates have exceeded quantified limits this is due to higher than expected growth in rating units after rates were set.

Rates Increases Affordability Benchmark

Quantified Limit on Rates Increases

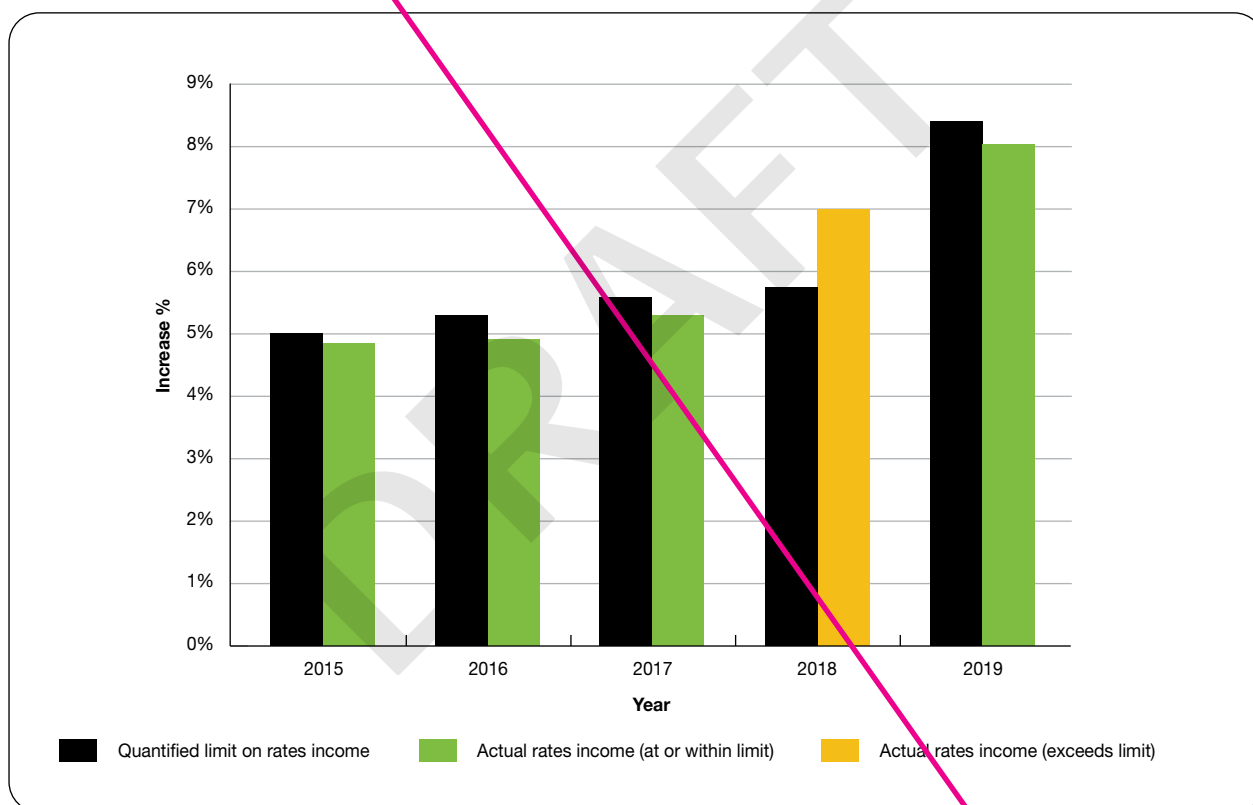
For years 2015 - 2018, the annual increase in total rates requirement will be limited to the total of:

- The annual percentage increase in the consumer price index*
- The estimated percentage growth in the number of rateable properties in the city in the year to 30 June preceding the relevant rating year in question and
- Two percent

For 2019, the annual increase in total rates requirement will be limited to the total of:

- The agreed limit on rates and
- The estimated percentage growth in the number of rateable properties in the city in the year to 30 June preceding the relevant rating year in question

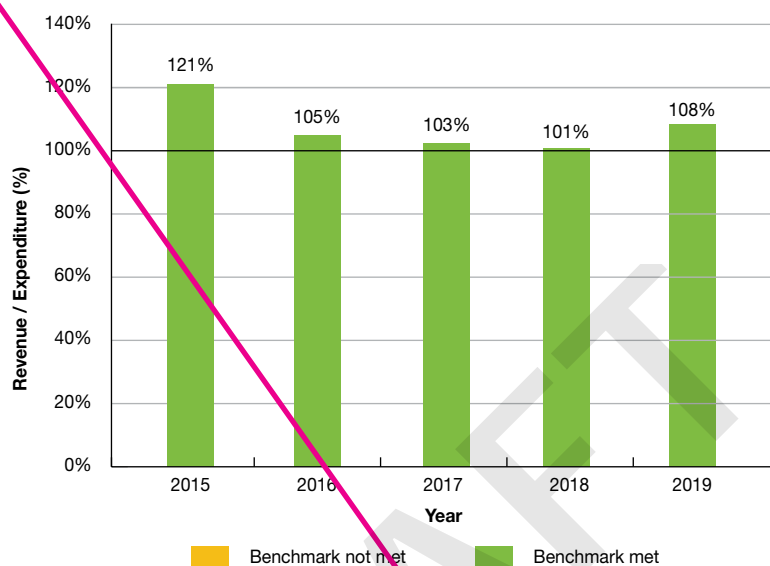
The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the Financial Strategy included in the Council's Long Term Plan.



* Using the most recent consumer price index statistics, published by Statistics New Zealand, available at the time the draft and then the Long Term Plan is prepared.

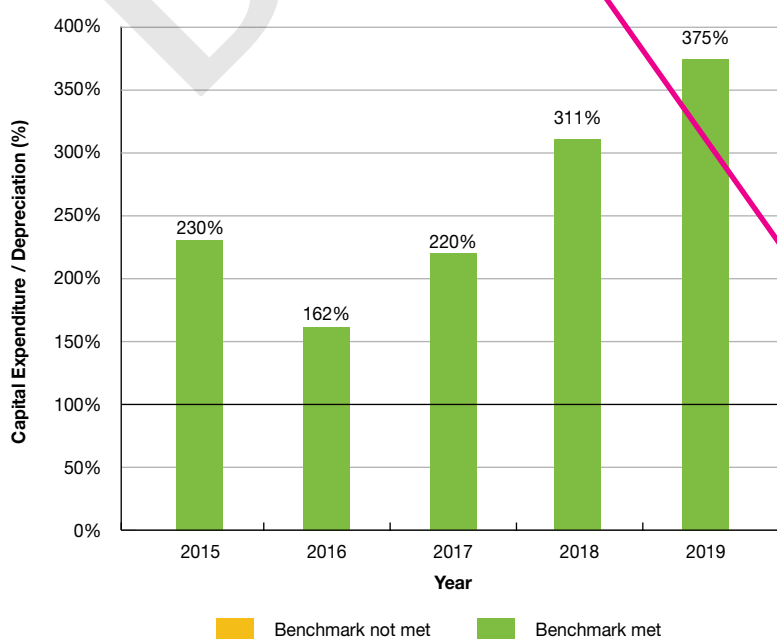
BALANCED BUDGET BENCHMARK

The following graph shows the Council's revenue (excluding development contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment). This benchmark is met if revenue equals or is greater than operating expenses.



ESSENTIAL SERVICES BENCHMARK

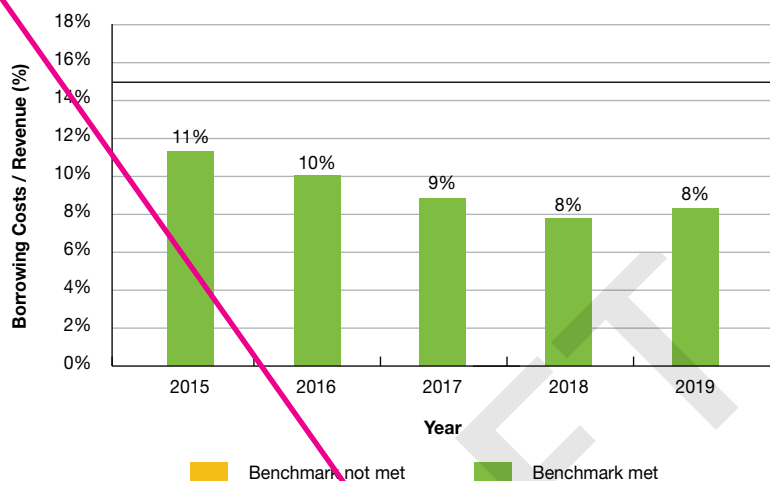
The following graph shows the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



DEBT SERVICING BENCHMARK

The following graph compares Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant and equipment).

Because Statistics New Zealand projects the Council's population will grow faster than the national population growth rate (as at 1/7/2013), it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.

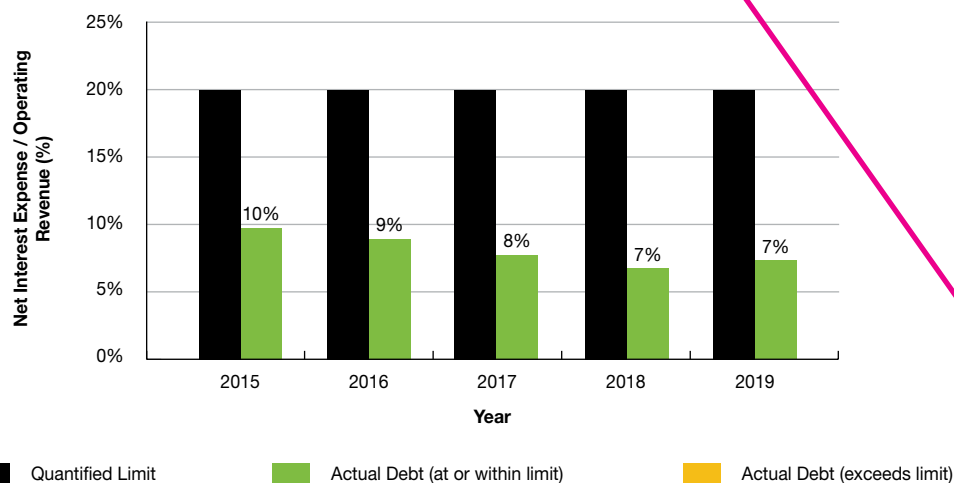


DEBT AFFORDABILITY BENCHMARK

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. Tauranga City Council has 3 quantified limits on borrowing.

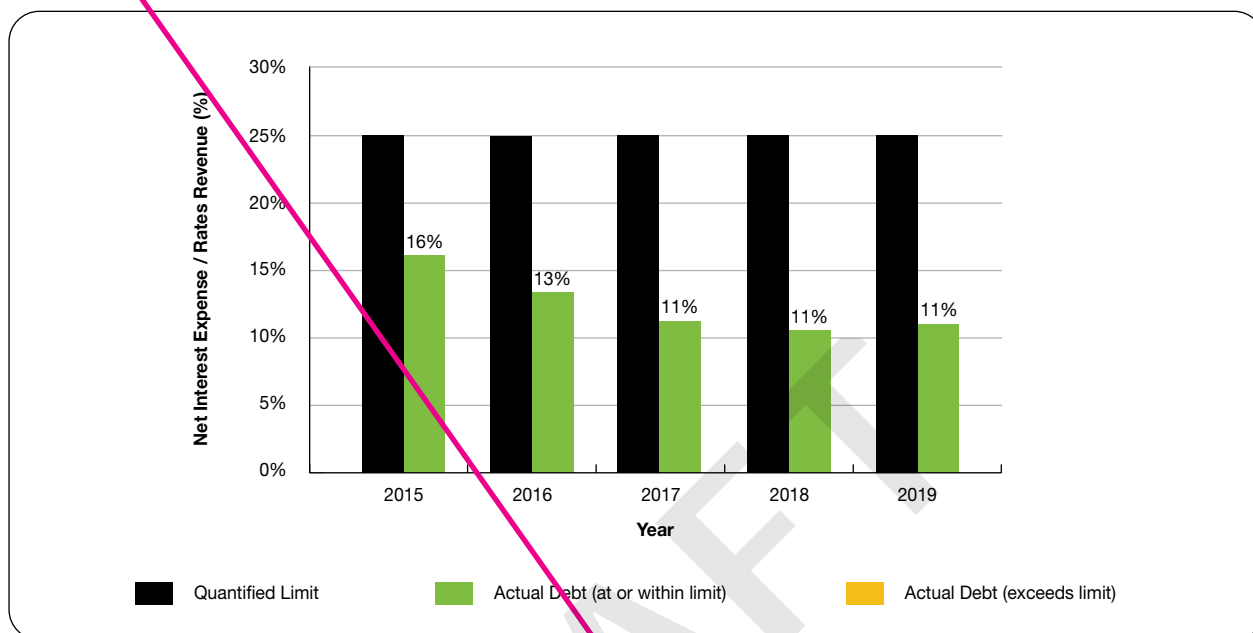
NET INTEREST EXPENSE ON EXTERNAL DEBT AS A PERCENTAGE OF OPERATING REVENUE

The following graph compares the Council's actual borrowing with the first quantified limit on borrowing stated in the financial strategy included in the Council's Long Term Plan. The quantified limit is net interest expense (after interest rate risk management costs/benefits) on external debt as a percentage of annual operating revenue (excluding development contributions) will not exceed 20%.



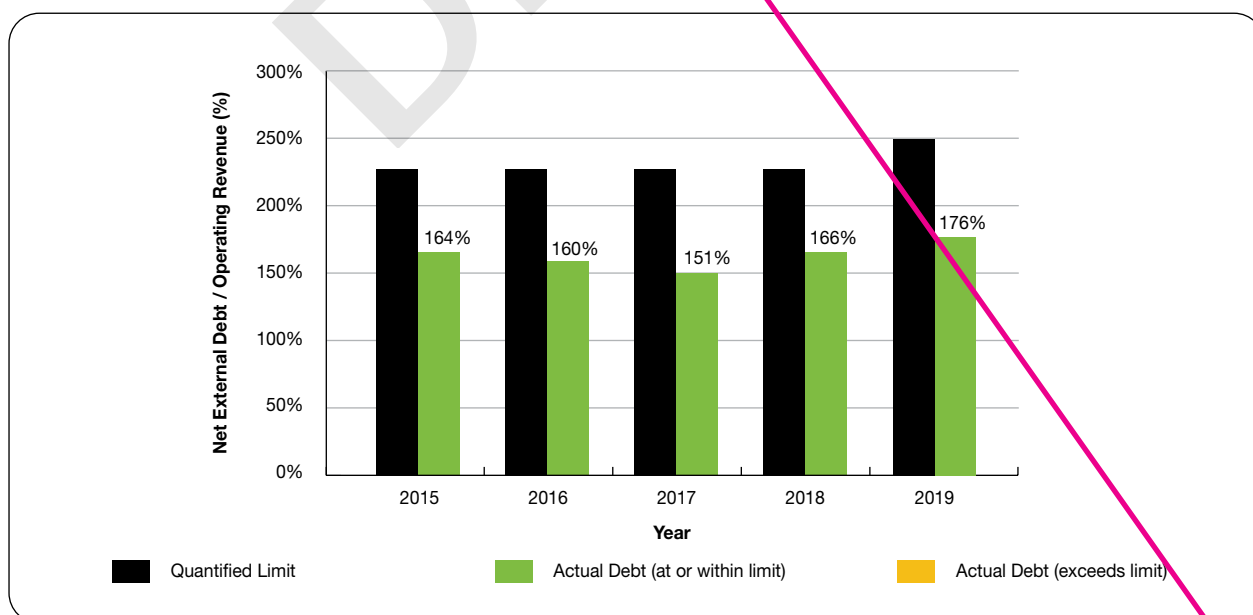
NET INTEREST EXPENSE ON EXTERNAL DEBT AS A PERCENTAGE OF RATES REVENUE

The following graph compares the Council's actual borrowing with the second quantified limit on borrowing stated in the Financial Strategy included in the Council's Long Term Plan. The quantified limit is net interest expense (after interest rate risk management costs/benefits) on external debt as a percentage of annual rates revenue will not exceed 25%.



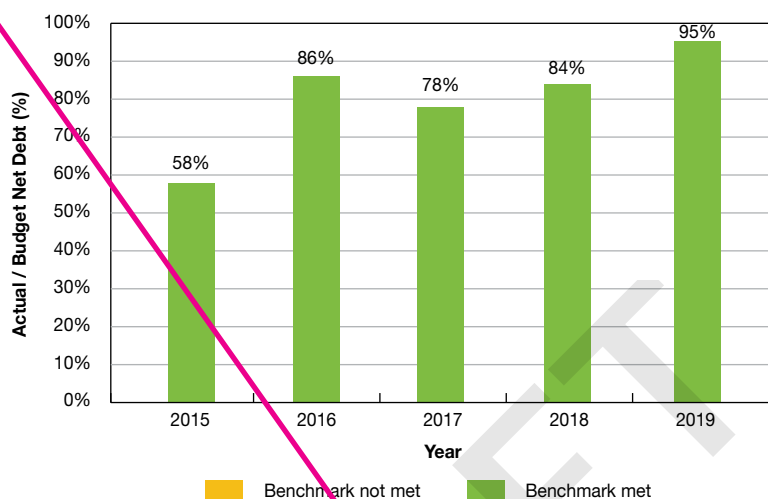
NET EXTERNAL DEBT AS A PERCENTAGE OF OPERATING REVENUE

The following graph compares the Council's actual borrowing with the third quantified limit on borrowing stated in the financial strategy included in the Council's Long Term Plan. The quantified limit is Net External debt as a percentage of annual operating revenue (excluding development contributions) will not exceed 250% (prior to 2019 the limit was 225%).



DEBT CONTROL BENCHMARK

The following graph displays the Council's actual debt as a proportion of planned net debt. In this statement net debt means financial liabilities less financial assets (excluding trade and other receivables). The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



OPERATIONS CONTROL BENCHMARK

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flows from operations. The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



2014 - Payments to suppliers and employees exceeded budget, mainly due to the timing of payments to suppliers.

CALCULATIONS

	2015	2016	2017	2018	2019
RATES INCOME AFFORDABILITY \$000					
Annual Report Rates Income	130,948	137,574	144,850	154,927	167,351
Relevant Long Term Plan Rates Budget / Calculated limit*	132,074	137,012	142,768	150,032	167,941

* For 2019 a specific numerical limit was not given in the Long Term Plan. In place of this a calculated limit was given, being prior year rates income, inflated by the current year rates limit increase.

RATES INCREASES AFFORDABILITY					
Rates Revenue Budget	114,669	119,901	124,973	131,497	145,787
Water by Meter Revenue Budget	17,405	17,111	17,795	18,535	21,118
Rates Revenue Actual	114,179	120,314	126,314	134,978	146,040
Water by Meter Revenue Actual	16,769	17,460	18,536	19,949	21,311
Rates Increase	4.8%	4.9%	5.3%	7.0%	8.0%
CPI increase / Agreed limit*	2.00%	1.70%	1.90%	2.00%	5.80%
Growth	1.00%	1.60%	1.63%	1.69%	2.60%
2%	2.00%	2.00%	2.00%	2.00%	0.00%
Total Rates Increase Limit	5.0%	5.3%	5.5%	5.7%	8.4%

* For 2015 - 2018 this was the CPI increase. For 2019 this was Council's agreed limit on rates.

BALANCED BUDGET					
Operating Revenue	179,240	185,974	198,745	209,559	229,333
Plus: Capital subsidy revenue	8,642	5,560	7,691	32,649	21,575
Plus: Investment property revaluation gains	11,219	10,682	5,941	700	11,612
Plus: Other gains on non-financial instrument's	20,550	5,863	2,572	2,976	3,524
Total Revenue excluding Asset Development	219,651	208,079	214,949	245,884	266,044
Operating Expenditure	173,749	191,072	199,847	223,002	241,571
Plus: Other losses on non-financial instruments	4,134	6,264	3,955	5,812	6,926
Plus: Provisions Expense	3,499	1,414	5,000	14,910	-2,547
Total Expenditure excluding Financial Instruments	181,382	198,750	208,802	243,724	245,950
Revenue/Expenditure	121%	105%	103%	101%	108%

ESSENTIAL SERVICES BENCHMARK					
Capital Expenditure					
Stormwater	17,339	9,051	12,536	15,130	20,385
Waste Water	15,193	14,763	19,703	18,753	44,077
Water Supply	7,923	7,817	16,277	15,449	25,792
Transportation	23,398	19,477	24,263	56,329	31,104
Capital Expenditure on Essential Services	63,852	51,109	72,780	105,662	121,359
Depreciation					
Stormwater	3,143	3,695	4,377	4,064	4,766
Waste Water	7,624	9,836	10,085	10,703	8,391
Water Supply	6,416	7,331	7,126	7,273	6,231
Transportation*	10,555	10,782	11,484	11,919	13,014
Depreciation on Essential Services	27,737	31,645	33,073	33,959	32,402
Capital Expenditure as Proportion of Depreciation	230%	162%	220%	311%	375%

* Depreciation expense stated in Note 7 for Transportation includes Parking Management depreciation, which needs to be removed for the purposes of this graph.

	2015	2016	2017	2018	2019
DEBT SERVICING BENCHMARK					
Operating Revenue	219,651	208,079	214,949	245,884	266,044
Borrowing costs	24,809	20,834	18,920	19,159	20,865
Borrowing Costs/Operating Revenue	11%	10%	9%	8%	8%
Limit	15%	15%	15%	15%	15%
DEBT AFFORDABILITY BENCHMARK LIMIT 1					
Borrowing costs	24,809	20,834	18,920	19,159	20,865
Interest Revenue	3,768	2,559	2,668	2,722	2,405
Net Interest Expense	21,041	18,275	16,252	16,437	18,460
Operating Revenue	219,651	208,079	214,949	245,884	266,044
Net Interest Expense/Operating Revenue	10%	9%	8%	7%	7%
Quantified Limit	20%	20%	20%	20%	20%
DEBT AFFORDABILITY BENCHMARK LIMIT 2					
Borrowing costs	24,809	20,834	18,920	19,159	20,865
Interest Revenue	3,768	2,559	2,668	2,722	2,405
Net Interest Expense	21,041	18,275	16,252	16,437	18,460
Rates Revenue	130,948	137,574	144,850	245,884	167,351
Net Interest Expense/Rates Revenue	16%	13%	11%	11%	11%
Quantified Limit	25%	25%	25%	25%	25%
DEBT AFFORDABILITY BENCHMARK LIMIT 3					
Actual Net External Debt					
Cash and Equivalents	35,562	18,570	54,625	21,799	16,556
Borrowings Current	75,000	30,000	30,057	50,000	54,958
Borrowings Non Current	255,318	285,542	325,339	320,311	402,670
Total Borrowings	330,318	315,542	355,396	370,311	457,628
Actual Net External Debt	294,756	296,972	300,771	348,512	441,072
Net External Debt/Operating Revenue	164%	160%	151%	166%	176%
Quantified Limit	225%	225%	225%	225%	250%
DEBT CONTROL BENCHMARK					
Actual Net Debt					
Financial Assets (excluding debtors and other receivables)	142,862	128,186	95,643	65,137	62,697
Financial Liabilities	382,431	394,757	432,924	464,783	563,682
Actual Net Debt	239,569	266,571	337,281	399,646	500,985
Planned Net Debt					
Financial Assets (excluding debtors and other receivables)	56,015	102,908	10,322	11,358	11,627
Financial Liabilities	469,731	411,115	443,635	485,071	537,367
Planned Net Debt	413,716	308,207	433,313	473,713	525,740
Actual/Budget Percentage	58%	86%	78%	84%	95%
OPERATIONS CONTROL BENCHMARK					
Actual Cash flows	84,569	64,000	93,590	86,908	108,271
Planned Cash Flows	62,024	62,296	71,490	76,685	94,157
Actual/Budgeted Cash Flows	136%	103%	131%	113%	115%

Rating Base Information

Council's general rates are set based on capital value, with a residential/commercial differential of 1:1.067. The uniform annual general rate is set on each separately used or inhabited part of a rating unit at close to 25% of the total assessed rates. A targeted resilience rate based on capital value is assessed on all rateable properties. A targeted economic development rate based on capital value is assessed on all commercial properties.

Council also set minor targeted rates for level of service in three subdivisions (The Lakes, Pāpāmoa Coast and Excelsa), and four Mainstreet targeted rates assessed on commercial properties within each Mainstreet area.

Council sets targeted rates for wastewater and water supply on properties that are, or can be, connected to the reticulation systems. Water targeted rates are predominantly based on a volumetric rate for each cubic metre of water consumed. A targeted glass-recycling rate is assessed on all residential properties who receive the kerbside glass collection service.

All of the above are set and assessed under the Local Government (Rating) Act 2002.

TAURANGA CITY COUNCIL RATEPAYER DATA

	2014	2015	2016	2017	2018	2019
Number of Rating units	51,430	52,046	53,006*	53,901	55,574	56,792
Total Capital Value (\$ Millions)	27,103	27,513	28,040	33,499	34,480	35,365
Total Land Value (\$ Millions)	13,803	13,888	14,004	16,753	17,032	17,254

FURTHER BREAKDOWN*

Residential Ratepayers

Residential rating Units	48,655	49,238	50,200	51,017	52,529	53,719
Residential rating units growth from previous year	0.8%	1.2%	2.0%	1.6%	3.0%	2.3%
Residential capital Value (\$Millions)	21,662	22,002	22,440	26,998	27,738	28,535
Residential capital Value growth from previous year	-1.5%	1.6%	2.0%	17%	2.7%	2.9%

Commercial ratepayers

Commercial rating Units	3,142	3,182	3,188	3,264	3,390	3,435
Commercial rating units growth from previous year	1.7%	1.3%	0.2%	2.3%	3.9%	1.3%
Commercial capital Value (\$Millions)	5,441	5,511	5,600	6,502	6,742	6,830
Commercial capital Value growth from previous year	1.7%	1.3%	1.6%	14%	3.7%	1.3%

* Number of rating units for residential and commercial exceeds the total number of rating units because it includes primary and secondary rating units.

Funding Impact Statement Whole of Council

Tauranga City Council: Funding Impact Statement for Whole of Council for the year ended 30 June 2019

	2018/2019 AP* \$000's	2018/2019 Actual \$000's	2019/2020 AP* \$000's	2019/2020 Actual \$000's
SOURCES OF OPERATING FUNDING				
General Rates, Uniform Annual General Charges, Rates Penalties	110,727	111,074		
Targeted Rates	56,178	56,277		
Subsidies and Grants for Operating Purposes	5,540	6,195		
Interest and Dividends from Investments	2,447	2,809		
Fees and Charges	54,318	51,103		
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	1,532	1,876		
Total Sources of Operating Funding (A)	230,742	229,334		
APPLICATIONS OF OPERATING FUNDING				
Payments to Staff and Suppliers	171,325	167,869		
Finance Costs	21,550	20,865		
Other Operating Funding Applications	221	(2,478)		
Total Applications of Operating Funding (B)	193,096	186,256		
Surplus/(Deficit) of Operating Funding (A-B)	37,646	43,078		
SOURCES OF CAPITAL FUNDING				
Subsidies and Grants for Capital Expenditure	29,043	16,689		
Development and Financial Contributions	28,480	26,646		
Increase/(Decrease) in Debt	91,154	90,737		
Gross Proceeds from the Sale of Assets *	18,009	14,120		
Lump Sum Contributions	1,600	14,059		
Other Dedicated Capital Funding	0	0		
Total Sources of Capital Funding (C)	168,366	162,251		
APPLICATION OF CAPITAL FUNDING				
Capital Expenditure				
- to meet additional demand	68,962	82,116		
- to improve level of service	111,831	96,267		
- to replace existing assets	33,137	28,413		
Increase/(Decrease) in Reserves	(7,919)	(1,466)		
Increase/(Decrease) of Investments *	0	0		
Total Applications of Capital Funding (D)	206,012	205,329		
Surplus/(Deficit) of Capital Funding (C-D)	(37,646)	(43,078)		
Funding balance ((A-B)+(C-D))	0	0		

* In the above statement although it says AP (Annual Plan) which is a specific heading requirement under the legislation the budget figures actually reflect the 2018/19 Long Term Plan budget figures as it is the first year of the Long Term Plan.

Financial statements

Tauranga City Council: Statement of Comprehensive Revenue and Expenses for the year ended 30 June 2020

		Council			Consolidated	
		Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
	Note					
OPERATING REVENUE						
Rates	2	179,605	178,671	167,351	179,457	167,122
Fees and Charges	4	49,951	57,653	51,773	62,258	67,778
Grants and Subsidies	5	9,921	7,142	7,400	12,394	7,024
Finance Revenue	6	3,333	2,220	2,809	2,481	2,156
Total Operating Revenue		242,810	245,686	229,333	256,590	244,080
ASSET DEVELOPMENT REVENUE AND OTHER GAINS						
Vested Assets	11	24,110	50,494	25,392	24,110	25,392
Development Contributions	12	30,877	26,067	26,646	30,877	26,646
Grants and Subsidies Capital Expenditure Contributions	13	11,784	24,781	21,575	11,784	21,575
Other Capital Expenditure Contributions	14	0	0	9,174	0	9,174
Other Gains	15	5,022	765	16,819	5,022	16,819
Total Asset Development Revenue and Other Gains		71,793	102,107	99,606	71,793	99,606
TOTAL REVENUE	3	314,603	347,793	328,939	328,383	343,686
OPERATING EXPENDITURE						
Depreciation and Amortisation expense	7	(55,947)	(59,863)	(52,767)	(62,374)	(59,166)
Personnel Expenses	8	(63,724)	(63,630)	(57,377)	(76,181)	(69,509)
Finance Expenses	9	(22,206)	(22,841)	(21,027)	(22,252)	(21,042)
Other Operating Expenses	10	(116,732)	(115,137)	(110,400)	(116,083)	(111,254)
Total Operating Expenditure		(258,609)	(261,471)	(241,571)	(276,890)	(260,971)
OTHER EXPENSES						
Assets Vested to Other Parties	18	0	0	(2,394)	0	(2,394)
Other Losses	17	(26,410)	0	(6,926)	(26,410)	(6,928)
Provisions Expense	16	(12,500)	(1,200)	2,547	(12,500)	2,547
Unrealised Loss on Interest Swaps	17	(13,463)	0	(20,159)	(13,463)	(20,159)
Total Other Expenses		(52,373)	(1,200)	(26,932)	(52,373)	(26,934)
TOTAL EXPENDITURE		(310,982)	(262,671)	(268,503)	(329,263)	(287,905)
Operating Surplus/(Deficit) Before Tax and Share of Equity Accounted Investments		3,621	85,122	60,436	(880)	55,781
Share in Associate Surplus/(Deficit)	26	0	0	0	1	5
SURPLUS/(DEFICIT) BEFORE TAX		3,621	85,122	60,436	(879)	55,786
Income Tax (Expense)/Benefit	19	0	0	548	2,551	1,430
SURPLUS/(DEFICIT) AFTER TAX		3,621	85,122	60,984	1,672	57,216
OTHER COMPREHENSIVE REVENUE AND (EXPENSES)						
Asset Revaluation Reserve Gains /(Losses)		(6,386)	0	321,609	(6,386)	321,274
Tax on Other Comprehensive Revenue	19	0	0	0	0	0
Total Other Comprehensive Revenue and (Expenses)		(6,386)	0	321,609	(6,386)	321,274
TOTAL COMPREHENSIVE REVENUE AND (EXPENSES)		(2,765)	85,122	382,593	(4,714)	378,490

Explanation of major variances against budget are provided in Note 48.

Summary of significant accounting policies and the accompanying notes form part of these financial statements.

Tauranga City Council: Statement of Financial Position as at 30 June 2020

	Note	Council			Consolidated	
		Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
ASSETS						
Current Assets						
Cash and Cash Equivalents	21	14,774	0	16,556	15,853	17,126
Debtors and Other Receivables	22	39,750	47,809	30,419	39,450	31,805
Inventories		444	452	451	801	836
Derivative Financial Instruments	23	0	264	218	0	218
Other Investments	27	0	0	0	627	817
Non Current Assets Held For Sale	24	14,692	1,808	14,213	14,699	14,220
Total Current Assets		69,660	50,333	61,857	71,430	65,022
NON CURRENT ASSETS						
Derivative Financial Instruments	23	0	583	0	0	0
Investment In Associate	26	0	0	0	212	212
Other Financial Assets:						
Investments - Other Entities	28	391	380	364	391	364
Investment In Council Controlled Organisations	28	113,227	114,307	109,209	10,883	9,270
Other Financial Assets	25	22,343	21,614	21,582	22,343	21,582
Investment Properties	29	55,765	39,019	56,141	55,765	56,141
Intangible Assets	31	30,001	11,189	15,634	30,500	16,242
Forestry	32	9,872	9,798	10,641	9,872	10,641
Property, Plant and Equipment	30	4,324,052	4,046,002	4,248,159	4,447,294	4,373,002
Total Non Current Assets		4,555,651	4,242,892	4,461,730	4,577,260	4,487,454
TOTAL ASSETS		4,625,311	4,293,225	4,523,587	4,648,690	4,552,476
CURRENT LIABILITIES						
Payables and Deferred Revenue	33	60,882	68,754	63,684	62,282	65,327
Provisions	38	29,251	9,128	19,164	29,251	19,164
Employee Entitlements	34	5,431	3,975	4,330	6,926	5,535
Deposits Held	35	6,173	6,228	5,577	6,186	5,589
Revenue in Advance Development Contributions and Other	36	5,375	9,795	5,175	6,583	6,764
Derivative Financial Instruments	23	1,486	690	1,473	1,486	1,473
Borrowings	37	54,079	45,000	54,958	55,079	55,932
Total Current Liabilities		162,677	143,570	154,361	167,793	159,784
NON CURRENT LIABILITIES						
Deferred Tax Liability	20	1,354	0	1,354	8,442	10,992
Provisions	38	4	14	4	4	4
Employee Entitlements	34	0	39	40	0	40
Derivative Financial Instruments	23	69,286	37,308	56,054	69,286	56,054
Borrowings	37	485,620	498,761	402,670	485,620	402,670
Other non-current liabilities		0	1,907	0	0	0
Total Non Current Liabilities		556,264	538,029	460,122	563,352	469,760
TOTAL LIABILITIES		718,941	681,599	614,483	731,145	629,544
NET ASSETS		3,906,369	3,611,626	3,909,104	3,917,544	3,922,932
EQUITY						
Retained Earnings		687,841	1,181,481	1,129,296	638,297	1,112,920
Other reserves		3,218,528	2,430,145	2,779,808	3,279,247	2,810,012
TOTAL EQUITY		3,906,369	3,611,626	3,909,104	3,917,544	3,922,932

In accordance with the Local Government Act 2002 Schedule 10 Part 3(34), all statutory requirements in relation to the Annual Report have been complied with. Explanations of major variances against budget are provided in note 48.

Summary of general accounting policies and the accompanying notes form part of these financial statements.

Tenby Powell
Mayor

Marty Grenfell
Chief Executive

Paul Davidson
General Manager - Corporate Services

XX September 2020

XX September 2020

XX September 2020

Tauranga City Council: Statement of Movements in Equity for the year ended 30 June 2020

	Council			Consolidated	
	Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
EQUITY AT END OF PRIOR YEAR	3,909,105	3,526,507	3,526,509	3,922,933	3,545,255
Total Comprehensive Revenue and Expenses	(2,765)	85,122	382,593	(4,714)	378,490
Adjustment to Retained Earnings in Subsidiary	0	0	0	0	(813)
Other Movements	29	(3)	0	(675)	0
Movements in Equity for the year	(2,736)	85,119	382,593	(5,389)	377,677
EQUITY AS AT 30 JUNE	3,906,369	3,611,626	3,909,104	3,917,544	3,922,932
COMPONENTS OF EQUITY					
Retained Earnings					
Reserves at Beginning of Year	1,129,294	1,045,964	1,045,964	1,112,920	1,032,728
Surplus/(Deficit) After Taxation for the Year	3,621	85,120	60,984	1,672	57,216
Net Transfers from Other Reserves	(445,106)	50,402	22,346	(475,621)	23,789
Adjustment to Retained Earnings in Subsidiary	0	0	0	0	(813)
Other Adjustments	32	(6)	0	(674)	0
Retained Earnings at End of the Year	687,841	1,181,480	1,129,294	638,297	1,112,920
Restricted Reserves					
Reserves at Beginning of the Year	(115,039)	(86,424)	(86,424)	(114,906)	(86,424)
Net Transfer (to)/from Retained Earnings	(47,517)	(51,214)	(28,615)	(47,317)	(28,482)
Restricted Reserves at End of the Year	(162,556)	(137,638)	(115,039)	(162,223)	(114,906)
Restricted Reserves consists of:					
Trusts	798	868	777	798	777
Other Restricted Reserves	4,416	4,273	4,313	4,746	4,446
Development Contributions	(167,770)	(142,779)	(120,129)	(167,770)	(120,129)
Restricted Reserves as at 30 June	(162,556)	(137,638)	(115,039)	(162,226)	(114,906)
Council Created Reserves					
Reserves at Beginning of the Year	127,191	117,922	117,922	126,013	118,324
Net Transfers (to)/from Retained Earnings	3,052	812	9,269	2,360	7,689
Council Created Reserves at End of Year	130,243	118,734	127,191	128,373	126,013
Council Created Reserves consists of:					
Depreciation Reserves	145,569	127,643	132,276	145,569	132,276
Other Special Purpose Reserves	(15,326)	(8,909)	(5,085)	(17,196)	(6,263)
Council Created Reserves as at 30 June	130,243	118,734	127,191	128,373	126,013
Asset Revaluation Reserves					
Reserves at Beginning of the Year	2,767,656	2,449,047	2,449,047	2,798,905	2,480,632
Net Impact of Revaluations on Revaluation Reserves Gains/(Losses)	(6,386)	0	321,609	(6,386)	321,274
Net Transfers (to)/from Retained Earnings on Asset Disposals	489,571	0	(3,000)	520,578	(3,001)
Asset Revaluation Reserves at End of the Year	3,250,841	2,449,047	2,767,656	3,313,097	2,798,905
Asset Revaluation Reserves Consists of:					
Heritage	602	602	602	602	602
Distribution Systems	780,698	464,586	634,474	780,698	634,474
Library	5,937	1,041	334	5,937	334
Land, Building and Improvements	2,030,363	1,911,762	1,902,892	2,092,619	1,934,141
Road Network	438,833	71,056	234,946	438,833	234,946
Deferred Tax on Asset Revaluation	(5,592)	0	(5,592)	(5,592)	(5,592)
Asset Revaluation Reserves as at 30 June	3,250,841	2,449,047	2,767,656	3,313,097	2,798,905
EQUITY AT END OF THE YEAR	3,906,369	3,611,626	3,909,104	3,917,544	3,922,932

Explanations of major variances against budget are provided in note 48.

Summary of accounting policies and the accompanying financial statements form part of these financial statements.

Accounting policy



Equity

Equity is the community's interest in Tauranga City Council measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Retained Earnings
- Restricted Reserves
- Council Created Reserves
- Asset Revaluation Reserve

Retained Earnings

Retained earnings are the cumulative surplus of revenue over expenditure that has been retained in the entity which have not been allocated to another reserve.

Reserves

Reserves are a component of equity generally representing a particular use for which various parts of equity have been assigned. Reserves may be legally restricted or created by Tauranga City Council. Refer to note 49.

Asset Revaluation Reserve

This reserve relates to the revaluation of property, plant and equipment to fair value through other comprehensive revenue and expense. This comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

Tauranga City Council: Statement of Cash Flows for the year ended 30 June 2020

	Council			Consolidated	
	Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Cash Flows from Operating Activities					
Receipts from Rates Revenue*	175,807	176,250	166,421	175,807	166,421
Grants and Subsidies Received	24,046	30,405	55,679	32,123	56,423
Insurance Proceeds Received	0	0	9,174	0	9,174
Development and Financial Contributions Received	30,877	26,067	26,646	30,877	26,646
Fees and Charges Received	43,538	59,681	44,582	60,065	61,230
Interest Received	2,399	1,822	2,256	2,439	2,286
Dividends Received	829	398	404	829	404
Receipts from Other Revenue	0	0	0	131	298
GST (net)	0	0	0	0	103
Total Operating Cash Provided	277,498	294,623	305,162	302,273	322,985
Payments to Suppliers	(121,959)	(129,642)	(113,738)	(130,734)	(115,632)
Payments to Employees	(62,253)	(63,630)	(56,802)	(74,418)	(68,840)
Interest Paid	(23,136)	(22,629)	(20,057)	(23,161)	(20,753)
GST (net)	1,627	0	(6,294)	1,631	(6,361)
Total Operating Cash Applied	(205,721)	(215,901)	(196,891)	(226,682)	(211,586)
Net Cash Inflow/(Outflow) from Operating Activities	39	71,777	108,271	75,591	111,399
Cash Flows from Investing Activities					
Receipts from Sale of Property, Plant and Equipment	4,338	1,808	3,473	4,571	3,500
Receipts from Sale of Intangible Assets	0	0	0	214	0
Receipts from Sale of Investments and Council Controlled Organisation's Repayment of Borrowings	9,000	(7,813)	12,580	214	83
Total Investing Cash Provided	13,338	(6,005)	16,053	13,814	3,583
Purchase of Property, Plant, and Equipment	(143,158)	(267,707)	(197,281)	(149,461)	(201,163)
Purchase of Intangible Assets	(17,621)	0	(4,564)	(17,621)	(4,564)
Purchase of Investment Property	0	0	0	(6,332)	0
Movement of Investments in Council Controlled Organisation's	(11,114)	0	(14,429)	(2,131)	(756)
Total Investing Cash Applied	(171,893)	(267,707)	(216,274)	(175,545)	(206,483)
Net Cash Flow from Investing Activities	(158,555)	(273,712)	(200,221)	(161,731)	(202,900)
Cash Flows from Financing Activities					
Proceeds from Borrowings	207,189	223,450	148,247	207,361	147,515
Repayment of Borrowings	(122,193)	(50,000)	(61,281)	(122,493)	(61,281)
Net Cash Flow from Financing Activities	84,996	173,450	86,966	84,868	86,234
NET INCREASE / (DECREASE) IN CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS	(1,782)	(21,540)	(4,984)	(1,272)	(5,267)
Opening Cash, Cash Equivalents, and Bank Overdrafts	16,556	21,540	21,540	17,126	22,393
CLOSING CASH, CASH EQUIVALENTS, AND BANK OVERDRAFTS	14,774	0	16,556	15,854	17,126

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been prepared on a net basis, as the gross amounts do not provide meaningful information for financial purposes.

See note 48 for an explanation of major variances to budget.

* Rates collected on behalf of the Bay of Plenty Regional Council are included in receipts of rates revenue and the subsequent payment in payments to/on behalf of other authorities. These are not included in the budget figures.

Basis of reporting

This section contains the significant accounting policies of the Council and the group that relate to the financial statements as a whole.

Significant accounting policies are also included in the related note disclosures.

Signposts Explanation headings



Accounting Policy



Critical Accounting Estimates, Assumptions and Judgements



Local Government Disclosures

Note 1: General accounting policies - for the year ended 30 June 2020

1.1 Reporting entity

Tauranga City Council is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the Local Government Act 2002 and the Local Government (Rating) Act 2002. The Council's principal address is 91 Willow Street Tauranga.

The Tauranga City Council group consists of Tauranga City Council and its subsidiaries; Bay Venues Limited (100%) controlled by Tauranga City Council, and Tauranga Art Gallery Trust (100%) controlled by Tauranga City Council.

Tauranga City Council has 50% interest in Tourism Bay Of Plenty which is treated as an investment in an associate.

All of Tauranga City Councils' subsidiaries are incorporated and domiciled in New Zealand.

The primary objective of Tauranga City Council and Group is to provide local infrastructure, local public services and perform regulatory functions for the community. The Council does not operate to make a financial return. Accordingly, Tauranga City Council has designated itself and the Group as Public Benefit Entities (PBE's) for financial reporting purposes.

The Council or others have no power to amend the financial statements after their issue apart from minor changes to presentation. The Council authorises the Chief Executive to make any necessary minor presentation or typographical amendments to the financial statements after their issue.

The Financial Statements of Tauranga City Council and Group are for the year ended 30 June 2020. The Financial Statements were authorised for issue by Tauranga City Council on 28 October 2020.

1.2 Basis of preparation

The financial statements have been prepared on the going concern basis and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of Tauranga City Council and Group have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014 which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 Public Benefit Entity (PBE) accounting standards.

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000), other than the Mayor and Councillor remuneration disclosures in note 43 and Related Party Transactions with Subsidiaries and Associates in note 45.

Foreign Currency Transactions

Foreign currency transactions are converted into NZ\$ using the exchange rates prevailing at the dates of the transactions. Foreign monetary assets and liabilities held at year end are also converted into NZ\$. Foreign exchange gains and losses from these activities are recognised in the surplus or deficit.

Goods and Services Tax

All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for receivables and payables, which are presented on a GST inclusive basis. When GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by Tauranga City Council in its 2018-28 Long Term Plan. The figures included in these financial statements are for Tauranga City Council as a separate entity. These figures do not include additional expenditure subsequently approved by Tauranga City Council outside the Long Term Plan process. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by Tauranga City Council for the preparation of these financial statements. The budget figures do not include budget information relating to the subsidiaries or associates, with the exception of grants and loans provided to these entities.

Cost Allocation

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Changes in accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and there have been no changes in accounting policies.

Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council and group are:

Interests in other entities

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34 - 38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6 - 8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements.

The Council and Group has not yet assessed the effects of these new standards.

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements.

The Council and Group has not yet assessed the effects of the new standard.

Critical accounting estimates, assumptions and judgements

In preparing these financial statements Tauranga City Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. This applies to the following notes:

Note 25- Other Financial Assets

Note 29- Investment Property

Note 30- Property, Plant and Equipment

Note 38- Provisions

Earthquake prone buildings

earthquake prone buildings are a key challenge facing councils and private property owners.

Tauranga City Council undertook a full assessment to identify buildings that may be earthquake prone. As a result of the assessment, valuations carried out during the 2017/18 year have allowed for those assessments.

1.3 Basis of consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, and expenses of entities in the group on a line-by-line basis. All intragroup balances, transactions, revenues and expenses are eliminated on consolidation.

Subsidiaries

Tauranga City Council consolidates in the Group financial statements all entities where Tauranga City Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where Tauranga City Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Tauranga City Council or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

Tauranga City Councils' investments in its subsidiaries are carried at cost in Tauranga City Councils' own "parent entity" financial statements.

Associate

An associate is an entity over which the Tauranga City Council has significant influence and is neither a subsidiary nor an interest in a joint venture. Refer to note 26.

Investment

Tauranga City Council also has an 11.11% interest in Bay of Plenty Local Authority Shared Service (BOPLASS), a company set up by nine local authorities in the Bay of Plenty region. This is treated as an investment by Tauranga City Council. These are not consolidated but are accounted for as investments by Tauranga City Council. Refer to notes 25 and 28.

Operating notes

Note 2: Rates

Accounting policy

General rates, targeted rates (including water by meter) and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.

Revenue arising from late payment penalties is recognised when rates become overdue.

Rates collected on behalf of Bay of Plenty Regional Council (BOPRC) are not recognised in the financial statements as the Council is acting as an agent for Bay of Plenty Regional Council.

Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its Rates Remission Policy.

Tauranga City Council's rates remission policy allows rates to be remitted on condition of a ratepayer's extreme financial hardship, land used for sport and land protected for historical, cultural or other charitable purposes.

Revenue from water by meter rates is recognised on an accrual basis. Revenue is based on the actual usage as a result of meter reading. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.



	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Rates Revenue	155,421	147,067	155,383	146,982
Less Remissions for General Rates	(2,771)	(3,320)	(2,771)	(3,320)
Net Rates Revenue	152,650	143,747	152,612	143,662
Glass Collection Targeted Rate	1,762	1,247	1,762	1,247
Resilience Targeted Rate	1,239	1,068	1,239	1,068
Water by Meter Targeted Rate	23,976	21,311	23,866	21,167
Less Water by Meter Rate Remissions	(22)	(22)	(22)	(22)
Total Targeted Rates	26,955	23,604	26,845	23,460
Total rates, excluding targeted water supply rates	179,605	167,351	179,457	167,122

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
General Rates ^{*1}	90,337	78,409	90,299	78,325
Glass Collection Targeted Rate	1,762	1,247	1,762	1,247
Uniform Annual General Charge	34,044	39,829	34,044	39,829
Wastewater Charge	29,268	27,041	29,268	27,041
Water Rates Base Charge	1,773	1,786	1,773	1,786
Less Remissions for General Rates	(2,771)	(3,320)	(2,771)	(3,320)
Resilience Targeted Rate	1,239	1,068	1,239	1,068
Water by Meter Targeted Rate	23,976	21,311	23,866	21,167
Less Water by Meter Remissions	(22)	(22)	(22)	(22)
TOTAL ANNUAL RATES INCOME	179,605	167,351	179,457	167,122
^{*1} General Rates includes Stormwater levy \$2.3m (2019: \$2.3m), Bay Venues Depreciation Reserve \$4.4m (2019: \$3.9m).				
Rate Penalties	752	612	752	612
Rate penalties is included under Fees and Charges note 4.				
Water by Meter Charge per Cubic Metre (GST Exclusive)	\$1.86	\$1.73		
Water Consumption Quantity (Cubic Metres)	15,966	15,066		

Local Government disclosures



Rating Units, Capital Value and Land Value

Rates Revenue is the main source of funding for Tauranga City Council. In the district or region of the local authority, as at 30 June 2020. The total number of rating units for 2019/20 was 58,490 compared with 56,792 the previous year.

Separately used or inhabited parts of a rating unit (SUIPS) **2020** 65,311 **2019** 63,617

	2020 (\$ Millions)	2019 (\$ Millions)
Capital Value	51,912	35,365
Land Value	28,552	17,254

Non Rateable Land

Under the Local Government (Rating) Act 2002, certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens and reserves. These non rateable properties may be subject to targeted rates in respect of sewerage, water, refuse, and sanitation. The non rating of non rateable land does not constitute a remission under the Council's rates remission policy.

Note 3: Revenue from exchange and non exchange transactions

Accounting policy

The Council and the group receive their revenue from exchange or non exchange transactions.

Exchange transaction revenue arises when the Council and the Group provide goods and services to a third party and receives approximately equal value in return that is directly related to those goods and services.

Non exchange transaction revenue arises when the Council and the Group receive value from another party without having to provide goods or services of equal value directly. Non exchange revenue comprises rates and transfer revenue. Transfer revenue includes grants, subsidies and fees and user charges derived from activities that are partially funded by rates. Revenue is measured at fair value which is usually the cash value of a transaction.



	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Non Exchange Revenue				
Revenue from Rates and Taxes				
Rates	152,650	143,747	152,612	143,662
Revenue from Transfers				
Non Exchange				
Fines and Infringements	580	766	580	766
Operating Grants and Subsidies	12,255	9,338	14,591	8,405
Found Assets	4,905	0	4,905	0
Vested Assets	19,205	25,392	19,205	25,392
Other Revenue	5,617	5,446	5,762	5,698
Rates Penalty Revenue	752	612	752	612
Gain on Carbon Credits	255	57	255	57
Gains from Property, Plant and Equipment	1,260	490	1,260	490
Gain on Interest Swaps	0	0	0	0
Housing Infrastructure Fund Initial Discount Recognition	440	950	440	950
Gain on Financial Instrument Te Tumu	761	732	761	732
Development Contributions	30,877	26,646	30,877	26,646
Grants and Subsidies Capital Expenditure Contributions	11,784	21,575	11,784	21,575
Revaluation of Forestry Assets	(354)	2,125	(354)	2,125
Other Capital Expenditure Contributions	0	9,174	0	9,174
Growth of Forestry Assets	0	852	0	852
Consents, Licenses and Permits	13,343	12,859	13,343	12,859
Revaluation Gains on Investment Properties	1,874	11,612	1,874	11,612
Revaluation of Library Stock	785	0	785	0
Total Non Exchange	256,989	272,373	259,432	271,607
Exchange				
Glass Collection Targeted Rate	1,762	1,247	1,762	1,247
Resilience Targeted Rate	1,239	1,068	1,239	1,068
Water by Meter Targeted Rate	23,953	21,289	23,843	21,145
Property Revenue	9,802	10,086	10,224	10,119
Other Exchange Revenue	15,609	18,012	15,609	20,784
Sale of Goods	1,914	2,056	13,791	15,561
Dividends	829	404	870	423
Finance Revenue	2,504	2,404	1,611	1,732
Total Exchange	57,612	56,566	68,949	72,079
TOTAL EXCHANGE AND NON EXCHANGE	314,601	328,939	328,381	343,686

Note 4: Fees and charges

Accounting policy



Building and Resource Consent Fees

Revenue from the rendering of services (e.g. building consent fees) is recognised by reference to the stage of completion of the transaction, based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided. Some rendering of services are provided at a market rate or on a full cost recovery basis (e.g. parking fees) and these are classified as exchange.

Donated and Bequeathed Financial Assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met e.g. as the funds are spent for the nominated purpose.

Entrance Fees

Entrance fees are charged to users of the Council's local facilities, such as pools and the Tauranga Art Gallery. Revenue from entrance fees is recognised upon entry to such facilities.

Fees and Charges

User fees and charges are recognised on the basis of actual services provided. Any fees and charges received in advance are recognised as unearned income in Deferred Revenue.

Infringement Fees and Fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued, factoring in the probability of collection.

Fifty percent of warrant and registration fines are payable to central government. These are recognised as a liability until payment is made to central government.

Lease Revenue

Lease revenue is recognised on a straight line basis over the term of the lease.

Sale of Goods

Revenue from the sale of goods is recognised when the product is sold to the customer.

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Consent Fees - Building, Land Use and Subdivision	12,982	12,503	12,982	12,503
Property Revenue	9,802	10,086	10,224	10,119
Other User Fees and Charges*	24,165	25,203	36,050	41,175
Parking - Off and On Street	2,422	3,215	2,422	3,215
Infringement Fees and Fines	580	766	580	766
TOTAL FEES AND CHARGES	49,951	51,773	62,258	67,778

* Other User Fees and Charges includes such items as: sales, landing charges, trade waste, court recoveries, user fees and charges for reserves, libraries, indoor facilities, compliance monitoring, engineering approvals and on consolidation for aquatic facilities and venues.

Note 5: Grants and subsidies

Accounting policy



New Zealand Transport Agency (NZTA) – Rooding Operating Subsidies

Tauranga City Council received funding assistance from the New Zealand Transport Agency. These grants are reimbursements that subsidise part of the costs of maintenance on the local roading infrastructure. The subsidies are recognised as revenue when conditions pertaining to eligible expenditure have been fulfilled.

Tauranga City Council performs certain state highway roading works on behalf of New Zealand Transport Agency (NZTA). These works mainly relate to traffic signals and street lights on state highways. Neither the costs nor recoveries related to this work are included in the surplus or deficit (with the exception of an administration fee). However, they are included as Receipts from Rates Revenue in the Statement of Cash Flows.

Other Grants Received

Government grants and other grants are recognised as revenue when any conditions relating to eligible expenditure have been fulfilled.

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Other Subsidies	3,049	1,473	5,522	1,097
NZTA Subsidies (Operational)	5,815	4,817	5,815	4,817
Petrol Tax	1,057	1,110	1,057	1,110
TOTAL GRANTS AND SUBSIDIES	9,921	7,400	12,394	7,024

There are no unfulfilled conditions and other contingencies attached to the New Zealand Transport Agency subsidies which are recognised.

Other Subsidies include Covid 19 Wage Subsidies relating to employees of Council (\$1.8m), Bay Venues Limited (\$2.7m) and Tauranga City Art Gallery Trust (\$108k).

Note 6: Finance revenue

Accounting policy



Interest and Dividends

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rates.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre acquisition surpluses, the dividend is deducted from the cost of the investment.

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Interest Revenue - Term Deposits	1,506	1,537	1,506	1,537
Interest Revenue - Related Party Loans to Council Controlled Organisations	998	868	105	196
Dividends	829	404	870	423
TOTAL FINANCE REVENUE	3,333	2,809	2,481	2,156

Note 7: Depreciation by groups of activity

Accounting policy



Depreciation

Depreciation is provided on all property, plant and equipment other than land, on a straight line (SL) or diminishing value (DV) basis, at rates calculated to allocate the asset cost less estimated residual value, over the estimated useful life.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. Amortisation charge for each period is recognised in the surplus or deficit.

Intangible assets capitalised to infrastructural assets are amortised at the rate of the principal asset to which they have been capitalised.

Local government disclosures



Under the Local Government (Financial Reporting and Prudence) Regulations 2014, the council is required to disclose the Group's depreciation and amortisation by group of activities.

Depreciation Group of Activities

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Airport	1,628	1,606	1,628	1,606
Animal Services	46	44	46	44
Arts and Heritage	13	0	153	145
Baycourt	513	510	513	510
Beachside Holiday Park	110	84	110	84
Building Services	299	253	299	253
Cemeteries	150	154	150	154
City and Infrastructure Planning	29	2	29	2
City Centre	0	147	0	147
City Events	4	3	4	3
Community Development	1	439	1	439
Corporate Services	6,892	4,245	6,892	4,245
Elder Housing	2,154	2,128	2,154	2,128
Emergency Management	56	4	56	4
Environmental Planning	1	1	1	1
Environmental Protection	25	3	25	3
Governance	2	4	2	4
Libraries	1,066	2,033	1,066	2,033
Marine Facilities	1,499	1,755	1,499	1,755
Marine Precinct	583	257	583	257
Parks and Recreation	5,320	5,849	11,604	12,103
Regulation Monitoring	8	8	8	8
Stormwater	5,152	4,766	5,152	4,766
Sustainability and Waste	291	248	291	248
Transportation	14,505	13,602	14,505	13,602
Wastewater	9,031	8,391	9,031	8,391
Water Supply	6,569	6,231	6,569	6,231
TOTAL DEPRECIATION	55,947	52,767	62,371	59,166

Note 8: Personnel expenses

Accounting policy

Personnel expenses for salaries and wages, annual leave, long service leave and other similar benefits are recognised as expenditure and liabilities when they accrue to employees.



	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Salaries and Wages	58,459	52,442	70,392	64,029
Elected Members' Remuneration	1,210	958	1,210	958
Other Community Representation Remuneration	143	180	143	180
Superannuation*	1,581	1,415	1,837	1,664
Direct Personnel Overheads**	2,213	2,291	2,481	2,587
Remuneration Benefits	118	91	118	91
TOTAL PERSONNEL EXPENSES	63,724	57,377	76,181	69,509

* Superannuation includes employer contributions to Kiwisaver and Defined Benefit Plan Contributors Scheme.

** Direct Personnel Overheads includes ACC, recruitment costs, staff training costs and other staff support costs.

Note 9: Finance expenses

Accounting policy

Borrowing costs are recognised as an expense in the period in which they were incurred.



	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Interest on Borrowings	21,992	20,865	22,038	20,880
Other Financial Expenses	214	162	214	162
TOTAL FINANCE EXPENSES	22,206	21,027	22,252	21,042

Note 10: Other Expenses

Accounting policy



Grant Expenditure

Non discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Administration Expenses	7,692	7,186	8,881	8,495
Audit Fees - Audit New Zealand for Council's Financial Statements	244	242	359	343
Other Audit Fees				
• Audit Fees - Debenture Trust Deed	20	15	20	15
• Audit Fees - Internal Audits KPMG	0	17	0	17
• Audit Fees - NZ Communities Trust Fund	0	5	0	5
Bad Debts Written Off	17	28	17	11
Community Contracts	6,859	6,315	6,859	6,315
Consultants ³	11,340	9,866	11,959	10,509
Electricity	5,246	5,619	6,225	5,715
Grant Expenditure	7,574	8,745	7,574	8,745
Insurance	4,911	3,561	4,876	3,563
Operating Lease Payments	3,231	2,990	3,231	2,990
Operational Contracts	4,401	3,666	4,401	3,666
Other Operating Expenditure ¹	33,849	34,608	29,329	32,381
Provision for Doubtful Debts	1,066	41	1,066	41
Rates ²	2,782	2,484	2,782	2,484
Repairs and Maintenance	27,500	25,012	28,504	25,959
TOTAL OTHER EXPENSES	116,732	110,400	116,083	111,254

¹ Other Operating Expenditure includes such items as: operating costs for treatment plants and pump stations, utilities management fees, vegetation/planting contracts and traffic services.

² Tauranga City Council pays rates at normal arm's length transactions for properties it owns.

³ Included in Consultants is \$1.3m on Asset and Network Management. Building and Resource Consents \$1.8m. Digital Services \$1.0m. Stormwater modelling \$904k. Wastewater modelling \$890k. Consulting to assist various projects & internal operations \$1.8m.

Other operating expenditure over \$500k

	2020 \$'000	2019 \$'000
(a) Biosolid Removal	800	1,300
(b) Chemicals	900	500
(c) Cleaning	2,200	1,800
(d) Debt Servicing Grant	600	500
(e) Education	600	600
(f) Event Fund and Support	600	600
(g) Forestry Cost of Goods Sold	1,200	2,100
(h) Internal Lab Testing	600	700
(i) Litter	900	800
(j) Monitoring	1,000	300
(k) Operating Costs	4,700	6,900
(l) Plan Change	2,700	1,500
(m) Projects	6,400	6,300
(n) Rescue Fire Service	900	700
(o) Revegetation/Planting	400	600
(p) Security	700	1,100
(q) Sludge Disposal	900	500
(r) Study	2,700	1,300
(s) Traffic Services	800	1,000
(t) Vegetation Control	1,700	2,100

Bella Vista

Council bought all 21 properties from affected homeowners in the previous financial year after the Bella Vista development failed and problems were found with the houses and sections.

The Council paid a total of \$14m to settle with the homeowners and received an insurance payout of \$10.5m (both figures are GST inclusive) refer to note 14.

Offsetting this, Council retains ownership of the 21 homes. Income from remediating where possible and selling these properties will go towards offsetting the shortfall.

Bella Vista Sales process

An open market Call for Registrations for Interest (ROI) for the Bella Vista properties' was released by Council on 6 December 2019 and closed on 30 January 2020. The primary purpose of the ROI was for Council to identify parties interested in purchasing the Bella Vista site.

Applying the weighted attribute method, the evaluation of the ROIs resulted in three Preferred Parties being identified. These Preferred Parties were invited to participate in a Request for Proposal (RFP) process. The RFP was released on 22 April 2020 and closed on 11 June 2020. The purpose of the RFP was to identify the party which would provide an outcome best aligned with the project objectives. Two responses to the RFP were received and evaluated. From both parties, further information was sought, received and considered by Council. Ongoing negotiations will be completed towards the end of 2020.

Included in Other Operating Expenses is \$234k (2019 \$2.5m) of costs associated with Bella Vista Homes. The breakdown of the Bella Vista costs is shown below:

Bella Vista operational costs			
	Total costs to date	30 June 2020 \$'000	30 June 2018/19 \$'000
Assessment of Future Dwelling Options	80	0	80
Building and Geotech Assessment	937	29	908
Communications	267	0	267
Governance	505	0	505
Homeowner Support	706	0	706
Investigation	257	0	257
Legal and Operations	1,135	205	930
Security	1,060	0	1,060
TOTAL	4,947	234	4,713

Non operating notes

Note 11: Assets vested to Tauranga City Council

Accounting policy

For assets received for no or nominal consideration, the asset is recognised when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

For long lived assets that must be used for a specific purpose (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects it will need to return or pass the asset to another party.



	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Stormwater Infrastructure	4,491	5,647	4,491	5,647
Wastewater Infrastructure	3,245	3,578	3,245	3,578
Water Infrastructure	2,219	2,081	2,219	2,081
Transportation Infrastructure	5,856	13,060	5,856	13,060
Parks and Recreation Infrastructure	3,394	1,027	3,394	1,027
Found Assets	4,905	0	4,905	0
	24,110	25,392	24,110	25,392

Found assets represent additional assets identified during the year arising out of a strategic finance project to implement the new SAP financial reporting system.

Note 12: Development contributions

Accounting policy

Development and financial contributions are recognised as revenue when Tauranga City Council provides, or is able to provide, the service for which the contribution was charged. In cases where contributions are collected in advance to fund a service that is not currently provided in an area, the contribution is initially recognised as revenue in advance.



	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Stormwater Infrastructure	5,293	3,222	5,293	3,222
Wastewater Infrastructure	9,641	9,238	9,641	9,238
Water Infrastructure	5,880	5,459	5,880	5,459
Transportation Infrastructure	8,625	7,231	8,625	7,231
Reserves and Community Infrastructure	755	887	755	887
Indoor Facilities	683	609	683	609
TOTAL DEVELOPMENT CONTRIBUTIONS	30,877	26,646	30,877	26,646

Development Contributions relate to the revenue received from developers towards various infrastructure projects.

In 2020 most revenue was received in relation to the following growth areas: Papamoa East 1, Pyes Pa West and Tauriko Business Estate.

Note 13: Grants and subsidies capital expenditure contributions

Accounting policy

New Zealand Transport Agency (NZTA) - Roading Capital Subsidies

Tauranga City Council received funding assistance from the New Zealand Transport Agency. These grants are reimbursements that subsidise part of the costs of capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue when conditions pertaining to eligible expenditure have been fulfilled.



	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
New Zealand Transport Agency Capital Contributions ^{*1}	8,273	16,689	8,273	16,689
Other Capital Contributions ^{*2}	3,511	4,886	3,511	4,886
TOTAL GRANTS AND SUBSIDIES CAPITAL EXPENDITURE CONTRIBUTIONS	11,784	21,575	11,784	21,575

^{*1} New Zealand Transport Agency funding was applied to the following projects: (i) funding for various growth projects \$620k (ii) \$5.2m for renewal and improvement projects (iii) LED Streetlight upgrade \$2.0m.

There are no unfulfilled conditions or other contingencies attached to the New Zealand Transport Agency subsidies recognised above.

^{*2} (i) Te Okuroa Drive Stage D \$2.0m contribution towards costs from Developers (ii) NZTA contribution towards the Tauranga Transport Model \$846k.

Note 14: Other capital expenditure contributions

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Insurance Proceeds ^{*1}	0	9,174	0	9,174
TOTAL OTHER CAPITAL EXPENDITURE CONTRIBUTIONS	0	9,174	0	9,174

^{*1} The figure is the GST exclusive figure.

Bella Vista

The insurance proceeds in the year ended 30 June 2019 relate to Bella Vista, refer to note 16.

Note 15: Other gains

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Non Financial Instruments				
Revaluation Movement Investment Property	1,874	11,612	1,874	11,612
Capital Gains on Disposal of Property, Plant and Equipment	1,260	490	1,260	490
Gains on Carbon Credits	255	57	255	57
Revaluation of Forestry Assets	(354)	2,126	(354)	2,126
Growth of Forestry Assets	785	852	785	852
Financial Instruments				
Housing Infrastructure Fund Initial Discount Recognition	440	950	440	950
Gain on Financial Instrument Te Tumu	761	732	761	732
TOTAL OTHER GAINS	5,022	16,819	5,022	16,819
Other Gains by Category				
Gains from Property, Plant and Equipment	1,260	490	1,260	490
Gains from Revaluation	1,776	14,647	1,776	14,647
Housing Infrastructure Fund Initial Discount Recognition	440	950	440	950
Gain on Financial Instrument Te Tumu	761	732	761	732
TOTAL OTHER GAINS BY CATEGORY	4,237	16,819	4,237	16,819

Housing Infrastructure Fund

During the current financial year a \$7.5m interest free loan was drawn down under the Housing Infrastructural Fund (2019: \$8.3m). The current year gain reflects the initial fair value adjustment at market interest rates at the time the loan was drawn down.

Refer to note 37.

Note 16: Provisions expense

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Increase (Decrease) in Provision for Claims Under Weathertight Homes*	12,500	9,000	12,500	9,000
Bella Vista Provision	0	(11,547)	0	(11,547)
TOTAL PROVISIONS EXPENSE	12,500	(2,547)	12,500	(2,547)

* Refer to note 38 for Provisions and note 42 for Contingencies

The Weathertight provision has increased in the current year by \$12.5m as a result of five significant multi unit claims against Council for weathertight repairs that are in various stages of legal proceedings.

The above provision of \$12.5m relates to the settlement that was agreed with the owners of the Cayman apartment building totalling \$21m on 21 May 2020, with payment being made on 28 August 2020.

Bella Vista

In 2018 the Council provided for the purchase of the 21 Bella Vista properties from the homeowners.

A provision was determined using the "wasted expenditure" methodology considered the most likely basis to be applied in the event the matter was settled in court.

During the previous financial year negotiations with the homeowners eventuated in a full and final settlement being made to the homeowners on 4 December 2018. The homeowners were paid \$14m and the Council received an insurance pay out of \$10.5m leaving a difference of \$3.5m (all inclusive of GST).

Offsetting this, Council retained ownership of the 21 homes. Income from remediating where possible and selling these properties will go towards offsetting this shortfall.

As the Council purchased the 21 properties at this time an asset was created and the 2018 provision of \$11.5m was reversed during the year ended 30 June 2019 to reflect this.

Note 17: Other losses

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Assets Written Off	24,891	6,700	24,891	6,700
Loss on Asset Sales	1,519	226	1,519	228
Unrealised Loss on Interest Rate Swaps	13,463	20,159	13,463	20,159
TOTAL OTHER LOSSES	39,873	27,085	39,873	27,087

Included in assets written off during the year was the Work in Progress costs of the Harington Street car park of \$19,871m.

The balance of the asset write offs resulted from a comprehensive review of the existing asset system as part of a strategic finance project.

Note 18: Assets vested to other parties

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Assets Vested to Other Parties	0	2,394	0	2,394
TOTAL ASSETS VESTED TO OTHER PARTIES	0	2,394	0	2,394

Tauranga City Council vested the Takitimu Drive overbridge SH29 to New Zealand Transport Agency in the year ended 30 June 2019.

Note 19: Income tax expense / (benefit)

Accounting policy

The Council and the Group are exempt from Income Tax Act 2007 except for certain income received from council controlled organisations and port related undertakings.



Income tax expense includes components relating to both current and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus.

Current tax and deferred tax is recognised in the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expenses or directly in equity.

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Relationship Between Tax Expense and Accounting Profit				
Operational Surplus/ (Deficit) Before Tax	3,621	60,436	(879)	55,786
Tax at 28%	1,014	16,922	(246)	15,620
Non Deductible Expenditure	0	0	0	820
Non Taxable Income	0	(17,335)	0	(18,678)
Deferred Tax Adjustment	0	(135)	0	808
Prior Year Adjustment	0	0	0	0
Tax Loss Recognised Previously	0	0	0	0
TAX EXPENSE/(BENEFIT)	1,014	(548)	(246)	(1,430)
Represented by:				
Deferred Tax on Temporary Difference	0	(548)	0	(1,430)
TAX EXPENSE/(BENEFIT)	0	(548)	0	(1,430)

* Generally local authorities are exempt from tax, except for income derived from any Council Controlled Company activities as per section CW39 of the Income Tax Act 2007.

Note 20: Deferred tax asset/(liability)

Accounting policy

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting surplus nor taxable surplus.



	Property, Plant and Equipment \$'000	Employee Entitlements \$'000	Other Provisions \$'000	Tax Losses \$'000	Total \$'000
Council					
Balance as at 1 July 2019	(5,811)	0	0	4,452	(1,359)
Charge to Surplus or Deficit	0	0	0	0	0
Balance as at 30 June 2020	(5,811)	0	0	4,452	(1,359)
Consolidated					
Balance as at 1 July 2019	(23,454)	160	29	12,267	(10,998)
Charge to Surplus or Deficit	0	0	0	0	0
Charged to Other Comprehensive Revenue and Expenses	0	0	0	0	0
Balance as at 30 June 2020	(23,454)	160	29	12,267	(10,998)

Financial position notes

Note 21: Cash and cash equivalents

Accounting policy

Cash and cash equivalents includes cash on hand, deposits held on call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Tauranga City Council (Group) Statement of Financial Position.



	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Cash at Bank and On Hand	4,774	6,556	5,853	7,126
Short Term Deposits	10,000	10,000	10,000	10,000
TOTAL CASH AND CASH EQUIVALENTS	14,774	16,556	15,853	17,126
Short Term Deposits				
Short Term Deposits	10,000	10,000	10,000	10,000
Weighted Average Effective Interest Rate	0.48%	3.19%	0.48%	3.19%

The carrying value of short term deposits approximate their fair value. Council also receives interest from cash held at the bank.

Notes 22: Debtors and other receivables

Accounting policy

Receivables are recorded at their face value, less any provision for impairment.

The provision for doubtful debts is based on expected losses for Tauranga City Council's pool of debtors. Expected losses are determined by using an analysis of Tauranga City Council's losses in previous periods and a review of specific debtors.



	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Rates Receivable	5,753	4,211	5,753	4,211
Roading Subsidy Due	4,873	2,174	4,873	2,174
Other Receivables	25,373	17,471	24,882	18,704
GST	4,189	5,816	4,189	5,816
Prepayments	1,374	1,525	1,567	1,688
Work In Progress - New Zealand Transport Agency Fully Subsidised	79	47	79	47
Gross Debtors and Other Receivables	41,641	31,244	41,343	32,640
Less Provision for Doubtful Debts	(1,891)	(825)	(1,893)	(835)
TOTAL DEBTORS AND OTHER RECEIVABLES	39,750	30,419	39,450	31,805
Net Exchange Trade Receivables				
Water By Meter Rates Receivable	3,528	3,170	3,528	3,170
Trade Receivable Sundry Invoicing	16,464	9,784	16,591	10,521
Net Exchange Receivables	19,992	12,954	20,119	13,691
Net Related Party Receivables				
Provision for Exchange Doubtful Receivables	(694)	(303)	(696)	(313)
Net Related Party Receivables	(694)	(303)	(696)	(313)
Other Receivables				
Other Receivables	4,189	5,816	3,368	5,818
Prepayments	791	791	984	954
TOTAL EXCHANGE RECEIVABLES AND OTHER RECEIVABLES	24,278	19,258	23,775	20,150
Net Non Exchange Trade Receivables				
Rates Receivable	5,753	4,211	5,753	4,211
Other Non Exchange Receivables	5,381	4,517	5,584	5,011
Net Non Exchange Receivables	11,134	8,728	11,337	9,222
Roading Subsidy Due	4,873	2,174	4,873	2,174
Prepayments	583	734	583	734
Work In Progress - New Zealand Transport Agency Fully Subsidised	79	47	79	47
Gross Non Exchange Receivables and Other Receivables	16,669	11,683	16,872	12,177
Provision for Non Exchange Doubtful Receivables	(1,197)	(522)	(1,197)	(522)
TOTAL NON EXCHANGE RECEIVABLES AND OTHER RECEIVABLES	15,472	11,161	15,675	11,655
TOTAL DEBTORS AND OTHER RECEIVABLES	39,750	30,419	39,450	31,805

Fair Value

Debtors and Other receivables are non interest bearing and receipt is normally 30 day terms. Therefore, the carrying amount of debtors and other receivables approximates their fair value.

Impairment

The Tauranga City Council does not provide for any impairment on Rates Receivable as it has various powers under the Local Government Rating Act 2002 to recover any outstanding rates debts. These powers allow Tauranga City Council to commence legal proceedings to recover any rates that remain unpaid for more than 4 months after the due date for payment. If the payment has not been made within 3 months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place debts are discounted to their present value of future payments, if the effect of discounting is material.

Movements in the provision for debts that are not considered collectable as follows:

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
As at 1 July	825	763	852	786
Additional Provisions Made During the Year	1,083	90	1,058	100
Receivables Written Off During the Period	(17)	(28)	(17)	(34)
Balance as at 30 June	1,891	825	1,893	852

The aging profile of receivables as at 30 June 2020 and 2019 are detailed below:

Debtors and other receivables - Council			
	30 June 2020		
	Gross \$'000	Impaired \$'000	Net \$'000
Not Past Due	32,618	0	32,618
Past Due 1 - 60 days	550	0	550
Past Due 61 - 90 days	1,317	0	1,317
Past Due > 90 days	7,156	(1,891)	5,265
Balance as at 30 June 2020	41,641	(1,891)	39,750

	30 June 2019		
	Gross \$'000	Impaired \$'000	Net \$'000
Not Past Due	27,156	0	27,156
Past Due 1 - 60 days	228	0	228
Past Due 61 - 90 days	412	0	412
Past Due > 90 days	3,448	(825)	2,623
Balance as at 30 June 2018	31,245	(825)	30,419

Debtors and other receivables - Consolidated

	30 June 2020		
	Gross \$'000	Impaired \$'000	Net \$'000
Not Past Due	32,251	0	32,251
Past Due 1 - 60 days	581	0	581
Past Due 61 - 90 days	1,321	0	1,321
Past Due > 90 days	7,190	(1,893)	5,297
Balance as at 30 June 2019	41,343	(1,893)	39,450

	30 June 2019		
	Gross \$'000	Impaired \$'000	Net \$'000
Not Past Due	28,370	0	28,370
Past Due 1 - 60 days	290	0	290
Past Due 61 - 90 days	432	0	432
Past Due > 90 days	3,548	(835)	2,713
Balance as at 30 June 2018	32,640	(835)	31,805

Debtors and other receivables impairment provision analysis

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Individual Impairment	153	122	153	122
Collective Impairment	1,738	704	1,740	714
TOTAL PROVISION FOR IMPAIRMENT	1,891	826	1,893	836

The impairment provision has been calculated based on a review of specific overdue receivables and a collective assessment. The collective impairment provision is based on an analysis of past collection history and debt write offs. Individually impaired debt has been determined because of the significant financial difficulties and circumstances being experienced by the debtor. An analysis of these individual impaired debtors are as follows:

Debtors and other receivables impairment provision aged analysis

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Past Due 1 - 60 days	0	0	0	0
Past Due 61 - 120 days	0	0	0	0
Past Due +120 days	1,891	826	1,893	836
TOTAL PROVISION FOR IMPAIRMENT - AGED ANALYSIS	1,891	826	1,893	836

Note 23: Derivative financial instruments

Accounting policy

Tauranga City Council uses derivative financial instruments to manage exposure to foreign exchange risk arising from the Council's operational activities and risk arising from Council's financing activities. In accordance with its Treasury Policy, Tauranga City Council does not hold or issue derivative financial instruments for trading purposes.

Tauranga City Council has not adopted hedge accounting note 46 has a detailed disclosure of financial instruments risks.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value at each balance date. The resulting gain or loss is recognised in the surplus or deficit.

The portion of the fair value of a derivative that is expected to be realised within 12 months of the balance date is classified as current, with the remaining portion of the derivative classified as non current.



	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Current Asset Portion				
Interest Rate Derivatives	0	218	0	218
Total Current Asset Portion	0	218	0	218
Non Current Asset Portion				
Interest Rate Derivatives	0	0	0	0
Total Non Current Asset Portion	0	0	0	0
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS - ASSETS	0	218	0	218
Current Liabilities Portion				
Interest Rate Derivatives	1,486	1,473	1,486	1,473
Total Current Liabilities Portion	1,486	1,473	1,486	1,473
Non Current Liabilities Portion				
Interest Rate Derivatives	69,286	56,054	69,286	56,054
Total Non Current Liabilities Portion	69,286	56,054	69,286	56,054
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS - LIABILITIES	70,772	57,527	70,772	57,527

There were no financial instruments held for trading.

Fair Value

Interest Rate Derivatives

The fair values of Interest Rate Derivatives have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

Council monitors the use of Derivative Financial Instruments through the use of well defined market and credit risk limits and timely reporting to Council. Council's Treasury Policy sets out the overall minimum/maximum levels of fixed rate exposures permitted based on time bands.

Derivative financial instruments - Notional principal value assets

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Fixed Rate Maturities				
Up to 1 year	0	10,000	0	10,000
1-2 years	0	0	0	0
2-3 years	0	0	0	0
3-4 years	0	0	0	0
4-5 years	0	0	0	0
Over 5 years	0	0	0	0

Derivative financial instruments - Notional principal value liabilities

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Fixed Rate Maturities				
Up to 1 year	35,000	67,000	35,000	67,000
1-2 years	25,000	35,000	25,000	35,000
2-3 years	26,000	25,000	26,000	25,000
3-4 years	0	26,000	0	26,000
4-5 years	74,000	0	74,000	0
Over 5 years	154,000	228,000	154,000	228,000

Currently Derivative Financial Instruments only include Interest Rate Derivatives.

Note 25: Other financial assets

Accounting policy

Financial assets are initially recognised at fair value plus transaction costs; unless they are carried at fair value through surplus and deficit in which case the transaction costs are recognised in surplus or deficit.

The purchase and sale of financial assets are recognised at trade date, the date on which Tauranga City Council and Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Tauranga City Council and Group have transferred substantially all the risks and rewards of ownership.

Tauranga City Council and Group classify its financial assets into the following categories for the purpose of measurement:

- fair value through surplus or deficit, or
- loans and receivables, or
- fair value through other comprehensive revenue and expenses.

The classification depends on the purpose for which the instrument was acquired. Management determines the classification of its investments at initial recognition.

(i) Financial Assets at Fair Value Through Surplus or Deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short term profit taking. Derivatives are also categorised as held for trading.

Financial assets acquired principally for the purpose of selling in the short term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

(ii) Loans and Receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non current assets. Tauranga City Council and Group's loans and receivables comprise debtors and other receivables, term deposits, related party loans and community loans.

After initial recognition they are measured at amortised cost using the effective interest rate method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

These loans are measured at amortised cost using the effective interest rate method. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as interest.



Community Loans

Loans to community organisations made at nil or below market interest rates are initially recognised at present value of its expected future cash flows, discounted at the current market rate of return for a similar financial instrument. Depending on the circumstances and provisions of each loan, the loans are subsequently:

- a) Amortised over the period of the loan, provided the conditions of the loan are met. The amortised cost is recognised in surplus or deficit as a grant, or
- b) Paid off by the loan recipient in annual instalments

(iii) Fair Value Through Other Comprehensive Revenue and Expenditure

Financial assets at fair value through other comprehensive revenue and expenditure are those that are designated into the category of initial recognition or are not classified in any of the other categories above. They are included in non current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. The Council and Group includes in this category:

- investments that it intends to hold long term but which may be realised before maturity; and
- shareholdings in New Zealand Local Government Funding Agency (NZLGFA) and Bay of Plenty Local Authority Shared Services Limited (BOPLASS).

These investments are measured at their fair value, with gains and losses recognised in Other Comprehensive Revenue and Expenses.

On derecognition, the cumulative gain or loss previously recognised in Other Comprehensive Revenue and Expenses is reclassified from equity to the surplus or deficit.

Impairment of Financial Assets

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Impairment is established when there is objective evidence that Tauranga City Council will not be able to collect amounts due according to the original terms of the receivable.

Indicators of the likely impairment of an asset's carrying amount arises when there is significant probability that the debtor will enter into:

- bankruptcy and or
- receivership or liquidation, and
- there is default on the payment.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate.

For debtors and other receivables, the carrying amount of the asset is reduced through the use of a provision for doubtful debts account. The amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is impaired as a bad debt and expensed.

Overdue receivables that have been renegotiated are reclassified as current (that is not past due).

Impairment in term deposits, local authority stock, government bonds and community loans is recognised directly against the instrument's carrying amount.



Critical accounting estimates, assumptions and judgements



Te Tumu Land

This land block referred to as Te Tumu which gave rise to a financial asset.

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Interest Free Loan	22,343	21,582	22,343	21,582
TOTAL OTHER FINANCIAL ASSETS	22,343	21,582	22,343	21,582

Interest Free Loan

In 2007, Tauranga City Council and Western Bay of Plenty District Council together acquired a block of land referred to as Te Tumu. This land was purchased with the condition of providing the vendor the option to acquire it sometime from December 2016 to December 2026. The rationale for Tauranga City Council and Western Bay of Plenty District Council purchasing the land was to ensure its development was consistent with the Smart Growth Strategy.

The transaction gave rise to the creation of a financial asset whereby Tauranga City Council has a right to receive cash when the vendor exercises their option to repurchase the property. This asset is recognised as an interest free loan. (if the vendor does not exercise their right, the land reverts to Tauranga City Council and will be recognised as land in Council's accounts).

Fair value of the interest free loan is \$22.3m (2019:\$21.6m) determined as the present value of future cash flows based on a fixed investment financing rate of 11.5% discounted at 4%. In December 2016, as per the agreement, the interest rate was renegotiated to a market related rate.

In addition, a property subdivision right has been recognised. This represents the right the Council has obtained in ensuring development of this land is consistent with SmartGrowth. The initial impairment of the loan has been recognised as the amount payable for the right to use the land in its undeveloped state, which in turn created a "Property Subdivision Right" asset. The subdivision right was recognised as an intangible asset and amortised over the period the vendor was expected to exercise their option to repurchase the property.

This intangible asset was measured as the difference between the amount paid by the Council for this land and the present value of the future cash flow discounted on the option if exercised, at the difference in rate between the investment finance rate of 11.5% and the agreed rate of 7.5%.

Note 26: Investment in associate

Accounting policy

Tauranga City Council accounts for investments in associates in the group financial statements using the equity method. An associate is an entity over which the Tauranga City Council has significant influence and is neither a subsidiary nor an interest in a joint venture. The investment in an associate which shows the carrying amount in the group financial statements is increased or decreased to recognise Tauranga City Council's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment in the Group financial statements.

If the share of the deficits of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further deficits. After Tauranga City Council's interest is reduced to zero, additional deficits are provided for and a liability is recognised, only to the extent that Tauranga City Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, Tauranga City Council will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where the Group transacts with an associate, surpluses or deficits are eliminated to the extent of the Group's interest in the associate.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.



	Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000
Tourism Bay of Plenty	212	212
TOTAL INVESTMENT IN ASSOCIATE	212	212

Tourism Bay of Plenty is funded by Tauranga City Council and Western Bay of Plenty District Council. Tauranga City Council accounts for its 50% interest in Tourism Bay of Plenty in the Groups accounts using the Equity Method.

(i) Movements in Carrying Amounts

	Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000
Balance as at 1 July	212	207
Share of Total Comprehensive Revenue and Expenses	0	5
Balance Before Impairment	212	212
Balance as at 30 June	212	212

Summarised Financial Information of Associate

	Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000
Assets	829	868
Liabilities	405	446
Revenues	2,954	3,063
Expenditures	(2,953)	(3,053)
Surplus/(Deficit)	1	10
Group Interest	50%	50%

Note 27: Other investments - current portion

	Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000
Related Party Investments		
Tauranga Art Gallery Short Term Deposits	627	817
TOTAL OTHER INVESTMENTS - CURRENT PORTION	627	817

Short Term Deposits

Short term deposits of less than a year held by the Tauranga Art Gallery Trust.

Note 28: Other Council investments**Accounting policy**

Tauranga City Council also has an 11.11% interest in Bay of Plenty Local Authority Shared Service (BOPLASS), a company set up by nine local authorities in the Bay of Plenty region. This is treated as an investment by Tauranga City Council. These are not consolidated but are accounted for as investments by Tauranga City Council.

Tauranga City Council is a shareholder of the New Zealand Local Government Funding Agency Limited (NZLGFA). This entity was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. As at 30 June 2020 there were 31 shareholders made up of 30 local authorities and the Crown. This is treated as an investment by Tauranga City Council and not consolidated.



	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Non Current Investments				
Shares in Unrelated Entities	391	364	391	364
Total Unrelated Entities	391	364	391	364
Related Party Investments				
Investment in Tauranga City Art Gallery Trust	1,000	1,000	0	0
Investment in Bay Venues Limited	84,232	84,232	0	0
Loan to Bay Venues Limited	17,112	14,707	0	0
Total Related Party Investments	102,344	99,939	0	0
New Zealand Local Government Funding Agency (NZLGFA)				
Shares in New Zealand Local Government Funding Agency	1,866	1,866	1,866	1,866
Borrower Notes New Zealand Local Government Funding Agency	9,000	7,387	9,000	7,387
Total New Zealand Local Government Funding Agency	10,866	9,253	10,866	9,253
Investment in Bay of Plenty Local Authority Shared Services	17	17	17	17
TOTAL OTHER COUNCIL INVESTMENTS	113,227	109,209	10,883	9,270

Investments in related parties

The carrying amounts of investments in related parties is \$85m (2019: \$85m). All Investments in related parties are investments in subsidiaries or associates of Tauranga City Council (Council Controlled Organisations).

Borrower Notes

Borrower notes are required to be held by each local authority that borrows from New Zealand Local Government Funding Agency in an amount equal to 1.6% of the aggregate borrowings by that local authority. The borrower notes mature as the underlying debt matures.

Loans to Related Parties

The carrying amounts of loans to related parties is \$17.1m (2019: \$14.7m). The carrying amount approximates their fair value. Investments in Related Parties are shown at cost. All loans to related parties are loans to Council Controlled Organisations of Tauranga City Council.

Listed Shares

Listed shares are recognised at fair value. The fair value of listed shares is determined by reference to published current bid price quotations in an active market. Listed shares are included with unlisted shares under the category Shares in Unrelated Entities.

Unlisted Shares

Where possible, unlisted shares are recognised at fair value, drawn from an active market. If no quoted market prices are available and the value cannot be reliably measured, the cost price is used. Tauranga City Council has a minimal number of unlisted shares; the majority of these are shares in the New Zealand Local Government Insurance Corporation (Civic Financial Services Limited).

In August 2019 Council received a dividend from Civic Financial Services Limited of \$104k after imputation. This was the result of Civic Financial Services Limited divesting their key asset, a commercial building in Wellington, which created a special dividend.

The carrying amount (\$20k) of shares in the New Zealand Local Government Insurance Corporation approximates their fair value.

New Zealand Local Government Funding Agency (NZLGFA)

Tauranga City Council is a shareholder of the New Zealand Local Government Funding Agency. The local authority shareholders have uncalled capital equal to their individual shareholding, which can be called in the event that an imminent default is identified. The 30 shareholders are also guarantors of the New Zealand Local Government Funding Agency balance sheet and the borrowings of other local authorities. Refer to note 42.

As at balance date Tauranga City Council has 7.46% equity in New Zealand Local Government Funding Agency, the carrying amount of \$1,866m (2019: \$1,866m) approximates its fair value.

Note 29: Investment properties

Accounting policy

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Properties classified as investment properties are measured initially at cost including transaction costs.

After initial recognition Tauranga City Council and group measures all investment property at fair value at each reporting date.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.



Critical accounting estimates, assumptions and judgements

This note provides information about the estimates and assumptions applied in determining the fair value of investment properties.



	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Balance as at 1 July	56,140	39,019	56,140	39,019
Transferred from Property, Plant and Equipment	1,100	51	1,100	51
Transferred to Property, Plant and Equipment	0	(1,100)	0	(1,100)
Disposals	(627)	0	(627)	0
Transferred from Non Current Assets Held For Sale	0	6,559	0	6,559
Transferred to Non Current Assets Held For Sale	(3,011)	0	(3,011)	0
Additions	289	0	289	0
Revaluation Movement	1,874	11,612	1,874	11,612
Total Investment Properties Balance as at 30 June	55,765	56,141	55,765	56,141

Tauranga City Council's investment properties are valued annually at fair value effective 30 June 2020. All investment properties were valued based on market evidence. The valuation was performed by Quotable Value Limited – an independent valuer with expertise in land valuation across New Zealand.

The fair values of investment property have been determined using the capitalisation of net income and discounted cashflow methods. These methods are based upon assumptions including future rental income, anticipated costs and appropriate discount rates.

Investment property operations

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Rental Revenue from Investment Properties	453	584	453	584
Expenses from Investment Property Generating Revenue	20	86	20	86
Expenses from Investment Property not Generating Revenue	98	26	98	26

Note 30: Property, plant and equipment

Accounting policy



Property, plant, and equipment consist of:

Operational assets - these include land, buildings, airport facilities and operational assets, marine facilities and structures, landfill post closure, library books, plant and equipment, and motor vehicles.

Restricted assets - are mainly parks and reserves owned by the Tauranga City Council and Group that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets - are the fixed utility systems owned by Tauranga City Council. Each asset class includes all items that are required for the network to function. For example, wastewater reticulation includes reticulation piping and wastewater pump stations.

Land (operational and restricted) - is measured at fair value, and buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Tauranga City Council and Group and the cost of the item can be measured reliably.

In most cases an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non exchange transaction, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported separately under revenue and expense. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

The costs of day to day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Useful Lives

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Class of Asset Depreciated	Estimated Useful Life (Years)	Depreciation Method	Class of Asset Depreciated	Estimated Useful Life (Years)	Depreciation Method
RESTRICTED ASSETS			Wastewater Pump Stations		
Land	N/A	N/A	Structures and Civil Works	30-70	SL
Buildings	50-100	SL	Electrical Controls and Cabling	1-20	SL
Parks Facilities	5-80	SL	Telemetry	14-20	SL
Improvements	10-25	SL	Pumps and Motors	1-20	SL
OPERATIONAL ASSETS			Pipework, Valves and Connections	20-50	SL
Land	N/A	N/A	Wastewater Treatment Plants		
Buildings	50-100	SL	Mechanical Plant	1-20	SL
Heritage	N/A	N/A	Electrical and Control Equipment	1-20	SL
Library Books	8-20	SL	Structural and Buildings	40-70	SL
Plant and Equipment	8-20	SL	Pipework and Valves	20-50	SL
Computer Equipment and Core operating systems	2.5-12	SL	Stormwater Reticulation		
Office Furniture and Equipment	5-10	SL	Stormwater Pipework	50-100	SL
Motor Vehicles	4-10	DV	ROADING NETWORK		
Marine Assets			Roads less than 1,000 Vehicles per day		
Breakwater and Rock walls	50-100	SL	Formation	Infinite	N/A
Boat Ramps and Pontoons	20-70	SL	Pavement	96-100	SL
Wharves	50-70	SL	Surfacing	1-40	SL
INFRASTRUCTURAL ASSETS			Roads more than 1,000 Vehicles per day		
Water Reticulation			Formation	Infinite	N/A
Water Supply	50-100	SL	Pavement	1-60	SL
Fresh Water Supply Treatment Plants			Surfacing	1-30	SL
Mechanical Plant	1-20	SL	Roading Reseals	8-15	SL
Electrical and Control Equipment	1-20	SL	Infrastructural Assets - Bridges	50-70	SL
Structural and Buildings	30-70	SL			
Pipework and Valves	10-50	SL			
Generator Set	1-20	SL			
Fresh Water Supply Reservoirs					
Reservoirs and Foundation	30-70	SL			
Pipework, Valves and Connections	15-50	SL			
Telemetry and Controls	1-10	SL			
Wastewater Reticulation					
Wastewater Pipework	50-100	SL			

When assets are revalued, depreciation rates are overridden by the new annual depreciation rates which may be outside the range for the class of asset, to accurately reflect the useful life of the asset.

The residual value and remaining useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Impairment

Property, plant and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Value in Use for Non Cash Generating Assets

Non cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units' approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in Use for Cash Generating Assets

Cash generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash generating assets and cash generating units is the present value of expected future cash flows.



Local government disclosures

Core assets

Under the Local Government (Financial Reporting and Prudence) Regulations 2014, the Council is required to disclose information about the Group's core assets.



Critical accounting estimates, assumptions and judgements

This note provides information about the estimates and assumptions applied in determining the fair value of infrastructural assets.

Management has exercised the following critical judgement for the year ended 30 June 2020.

Classification of Property

Tauranga City Council owns a number of properties held to provide housing to pensioners. The receipt of less than market based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are accounted for as property, plant and equipment.

The Council owns properties that had previously been used by Council in the course of operation, which was classified as property, plant and equipment. These properties will eventually be offered for sale. Such property has been classified as investment property.



Note 30: Property plant and equipment

Revaluation

Land and buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are revalued on a three yearly valuation cycle, to ensure that their carrying amount does not differ materially from fair value.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off cycle asset classes are revalued.

Tauranga City Council accounts for revaluations of property, plant, and equipment on a class of asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expenses but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenses.

Valuation

Land (operational, restricted and infrastructural)

Land is valued at fair value using market based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the "unencumbered" land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensively.

The most recent valuation was performed by Quotable Value Limited, and the valuation is effective as at 1 July 2017.

Buildings, (Operational and Restricted)

Specialised buildings are valued at fair value using Depreciated Replacement Cost (DRC) because no reliable market data is available for such buildings. Depreciated Replacement Cost is determined using a number of significant assumptions.

Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straight line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non specialised buildings, (for example, residential buildings) are valued at fair value using market based evidence. Market rents and capitalisation rates were applied to reflect market value.

The most recent valuation was performed by Quotable Value Limited and the valuation is effective as at 1 July 2017.

Infrastructural asset classes: wastewater, water, stormwater (3 Waters)

Wastewater, water and stormwater infrastructural assets are valued using the Depreciated Replacement Cost method.

In order to minimise the risk of significant movement in the replacement cost of infrastructure assets, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset (NZIAV) and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience.

Asset inspections, deterioration, and condition modelling are also carried out regularly as part of asset management planning activities. These provide further assurance over useful life estimates.

The most recent valuation was performed by GHD Valuations for the 3 Waters assets. The valuation is effective 1 July 2018.

Infrastructural asset classes: Transportation assets

Transportation infrastructural assets are valued using the Depreciated Replacement Cost method.

Roading corridor land is valued on the fair value of adjacent land. This assumes land in its bare state without the benefit of roading, water supply and wastewater etc. The valuation takes into consideration the sales of vacant land in the area which is suitably adjusted to reflect an unimproved state. This valuation was performed by BECA Valuation Limited and is effective 1 July 2018.

Land under roads was valued based on fair value provided by previous valuations in 2012 of the Roothing Network. This valuation was carried out by BECA Valuation Limited. On transition to New Zealand's External Reporting Board (XRB) International Public Sector Accounting Standards (PBE IPSAS) at 1 July 2014, the Council elected to use the fair value of land under roads as at 30 June 2012 as the deemed cost. Land under roads is no longer revalued.

Vested land under roads are not being valued.

Library Collections

Library collections are valued at depreciated replacement cost in accordance with the guidelines released in 2002 by the New Zealand Library Association and the National Library. The last valuation was effective as at 30 June 2019 and prepared by Tauranga City Council staff deemed experts in their field.

Airport assets

Airport Land

Airport land is valued as vacant and incorporates the influences of size contour, quality, location, zoning, designation and current and potential usage. An open market, "willing buyer, willing seller", scenario is assumed. Airport land was valued with the Council's Land and Buildings class. This was carried out by Quotable Value Limited as at 1 July 2017.

Airport Infrastructure

Airport assets consist of infrastructure assets which includes the airside assets of the runways and taxiways. Airport Infrastructure improvements are valued on a depreciated replacement cost approach for specialised assets, where replacement costs are derived from construction contracts of like assets, reference to publications such as Rawlinson's Construction Handbook, recent costings obtained from construction details and Property Institute of New Zealand's cost information.

The most recent valuation was performed by BECA Projects NZ Limited. Valuation is effective 1 July 2019.

Disclosures

The airport land consists of some 225 hectares of land of which some 86 hectares is jointly owned by Tauranga City Council (TCC) and Western Bay of Plenty District Council (WBOPDC). Tauranga City Council are the legal owners of the land and Western Bay of Plenty District Council are the beneficial or equitable owners of the jointly owned land. Western Bay of Plenty District Council own 14.45% of the jointly owned land. The jointly acquired land is held by Tauranga City Council on trust for itself and Western Bay of Plenty District Council. As the legal owner Tauranga City Council must exercise its rights of ownership in terms of the trust and for the benefit of the trustees.

The terms of the trust are that Tauranga City Council may use the jointly acquired land rent free provided the land is used as an airport. In the event that the jointly owned airport land is sold and the principal use of the land is no longer an airport then a liability to Western Bay of Plenty District Council is created for the sale price of the jointly owned land at that point.

Group recreational facilities

Pool assets consist of building and improvements, plant, machinery and chattels. Plant, machinery and chattels are revalued together with building and improvement assets as they are part of the building structures of the pool buildings.

Buildings and improvement assets are valued at fair value using Depreciated Replacement Cost method. Plant, machinery and chattels associated with pools have been valued on the “in use” basis assuming the on going economic life of the relevant facility.

The most recent valuation was performed by Quotable Value Limited, and the valuation is effective as at 1 July 2017.

Marine infrastructure assets

Marine infrastructure assets consist of wharves, jetties/pontoons, boat ramps and coastal structures owned by Tauranga City Council. The Council's marine assets are deemed specialised assets and have been assessed at fair value based on the Depreciated Replacement Cost method.

These marine assets were broken down to a component level and depreciated individually. The assets were generally valued on the basis of construction in green field or undeveloped sites. Depreciation has been applied to depreciable assets on a straight line basis over the total assessed economic life of the asset. Land formation and earthworks have not been depreciated.

The most recent valuation was performed by Aecom Limited and the valuation is effective as at 1 July 2018.

Parks and recreation facility assets

Parks and Recreation facilities assets consists of improvements and infrastructure assets. Reserve land has been valued by external valuers as part of the Council land and building valuation and are not part of Parks infrastructure facility asset revaluation. Parks buildings are included in Council's Land and Building class.

Parks infrastructure assets have been valued in accordance with New Zealand Infrastructure Asset Valuation and Depreciation Guidelines Manual.

The valuation process used included:

- Calculation of replacement cost, the cost of constructing a new asset into modern equivalent asset using present day technology and maintaining the original service potential.
- Optimising the asset factor out over design, over capacity and redundant assets.
- Calculation of depreciated replacement cost using the optimal factors on the gross replacement cost of the modern equivalent assets.
- Calculation of the annual depreciation on a straight line basis to delineate the degradation of the asset over its expected useful life.

The most recent valuation of Parks Infrastructure assets was performed by BECA Projects NZ Limited. Valuation effective 1 July 2019.

Other asset classes

All other asset classes are carried at depreciated book value.

Note, I have added this page here temporarily so that the following Note 30 tables appear as facing pages.

We either need to remove an earlier page somehow or spread things out so text overflows onto this page.

Hope that makes sense, I can call to explain.

Note 30: Council 2020 - Property, plant and equipment														
	Cost / Revaluation 1 Jul 2019 \$'000	Accumulated Depreciation and Impairment Charges 1 Jul 2019 \$'000	Carrying Amount 1 Jul 2019 \$'000	Current Year Additions \$'000	Vested \$'000	Current Year Disposals and Impairments \$'000	Current Year Depreciation \$'000	Current Year Net Transfers \$'000	Asset Value Adjustment \$'000	Revaluation Surplus \$'000	Cost/Revaluation 30 June 2020 \$'000	Accumulated Depreciation and Impairment charges 30 June 2020 \$'000	Carrying Amount 30 June 2020 \$'000	Replacement Cost \$'000
Council Infrastructural Assets														
Wastewater - Treatment Plants and Facilities	62,297	(2,083)	60,214	178	0	0	(2,169)	0	(2,184)	0	60,291	(4,252)	56,039	47,126
Other Wastewater Systems	350,667	(6,286)	344,379	4,484	1,642	0	(6,827)	0	40,124	0	396,917	(13,115)	383,802	328,234
Water Supply - Treatment Plants and Facilities	26,446	(1,649)	24,797	0	0	0	(1,672)	0	1,698	0	28,144	(3,321)	24,823	132,101
Other Water Supply Systems	248,949	(4,547)	244,402	835	1,110	0	(4,858)	0	(956)	0	249,938	(9,405)	240,533	433,702
Stormwater System	448,734	(4,566)	444,168	867	1,198	0	(4,943)	0	(1,367)	0	449,432	(9,509)	439,923	516,744
Roading Network	448,900	(9,223)	439,677	11,234	1,377	0	(9,929)	0	12,216	0	473,727	(19,152)	454,575	482,100
Roading Corridor Land	1,360,565	0	1,360,565	4,905	379	0	0	0	(3,724)	0	1,362,125	0	1,362,125	0
Other Roading Assets	123,781	(3,755)	120,026	3,853	1,549	0	(4,670)	203	(17,581)	0	111,805	(8,425)	103,380	269,680
Work in Progress	149,529	0	149,529	65,638	0	0	0	0	0	0	215,167	0	215,167	0
Total Infrastructural Assets	3,219,868	(32,111)	3,187,757	91,994	7,255	0	(35,068)	203	28,226	0	3,347,546	(67,179)	3,280,367	2,209,687
Council Restricted Assets														
Land	383,403	0	383,403	7,910	3,110	0	0	0	(19,748)	0	374,674	0	374,674	0
Buildings and Improvements	21,021	(1,438)	19,583	3,370	0	(1,421)	(860)	0	(1,780)	0	21,190	(2,298)	18,892	24,312
Parks Facilities	67,698	(13,184)	54,514	3,101	143	176	(4,125)	35	1,383	(14,467)	44,885	(4,125)	40,760	44,512
Work in Progress	10,648	0	10,648	6,436	0	0	0	0	0	0	17,084	0	17,084	0
Total Restricted Assets	482,770	(14,622)	468,148	20,817	3,253	(1,245)	(4,985)	35	(20,145)	(14,467)	457,833	(6,423)	451,410	68,824
Council Operational Assets														
Land	393,462	0	393,462	2,044	0	(1,293)	0	(1,303)	(14,680)	0	378,230	0	378,230	0
Buildings and Improvements	84,309	(9,853)	74,456	3,720	0	(1,957)	(5,073)	(20)	10,029	0	96,081	(14,926)	81,155	136,795
Airport Buildings and Operational Assets	41,894	(3,662)	38,232	1,097	0	0	(1,165)	(182)	(139)	8,081	47,089	(1,165)	45,924	25,202
Jetties, Wharves, Marine Facilities and Structures	41,905	(1,713)	40,192	1,720	0	0	(1,778)	0	(1,844)	0	41,781	(3,491)	38,290	85,892
Library Books	3,709	(1,661)	2,048	0	0	0	(657)	0	2,574	0	6,283	(2,318)	3,965	0
Heritage	2,152	0	2,152	176	0	0	(11)	0	(2)	0	2,326	(11)	2,315	0
Office Furniture and Equipment	40,666	(25,311)	15,355	2,462	0	(236)	(2,797)	142	(5,864)	0	37,170	(28,108)	9,062	0
Plant and Equipment	14,703	(9,499)	5,204	801	0	(118)	(1,169)	49	1,520	0	16,955	(10,668)	6,287	0
Motor Vehicles	3,121	(2,886)	235	1,295	0	(9)	(283)	(24)	(9)	0	4,374	(3,169)	1,205	0
Work in Progress	20,917	0	20,917	4,925	0	0	0	0	0	0	25,842	0	25,842	0
Total Operational Assets	646,838	(54,585)	592,253	18,240	0	(3,613)	(12,933)	(1,338)	(8,415)	8,081	656,131	(63,856)	592,275	247,889
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	4,349,476	(101,318)	4,248,158	131,051	10,508	(4,858)	(52,986)	(1,100)	(334)	(6,386)	4,461,510	(137,458)	4,324,052	2,526,400

Note 30: Consolidated 2020 - Property, plant and equipment

	Cost / Revaluation 1 Jul 2019 \$'000	Accumulated Depreciation and Impairment Charges 1 Jul 2019 \$'000	Carrying Amount 1 Jul 2019 \$'000	Current Year Additions \$'000	Vested \$'000	Current Year Disposals and Impairments \$'000	Current Year Depreciation \$'000	Current Year Net Transfers \$'000	Asset Value Adjustment \$'000	Revaluation Surplus \$'000	Cost/Revaluation 30 June 2020 \$'000	Accumulated Depreciation and Impairment charges 30 June 2020 \$'000	Carrying Amount 30 June 2020 \$'000	Replacement Cost \$'000
Council Infrastructural Assets														
Wastewater - Treatment Plants and Facilities	62,297	(2,083)	60,214	178	0	0	(2,169)	0	(2,184)	0	60,291	(4,252)	56,039	47,126
Other Wastewater Systems	350,667	(6,288)	344,379	4,486	1,642	0	(6,827)	0	40,124	0	396,919	(13,115)	383,804	328,234
Water Supply - Treatment Plants and Facilities	26,446	(1,649)	24,797	0	0	0	(1,672)	0	1,698	0	28,144	(3,321)	24,823	132,101
Other Water Supply Systems	248,949	(4,547)	244,402	835	1,110	0	(4,858)	0	(956)	0	249,938	(9,405)	240,533	433,702
Stormwater System	448,734	(4,566)	444,168	867	1,198	0	(4,943)	0	(1,367)	0	449,432	(9,509)	439,923	516,744
Roading Network	448,900	(9,223)	439,677	11,236	1,377	0	(9,929)	0	12,216	0	473,729	(19,152)	454,577	482,100
Roading Corridor Land	1,360,565	0	1,360,565	4,907	379	0	0	0	(3,724)	0	1,362,127	0	1,362,127	0
Other Roading Assets	123,781	(3,755)	120,026	3,855	1,549	0	(4,670)	203	(17,581)	0	111,807	(8,425)	103,382	269,680
Work in Progress	149,529	0	149,529	65,640	0	0	0	0	0	0	215,169	0	215,169	0
Total Infrastructural Assets	3,219,868	(32,111)	3,187,757	92,004	7,255	0	(35,068)	203	28,226	0	3,347,556	(67,179)	3,280,377	2,209,687
Council Restricted Assets														
Land	383,403	0	383,403	7,910	3,110	0	0	0	(19,748)	0	374,677	0	374,677	0
Buildings and Improvements	21,021	(1,438)	19,583	3,370	0	(1,421)	(860)	0	(1,780)	0	21,192	(2,298)	18,894	24,312
Parks Facilities	67,698	(13,184)	54,514	3,101	143	176	(4,125)	35	1,383	(14,467)	44,885	(4,125)	40,760	44,512
Work in Progress	10,648	0	10,648	6,436	0	0	0	0	0	0	17,087	0	17,087	0
Total Restricted Assets	482,770	(14,622)	468,148	20,817	3,253	(1,245)	(4,985)	35	(20,145)	(14,467)	457,841	(6,423)	451,418	68,824
Council Operational Assets														
Land	396,862	0	396,862	2,044	0	(1,293)	0	(1,303)	(14,680)	0	381,630	0	381,630	0
Buildings and Improvements	196,460	(18,745)	177,715	4,863	0	(1,975)	(9,599)	(20)	10,029	0	209,357	(28,344)	181,013	136,795
Airport Buildings and Operational Assets	41,892	(3,662)	38,230	1,097	0	0	(1,165)	(182)	(139)	8,081	47,087	(1,165)	45,922	25,202
Jetties, Wharves, Marine Facilities and Structures	41,905	(1,713)	40,192	1,720	0	0	(1,778)	0	(1,844)	0	41,781	(3,491)	38,290	85,892
Library Books	3,709	(1,661)	2,048	0	0	0	(657)	0	2,574	0	6,283	(2,318)	3,965	0
Heritage	3,684	0	3,684	176	0	0	(11)	0	(2)	0	3,858	(11)	3,847	0
Office Furniture and Equipment	41,866	(25,144)	16,722	2,969	0	(268)	(3,296)	142	(5,864)	0	38,845	(28,440)	10,405	0
Plant and Equipment	34,108	(15,882)	18,226	5,365	0	(237)	(3,035)	49	1,520	0	40,805	(18,917)	21,888	0
Motor Vehicles	3,597	(3,143)	454	1,505	0	(73)	(322)	(24)	(9)	0	4,996	(3,465)	1,531	0
Work in Progress	22,964	0	22,964	4,044	0	0	0	0	0	0	27,008	0	27,008	0
Total Operational Assets	787,047	(69,950)	717,097	23,783	0	(3,846)	(19,863)	(1,338)	(8,415)	8,081	801,650	(86,151)	715,499	247,889
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	4,489,685	(116,683)	4,373,002	136,604	10,508	(5,091)	(59,916)	(1,100)	(334)	(6,386)	4,607,047	(159,753)	4,447,294	2,526,400

Note 30: Council 2019 - Property, plant and equipment													
	Cost Revaluation 30-Jun-18 \$'000	Accumulated Depreciation and Impairment Charges 30-Jun-18 \$'000	Carrying Amount 30-Jun-18 \$'000	Current Year Additions \$'000	Current Year Additions Vested \$'000	Current Year Disposals and Impairments \$'000	Current Year Depreciation \$'000	Current Year Net Transfers \$'000	Revaluation Surplus \$'000	Cost/Revaluation 30-Jun-19 \$'000	Accumulated Depreciation and Impairment charges 30-Jun-19 \$'000	Carrying Amount 30-Jun-19 \$'000	Replacement Cost \$'000
Council Infrastructural Assets													
Wastewater - Treatment Plants and Facilities	54,616	(6,182)	48,434	366	0	(252)	(2,083)	1,092	12,656	62,297	(2,083)	60,214	47,126
Other Wastewater Systems	275,581	(24,741)	250,840	66,996	3,206	0	(6,288)	(20,148)	49,773	350,667	(6,288)	344,379	328,234
Water Supply - Treatment Plants and Facilities	22,920	(4,578)	18,342	815	0	0	(1,649)	(849)	8,139	26,446	(1,649)	24,797	132,101
Other Water Supply Systems	230,317	(17,016)	213,301	18,953	2,017	0	(4,547)	479	14,199	248,949	(4,547)	244,402	433,702
Stormwater System	369,084	(11,224)	357,860	20,374	5,487	0	(4,566)	685	64,328	448,734	(4,566)	444,168	516,744
Roading Network	189,447	(20,175)	169,272	32,197	2,773	(1,617)	(9,223)	549	245,726	448,900	(9,223)	439,677	482,100
Roading Corridor Land	1,356,877	0	1,356,877	0	4,328	0	0	(640)	0	1,360,565	0	1,360,565	0
Other Roading Assets	203,814	(13,632)	190,182	9,847	5,991	(614)	(3,755)	3,180	(84,805)	123,781	(3,755)	120,026	269,680
Work in Progress	162,417	0	162,417	(12,888)	0	0	0	0	0	149,529	0	149,529	0
Total Council Infrastructural Assets	2,865,073	(97,548)	2,767,525	136,660	23,802	(2,483)	(32,111)	(15,652)	310,016	3,219,868	(32,111)	3,187,757	2,209,687
Council Restricted Assets													
Land	370,845	0	370,845	2,443	241	0	0	9,874	0	383,403	0	383,403	0
Buildings and improvements	14,463	(681)	13,782	8,090	0	(2,415)	(757)	883	0	21,021	(1,438)	19,583	24,312
Parks Facilities	59,914	(8,478)	51,436	7,586	906	0	(4,706)	(708)	0	67,698	(13,184)	54,514	44,512
Work in Progress	6,970	0	6,970	3,678	0	0	0	0	0	10,648	0	10,648	0
Total Council Restricted Assets	452,192	(9,159)	443,034	21,797	1,147	(2,415)	(5,463)	10,049	0	482,770	(14,622)	468,148	68,824
Council Operational Assets													
Land	382,465	0	382,465	1,182	0	(550)	0	10,365	0	393,462	0	393,462	0
Buildings and improvements	85,332	(4,840)	80,492	4,786	0	(806)	(5,013)	(5,003)	0	84,309	(9,853)	74,456	136,795
Airport Buildings and Operational Assets	26,768	(2,274)	24,494	15,121	0	0	(1,388)	5	0	41,894	(3,662)	38,232	25,202
Jetties, Wharves, Marine Facilities and Structures	30,957	(2,892)	28,065	795	0	(176)	(1,713)	922	12,299	41,905	(1,713)	40,192	85,892
Library Books	8,753	(4,053)	4,700	1,003	0	0	(1,661)	(1,287)	(707)	3,709	(1,661)	2,048	0
Heritage	2,151	0	2,151	0	0	0	0	1	0	2,152	0	2,152	0
Office Furniture and Equipment	33,686	(22,520)	11,166	3,987	0	(1)	(2,791)	2,994	0	40,666	(25,311)	15,355	0
Plant and Equipment	14,525	(8,476)	6,049	1,518	0	0	(1,023)	(1,340)	0	14,703	(9,499)	5,204	0
Motor Vehicles	3,119	(2,829)	290	17	0	(10)	(57)	(4)	0	3,121	(2,886)	235	0
Work in Progress	17,729	0	17,729	3,188	0	0	0	0	0	20,917	0	20,917	0
Total Council Operational Assets	605,485	(47,884)	557,601	31,597	0	(1,543)	(13,646)	6,653	11,592	646,838	(54,585)	592,253	247,889
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	3,922,750	(154,591)	3,768,161	190,054	24,949	(6,441)	(51,220)	1,050	321,608	4,349,476	(101,318)	4,248,159	2,526,400

Note 30: Consolidated 2019 - Property, plant and equipment													
	Cost/Revaluation 30 Jun 2018 \$'000	Accumulated Depreciation and Impairment Charges 30 Jun 2018 \$'000	Carrying Amount 30 Jun 2018 \$'000	Current Year Additions \$'000	Current Year Additions Vested \$'000	Current Year Disposals and Impairments \$'000	Current Year Depreciation \$'000	Current Year Net Transfers \$'000	Revaluation Surplus \$'000	Cost/Revaluation 30 Jun 2019 \$'000	Accumulated Depreciation and Impairment Charges 30 Jun 2019 \$'000	Carrying Amount 30 Jun 2019 \$'000	Replacement Cost \$'000
Consolidated Infrastructural Assets													
Wastewater - Treatment Plants and Facilities	54,616	(6,182)	48,434	366	0	(252)	(2,083)	1,092	12,656	62,297	(2,083)	60,214	47,126
Other Wastewater Systems	275,581	(24,741)	250,840	66,996	3,206	0	(6,288)	(20,148)	49,773	350,667	(6,288)	344,379	328,234
Water Supply - Treatment Plants and Facilities	22,920	(4,578)	18,342	815	0	0	(1,649)	(849)	8,139	26,446	(1,649)	24,797	132,101
Other Water Supply Systems	230,317	(17,016)	213,301	18,953	2,017	0	(4,547)	479	14,199	248,949	(4,547)	244,402	433,702
Stormwater System	369,084	(11,224)	357,860	20,374	5,487	0	(4,566)	685	64,328	448,734	(4,566)	444,168	516,744
Roading Network	189,447	(20,175)	169,272	32,197	2,773	(1,617)	(9,223)	549	245,726	448,900	(9,223)	439,677	482,100
Roading Corridor Land	1,356,877	0	1,356,877	0	4,328	0	0	(640)	0	1,360,565	0	1,360,565	0
Other Roading Assets	203,814	(13,632)	190,182	9,847	5,991	(614)	(3,755)	3,180	(84,805)	123,781	(3,755)	120,026	269,680
Work in Progress	162,417	0	162,417	(12,888)	0	0	0	0	0	149,529	0	149,529	0
Total Consolidated Infrastructural Assets	2,865,073	(97,548)	2,767,525	136,660	23,802	(2,483)	(32,111)	(15,652)	310,016	3,219,868	(32,111)	3,187,757	2,209,687
Consolidated Restricted Assets													
Land	370,845	0	370,845	2,443	241	0	0	9,874	0	383,403	0	383,403	0
Buildings and Improvements	14,463	(681)	13,782	8,090	0	(2,415)	(757)	883	0	21,021	(1,438)	19,583	24,312
Parks Facilities**	71,404	(19,968)	51,436	7,586	906	0	(4,706)	(708)	0	67,698	(13,184)	54,514	44,512
Work in Progress	6,970	0	6,970	3,678	0	0	0	0	0	10,648	0	10,648	0
Total Consolidated Restricted Assets	463,682	(20,649)	443,034	21,797	1,147	(2,415)	(5,463)	10,049	0	482,770	(14,622)	468,148	68,824
Consolidated Operational Assets													
Land	386,922	0	386,922	1,182	0	(550)	0	9,308	0	396,862	0	396,862	0
Buildings and Improvements	196,105	(9,234)	186,871	5,265	0	(816)	(9,511)	(4,094)	0	196,460	(18,745)	177,715	136,795
Airport Buildings and Operational Assets	26,768	(2,274)	24,494	15,120	0	0	(1,388)	4	0	41,892	(3,662)	38,230	25,202
Jetties, Wharves, Marine Facilities and Structures	30,957	(2,892)	28,065	795	0	(176)	(1,713)	922	12,299	41,905	(1,713)	40,192	85,892
Library Books	8,753	(4,053)	4,700	1,003	0	0	(1,661)	(1,287)	(707)	3,709	(1,661)	2,048	0
Heritage	4,018	0	4,018	0	0	0	0	1	(334)	3,684	0	3,684	0
Office Furniture and Equipment	34,510	(21,949)	12,561	4,346	0	(1)	(3,195)	3,010	0	41,866	(25,144)	16,722	0
Plant and Equipment	32,882	(13,585)	19,297	2,750	0	(18)	(2,297)	(1,506)	0	34,108	(15,882)	18,226	16,902
Motor Vehicles	3,400	(3,051)	349	90	0	(10)	(92)	117	0	3,597	(3,143)	454	0
Work in Progress	17,964	0	17,964	4,822	0	0	0	178	0	22,964	0	22,964	0
Total Consolidated Operational Assets	742,279	(57,038)	685,242	35,373	0	(1,571)	(19,857)	6,653	11,258	787,047	(69,950)	717,097	264,791
TOTAL CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT	4,071,034	(175,235)	3,895,802	193,830	24,949	(6,469)	(57,431)	1,050	321,274	4,489,685	(116,683)	4,373,002	2,543,302

Council - Work in progress

Accounting policy

Work in progress is recognised at cost less impairment and is not depreciated.



	Council		Consolidated	
	Actual 2020 \$000	Actual 2019 \$000	Actual 2020 \$000	Actual 2019 \$000
PROPERTY, PLANT AND EQUIPMENT WORK IN PROGRESS				
Council Infrastructural Assets				
Wastewater - Treatment Plants and Facilities	38,088	28,227	38,088	28,227
Other Wastewater Systems	13,548	11,796	13,548	11,796
Water Supply - Treatment Plants and Facilities	31,915	16,478	31,915	16,478
Other Water Supply Systems	54,958	15,510	54,958	15,510
Stormwater System	28,051	17,868	28,051	17,868
Road Network	40,581	38,363	40,581	38,363
Road Corridor Land	139	108	139	108
Other Road Assets	7,887	21,179	7,887	21,179
Total Infrastructural Assets Work In Progress	215,167	149,529	215,167	149,529
Council Restricted Assets				
Land	210	479	210	479
Buildings and improvements	3,265	2,468	3,265	2,468
Parks Facilities	13,609	7,701	13,609	7,701
Total Restricted Assets Work In Progress	17,084	10,648	17,084	10,648
Council Operational Assets				
Land	18,639	15,059	18,639	15,059
Buildings and Improvements	2,184	1,742	2,901	1,742
Airport Buildings and Operational Assets	843	508	843	508
Jetties, Wharves, Marine Facilities and Structures	478	1,095	478	1,095
Library Books	1,113	70	1,113	70
Heritage	1	0	1	0
Office Furniture and Equipment	1,509	1,235	1,596	1,235
Plant and Equipment	1,060	899	1,382	899
Motor Vehicles	15	309	60	2,356
Total Operational Assets Work In Progress	25,842	20,917	27,013	22,964
Total Property, Plant and Equipment Work In Progress	258,093	181,094	259,264	183,141
INTANGIBLE WORK IN PROGRESS				
Software	11,147	4,605	11,147	5,214
TOTAL WORK IN PROGRESS	269,240	185,699	270,411	188,355

Insurance of assets

Local government disclosures

Under the Local Government Act 2002, the Council is required to disclose the following information on insurance of the Group's assets as at 30 June 2020.

Disclosure as required under Local Government Amendment (No3) Act.



	Carrying Amounts 2020 \$'000	Insured Amounts 2020 \$'000	Carrying Amounts 2019 \$'000	Insured Amounts 2019 \$'000
Assets Covered by Insurance Contracts				
Infrastructural Assets				
Wastewater - Treatment Plants and Facilities	56,039	73,915	60,214	71,664
Water Supply - Treatment Plants and Facilities	24,823	63,121	24,797	69,119
Other Water Supply Systems*	240,533	444,973	244,402	416,652
Other Wastewater Systems*	383,804	45,815	344,379	58,788
Other Stormwater systems*	439,923	239	444,168	239
Bridges	22,987	69,501	31,910	57,157
Total Infrastructural Assets Insurance Coverage	1,168,109	697,564	1,149,870	673,619
Operational Assets				
Buildings and improvements	199,907	561,242	197,300	551,224
Airport Buildings and Operational Assets	45,922	0	38,229	0
Jetties, Wharves, Marine Facilities and Structures	38,290	0	40,192	0
Library Books	3,965	0	2,048	0
Heritage	3,847	0	3,685	0
Office Furniture and Equipment	10,405	0	16,726	0
Plant and Equipment	21,888	0	18,226	0
Work in Progress	259,264	0	183,141	0
Motor Vehicles	1,531	5,573	454	3,991
Forestry	9,872	3,100	10,641	5,393
Total Operational Assets Insurance Coverage	594,891	569,915	510,642	560,608
Total Assets Covered by Insurance Contracts	1,762,000	1,267,479	1,660,512	1,234,227
Financial Risks Sharing Arrangements Assets				
Roading Corridor Land	1,362,127	0	1,360,565	0
Other Roading Assets	80,395	0	88,116	0
Land	756,307	0	780,265	0
Parks Facilities	40,760	0	54,515	0
Roading Network	454,577	0	439,677	0
Total Financial Risks Sharing Arrangements	2,694,166	0	2,723,138	0
TOTAL INSURANCE OF ASSETS	4,457,166	1,267,479	4,383,650	1,234,227

The insurance cover is for Council and the group.

* Underground assets are covered under separate cover for \$380m (2019:\$380m). This amount has been included in the "Other Water Supply Systems" insured amount for ease of presentation but applies to all underground assets.

Note 31: Intangible assets

Accounting policy



Intangible assets are initially recorded at cost. Where acquired in a business combination, the cost is the fair value at the date of acquisition. The cost of an internally generated intangible asset represents expenditure incurred in the development phase.

Subsequent to initial recognition, intangible assets with finite useful lives are recorded at cost, less any amortisation and impairment losses and are reviewed annually for impairment losses. Amortisation of intangible assets is provided on a straight line basis that will write off the cost of the intangible asset to estimated residual value over their useful lives. Assets with indefinite useful lives are not amortised but are tested, at least annually, for impairment and are carried at cost less accumulated impairment losses.

Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Impairment losses resulting from impairment are reported in the Statement of Comprehensive Revenue and Expense.

Realised gains and losses arising from the disposal of intangible assets are recognised in the Statement of Comprehensive Revenue and Expense in the year in which the disposal occurs.

Intangible Assets Comprise:

Software Acquisition and Development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs directly associated with the development of identifiable and unique software products in house are recognised as an asset.

Property Subdivision Rights

Council has a property subdivision right in terms of the land block referred to as Te Tumu. This has been recognised as an intangible asset and is being amortised over the period of the agreement. Refer to note 25.

Easements and Access Rights

Easements and Access Rights are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements used for access to Council infrastructure assets are included in Property, Plant and Equipment and easements used by Council for access to restricted assets such as reserves are included as part of intangible assets.

Where easements have an indefinite useful life they are not amortised. These are capitalised to the asset to which they belong. They are tested for impairment as part of the regular asset impairment testing.

The access rights are recognised as an intangible asset and amortised over the life of the access.

Access Rights have a definite life and are amortised over the life of the right given.

Carbon Credits

Purchased carbon credits are recognised at cost on acquisition. Carbon credits allocated by the Crown are recognised at fair value on receipt.

Carbon credits held are revalued each year and the resulting movement is put through the Surplus and deficit. Carbon credits were revalued using the latest carbon credit market trading price as at 30 June 2020, as quoted by Carbon News.

They are derecognised when they are used to satisfy carbon credit emission obligations. Any costs associated with maintaining New Zealand Units (NZU) are recognised as an expense when incurred.

Useful Lives

The useful lives for associated amortisation rates of major classes of intangible assets have been estimated as follows:

Class of Intangible Asset	Estimated Useful Life (Years)	Amortisation Rates
Acquired Computer Software	4	25%
Core Systems Software	4 - 7	14.3%-25%
Access Rights	8 - 50	2%-12%



Impairment

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

Computer software

Computer software is purchased from independent external suppliers.

Easements and access rights

Right of access is the cost of the Tauranga City Council contributions to community infrastructure (buildings) within the city which Tauranga City Council does not own, but the community has access to use. Easements provide Council with access to infrastructural assets for an indefinite time period.

Property subdivision rights

The initial impairment of the Te Tumu interest free loan was recognised as the amount payable for the right to use the Te Tumu land in its undeveloped state, which in turn created a “Property Subdivision Right” asset. The asset is recognised as an intangible asset and amortised over the period of the loan agreement (10 years) originally. The vendors’ right to repurchase the property was extended to 2027 from 2026 under the Council’s Long Term Plan.

With the vendor indicating their intention to proceed with the buyback of the land over the next few years the unamortised portion of the intangible asset will be amortised at an accelerated level to coincide with the agreement being transacted.

Emissions trading scheme

Pre 1990 Forest:

Owners of pre 1990 forests may opt to join the Emissions Trading Scheme (ETS) and are allocated New Zealand Units (NZU’s) based on the size of the forested area in tree tranches. Pre 1990 forests are forests that were established before 1 January 1990. New Zealand Units cannot be earned for an increase in the carbon stock (through forest growth) in a pre 1990 forest, but, provided that pre 1990 forests are re established after harvesting (either by replanting or regeneration) there are no liabilities or obligations under Emissions Trading Scheme. However, land owners must surrender New Zealand Units equivalent to the carbon emissions from any deforestation.

Tauranga City Council was allocated New Zealand Units relating to 157 hectares of the forested land surrounding its water catchments and reservoirs during 2015. Tauranga City Council and Western Bay of Plenty District Council were allocated New Zealand Units in relation to 906 hectares of forested land within the TECT All Terrain Park which they share on a 50/50 basis.

Carbon Credits

New Zealand Units have been assessed as having an indefinite useful life because they have no expiry date but will continue to have economic benefit as long as the Emissions Trading Scheme is in place.

New Zealand Units are revalued annually by reference to published current price quotations in an active market. Movements in the value of New Zealand Units are shown in Surplus/(Deficit).

Note 31: Intangible assets - 2020										
	COUNCIL						CONSOLIDATED			
	Computer Software \$'000	Right Of Access \$'000	Property Subdivision Rights \$'000	Carbon Credits \$'000	Work in Progress \$'000	Council Total \$'000	Subsidiaries Computer Software \$'000	Subsidiaries Licenses \$'000	Consolidated Total \$'000	
Cost 2020										
Balance as at 1 July 2019	16,917	4,812	3,061	659	4,605	30,054	1,729	566	32,349	
Additions	5,154	5,924	0	0	6,542	17,620	79	0	17,699	
Revaluation	0	0	0	256	0	256	0	0	256	
Disposals	(9,466)	(2)	0	0	0	(9,468)	(2)	0	(9,470)	
Balance as at 30 June 2020	12,605	10,734	3,061	915	11,147	38,462	1,806	566	40,834	
Cost 2019										
Balance as at 1 July 2018	12,327	3,642	3,061	602	4,431	24,063	1,549	566	26,178	
Additions	4,736	1,170	0	0	1,743	7,649	180	0	7,829	
Revaluation	0	0	0	57	0	57	0	0	57	
Disposals	(146)	0	0	0	(1,569)	(1,715)	0	0	(1,715)	
Balance as at 30 June 2019	16,917	4,812	3,061	659	4,605	30,054	1,729	566	32,349	
Accumulated Amortisation and Impairment 2020										
Balance as at 1 July 2019	(11,427)	(824)	(2,170)	0	0	(14,421)	(1,119)	(566)	(16,106)	
Amortisation Charge	(2,770)	(79)	(112)	0	0	(2,961)	(188)	0	(3,149)	
Amortisation Charge Written Back on Disposal	8,921	0	0	0	0	8,921	0	0	8,921	
Balance as at 30 June 2020	(5,276)	(903)	(2,282)	0	0	(8,461)	(1,307)	(566)	(10,334)	
Accumulated Amortisation and Impairment 2019										
Balance as at 1 July 2018	(10,073)	(744)	(2,058)	0	0	(12,875)	(916)	(566)	(14,357)	
Amortisation Charge	(1,354)	(80)	(112)	0	0	(1,546)	(203)	0	(1,749)	
Balance as at 30 June 2019	(11,427)	(824)	(2,170)	0	0	(14,421)	(1,119)	(566)	(16,106)	
Carrying Amounts										
Balance as at 30 June 2018	2,254	2,898	1,003	602	4,431	11,188	633	0	11,821	
Balance as at 30 June 2019	5,490	3,988	891	659	4,605	15,633	610	0	16,242	
Balance as at 30 June 2020	7,329	9,831	779	915	11,147	30,001	499	0	30,500	

Note 31: Intangible assets - 2019										
	COUNCIL					CONSOLIDATED				
	Computer Software \$'000	Right Of Access \$'000	Property Subdivision Rights \$'000	Carbon Credits \$'000	Work in Progress \$'000	Council Total \$'000	Subsidiaries Computer Software \$'000	Subsidiaries Licenses \$'000	Subsidiaries Work in Progress \$'000	Consolidated Total \$'000
Cost 2019										
Balance as at 1 July 2018	12,327	3,642	3,061	602	4,431	24,063	1,549	566	0	26,178
Additions	4,736	1,170	0	0	1,743	7,649	180	0	0	7,829
Revaluation	0	0	0	57	0	57	0	0	0	57
Disposals	(146)	0	0	0	(1,569)	(1,715)	0	0	0	(1,715)
Balance as at 30 June 2019	16,917	4,812	3,061	659	4,605	30,054	1,729	566	0	32,349
Cost 2018										
Balance as at 1 July 2017	10,620	5,708	3,061	490	5,711	25,590	1,406	566	24	27,586
Additions	2,423	0	0	0	(1,280)	1,143	143	0	0	1,286
Reclassification to Property, Plant and Equipment	(716)	(2,066)	0	0	0	(2,782)	0	0	(24)	(2,806)
Revaluation	0	0	0	112	0	112	0	0	0	112
Balance as at 30 June 2018	12,327	3,642	3,061	602	4,431	24,063	1,549	566	0	26,178
Accumulated Amortisation and Impairment 2019										
Balance as at 1 July 2018	(10,073)	(744)	(2,058)	0	0	(12,875)	(916)	(566)	0	(14,357)
Amortisation Charge	(1,354)	(80)	(112)	0	0	(1,546)	(203)	0	0	(1,749)
Balance as at 30 June 2019	(11,427)	(824)	(2,170)	0	0	(14,421)	(1,119)	(566)	0	(16,106)
Accumulated Amortisation and Impairment 2018										
Balance as at 1 July 2017	(10,254)	(663)	(1,946)	0	0	(12,863)	(701)	(566)	0	(14,130)
Reclassification to Property, Plant and Equipment	1,201	0	0	0	0	1,201	0	0	0	1,201
Amortisation Charge	(1,020)	(81)	(112)	0	0	(1,212)	(215)	0	0	(1,427)
Balance as at 30 June 2018	(10,073)	(744)	(2,058)	0	0	(12,874)	(916)	(566)	0	(14,356)
Carrying Amounts										
Balance as at 30 June 2017	366	5,045	1,115	490	5,711	12,727	705	0	24	13,456
Balance as at 30 June 2018	2,254	2,898	1,003	602	4,431	11,188	633	0	0	11,821
Balance as at 30 June 2019	5,490	3,988	891	659	4,605	15,634	610	0	0	16,242

Note 32: Forestry assets

Accounting policy



Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs, and silvicultural costs and takes into consideration environmental, operational, and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Balance as at 1 July	10,641	9,798	10,641	9,798
Increases/(Decreases) due to Revaluation	(354)	2,108	(354)	2,108
Gains/(Losses) Arising from Changes Attributable to Physical Change	785	852	785	852
Decreases due to Harvest	(1,200)	(2,117)	(1,200)	(2,117)
Total Forestry Assets Balance as at 30 June	9,872	10,641	9,872	10,641

The change in value of forestry assets is recorded as Other Gains in note 15.

The most recent valuation of Forestry assets is as at 30 June 2020. The Forest crop assets held in Tauranga City Council water catchments and TECT All Terrain Park forest were valued by Registered Valuer Peter Auge from Interpine Group Limited.

The two areas of forest valued by Interpine have been approached individually. The approach to non radiata species is different because the TECT forest area contains other exotic species that can be harvested while this is not the case for the water catchment area which only consists of Radiata.

(A) Forestry assets water catchments

The Council owns a total of 315 hectares of forestry assets surrounding its water catchments and within the TECT All Terrain Park. Of the total area of forest within the TECT All Terrain Park, 438 hectares are stocked and Tauranga City Council owns 50% of these.

The forestry assets have no restrictions on title or any known pledges against them.

The forest consists of:

Tree species	TECT All Terrain Park Total	Tauranga City Council Share of TECT Forest	Water Catchment Areas	Total
Hectares				
Pinus Radiata	363	182	91	273
Douglas Fir	26	13	0	13
Other species	48	24	5	29
Total Forested Hectares 2020	437	219	96	315
Total Value 2020 \$'000's	9,795	4,897	4,975	9,872
Total Forested Hectares 2019	513	257	102	359
Total Value 2019 \$'000's	10,973	5,487	5,154	10,641

(B) TECT All Terrain Park Forest

TECT All Terrain Park is located on State Highway 36 between Rotorua and Tauranga. TECT All Terrain Park consists of 5 compartments subdivided into 58 stands totalling 906 hectares. Of these stands 18 are under forest right agreements and are not included in this valuation. Of the 40 remaining stands only those classified for production and harvest are valued. The production management regime stands, 28 in total, have a net stocked area of 438 hectares. Three temporarily unplanted stands are not valued.

Pinus radiata accounts for 363 hectares (2019 432 hectares) of the tree crop. The total value of the forestry stands at 30 June 2020 is \$9.8 million (2019 \$11.0m) of which Council owns 50%.

Independent registered valuer, Peter Auge from Interpine Group Limited, valued the TECT All Terrain Forest as at 30 June 2020. The estimated value of the forest is exclusive of GST, land value and tax.

Valuation

The Standards applied in this valuation are the PBE IPSAS 27 as issued by the External Reporting Board (XRB)

and the Forest Valuation Standards issued by the NZ Institute of Forestry. As such the following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- The valuation considers only the costs and revenues associated with the current crop (single rotation).
- An appropriate discount rate is derived based on evidence from industry practice.
- An average pre tax discount rate of 7.6% (2019: 7.6%) has been used in valuing the forest crops.
- A land rental cost is charged against the tree crop value for each stand until harvested.
- Wood flow is based on a presumed harvest schedule for a typical forest owner and not specific to the current owner.
- Costs are based on industry standard management and operational requirements.
- Logs processed are based on market rates and forecast based on best estimates of future supply and demand.
- Uncropped areas awaiting replanting contribute no value to the tree crop but have a potential value in forestry which is accounted for in the land value.

The method used to measure the *Pinus radiata* tree crops in this valuation is the Expectation method. The Expectation method employs a conventional discounting approach to determine the present value of future cash flows. Previous expenditure on the forest is treated as sunk costs and are excluded from the valuation determination.

Interpine varied the methodology on valuing young *radiata* stands to a discounted cash flow basis instead of compounding cost approach to allow for better analysis of year to year change. This change has little effect on the total valuation.

Non *radiata* tree crops have been valued using a compounded cost methodology. Here a fair value is determined to be the compounded cost of the operations required to grow each crop to its current age.

(C) Forest within water catchment areas

Most of Tauranga City Council's forests are located in the Tauranga City Council water supply catchments close to State Highway 36 on the outskirts of Tauranga, with the exception of Athenree which is located close to Waihi. Tauranga City Council has 8 forests comprising of 37 productive (*Pinus radiata*) compartments totalling 96 hectares. Native bush and *Acacia Melanoxydon* compartments are deemed to have no crop value and are not valued.

Net stocked area has decreased in the 2020 financial year due to logging operations within the Athenree Forest, reducing its NSA to 5 hectares as at the 2020 valuation (2019: 11.3 hectares).

Independent Registered Valuer Peter Auge of Interpine Group Ltd valued the Tauranga City Council owned forest as at 30 June 2020.

The Standards applied in this valuation are PBE IPSAS 27 issued by the External Reporting Board (XRB) for an agricultural asset and the Forest Valuation Standards issued by the NZ Institute of Forestry. As such the following considerations have been made in formulating this valuation.

The valuation considers only the costs and revenues associated with the current crop (single rotation).

- An appropriate discount rate is derived based on evidence from industry practice.
- Non *radiata* tree crops have been valued using a compounded cost methodology.
- A land rental cost is charged against the tree crop value for each stand until harvested.
- Costs are based on industry standard management and operational requirements.
- Wood flow is based on a presumed harvest schedule for a typical forest owner and not specific to the current owner.
- Log prices are based on market rates and forecasted based on best estimates of future supply and demand.
- Land value, rates and insurance are excluded from the valuation.
- An average pre tax discount rate of 7.6% (2019: 7.6%) has been used in valuing the forest crops.
- Unstocked areas awaiting replanting contribute no value to the tree crop but have a potential value in forestry which is accounted for in the land value.
- Land related costs and the impact of any potential cost or gain from carbon credits are not included in the valuation.
- The expected net returns from harvesting are based on current prices.

No biological assets are pledged as security for liabilities. Biological assets are deemed to be of a consumable nature.

Financial Risk Management Strategies

The Council is exposed to financial risks arising from changes in timber prices. The forest crops owned by the Council and group are held primarily for conservation purposes and are not intended to be logged and sold in substantial portions in order to earn income.

Therefore, no measures have been taken to manage the risks of a decline in timber prices. The Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

Note 33: Payables and deferred revenue

Accounting policy

Short term creditors and other payables are recorded at their face value and are non interest bearing. They are normally settled on 30 day terms; therefore the face value of creditors and other payables approximates their fair value.



	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Total Creditors and Other Payables	60,882	63,684	62,282	65,327
Payables and Deferred Revenue from Exchange Transactions				
From Exchange Transactions				
Trade Payables	0	7,150	71	5,740
Accrued - Other Expenses	28,774	29,939	28,390	30,306
Income in advance	0	0	0	286
Accrued Interest on Borrowings	1,537	2,421	1,537	2,421
Total Payables and Deferred Revenue from Exchange Transactions	30,311	39,510	29,998	38,753
From Non Exchange Transactions				
Accrued - Other Expenses	3,022	1,873	3,938	2,549
Deferred Revenue	5,572	2,895	5,572	4,196
Rates in Advance	20,002	17,839	20,002	17,839
Other Payables	1,975	1,567	2,652	1,875
GST Payable	0	0	119	115
Total Payables and Deferred Revenue from Non Exchange Transactions	30,571	24,174	32,283	26,574
TOTAL PAYABLES AND DEFERRED REVENUE FROM EXCHANGE AND NON EXCHANGE TRANSACTIONS	60,882	63,684	62,281	65,327

There were no trade payables due as at 30 June 2020. This was because all trade payables were settled ahead of the year end as part of the implementation of the SAP financial reporting system.

Note 34: Employee entitlement liabilities

Accounting policy

Provision is made in respect of Tauranga City Council's liability for salaries, wages, annual leave, long service leave and gratuities, accrued up to balance date.



Short Term Employee Entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned to, but not yet taken at balance date.

A liability and an expense are recognised for bonuses where the Council or Group has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long Term Employee Entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of Employee Entitlements

Annual leave, and vested long service leave are classified as a current liability. Non vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non current liability.

Sick leave, annual leave, vested long service leave, and non vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non current liability.

Superannuation Schemes

(i) Defined Contribution Schemes

Obligations for contributions to KiwiSaver and defined contribution superannuation schemes are recognised as an expense in the surplus or deficit when incurred.

(ii) Defined Benefit Schemes

Tauranga City Council makes employer contributions to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi employer defined benefit scheme.

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Employee Entitlements				
Accrued Pay	1,113	1,062	1,855	1,662
Annual Leave	4,224	3,174	4,977	3,779
Long Service Leave	94	94	94	94
Retirement Gratuities	0	40	0	40
Total Employee Entitlements	5,431	4,370	6,926	5,575
Current Portion Employee Entitlements				
Accrued Pay	1,113	1,062	1,855	1,662
Annual Leave	4,224	3,174	4,977	3,779
Long Service Leave	94	94	94	94
Total Current Portion Employee Entitlements	5,431	4,330	6,926	5,535
Non Current Portion Employee Entitlements				
Retirement Gratuities	0	40	0	40
TOTAL EMPLOYEE ENTITLEMENT LIABILITIES	5,431	4,370	6,926	5,575

Note 35: Deposits held

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
General Deposits	3,362	2,960	3,375	2,972
Site Development Bonds	2,811	2,617	2,811	2,617
TOTAL DEPOSITS HELD	6,173	5,577	6,186	5,589

Note 36: Revenue in advance developer contributions and other

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Developer Contributions				
Stormwater	(307)	(169)	(307)	(169)
Wastewater	(1,665)	(1,598)	(1,665)	(1,598)
Water Supply	386	397	386	397
Roading	6,331	6,428	6,331	6,428
Parks and Recreation	70	70	70	70
Developer Contributions Received in Advance	4,815	5,128	4,815	5,128
Other Revenue In Advance	560	47	1,768	1,636
TOTAL REVENUE IN ADVANCE DEVELOPER CONTRIBUTIONS AND OTHER	5,375	5,175	6,583	6,764

Development Contribution revenue received in advance represents the value of assets vested to Tauranga City Council in excess of the value of Development Contributions owing to Council, under a works in lieu agreement with a developer. The works in lieu agreement allows for the developer to construct local infrastructure and vest this to Council rather than Council charging local development contributions for subdivisions and building the infrastructure itself.

Works in lieu agreement consists of the following: the Development Contributions owing to Council at 30 June 2020 totalled \$16m (2019: \$16m) and assets vested to Council totalled \$28m (2019: \$28m).

Development Contribution Fees Owing	(\$16m)
Assets Vested to Council	\$28m
Less Reimbursements	(\$7m)
Total Works in Lieu	\$5m

Note 37: Borrowings

Accounting policy

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless Tauranga City Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date, or if the borrowings are expected to be settled within 12 months of balance date.



	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Borrowings				
Maturing under 1 year	54,079	54,958	55,079	55,932
Maturing in 1-2 years	63,889	53,880	63,889	53,880
Maturing in 2-3 years	53,812	43,510	53,812	43,510
Maturing in 3-4 years	52,669	40,000	52,669	40,000
Maturing in 4-5 years	45,000	20,000	45,000	20,000
Maturing in 5+ years	270,250	245,280	270,250	245,280
TOTAL BORROWINGS	539,699	457,628	540,699	458,602
Weighted Average Interest on Outstanding Borrowings (actual as at balance date)	3.78%	4.67%	3.78%	4.67%
Current Portion				
Current Portion of Borrowings	0	10,000	1,000	10,974
Current Portion - Local Government Funding Agency	50,000	44,958	50,000	44,958
Current Portion - Housing Infrastructure Fund	4,079	0	4,079	0
Total Current Portion	54,079	54,958	55,079	55,932
Non Current Portion				
Non Current Portion - Local Government Funding Agency	475,250	395,281	475,250	395,281
Non Current Portion - Housing Infrastructure Fund	10,370	7,389	10,370	7,389
Total Non Current Portion	485,620	402,670	485,620	402,670
TOTAL BORROWINGS	539,699	457,628	540,699	458,602

Credit standby arrangements

At balance date Tauranga City Council had undrawn bank facilities of \$70m (2019: \$70m), with facility maturing October 2023.

(A) Financing Arrangements

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Credit Standby Arrangements				
Adams Centre Loan	0	0	1,000	974
Housing Infrastructure Fund	14,449	7,389	14,449	7,389
Wholesale Borrowings at Floating Interest Rates	450,000	414,958	450,000	414,958
Wholesale Borrowings at Fixed Interest Rates	75,250	35,281	75,250	35,281
TOTAL FINANCING ARRANGEMENTS	539,699	457,628	540,699	458,602

The borrowings (including any debentures) are secured loans which are secured by a charge over all Rates from time to time set or assessed by Tauranga City Council.

All Tauranga City Council's floating interest rates are set based on the 90 day bank bill rates. Interest rates are reset at 90 days as appropriate with the financial instrument. All borrowings are expected to be held until their maturity.

Fair value

The carrying amounts and fair values of borrowings at balance date are as follows:

Council				
	Carrying Amount 2020 \$'000	Fair Value 2020 \$'000	Carrying Amount 2019 \$'000	Fair Value 2019 \$'000
Current Borrowings	50,000	50,000	54,958	55,585
Housing Infrastructure Fund	14,449	15,568	7,389	7,995
Wholesale Borrowings at Floating Interest Rate	400,000	400,000	370,000	370,000
Wholesale Borrowings at Fixed Interest Rate	75,250	82,606	25,281	29,019
TOTAL COUNCIL FAIR VALUE AND CARRYING AMOUNTS	539,699	548,174	457,628	462,599

The fair values are based on a yield to maturity basis, assuming interest payments are on a semi annual basis (in accordance with market convention). Fair value interest rates range for fixed interest rate borrowings from 0.58% to 1.56% (2019: 1.66% to 2.24%).

Consolidated				
	Carrying Amount 2020 \$'000	Fair Value 2020 \$'000	Carrying Amount 2019 \$'000	Fair Value 2019 \$'000
Current Borrowings	50,000	50,000	54,958	55,585
Adams Centre Loan	1,000	1,000	974	974
Borrowings from TECT by Bay Venues Limited	0	0	0	0
Housing Infrastructure Fund	14,449	15,568	7,389	7,995
Wholesale Borrowings at Floating Interest Rate	400,000	400,000	370,000	370,000
Wholesale Borrowings at Fixed Interest Rate	75,250	75,250	25,281	29,019
TOTAL CONSOLIDATED FAIR VALUE AND CARRYING AMOUNTS	540,699	541,818	458,602	463,573

(B) Housing Infrastructure Fund (HIF)

In September 2016 the Housing Infrastructure Fund was established by the New Zealand Government as a one off contestable fund aimed at accelerating short and medium term supply of new housing in high growth urban areas.

The aim of the fund was to provide financing capacity for growth councils to deliver the infrastructure needed to support their growth.

High growth urban areas are defined as those where Statistics New Zealand projects population growth to be, or will exceed, 1% per year for the next ten years.

Tauranga was identified as a high growth urban area.

Tauranga City Council submitted its proposals for a share of the \$1 billion Housing Infrastructure Fund and was successful in getting funding for three of its proposals. The three Council projects that will be funded by the Housing Infrastructure Fund are Waiari Water Treatment Plant, the Te Maunga Wastewater Treatment Plant Upgrade and the infrastructure required to establish the Te Tumu growth area. The first two projects are providing increased water and wastewater capacity for an additional 35,000 houses. This extra capacity can be for either development of existing urban areas or development of new urban growth areas. The third project (for which a loan agreement has yet to be signed) will provide the infrastructure to allow access to a new growth area in Papamoa East expected to support an estimated additional 7,700 dwellings. It includes Water, Wastewater, Stormwater and Transportation projects.

During the current financial year a \$7.5m interest free loan was drawn down (2019: \$8.3m). The undrawn amount under the Housing Infrastructure Fund at 30 June 2020 is \$90.1m (2019: \$97.6m). The full facility for Waiari (HIF) is \$105.9m.

No draw down has been made to date in relation to the Te Maunga Wastewater Treatment Plant, the total HIF facility is \$51.8m.

Note 38: Provisions

Accounting policy



Tauranga City Council recognises a provision for future expenditure of an uncertain amount or timing when:

- there is a present obligation, (either legal or constructive) as a result of a past event, and
- it is probable that an outflow of future economic benefits will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in “finance costs”.

ACC Accredited Employers Programme

The Council belongs to the ACC Accredited Employers Program (the “Full Self Cover Plan”) whereby the Council accepts the management and financial responsibility for employee work related illnesses and accidents. Under the programme, the Council is liable for all its claims costs for a period of two years after the end of their cover period in which the injury occurred. At the end of the two year period, the Council pays a premium to ACC for the value of residual claims, and from that point the liability for ongoing claims passes to ACC.

The liability for the ACC Accredited Employers Programme is measured using actuarial techniques at the present value of expected future payments to be made in respect of the employee injuries and claims up to the balance date. Consideration is given to anticipated future wage and salary levels and experience of employee claims and injuries. Expected future payments are discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires Tauranga City Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to meet a payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand alone arm’s length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability Tauranga City Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, a liability is only recognised when it is probable there will be an outflow under the guarantee. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if Tauranga City Council assesses that it is probable that expenditure will be required to settle a guarantee, then a provision for the guarantee is measured at the present value of the future expenditure.

Tauranga City Council initially recognises financial guarantees on behalf of its subsidiaries at fair value in the statement of financial position, as a liability and as an increase to the value of the investment in the subsidiary.

Critical accounting estimates, assumptions and judgement



landfill Closure Costs (Aftercare Liability)

As operator of the Cambridge Road and Te Maunga landfills, Tauranga City Council has a legal obligation to provide ongoing maintenance and monitoring services at the landfill sites after closure. A calculation of the estimated future costs of this monitoring has been discounted and is recognised in the surplus or deficit and as a liability in the Statement of Financial Position. Both landfill sites are closed.

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Current Portion Provisions				
Provision for Claims Under Weathertight Homes	28,598	19,112	28,598	19,112
Aftercare Liability	10	10	10	10
Other Provisions	643	42	643	42
Total Current Portion Provisions	29,251	19,164	29,251	19,164
Non Current Provisions				
Aftercare Liability	4	4	4	4
Total Non Current Portion Provisions	4	4	4	4
TOTAL PROVISIONS	29,255	19,168	29,255	19,168

Council 2020					
Movements	Employee Cost Provision \$'000	Aftercare Liability \$'000	Weathertight Homes Resolution \$'000	Retentions Provision \$'000	Total \$'000
Balance as at 1 July 2019	42	14	19,112	0	19,168
Additional Provisions Made	1	0	12,500	600	13,101
Reversal of Provision	0	0	0	0	0
Amounts Used	0	0	(3,014)	0	(3,014)
Balance as at 30 June 2020	43	14	28,598	600	29,255

Council 2019					
Movements	Employee Cost Provision \$'000	Bella Vista \$'000	Aftercare Liability \$'000	Weathertight Homes Resolution \$'000	Total \$'000
Balance as at 1 July 2018	41	11,547	24	12,530	24,142
Additional Provisions Made	1	0	0	9,000	9,001
Reversal of Provision	0	(11,547)	0	0	(11,547)
Amounts Used	0	0	(10)	(2,418)	(2,428)
Balance as at 30 June 2019	42	0	14	19,112	19,168

Weathertightness Claims (Leaky homes)

Provision for Building Claims under Weathertight Homes Resolution Service (WHRS) and Financial Assistance Package (FAP).

Previously these two provisions have been shown separately and have now been combined as one provision.

Council has exposure to claims for leaky buildings under both the Weathertight Homes Resolution Service and the Financial Assistance Package.

Council originally based its assessment of the provision based on an actuarially reviewed assessment of claims likely to be arising. Council has received a total of 96 claims under the Financial Assistance Package. Of these claims 66 related to private certifiers. The initial methodology resulted in a provision for the assessed risk that was significantly above what has been the case over the past five years.

Subsequent judicial decisions have extended the liability of Councils and this has meant the provisions made in the past are close to actual claims amounts.

Council acknowledges there is still some uncertainty around potential claims and that it is always possible that new claims could arise in the future but Council has no basis on which to make a specific provision for such an occurrence.

The Long Term Plan was prepared on a similar basis that given the timing of the remaining claim period (7/2/2003 Council changed its building code which is earlier than legislative change) the lack of new claims and the expected settlement process no significant new claims are expected (four claims from the original actuarially calculated claims outstanding less those already settled or believed to be outside the claim period.) Most of the outflow of economic benefit from the claims is expected to occur over 2020 and 2021 financial years.

Financial Assistance Package (FAP)

This package provides that Government will provide 25% of the repair costs for leaky buildings, local government a further 25% (where they certified the building) with the balance being met by the homeowner. This is available for leaky buildings meeting the criteria under the scheme.

Tauranga City Council has calculated its total provision in three areas. Firstly, a provision for future claims under Financial Assistance Package. Secondly a provision for claims underway under either Weathertight Homes Resolution Service or Financial Assistance Package and thirdly a provision for claims underway under either Weathertight Homes Resolution Service or Financial Assistance Package relating to multi unit claims.

1. Future Financial Assistance Package Claims

In order to reflect a provision for potential future liability an estimate has been made based upon an assessment undertaken of potential leaky buildings that may be eligible under this scheme. This amount is seen as a prudent estimate based upon current information available and is reviewed on an ongoing basis.

The original assumptions used in developing this provision are as follows:

- a sample of 470 buildings built in the relevant period
- 5.1% of these buildings identified as high risk based on criteria established by the Department of Building and Housing
- Average repair costs of \$300,000 per standalone building
- A 50% reduction in claims due to the use of private certifiers over this period
- An estimated uptake rate of 50%
- Council has a significantly reduced exposure after 2003 due to tightening of building regulations.

All of the above assumptions will be reviewed annually based on actual experience and adjusted where necessary.

Specific Claims

2. Individual Properties

There are currently zero claims outside the Financial Assistance Package process.

3. Multi Unit Claims

Following recent legal cases Tauranga City Council has seen more activity in this area. Five significant cases are now in progress which have a potential total liability of up to \$46m. It is expected that Tauranga City Council's liability will be approximately \$28m, based on claims history and the value of actual claims, and a provision has been updated to reflect this.

A contingent liability has also been recognised up to the amount of the potential exposure. This amount is \$18m and is an increase in the total provision of \$7m.

From the above provision of \$28m settlement was agreed with the owners of the Cayman apartment building for \$21m on 21 May 2020 with payment being made on 28 August 2020.

Other Provisions

Aftercare Liability

As historic operator of the Cambridge Road and Te Maunga landfills, Council has a legal obligation to provide on going maintenance and monitoring services at the landfill sites after closure. A calculation of the future costs of this monitoring has been discounted and offset to the current period against the value of the land. Both landfill sites have been closed for a number of years. The economic outflow of benefits associated with monitoring is expected to continue over the foreseeable future.

New Zealand Local Government Funding Agency (NZLGFA)

Financial Reporting standards require Tauranga City Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee and therefore has not recognised a liability. The Council considers the risk of the New Zealand Local Government Funding Agency defaulting on repayment of interest or capital to be very low on the basis that:

- it is not aware of any local authority default events in New Zealand, and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligation if further funds were required.

Risk management fund reserve

The risk management fund is a council created reserve (i.e. set up voluntarily). It was established in order to help manage council's financial risk and to fund unforeseen events. The reserve is generally funded from a direct allocation from rates, set by the mayor and councillors. There have also been occasions (as in 2018) where the rates surplus has been transferred into the reserve.

Since 1 July 2013 the reserve has been used to fund:

- Leaky home and weathertight home provisions
- Removal of staff from Willow Street administration building, which has since been demolished
- Bella Vista operating costs. Refer to note 10.

The reserve is currently in deficit. This means that payments that are anticipated to be required in the future are higher than funds that have been collected in the past. At some point future ratepayers are expected to have to fund these costs.

The balance of the risk management fund at June 2020 is a \$27.7m deficit (2019: \$15.5m deficit). This is due to a provision for weathertight (leaky) homes of \$28m that has not been paid out but represents an amount we believe is likely to be paid out in the future. Refer to note 49 C.

Note 39: Reconciliation of net surplus / (deficit) after tax to net cash flow from operating activities

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Surplus/(Deficit) After Tax	3,621	60,984	1,672	57,216
Add/(Less) Non Cash Items:				
Depreciation and Amortisation Expense	55,947	52,767	0	59,169
Revaluation Movement Investment Properties	(1,874)	(11,612)	0	(11,612)
Capital Gains on Disposal of Property, Plant and Equipment	(1,260)	(490)	0	(490)
Gain on Forestry due to Revaluation	(431)	(2,126)	0	(2,126)
Gain on Forestry Physical Changes and Remapping	(785)	(852)	0	(852)
Gains on Carbon Credits	0	(57)	0	(57)
Gain on Financial Instrument Te Tumu	(761)	(732)	0	(732)
Housing Infrastructure Fund Initial Discount Recognition	(440)	(950)	0	(950)
Reduction in Forestry Crop due to Harvest	1,202	2,117	0	2,117
Share in Associate	0	0	0	(5)
Assets Vested to Tauranga City Council	(24,110)	(25,392)	0	(25,392)
Assets Vested from Tauranga City Council	0	2,394	0	2,394
(Gains)/Losses on Derivative Financial Instruments and Non Interest Loans	13,463	20,159	0	20,159
Deferred Tax	0	(548)	0	(1,431)
Assets Written Off	24,891	6,700	0	6,700
Loss on Asset Sales	1,519	226	0	226
Unrealised Investment Income	(26)	16	0	16
Other Non Cash Items	1,204	(1,389)	0	(1,365)
Movement in Provisions	12,500	(2,547)	0	(2,547)
Total Non Cash Items	81,038	37,684	0	43,222
Add/(Less) Movements in Working Capital Items				
(Increase)/Decrease in Receivables	(9,331)	17,898	0	18,159
(Increase)/Decrease in Inventory	6	2	0	(51)
Increase/(Decrease) in Payables	(2,802)	(5,578)	0	(4,583)
Increase/(Decrease) in Income Tax Payable	0	0	0	0
Increase/(Decrease) in Provisions	(2,413)	(2,427)	0	(2,427)
Increase/(Decrease) in Employee Entitlements	1,061	358	0	513
Other Adjustments	596	(650)	0	(650)
Net Movement in Working Capital Items	(12,882)	9,603	0	10,961
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	71,777	108,271	1,672	111,399

Note 40: Events occurring after balance date

Note 41: Capital commitments and operating leases

Accounting policy

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to the ownership of an asset, whether or not title is eventually transferred. Tauranga City Council does not have any finance leases.

Operating Lease

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.



Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Capital Commitments				
Water Supply	35,807	56,831	35,807	56,831
Roading Network	0	21,884	0	21,884
Buildings	8,564	11,183	8,564	11,183
Intangible Assets	586	0	586	0
Parks Facilities	3,388	570	3,388	570
Vehicles	0	937	0	937
Bay Venues Limited	0	0	0	2,000
TOTAL CAPITAL COMMITMENTS	48,345	91,405	48,345	93,405

Operating Leases as Lessee

Tauranga City Council leases property, plant and equipment in the normal course of business. The majority of these leases have a minimum non cancellable term of at least 60 months.

Leases

Leases can be renewed at Tauranga City Council's option, with rents set by reference to current market rates for items of equivalent age and condition. Tauranga City Council does not have an option to purchase the assets at the end of the lease term. There are no restrictions placed on Tauranga City Council and group by any leasing arrangement.

The future aggregate minimum lease payments to be made under non cancellable operating leases are as follows:

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Operating Leases				
Not later than one year	2,441	2,301	2,559	2,445
Later than one year and not later than five years	7,911	7,630	7,925	7,754
Later than five years	1,704	2,948	1,704	2,948
TOTAL NON CANCELLABLE OPERATING LEASES	12,056	12,879	12,188	13,147

Operating Leases as Lessor

Tauranga City Council leases its Commercial properties under operating leases. The majority of these leases have a non cancellable term of at least 60 months.

The future aggregate minimum lease payments to be collected under non cancellable operating leases are as follows:

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Operating Leases				
Not later than one year	1,079	1,308	1,699	1,889
Later than one year and not later than five years	2,209	2,715	3,470	4,106
Later than five years	5,514	6,079	6,205	6,959
TOTAL NON CANCELLABLE OPERATING LEASES	8,802	10,102	11,374	12,954

No contingent rents have been recognised during the year (2019: nil).

Note 42: Contingencies

Accounting policy

The Council does not recognise contingent liabilities and contingent assets in the financial statements due to their uncertainty or the fact they cannot be reliably measured. Disclosures are provided as follows:



- Contingent liabilities are disclosed unless the possibility is remote.
- Contingent assets are only disclosed when the possibility is probable.

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Contingent Liabilities				
Leaky Building Claims*	17,935	51,870	17,935	51,870
Guarantee from Tauranga City Council for Loans on Behalf of Bay Venues Limited	1,000	1,000	1,000	1,000
TOTAL CONTINGENT LIABILITIES	18,935	52,870	18,935	52,870

*See below Leaky Building Claims for further details.

Other quantifiable contingent liabilities

Tauranga City Council is not aware of any potential general contract claims.

Financial guarantees

Tauranga City Council has provided a guarantee to Waikato University for a loan of \$1m (2019: \$1m) to Bay Venues Limited.

Bank guarantees

Tauranga City Council has no outstanding guarantees associated with local community organisations (2019:\$0k).

Guarantee provision - New Zealand Local Government Funding Agency (NZLGFA)

Tauranga City Council is a shareholder of The New Zealand Local Government Funding Agency Limited. This entity was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. Standard and Poor's have given the entity a credit rating of AA+ which is equal to New Zealand Government sovereign rating.

As at 30 June 2020 Tauranga City Council is one of the 31 shareholders made up of 30 local authorities and the Crown. All 30 local authority shareholders have uncalled capital equal to their individual shareholding totalling \$20 million in aggregate which can be called on in the event that an imminent default is identified. Also together with the other shareholders, Tauranga City Council is a guarantor of all of New Zealand Local Government Funding Agency borrowings. At 30 June 2020, New Zealand Local Government Funding Agency had borrowings totalling \$11,908m (2019: \$9,531m).

Financial reporting standards require Tauranga City Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of New Zealand Local Government Funding Agency defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

The loss on default methodology was used to calculate the potential liability of the guarantee at balance date. This assessed the likelihood of any one local authority defaulting that required a call on the guarantee to be made once the uncalled capital had been applied to the default. The guarantee has been proportionally allocated on a rates income basis.

Legal risk

Council is aware of potential legal claims and has not included these as a contingency. At the time of writing this report the amount of these claims was unknown. Council has not disclosed any further detailed information about this contingency due to its commercial sensitivity.

Treaty settlement

Tangata Whenua are identified as a priority for Tauranga City Council and it remains committed to developing the partnership together. From a long history and a strong foundation of protocol agreements, Tauranga City Council continues to develop systems and relationships to meet the changing political, economic and social environments in Tauranga Moana. A key change will be the treaty settlements when they are finalised.

Tauranga City Council is currently working closely with the Tangata Whenua Collective to build a stronger voice to assist and guide Council decision making processes. This includes consultation and representation to ensure active participation and advice into key strategies. In addition the strategic engagement framework continues to develop to set out how the partners can best work together to add value to the City. Through this partnership Tauranga City Council and Tangata Whenua gain a better understanding of how each others processes work, where synergies exist and therefore how each party can add value to the relationship.

Tangata Whenua have clear aspirations set out in hapu management plans and these give opportunities for collaboration in areas of mutual interest bringing added culture, history and depth to Tauranga City.

Collective strategic engagement and effective communication will bring the best out of the partnership between Tauranga City Council and the Tangata Whenua of Tauranga Moana.

Leaky building claims

Tauranga City Council has recognised a provision of \$26m relating to actual and potential claims under the Weathertight Homes Resolutions Service and the Financial Assistance Package for leaky homes. These are for claims that are still to be investigated and confirmed, which includes work to assess whether other available parties will share the liability and work to assess the costs. The provisions represent the estimated amount payable under these claims including the insurance excess based on information currently available.

Tauranga City Councils maximum exposure to Leaky Buildings claims is currently estimated as an additional \$18m. It is not considered probable that this liability will materialise hence this is recognised as a contingent liability.

Ministry of Education and Carter Holt Harvey

In 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the shadow clad plywood cladding sheets manufactured and distributed by Carter Holt Harvey. The Ministry of Education's claim against Carter Holt Harvey is for 833 school buildings, 59 of which are located within Tauranga. In 2016, Carter Holt Harvey commenced proceedings against 48 councils, including Tauranga City Council, alleging a breach of duty in the processing of buildings consents, undertaking building inspections and issuing Code Compliance Certificates.

28 school buildings (of the 59) in Tauranga built outside the 10 year long stop contained within the Building Act 2004 have since been struck out by the High Court.

At present there is insufficient information to conclude on potential liability and claim quantum, if any.

Homeowners and Carter Holt Harvey

During the year, a group of homeowners initiated High Court proceedings against Carter Holt Harvey and others alleging inherent defects in the shadow clad plywood cladding sheets manufactured and distributed by Carter Holt Harvey. Carter Holt Harvey has joined 19 Councils as co defendants in this claim.

At present, there is still insufficient information to conclude on potential liability and claim quantum, if any.

Superannuation schemes

Tauranga City Council is a participating employer in the Defined Benefit Plan Contributors Scheme ('the Scheme') which is a multi employer defined benefit scheme.

The Scheme had 110 members at 31 March 2020. Two of these are employees of Tauranga City Council.

There were no overdue or prepaid contributions at balance date.

Uncalled capital

A contingent liability exists to Bay Venues Ltd for \$18m of uncalled capital.

DRAFT

Note 43: Remuneration of Chief Executive, Key Management Personnel, Mayor and Elected Members

Local government disclosures

The Chief Executive of Tauranga City Council is appointed under Section 42(1) of the Local Government Act 2002.



Chief Executive

The current Chief Executive commenced on 3 September 2018.

The total cost to Tauranga City Council for the remuneration package received by the Chief Executive for the year ended 30 June 2020 was \$432,522 (10 months ended 30 June 2019: \$323,658) of which \$nil was at risk (performance based) (10 months ended 30 June 2019: \$nil) and \$12,405 was employer contributions to superannuation schemes (10 months ended 30 June 2019: \$9,208). There were fringe benefits of \$11,575 for the company vehicle provided as part of the employee package (10 months ended 30 June 2019: \$10,337).

The previous Chief Executive of Tauranga City Council left on 31 August 2018 and was paid \$153,874 for the period 1 July 2018 to 31 August 2018.

The current Chief Executive is supplied a council owned car park so there is no fringe benefit.

The Chief Executive is employed under contract for a five year term. The remuneration package was based on advice given to Council by an independent consultant.

	Council	
	Actual 2020 \$'000	Actual 2019 \$'000
KEY MANAGEMENT PERSONNEL REMUNERATION		
Councillors		
Remuneration	1,198	958
Total Councillors Remuneration	1,198	958
Full Time Equivalent Members		
Remuneration	11	11
Senior Management Team, Including the Chief Executive		
Remuneration	1,945	2,528
Total Senior Management Team, Including the Chief Executive Remuneration	1,945	2,528
Full Time Equivalent Personnel		
Remuneration	7	8
TOTAL KEY MANAGEMENT PERSONNEL REMUNERATION	3,143	3,486
Total Full Time Equivalent Personnel	18	19

Due to the difficulty in determining the full time equivalent for Councillors, the full time equivalent figure is taken as the number of Councillors

Mayor and Elected Members

Local government disclosures

Remuneration to Mayor and Councillors in accordance with the provisions of Clause 6 of Schedule 7 of the Local Government Act 2002.



The following people held office as elected members of the Council's governing body during the reporting period. The aggregate monetary remuneration to Councillors and the Mayor during the year totalled \$1,197,889 (2019:\$957,592) and is disaggregated and classified as follows:

The monetary remuneration detailed above (Salary and Expenses Allowances) is determined by Council Resolution within limits set by the Local Government Elected Members.

Current

Abrie, Jako
 Baldock, Larry (Deputy Mayor from 25 October 2019 to 2 June 2020)
 Clout, Kelvin (Deputy Mayor, term ended 24 October 2019)
 Grainger, Bill
 Hollis, Andrew
 Hughes, Heidi
 Kiddie, Dawn
 Morris, Stephen
 Powell, Tenby (Mayor, from 25 October 2019 to present)
 Robson, John
 Salisbury, Tina

Past

Brown, Leanne
 Brownless, Greg (Mayor, term ended 24 October 2019)
 Curach, Rick
 Mason, Max
 Molloy, Terry
 Stewart, Catherine

Council	
Actual 2020 \$	Actual 2019 \$
75,927	0
121,458	79,139
113,978	92,988
92,637	77,596
67,746	0
75,927	0
75,927	0
109,497	79,539
117,190	0
93,135	77,945
78,166	0
25,711	79,014
49,005	156,296
25,459	79,293
25,459	78,893
25,459	79,293
25,208	77,596
TOTAL REMUNERATION	1,197,889
	957,592

\$ in whole numbers

Staffing levels and remuneration

Local government disclosures

The number of employees who were employed at 30 June are detailed below. Those receiving remuneration of \$60,000 or more are grouped into \$20,000 bands. If there are less than five or fewer employees in a band, they are combined upwards with the next banding as stipulated in the Local Government Act 2002.



Total Personnel

		Council
		Number of Employees
		2020
< \$60,000		321
\$60,000 \$79,999		149
\$80,000 \$99,999		146
\$100,000 \$119,999		91
\$120,000 \$139,999		53
\$140,000 \$159,999		16
\$160,000 \$179,999		14
\$180,000 \$439,999		13
Total employees		803

		Council
		Number of Employees
		2019
< \$60,000		331
\$60,000 \$79,999		147
\$80,000 \$99,999		141
\$100,000 \$119,999		69
\$120,000 \$139,999		28
\$140,000 \$159,999		22
\$160,000 \$179,999		10
\$180,000 329,000		9
Total employees		757

	Council			
	2020	2020	2019	2019
	Full Time Equivalents*	Number of Employees	Full Time Equivalents*	Number of Employees
Employees as at 30 June				
Full Time Staff	602	602	561	561
Part Time	99	141	90	131
Casual and Relief *1	11	60	12	65
TOTAL EMPLOYEES AND FULL TIME EQUIVALENTS	712	803	663	757

* based on a 40 hour week

*1 based on actual hours worked

The total employees and full time equivalent figures included in these tables do not include vacant positions at 30 June 2020.

Note 44: Severance payments

Local government disclosures

Refer to schedule 10 clause 33 of the Local Government Act 2002 for the definition of severance payments.



The value of each of the severance pays was:

Council 2020		Council 2019	
Number of employees	Council Amount Paid \$000	Number of employees	Council Amount Paid \$000
1	15	1	8
1	14	1	1
1	19	1	27
1	16	1	3
1	13	1	7
1	4	1	7
1	4	1	5
1	6	1	5
1	8	1	5
1	15	0	0
1	18	0	0
1	19	0	0
TOTAL SEVERANCE PAYMENTS	12	9	68

Severance payments include any consideration (monetary or non monetary) provided to any employee in respect of the employee's agreement to terminate his or her employment with Council, over and above the usual employee entitlements.

Note 45: Related party transactions with subsidiaries and associates

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client / recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the Council and Group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council and Group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such Group transactions.

Related party transactions required to be disclosed

Bay of Plenty Local Authority Shared Services Limited (BOPLASS Limited) is owned by nine councils and is managed from Tauranga area. Tauranga City Council owns 11% shareholding with Chief Executive being member of the board.

Bay of Plenty Local Authority Shared Services receives reduced postage costs, digital services and premises rental through Tauranga City Council.

Tauranga City Council provided accounting services to Bay of Plenty Local Authority Shared Services during the financial year to 30 June 2020 free of charge. An estimated value of the accounting services provided for the year is \$12k (2019: \$12k).

Transactions with key management personnel

Key Management personnel includes the Mayor, Councillors, Chief Executive and six Group Managers. During the year, Councillors and senior management, as part of a normal customer relationship, were involved in minor transactions with the council such as rates, water charges and the sale of goods or services with key management personnel in the ordinary course of business and on an arm's length basis.

There were close family members of Key Management Personnel employed by the Council and Group. The terms and conditions of those arrangements are no more favourable than the Council and Group would have adopted if there was no relationship to the Key Management Personnel.

No provision has been required, nor any expense recognised, for impairment of receivables, for any loans or other receivable to related parties (2019: nil).

* \$ in whole numbers

Note 46: Financial instruments

Accounting policy

For the purpose of measurement, the Council and the Group's financial assets and liabilities are classified into categories. The classification depends on the purpose for which the financial assets and liabilities are held. Management determines the classification of financial assets and liabilities and recognises these at fair value at initial recognition. Subsequent measurement and the treatment of gains and losses are presented below:



Categories	Subsequent measurement	Treatment of gains and losses
Fair value through surplus or deficit	Fair value	Surplus or deficit
Loans and receivables	Amortised cost less provision for impairment	Surplus or deficit
Available for sale financial assets	Fair value	Other comprehensive revenue and expenditure
Financial liabilities at amortised cost	Amortised cost	Surplus or deficit
Held to maturity financial assets	Amortised cost less provision for impairment	Surplus or deficit

Derivatives are, by their nature, categorised as held for trading unless they are designated into a hedge relationship for which hedge accounting is applied. As at balance date Tauranga City Council does not have any amounts in which hedge accounting is applied.

Financial assets and liabilities are offset, and the net amount reported in the Statement of Financial Position when offset is legally enforceable and there is an intention to settle on a net basis. Revenue and expenses arising as a result of financial instrument earnings or fair value adjustments are recognised as a net result for like items.

(A) Financial instrument categories

	Council		Consolidated	
	Actual 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
FINANCIAL ASSETS				
Fair Value Through Surplus or Deficit				
Derivative Financial Instruments	0	218	0	218
Shares in Unrelated Companies	391	364	391	364
Total Fair Value Through Surplus or (Deficit)	391	582	391	582
Loans and Receivables				
Cash and Cash Equivalents	14,774	16,556	15,853	17,126
Debtors and Other Receivables	39,750	30,419	39,450	31,805
Borrower Notes in New Zealand Local Government Funding Agency	9,000	7,387	9,000	7,387
Related Party Loans	17,112	14,707	0	0
Interest Free Loan	22,343	21,582	22,343	21,582
Total Loans and Receivables	102,979	90,651	86,646	77,900
Fair Value Through Official Cash Rate and Exchange				
Shares in New Zealand Local Government Funding Agency and Bay of Plenty Local Authority Shared Services Limited	1,883	1,883	1,883	1,883
TOTAL FINANCIAL ASSETS	105,253	93,116	88,920	80,365
FINANCIAL LIABILITIES				
Financial Liabilities at Amortised Cost				
Creditors and Other Payables	35,308	42,950	36,708	43,291
Borrowings - Debentures	539,699	457,628	540,699	458,602
Deposits Held	6,173	5,577	6,186	5,589
Total Fair Value at Amortised Cost	581,180	506,155	583,593	507,482
Fair Value Through Surplus or Deficit				
Derivative Financial Instruments	70,772	57,527	70,772	57,527
TOTAL FINANCIAL LIABILITIES	651,952	563,682	654,365	565,009

(B) Fair value hierarchy disclosure**Accounting policy**

For those financial instruments recognised at fair value in the Statement of Financial Position, fair values are determined according to the following hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. The quoted market price used for financial assets held by the Council and the group is the bid price at reporting date.
- Level 2 - Inputs other than quoted prices included within Level 1 using observable market inputs for the asset or liability, either directly or indirectly.
- Level 3 - Inputs for the asset or liability that are not based on observable market data.

The following table analyses the basis for valuation of classes of financial instruments measured at fair value on the Statement of Financial Position:

Council 2020			
	Total \$'000	Quoted Market Price \$'000	Observable Inputs \$'000
Financial Assets			
Derivatives	0	0	0
Listed Shares	391	391	0
TOTAL FINANCIAL ASSETS	391	391	0
Financial Liabilities			
Derivative Financial Instruments	70,772	0	70,772
TOTAL FINANCIAL LIABILITIES	70,772	0	70,772
Council 2019			
	Total \$'000	Quoted Market Price \$'000	Observable inputs \$'000
Financial Assets			
Derivatives	218	0	218
Listed Shares	364	364	0
TOTAL FINANCIAL ASSETS	582	364	218
Financial Liabilities			
Derivative Financial Instruments	57,527	0	57,527
TOTAL FINANCIAL LIABILITIES	57,527	0	57,527

Consolidated 2020			
	Total \$'000	Quoted Market Price \$'000	Observable Inputs \$'000
Financial Assets			
Derivatives	0	0	0
Listed Shares	391	391	0
TOTAL FINANCIAL ASSETS	391	391	0
Financial Liabilities			
Derivative Financial Instruments	70,772	0	70,772
TOTAL FINANCIAL LIABILITIES	70,772	0	70,772

Consolidated 2019			
	Total \$'000	Quoted Market Price \$'000	Observable Inputs \$'000
Financial Assets			
Derivatives	218	0	218
Listed Shares	364	364	0
TOTAL FINANCIAL ASSETS	582	364	218
Financial Liabilities			
Derivative Financial Instruments	57,527	0	57,527
TOTAL FINANCIAL LIABILITIES	57,527	0	57,527

There were no transfers between the different levels of the fair value hierarchy.

(C) Financial instrument risks

The significant risks that Council has and manages are interest rates, funding and credit risks.

The Council has a series of policies to manage these risks. The Council is risk averse and seeks to minimise exposure from its treasury activities. The Council has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Interest rate risks on borrowing are managed by having guidelines on the proportion of fixed and variable loans and controls related to maturity of interest rate exposures.

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. Council is exposed to interest rate fluctuations on existing and future borrowings. Council manages interest rate risk by having minimum/maximum fixed rate exposures by time bands.

Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments and borrowings issued at variable interest rates expose Tauranga City Council to cash flow interest rate risk.

Council raises long term borrowings at fixed and floating interest rates and use derivative financial instruments to manage the cash flow interest rate risk in the borrowings.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Equity securities price risk arises on listed share investments, which are classified as available for sale investments.

Interest Rate Risk

Interest rate risk is the risk that the cost of borrowing is substantially different from budget. As a result, interest expense will be significantly different compared to the projected interest expense in the Council and Group's annual plans and ten year plans. If interest rates are higher than budget, then there could be a negative impact on the Council and Group's financial performance and position. If interest rates are lower than budget, then there could be a positive impact.

The main objective of interest rate risk management is to reduce uncertainty around net interest expense as interest rates change. Mechanisms used include matching the interest rate profile of the Council and Group's financial investments and financial liabilities and, where appropriate, fixing rates through fixed rate borrowings and the use of interest rate hedging facilities.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to Tauranga City Council, causing it to incur a loss. In the normal course of business, Tauranga City Council incurs credit risk principally from short term money market investments, bank balances, accounts receivable, derivative financial instruments and sports club guarantees.

Financial Instruments which potentially subject Council to credit risk consist principally of bank balances and short term money market investments. Council reduces its risk by spreading these investments over registered banks, local authorities and other organisations. Treasury Policy permits a minimum credit rating of A+ for registered banks and other organisations. At 30 June 2020 all financial instruments were held with the four major New Zealand registered trading banks which are rated AA. There are no major concentrations of credit risk with respect to trade and other receivables.

Derivative financial instruments also expose Council to credit risk. Council's Treasury Policy provides the framework for credit risk management and it sets out the minimum credit rating of A+ for Interest Rate Risk Management Instruments and notional transaction limits for Council bank counterparties.

The Council is exposed to credit risk as guarantor of all of New Zealand Local Government Funding Agency borrowings. Information about this exposure is explained in notes 42 and 38.

Currency Risk

Council's exposure to foreign currency risk is very short in duration and therefore there is no material currency risk.

Treasury Policy

Tauranga City Council adopted the Treasury Policy in June 2006, last amended June 2020. This policy provides the policy framework for all Tauranga City Council's treasury activities and defines the operating framework within which liability management, investment and risk management activities are to be carried out. The policy amendment in June 2020 relates to the Net Debt to Total Operating Revenue ratio to align it with New Zealand Local Government Funding Agency foundation policy financial covenants. Treasury Policy amendments to Net Debt to Total Operating Revenue are:

Borrowings

The borrowing limits in Council's Treasury Policy are shown below:

Debt Ratios	Limits	Council		Consolidated	
		2020	2019	2020	2019
Net Debt to Total Operating Revenue	< 250%	206.2%	175.8%	195.3%	166.2%
Net Interest to Total Operating Revenue	< 20%	7.7%	7.4%	7.7%	7.3%
Net Interest to Rates Revenue	< 25%	11.0%	11.1%	11.5%	11.6%

Sensitivity analysis

The table below illustrates the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant based on Tauranga City Council and the Group's financial instrument exposures at balance date.

30 June 2020								
	Council				Consolidated			
	-100bps		+100bps		-100bps		+100bps	
	Surplus/ (Deficit) \$'000	Equity \$'000	Surplus/ (Deficit) \$'000	Equity \$'000	Surplus/ (Deficit) \$'000	Equity \$'000	Surplus/ (Deficit) \$'000	Equity \$'000
Interest Rate Risk								
Financial Assets								
Cash and Cash Equivalents	0	0	0	0	0	0	0	0
Derivative Financial Instruments	0	0	0	0	0	0	0	0
Financial Liabilities								
Derivative Financial Instruments	(20,322)	0	18,720	0	(20,322)	0	18,720	0
Secured Loans	4,500	0	(4,500)	0	4,500	0	(4,500)	0
TOTAL SENSITIVITY	(15,822)	0	14,220	0	(15,822)	0	14,220	0

30 June 2019								
	Council				Consolidated			
	-100bps		+100bps		-100bps		+100bps	
	Surplus/ (Deficit) \$'000	Equity \$'000	Surplus/ (Deficit) \$'000	Equity \$'000	Surplus/ (Deficit) \$'000	Equity \$'000	Surplus/ (Deficit) \$'000	Equity \$'000
Interest Rate Risk								
Financial Assets								
Cash and Cash Equivalents	0	0	0	0	0	0	0	0
Derivative Financial Instruments	26	0	(25)	0	26	0	(25)	0
Financial Liabilities								
Derivative Financial Instruments	(22,003)	0	20,195	0	(22,003)	0	20,195	0
Secured Loans	4,150	0	(4,150)	0	0	0	0	0
TOTAL SENSITIVITY	(17,827)	0	16,020	0	(21,977)	0	20,170	0

Explanation of Interest Rate Risk Sensitivity

The interest rate risk sensitivity is based on a reasonably possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease of 100 bps is equivalent to a decrease in market interest rates of 1.0%.

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of 100bps/+100bps (2019 100bps/+100bps).

(D) Maturity analysis of derivative financial instruments

The table below analyses the Council and Group's derivative financial instrument liabilities and assets into those that are settled on a net basis and those that will be settled on a gross basis into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

Council 2020					
	Carrying Amount \$'000	Less Than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000
Net Settled Derivative Assets	0	0	0	0	0
Net Settled Derivative Liabilities	(70,772)	(1,486)	(1,266)	(19,577)	(48,443)
NET MOVEMENT	70,772	1,486	1,266	19,577	48,443

Council 2019					
	Carrying Amount \$'000	Less Than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000
Net Settled Derivative Assets	218	218	0	0	0
Net Settled Derivative Liabilities	57,527	1,473	2,176	4,127	49,751
NET MOVEMENT	(57,309)	(1,255)	(2,176)	(4,127)	(49,751)

Consolidated 2020					
	Carrying Amount \$'000	Less Than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000
Net Settled Derivative Assets	0	0	0	0	0
Net Settled Derivative Liabilities	(70,772)	(1,486)	(1,266)	(19,577)	(48,443)
NET MOVEMENT	70,772	1,486	1,266	19,577	48,443

Consolidated 2019					
	Carrying Amount \$'000	Less Than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000
Net Settled Derivative Assets	218	218	0	0	0
Net Settled Derivative Liabilities	57,527	1,473	2,176	4,127	49,751
NET MOVEMENT	(57,309)	(1,255)	(2,176)	(4,127)	(49,751)

(E) Credit risk

Maximum Exposure to Credit Risk

Tauranga City Council's maximum credit risk exposure for each class of financial instruments is as follows:

	Council		Consolidated	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash at Bank and Term Deposits	14,774	16,556	15,853	17,126
Debtors and Other Receivables	39,750	30,419	39,450	31,805
Borrowers Notes New Zealand Local Government Funding Agency	9,000	7,387	9,000	7,387
Community and Related Party Loans and Investments	17,112	14,707	0	0
Derivative Financial Instruments	0	218	0	218
TOTAL CREDIT RISK	80,636	69,287	64,303	56,536

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

	Council		Consolidated	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
COUNTERPARTIES WITH CREDIT RATINGS				
Cash at Bank and Term Bank Deposits				
AA-	14,774	16,556	15,853	17,126
Total Counterparties with Credit Ratings	14,774	16,556	15,853	17,126
Derivative Financial Instruments				
AA-	0	218	0	218
Total Derivative Financial Instruments	0	218	0	218

Credit risk attaching to rates receivables is minimised as a result of the Entity's statutory collection powers under the Local Government (Rating) Act 2002.

Debtors and other receivables arise mainly from Tauranga City Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external ratings. Tauranga City Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and Tauranga City Council has powers under the Local Government Act (2002) to recover outstanding debts from ratepayers.

(F) Management of liquidity risk

Liquidity risk is the risk Tauranga City Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. The Tauranga City Council aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, Tauranga City Council maintains a target level of investments that must mature within the next 12 months. Tauranga City Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy. These policies have been adopted as part of Tauranga City Council's Long Term Plan.

The Council also has a committed overdraft facility of \$70m (2019: \$70m). There are no restrictions on the use of this facility.

Contractual Maturity Analysis of Financial Liabilities Excluding Derivatives

The table below analyses Tauranga City Council and group's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

Council 2020						
	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
Financial Liabilities						
Secured Loans	63,127	71,034	168,943	287,678	590,782	539,699
Creditors And Other Payables	33,771	0	0	0	33,771	33,771
TOTAL FINANCIAL LIABILITIES	96,898	71,034	168,943	287,678	624,553	573,470

Council 2019						
	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
Financial Liabilities						
Secured Loans	69,079	64,447	128,457	270,898	532,881	457,628
Creditors And Other Payables	40,529	0	0	0	40,529	40,529
TOTAL FINANCIAL LIABILITIES	109,608	64,447	128,457	270,898	573,410	498,157

Consolidated 2020						
	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
Financial Liabilities						
Secured Loans	64,127	71,034	168,943	287,678	591,782	540,699
Creditors And Other Payables	35,171	0	0	0	35,171	35,171
TOTAL FINANCIAL LIABILITIES	99,298	71,034	168,943	287,678	626,953	575,870

Consolidated 2019						
	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
Financial Liabilities						
Secured Loans	70,053	64,447	128,457	270,898	533,855	458,602
Creditors And Other Payables	42,172	0	0	0	42,172	42,172
TOTAL FINANCIAL LIABILITIES	112,225	64,447	128,457	270,898	576,027	500,774

Contractual Maturity Analysis of Financial Assets

The table below analyses Tauranga City Council and Group's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

Council 2020					
	Less Than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Contractual Cash Flows \$'000
Financial Assets					
Cash and Cash Equivalents	14,774	0	0	0	14,774
Debtors and Other Receivables	39,750	0	0	0	39,750
Other Financial Assets	0	0	0	22,734	22,734
Community and Related Party Loans	0	0	0	17,112	17,112
TOTAL FINANCIAL ASSETS	54,524	0	0	39,846	94,370

Council 2019					
	Less Than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Contractual Cash Flows \$'000
Financial Assets					
Cash and Cash Equivalents	16,556	0	0	0	16,556
Debtors and Other Receivables	30,419	0	0	0	30,419
Other Financial Assets	0	0	0	21,946	21,946
Community and Related Party Loans	0	0	0	14,707	14,707
TOTAL FINANCIAL ASSETS	46,975	0	0	36,653	83,628

Consolidated 2020					
	Less Than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Contractual Cash Flows \$'000
Financial Assets					
Cash and Cash Equivalents	15,853	0	0	0	15,853
Debtors and Other Receivables	39,450	0	0	0	39,450
Other Financial Assets	0	0	0	22,734	22,734
Community and Related Party Loans	0	0	0	0	0
TOTAL FINANCIAL ASSETS	55,303	0	0	22,734	78,037

Consolidated 2019					
	Less Than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Contractual Cash Flows \$'000
Financial Assets					
Cash and Cash Equivalents	17,126	0	0	0	17,126
Debtors and Other Receivables	31,805	0	0	0	31,805
Other Financial Assets	0	0	0	21,946	21,946
Community and Related Party Loans	0	0	0	0	0
TOTAL FINANCIAL ASSETS	48,931	0	0	21,946	70,877

Note 47: Capital management

Local government disclosures



Tauranga City Council's capital is its equity (or ratepayers' funds) which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Tauranga City Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers funds are largely managed as a by product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by Tauranga City Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising Tauranga City Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, Tauranga City Council has in place asset management plans for major classes of assets detailing renewal and maintenance programs, to ensure ratepayers in future generations are not required to meet the cost of deferred renewals and maintenance.

The Act requires Tauranga City Council to make adequate and effective provision in its Long Term Plan and its annual plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors that Tauranga City Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in Tauranga City Council's Long Term Plan.

Tauranga City Council has the following Council reserves:

- Restricted Reserves Development Contributions and Restricted Reserve and Trust Funds
- Other Council Created Reserves used for a special purpose e.g Risk Management Fund
- Depreciation Reserves

Trust and bequest reserves are set up where the Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

Refer to note 49.

Note 48: Explanations of major variances against budget and current year actuals compared to prior year

STATEMENT OF FINANCIAL POSITION

	Variance against budget	Variance against last year
CURRENT ASSETS		
Cash and Cash Equivalents	For budget purpose all movements are budgeted in borrowings with minimal cash holdings. Timing in carrying out borrowing and the capital expenditure programme has led to this variance.	The decrease in Cash and Cash Equivalents is due to the timing of expenditure and borrowing programmes throughout the year.
Debtors and Other Receivables	Increased activity in Development Contributions and growth related revenue has resulted in the actual debtors being higher than budgeted.	This asset fluctuates on a regular basis due to timing. The reduced debtor position at year end relates to a significant NZTA retrospective funding receipt invoiced but not received at 30 June 2018.
Inventories	Variation due to stock holding at balance date fluctuating.	No material variation.
Derivative Financial Instruments	Due to lower interest rates than those calculated during the budget there has been a movement in Derivatives at balance date.	Interest rates have moved over the course of 2018/19 and the portfolio has changed.
Other Investments (Current)	Not applicable.	Not applicable.
Non Current Assets held for Sale	The decrease against budget relates to Council decisions during the year relating to the disposal of land and buildings.	The decrease against the prior year reflects the Council decisions during the year relating to the disposal of land and buildings and the movement from the Investment Property portfolio.
NON CURRENT ASSETS		
Derivative Financial Instruments	Nil balance due to interest rate swaps either maturing or having moved to current assets at balance date.	Refer comments on variation from budget.
Investments in Associate	Not applicable.	Not applicable.
Other Financial Assets	The financial asset held for sale that provides the basis for the interest free loan is based on interest generated from a potential sale to the original vendor, which has initiated a review of the valuation basis.	No material variation from last year.
Other Investments (Non Current)	Decrease in loan to BVL and borrower notes to LGFA which were not budgeted for.	Increase in loan to BVL and borrower notes to LGFA compared to 2018.
Investment Properties	The decrease against budget is not considered material.	The increase against the prior year is due to revaluation gains and transfer of assets into Non-Current Assets Held for Sale.
Intangible Assets	Computer software additions were well above budgeted levels due to the completion of several major projects	Refer comments on variation from budget.
Forestry	Impact of revaluation of forestry assets in 2019.	Refer comments on variation from budget.
Property, Plant and Equipment	Current year additions of \$215m plus the valuation increases in infrastructure assets of \$322m has seen the asset value significantly increase over budget.	Refer comments on variation from budget.
CURRENT LIABILITIES		
Creditors and Other Payables	This liability fluctuates on a regular basis due to the timing of workload relative to year-end.	Variance mainly due to reductions in GST Payable and expenditure accruals.
Provisions	Variance due to an increased provision for Weathertight Homes Resolution.	Reversal of Bella Vista provision made in 2018 reduced the impact of current year provisions.
Employee Entitlements	Additional staff numbers, leading to increased leave entitlements.	Refer comments on variation from budget.
Deposits Held	Reduction in general deposits held.	Refer comments on variation from budget.
Revenue in Advance Developer Contributions	Balance of revenue receivable under works in lieu agreements with developers has reduced.	Difference due to significant NZTA funding received in advance at 2018 balance date.

	Variance against budget	Variance against last year
Derivative Financial Instruments	The current portion of derivatives for 2019 has increased due to the maturity timing of the derivatives.	Refer comments on variation from budget.
Borrowings	Short-term borrowings are higher due to the timing of debt maturity. See explanation of borrowings under non-current liabilities.	Refer comments on variation from budget.
NON CURRENT LIABILITIES		
Deferred Tax Liability	No budget provided at Council level.	Deferred tax liability has decreased due to taxable activities generating profits.
Employee Entitlements	No material variance	No material variance.
Derivative Financial Instruments	Variance is due to the impact of decreasing market interest rates on the valuation of Interest Rate Derivatives.	Refer comments on variation from budget.
Borrowings	Overall borrowings are under total Borrowings budget as a result of capital budget underspend.	Borrowings are up overall due to substantial growth related capital expenditure and lower contributions from NZTA subsidy.
EQUITY		
Retained Earnings	Below budget after tax surplus, reflecting the lower value of vested assets and NZTA capital subsidies, in addition to unrealised losses on interest rate swaps.	A significant after tax surplus resulting from strong revenues and below budget operating expenses, has generated the rise in Retained Earnings.
Restricted Reserves	Lower development contributions reserve deficit than budgeted due to higher development contribution revenue in prior years and slower capital delivery.	Higher development contribution reserve deficit balances than 2018 due to lower development contributions revenue and high capital expenditure.
Council Created Reserves	Increase due to significant capitalisation in 2019 and increases from the infrastructure valuations.	Increased depreciation transfers due to increase in capitalisation and increases from revaluation.
Asset Revaluation Reserve	Infrastructure assets were revalued in the current financial year. Overall there has been a significant increase in the value of these assets since the last valuation.	Refer comments on variation from budget.
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES		
Rates	No material variation in rates revenue or water by meter revenue.	Increase is due to the higher number of rateable properties and upwards movement of rateable property values in 2019. Water by meter revenue increased from last year due to increase in consumption volumes and charge per cubic meter.
Fees and Charges	Fees and charges lower than budgeted due to lower than budget building consents and decreasing revenue in building-related services.	Fees and charges are higher than last year mainly due to an increase in airport landing charges and on-street parking revenue.
Grants and Subsidies	Increase in petrol tax revenue and operational NZTA subsidies due to growth roading projects.	Increase in operational NZTA subsidies due to growth roading projects.
Finance Revenue	Income above budget due to higher cash deposits than budgeted.	Refer comments on variation from budget.
Vested Assets	Lower value of assets vested to Council than budgeted due to the timing of completion of significant projects.	Some high value projects vested in 2019.
Development Contributions	Revenue below budget due to slower development activity than budgeted.	Refer comments on variation from budget.
Grants and Subsidies Capital Expenditure Contributions	Reduced revenue received from NZTA for budgeted growth projects in 2019.	Refer comments on variation from budget.
Other Capital Expenditure Contributions	Unbudgeted insurance proceeds for the settlement of the Bella Vista development.	Refer comments on variation from budget.
Other Gains	Gains from revaluation of investment properties and forestry assets, which are not budgeted.	Large current year revaluation gains for investment properties reflect the strong commercial property market.

	Variance against budget	Variance against last year
Depreciation	Increase in useful lives of some infrastructure assets resulting from revaluations in 2019 and greater capitalisation.	Above prior year due to higher asset base and upwards movement in infrastructure valuations.
Personnel Costs	Reflects the high number of unfilled positions and vacancies resulting from a restructure.	Personnel costs are higher due to additional staff employed to meet additional workload requirements, particularly in activities related to infrastructure services, because of high growth of capital projects.
Finance Expenses	Finance costs were marginally below budget attributable to lower debt levels, resulting from slower capital delivery.	Net finance costs were slightly higher due largely to higher debt levels.
Other Operating Expenses	Other operating expenses are lower than budget primarily due to delays in development of the Te Tumu and Tauriko West structure plans and other city growth plans, resulting in lower project costs. Costs associated with Bella Vista homes are included here.	Increased costs for the following activities: Airport – mainly related to higher passenger numbers. Resource Recovery and Waste - new glass kerbside collection service. Wastewater – Commencement of Te Maunga treatment plant. Water Catchment – Forestry harvest costs and additional maintenance work. Infrastructure Growth - Delays in development of the Te Tumu and Tauriko West structure plans and other city growth plans, resulting in lower cost recoveries from developers.
Assets Vested to Other Parties	Vesting of a Council constructed asset, Takitimu Drive overbridge SH29, to NZTA. Not budgeted for.	Refer comments on variation from budget.
Other Losses	These include asset write-offs, impairment and losses, which are not budgeted and vary year to year.	These include asset write-offs, impairment and losses, which vary from year to year.
Provisions	Reversal of the Bella Vista provision, raised in 2017/18, following settlement of the homeowners claim.	Prior year included provisioning to cover new leaky buildings legal claims and provision for the settlement of Bella Vista.
Unrealised Loss on Interest Swaps	Council does not budget for derivative value movements. The variance is due to the unfavourable impact of decreasing interest rates on the valuation of interest rate derivatives.	Refer comments on variation from budget.
OTHER COMPREHENSIVE INCOME		
Asset Revaluation Gain/(losses)	Infrastructure assets were revalued in the current financial year. Overall, there has been a significant increase in the value of these assets since the last valuation due to rising construction costs.	Revaluation gains are dependent on the class of asset revalued in a given year and the movement in those asset values.
STATEMENT OF MOVEMENTS IN EQUITY		
Retained Earnings	Below budget after tax surplus, reflecting the lower value of vested assets and NZTA capital subsidies, in addition to unrealised losses on interest rate swaps.	A significant after tax surplus resulting from strong revenues and below budget operating expenses, has generated the rise in Retained Earnings.
Restricted Reserves	Lower development contributions reserve deficit balances than budgeted due to higher development contribution revenue in prior years and slower capital delivery.	Higher development contribution reserve deficit balances than 2018 due to lower development contributions revenue and high capital expenditure.
Council Created Reserves	Increase due to significant capitalisation in 2019 and increases in the valuations of infrastructure assets.	Increased depreciation transfers.
Asset Revaluation Reserves	Infrastructure assets were revalued in the current financial year. Overall there has been a significant increase in the value of these assets since the last valuation.	Refer comments on variation from budget.

	Variance against budget	Variance against last year
STATEMENT OF CASH FLOWS		
Receipts from Rates Revenue	<p>Increase is due to the higher number of rateable properties and upwards movement of rateable property values in 2019.</p> <p>Water by meter revenue increased from last year due to increase in consumption volumes and charge per cubic meter.</p>	<p>Refer comments on variation from budget.</p> <p>Refer comments on variation from budget.</p>
Grants and Subsidies	Reduced revenue received from NZTA for budgeted growth projects in 2019. Additional revenue was received in 2018 for retrospective funding.	Refer comments on variation from budget.
Insurance Proceeds	Unbudgeted insurance proceeds for the settlement of the Bella Vista development.	Refer comments on variation from budget.
Development Contributions	Revenue below budget due to slower development activity than budgeted.	Refer comments on variation from budget.
Fees and Charges	Fees and charges lower than budgeted due to lower than budget building consents and decreasing revenue in building-related services.	Fees and charges are higher than last year mainly due to an increase in airport landing charges and on-street parking revenue.
Interest Received	Income above budget due to higher cash deposits than budgeted.	Refer comments on variation from budget.
Dividends	No material variance.	No material variance.
Payments to Suppliers and Employees.	<p>Although Other expenses actual was below budget, historical payments made for past Weatheright claims was not budgeted for on the cashflow.</p> <p>Reflects the high number of unfilled positions and vacancies resulting from a restructure.</p>	<p>Refer comments on variation from budget.</p> <p>Employee costs are higher due to additional staff employed to meet additional workload requirements, particularly in activities related to infrastructure services, because of high growth of capital projects.</p>
Interest Paid	Finance costs were marginally below budget attributable to lower debt levels, resulting from slower capital delivery.	Net finance costs were slightly higher due largely to higher debt levels.
Goods and Services Tax (net)	This is assumed to be zero for budget purposes as it is a clearing account. Any net flow is due to timing.	Refer comments on variation from budget.
Proceeds from Sales of Assets	Sale proceeds fluctuate on an annual basis with the level of property sales.	Refer comments on variation from budget.
Purchase of Property, Plant and Equipment and Intangibles	Reflects the actual capital programme spend for the year and includes prior year projects that have been carried forward. Some of the projects not completed during the year will be carried forward to next financial year.	Refer comments on variation from budget.
Proceeds and Repayment of Borrowings	The actual inflow and outflow varies based on the timing of borrowings. Borrowings exceeded the repayments for the year.	Borrowings exceeded the borrowings for last year as a result of a higher capital expenditure spend.

Note 49: Statements of Reserves

Accounting policy

Restricted Reserves

Restricted reserves are those reserves subject to specific conditions accepted as binding by Tauranga City Council and which may not be revised by Tauranga City Council without reference to the courts or a third party. Restricted reserves may be legally restricted. Transfers from these reserves may be made only for certain specified purposes or if certain specified conditions are met.



(A) Restricted reserves - development contributions

Reserves relating to the collection of revenue from development contributions for the purpose of funding growth related expenditure. Each reserve is shown by area. A debit in a reserve indicates a negative reserve due to funding of growth related capital expenditure prior to revenue being collected.

NOTE 49A: STATEMENT OF RESTRICTED RESERVES - DEVELOPMENT CONTRIBUTIONS for the year ended June 2020

Restricted Reserves (Development Contribution)	Activities to which the reserve relates	Opening Balance 2019/20 \$000's	Transfers In 2019/20 \$000's	Transfers Out 2019/20 \$000's	Closing Balance 2019/20 \$000's
CITY WIDE DEVELOPMENT CONTRIBUTION					
Building Impact Fees	LIBRARIES	(166)	0	(5)	(171)
	PARKS AND RECREATION	(373)	(1,292)	1,388	(277)
	STORMWATER	(94)	41,246	(2)	(55)
	TRANSPORTATION	986	(320)	166	832
	WASTEWATER	(5,080)	(5,111)	9,768	(424)
	WATER SUPPLY	30,902	(4,411)	53,112	79,603
LOCAL DEVELOPMENT CONTRIBUTIONS					
Bethlehem	PARKS AND RECREATION	(1,064)	0	384	(679)
	STORMWATER	986	(68)	58	976
	TRANSPORTATION	1,120	(83)	65	1,102
	WASTEWATER	1,745	(52)	106	1,799
	WATER SUPPLY	687	(15)	42	713
Bethlehem West	PARKS AND RECREATION	2,533	(23)	159	2,668
	STORMWATER	1,446	(22)	88	1,512
	TRANSPORTATION	3,828	(24)	234	4,038
	WASTEWATER	680	(21)	62	721
	WATER SUPPLY	(34)	(11)	(1)	(47)
Mount Maunganui Infill	PARKS AND RECREATION	(55)	0	28	(27)
	WASTEWATER	1,974	0	122	2,095
	WATER SUPPLY	(172)	0	(5)	(177)
Neewood	WASTEWATER	1	0	0	2
Ohauti/Hollister Lane	PARKS AND RECREATION	670	0	41	711
	STORMWATER	350	(44)	20	326
	TRANSPORTATION	(41)	(73)	(2)	(116)
	WASTEWATER	472	(87)	26	410
	WATER SUPPLY	2,393	(301)	136	2,227

NOTE 49A: STATEMENT OF RESTRICTED RESERVES - DEVELOPMENT CONTRIBUTIONS
for the year ended June 2020

Restricted Reserves (Development Contribution)	Activities to which the reserve relates	Opening Balance 2019/20 \$000's	Transfers In 2019/20 \$000's	Transfers Out 2019/20 \$000's	Closing Balance 2019/20 \$000's
Pāpāmoa East I (Wairakei)	STORMWATER	(42)	(1,221)	3,778	2,515
	TRANSPORTATION	(3,177)	(2,505)	164	(5,517)
	WASTEWATER	(3,213)	(516)	(73)	(3,802)
	WATER SUPPLY	(2,182)	(633)	12	(2,803)
Pāpāmoa East II (Wairakei)	STORMWATER	1,268	0	78	1,347
	TRANSPORTATION	8,316	0	745	9,061
	WASTEWATER	909	0	123	1,032
Pāpāmoa	PARKS AND RECREATION	(3,149)	(54)	(60)	(3,263)
	STORMWATER	3,023	(281)	612	3,355
	TRANSPORTATION	5,115	(253)	(1,366)	3,497
	WASTEWATER	223	(66)	11	168
	WATER SUPPLY	(148)	(19)	(4)	(172)
Pukemapu	WASTEWATER	2	0	0	3
Pyes Pa	PARKS AND RECREATION	(1,964)	0	(54)	(2,018)
	STORMWATER	52	0	3	55
	TRANSPORTATION	595	0	80	676
	WASTEWATER	(301)	0	(8)	(309)
	WATER SUPPLY	(56)	0	1	(56)
Pyes Pa West	PARKS AND RECREATION	(836)	(69)	(24)	(930)
	STORMWATER	7,608	(702)	980	7,885
	TRANSPORTATION	4,631	(268)	765	5,128
	WASTEWATER	(1,855)	(89)	(53)	(1,996)
	WATER SUPPLY	1,528	(31)	140	1,637
South Ohauiti	WASTEWATER	2	0	0	2
South Pyes Pa	TRANSPORTATION	4,152	0	0	4,152
	WASTEWATER	280	0	17	298
	WATER SUPPLY	111	0	0	111
Southern Pipeline Reserve	WASTEWATER	61,590	(3,020)	4,728	63,298
Tauranga Infill	PARKS AND RECREATION	(5,943)	0	1,003	(4,941)
	STORMWATER	0	22	0	22
	TRANSPORTATION	1,496	0	92	1,589
	WASTEWATER	45	(42)	1	4
	WATER SUPPLY	(683)	0	(19)	(702)
Tauriko Business Estate	STORMWATER	409	(2,981)	(33)	(2,605)
	TRANSPORTATION	(99)	(5,074)	(48)	(5,221)
	WASTEWATER	(2,892)	(644)	774	(2,762)
	WATER SUPPLY	1,367	(433)	84	1,018
Waitaha/Waikite	PARKS AND RECREATION	(1,267)	0	(36)	(1,303)
	STORMWATER	(100)	(15)	(3)	(119)
	TRANSPORTATION	(657)	(25)	(19)	(701)
	WASTEWATER	986	(14)	60	1,032
	WATER SUPPLY	1,287	(25)	78	1,340
TOTAL DEVELOPMENT CONTRIBUTIONS		120,128	(30,877)	78,519	167,770

(B) Restricted reserves and trust funds

Reserves and funds for which expenditure is restricted to the purpose of the reserve under Trust deed.

NOTE 49B: STATEMENT OF RESTRICTED RESERVES AND TRUST FUNDS - for the year ended June 2020						
Restricted Reserves	Description of Reserve	Activities to which the reserve relates	Opening Balance 2019/20 \$'000's	Transfers In 2019/20 \$'000's	Transfers Out 2019/20 \$'000's	Closing Balance 2019/20 \$'000's
Carruthers Capital	Fund to provide and maintain homes and flats for elderly persons.	CORPORATE TREASURY	(34)	0	0	(34)
Carruthers Income	Revenue from the capital fund that can be distributed.	CORPORATE TREASURY	(18)	0	(1)	(20)
E.V Flower Family Trust	For city museum maintenance of aviary.	CORPORATE TREASURY	(21)	0	(1)	(22)
Endowment Land Fund	Proceeds received from the sale of endowment land in Devonport Road.	CORPORATE TREASURY	(65)	0	(2)	(66)
Landscape Impact Fee	To develop street planting - funds from impact fee in industrial areas.	CORPORATE TREASURY	(121)	0	(3)	(125)
Museum Collection Fund	For the provision and development of the museum collection.	CORPORATE TREASURY	(184)	0	(5)	(189)
Parking Fees Reserve (JOG)	Funds for parking management and Joint Officials Group (JOG).	CORPORATE TREASURY	(2)	0	0	(2)
Parking Impact Fee	The City Plan imposes an impact fee on development that impacts on Parking.	CORPORATE TREASURY	(729)	0	(20)	(749)
Roading Land Purchase Fund	For roading land purchases (funded by roading land sales).	CORPORATE TREASURY	(1,602)	0	(45)	(1,646)
Stewarts Trust Capital	Fund to provide relief from poverty for aged and needy persons.	CORPORATE TREASURY	(558)	0	0	(558)
Stewarts Trust Income	Revenue from the capital fund that can be distributed.	CORPORATE TREASURY	(129)	0	(19)	(149)
Strategic Fundraising Reserve	Revenue from external parties for projects.	COMMUNITY DEVELOPMENT	0	0	26	26
		CORPORATE TREASURY	(1,442)	(23)	(39)	(1,504)
		PEOPLE AND CAPABILITIES	0	0	13	13
Strategic Roading Network	Roading fund for strategic roading network and sub-regional transportation.	CORPORATE TREASURY	(7)	0	0	(7)
TDC Eden Family Trust	For city museum maintenance of the steam engine	CORPORATE TREASURY	(15)	0	0	(16)
Water Future Land Purchase	To purchase additional land in water catchment areas when it becomes available.	CORPORATE TREASURY	(161)	0	(4)	(166)
TOTAL RESTRICTED RESERVES AND TRUST FUNDS			(5,089)	(23)	(102)	(5,214)

Accounting policy



Council Created Reserves

Council Created Reserves are part of the accumulated balance and are established at the will of Tauranga City Council. Tauranga City Council may alter them without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of Tauranga City Council.

(C) Other council created reserves

These reserves are established by resolution of Council for a particular purpose. This purpose can be amended by resolution of Council.

NOTE 49C: STATEMENT OF OTHER COUNCIL CREATED RESERVES - for the year ended June 2020

Other Council Created Reserve	Description of Reserve	Activities to which the reserve relates	Opening Balance 2019/20 \$'000's	Transfers In 2019/20 \$'000's	Transfers Out 2019/20 \$'000's	Closing Balance 2019/20 \$'000's
Risk Management Fund	For the purpose of managing Council's financial risk and to fund unforeseen events.	CORPORATE TREASURY	15,477	(1,305)	13,547	27,719
General Contingency	Miscellaneous expenditure for operational items not foreseen in annual plan.	CORPORATE TREASURY	0	(389)	0	(389)
Biosolids Reserve	Reserve to provide for biosolids maintenance.	WASTEWATER	(986)	0	771	(214)
Targeted Rate - Kerbside Collection Reserve	Targeted rates collected for kerbside collection.	SUSTAINABILITY AND WASTE	0	16	579	595
Waste Levy Reserve Account	To receive funds from waste management levy for approved activity.	SUSTAINABILITY AND WASTE	(1,074)	(788)	328	(1,534)
Bethlehem Roundabout	Funding of slip lane for Parau lane.	TRANSPORTATION	(86)	0	(2)	(89)
Boscabel Subdivision Water Supply	Funding of upgrading the Water Supply for the subdivision	WATER SUPPLY	(17)	0	0	(17)
Stormwater Reactive Reserve	Levy collected for stormwater remedial works.	STORMWATER	(7,130)	(2,300)	(159)	(9,588)
Wastewater Enhancement Reserve	For the purpose of mitigating the cultural and environmental affects of the wastewater scheme.	WASTEWATER	(571)	(50)	(17)	(638)
Tauranga Hockey Turf 1	For the purpose of replacing turf.	PARKS AND RECREATION	(260)	(54)	(8)	(322)
Tauranga Hockey Turf 2	For the purpose of replacing turf.	PARKS AND RECREATION	(260)	(54)	(8)	(322)
Voluntary Rates Account	To maintain voluntary rate payments.	CORPORATE TREASURY	(8)	0	0	(8)
Elder Housing Sale Reserve	Proceeds received from the sale of Elder Housing.	ELDER HOUSING	0	0	134	134
			5,085	(4,924)	15,165	15,326

(D) Council created depreciation reserves

Depreciation balances (charge less expenditure) are held in depreciation reserve by activity.

NOTE 49D: STATEMENT OF COUNCIL CREATED RESERVES - DEPRECIATION RESERVES
for the year ended June 2020

Depreciation Reserves	Activities to which the reserve relates	Opening Balance 2019/20 \$000's	Transfers In 2019/20 \$000's	Transfers Out 2019/20 \$000's	Closing Balance 2019/20 \$000's
	AIRPORT	(8,224)	(1,871)	651	(9,444)
	ANIMAL SERVICES	(229)	(51)	97	(184)
	ARTS AND HERITAGE	(300)	(22)	1	(321)
	BAYCOURT	(1,582)	(561)	168	(1,975)
	BEACHSIDE HOLIDAY PARK	127	(104)	333	356
	BUILDING SERVICES	(623)	(319)	66	(876)
	CEMETERIES	(725)	(165)	529	(361)
	CITY AND INFRASTRUCTURE PLANNING	(18)	(30)	0	(47)
	CITY CENTRE	4,361	0	(4,362)	(1)
	CITY EVENTS	(5)	(4)	1	(8)
	COMMUNITY DEVELOPMENT	(11)	(494)	831	326
	CORPORATE SERVICES	(6,302)	(5,622)	5,880	(6,044)
	ELDER HOUSING	(7,386)	(2,381)	689	(9,078)
	EMERGENCY MANAGEMENT	743	(32)	232	943
	ENVIRONMENTAL PLANNING	4	(1)	1	4
	ENVIRONMENTAL PROTECTION	(4)	(25)	55	26
	GOVERNANCE	(1)	(2)	0	(4)
	LIBRARIES	(2,701)	(1,128)	2,029	(1,800)
	MARINE FACILITIES	(3,417)	(1,595)	434	(4,578)
	MARINE PRECINCT	(48)	(588)	334	(302)
	PARKS AND RECREATION	(34,793)	(11,301)	12,796	(33,298)
	REGULATION AND MONITORING	(112)	(11)	1	(122)
	SUSTAINABILITY AND WASTE	296	(285)	136	148
	STORMWATER	(19,198)	(4,722)	2,589	(21,331)
	TRANSPORTATION	(4,293)	(7,643)	7,256	(4,680)
	WASTEWATER	(24,636)	(9,745)	7,163	(27,218)
	WATER SUPPLY	(23,199)	(7,245)	4,744	(25,700)
		(132,276)	(55,946)	42,653	(145,569)

The activities above now represent the groupings as per the 2018-2028 Long Term Plan.

DRAFT

DRAFT

DRAFT



Tauranga City